

United Way of Broward County, Inc.

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

For the Years Ended June 30, 2012 and 2011

United Way of Broward County, Inc.

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Independent Auditors' Report

To the Board of Directors
United Way of Broward County, Inc.
Fort Lauderdale, Florida

We have audited the accompanying statements of financial position of **United Way of Broward County, Inc.** ("United Way") as of June 30, 2012 and 2011 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of United Way's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 financial statements referred to above present fairly, in all material respects, the financial position of United Way as of June 30, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2012, on our consideration of United Way's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information, on page 39, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of the United Way's management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Miami, Florida
December 13, 2012

BDO USA, LLP
Certified Public Accountants

United Way of Broward County, Inc.
Statements of Financial Position

<i>June 30,</i>	2012	2011
Assets		
Cash and cash equivalents	\$ 2,750,830	\$ 1,099,259
Investments (Note 2)	4,982,715	6,740,618
Contributions receivable, net of discount and allowance (Note 3)	3,288,729	3,356,317
Donor-designated pledges receivables, net of allowance (Note 3)	552,416	574,008
Grants receivable and other receivables	464,804	447,234
Prepaid expenses and other assets	71,545	49,229
Total Current Assets	12,111,039	12,266,665
Contribution receivable, net of discount and allowance (Note 3)	255,060	-
Land, buildings and equipment, net (Note 4)	384,163	324,260
Beneficial interest in assets held by others (Note 9)	1,125,431	1,193,713
Total Assets	\$ 13,875,693	\$ 13,784,638
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 620,341	\$ 690,055
Accrued pension cost (Note 5)	947,400	465,291
Approved allocations payable	6,236,883	6,288,769
Donor designations payable	863,150	775,687
Deferred revenue	50,196	-
Total Liabilities	8,717,970	8,219,802
Commitments and Contingencies (Note 11)		
Net Assets		
Unrestricted:		
Undesignated (Note 7)	2,513,312	2,989,849
Board designated endowment (Notes 5, 6 and 7)	1,463,061	1,145,331
Board designated allocations (Note 7)	26,000	275,800
Total Unrestricted Net Assets	4,002,373	4,410,980
Temporarily restricted (Note 7)	154,723	153,229
Permanently restricted (Notes 6 and 7)	1,000,627	1,000,627
Total Net Assets	5,157,723	5,564,836
Total Liabilities and Net Assets	\$ 13,875,693	\$ 13,784,638

See accompanying notes to the financial statements

United Way of Broward County, Inc.
Statements of Activities and Changes in Net Assets

	<i>Year ended June 30, 2012</i>			<i>Total</i>	<i>Year ended June 30, 2011</i>			<i>Total</i>
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>		<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	
Revenues								
Gross contributions	\$ 9,206,742	\$ 1,493,232	\$ -	\$ 10,699,974	\$ 8,536,504	\$ 1,446,210	\$ -	\$ 9,982,714
Less donor designations	-	(1,493,232)	-	(1,493,232)	-	(1,446,210)	-	(1,446,210)
Less provision for uncollectible pledges (Note 3)	(611,120)	-	-	(611,120)	(679,139)	-	-	(679,139)
Net contributions	8,595,622	-	-	8,595,622	7,857,365	-	-	7,857,365
Legacies and bequests	472,070	-	-	472,070	1,607	-	206,104	207,711
Federal, state & private grants	2,228,850	188,014	-	2,416,864	1,434,465	184,520	-	1,618,985
Dividends and interest	97,067	-	-	97,067	71,017	-	-	71,017
Net investment gain (loss) (Note 2)	(58,308)	-	-	(58,308)	924,891	-	-	924,891
Events and other revenue	230,729	-	-	230,729	381,571	-	-	381,571
Net assets released from restrictions:								
Purpose restrictions met	186,520	(186,520)	-	-	-	-	-	-
Expiration of time restrictions	-	-	-	-	135,339	(135,339)	-	-
Total revenues	11,752,550	1,494	-	11,754,044	10,806,255	49,181	206,104	11,061,540
Expenses								
Allocations and contracted program services								
Funds allocated to member agencies	5,640,585	-	-	5,640,585	6,040,892	-	-	6,040,892
Contracted program services	1,467,460	-	-	1,467,460	1,467,460	-	-	1,002,703
Total allocations and contracted program services	7,108,045	-	-	7,108,045	7,043,595	-	-	7,043,595
Functional expenses:								
Program services	2,399,280	-	-	2,399,280	1,660,195	-	-	1,660,195
Supporting services:								
Donor relations	1,892,150	-	-	1,892,150	1,681,693	-	-	1,681,693
Management and general	761,682	-	-	761,682	701,291	-	-	701,291
Total supporting services	2,653,832	-	-	2,653,832	2,382,984	-	-	2,382,984
Total functional expenses	5,053,112	-	-	5,053,112	4,043,179	-	-	4,043,179
Total allocations, contracted program services, and functional expenses	12,161,157	-	-	12,161,157	11,086,774	-	-	11,086,774
Change in net assets	(408,607)	1,494	-	(407,113)	(280,519)	49,181	206,104	(25,234)
Net assets, beginning of year	4,410,980	153,229	1,000,627	5,564,836	4,691,499	104,048	794,523	5,590,070
Net assets, end of year	\$ 4,002,373	\$ 154,723	\$1,000,627	\$ 5,157,723	\$ 4,410,980	\$ 153,229	\$ 1,000,627	\$ 5,564,836

See accompanying notes to the financial statements

United Way of Broward County, Inc.
Statements of Functional Expenses

<i>Year ended June 30, 2012</i>	<i>Program Services</i>	<i>Supporting Services</i>		<i>Total</i>
		<i>Donor Relations</i>	<i>Management and General</i>	
Funds allocated to member agencies	\$ 5,640,585	\$ -	\$ -	\$ 5,640,585
Contracted program services	1,467,460	-	-	1,467,460
Total allocations and contracted program services	\$ 7,108,045	\$ -	\$ -	\$ 7,108,045
Salaries and wages	\$ 1,295,678	\$ 908,535	\$ 298,323	\$ 2,502,536
Employee benefits	107,541	75,408	24,239	207,188
Payroll taxes	104,950	73,591	23,228	201,769
Total salaries and related expenses	1,508,169	1,057,534	345,790	2,911,493
Pension	319,891	225,215	79,475	624,581
Professional fees	64,788	88,148	178,370	331,306
Conferences and meetings	59,244	182,731	5,068	247,043
National and state affiliations	79,476	57,564	20,963	158,003
Advertising and awareness	115,063	37,339	1,578	153,980
Equipment rental and maintenance	59,063	35,144	13,653	107,860
Printing and publications	8,239	85,211	2,808	96,258
Occupancy	36,432	24,473	20,240	81,145
Insurance	2,124	1,416	64,009	67,549
Supplies	35,754	18,249	3,257	57,260
Telephone	19,393	10,395	3,399	33,187
Loaned executives	3,488	4,954	16,390	24,832
Travel	7,576	15,013	575	23,164
Postage and shipping	7,441	9,262	1,719	18,422
Other expenses	44,808	20,615	(11,351)	54,072
Total expenses before depreciation	2,370,949	1,873,263	745,943	4,990,155
Depreciation	28,331	18,887	15,739	62,957
Total functional expenses	\$ 2,399,280	\$ 1,892,150	\$ 761,682	\$ 5,053,112
Total allocations, contracted program services, and functional expenses	\$ 9,507,325	\$ 1,892,150	\$ 761,682	\$ 12,161,157

See accompanying notes to the financial statements

United Way of Broward County, Inc.
Statements of Functional Expenses

<i>Year ended June 30, 2011</i>	<i>Program Services</i>	<i>Supporting Services</i>		<i>Total</i>
		<i>Donor Relations</i>	<i>Management and General</i>	
Funds allocated to member agencies	\$ 6,040,892	\$ -	\$ -	\$ 6,040,892
Contracted program services	1,002,703	-	-	1,002,703
Total allocations and contracted program services	\$ 7,043,595	\$ -	\$ -	\$ 7,043,595
Salaries and wages	\$ 1,042,885	\$ 927,750	\$ 412,476	\$ 2,383,111
Employee benefits	49,458	99,315	23,451	172,224
Payroll taxes	84,144	74,683	33,204	192,031
Total salaries and related expenses	1,176,487	1,101,748	469,131	2,747,366
Professional fees	96,018	85,455	57,983	239,456
Conferences and meetings	38,122	176,425	20,335	234,882
National and state affiliations	59,357	57,239	31,338	147,934
Advertising and awareness	11,000	33,078	873	44,951
Equipment rental and maintenance	36,627	52,627	10,513	99,767
Printing and publication	12,990	38,704	1,325	53,019
Occupancy	36,968	24,297	20,178	81,443
Insurance	30,956	20,637	17,197	68,790
Supplies	26,027	29,071	7,438	62,536
Telephone	13,573	7,580	3,228	24,381
Loaned executives	9,511	-	16,947	26,458
Travel	6,091	17,469	1,887	25,447
Postage and shipping	4,209	15,922	3,249	23,380
Other expenses	84,052	9,303	29,555	122,910
Total expenses before depreciation	1,641,988	1,669,555	691,177	4,002,720
Depreciation	18,207	12,138	10,114	40,459
Total functional expenses	\$ 1,660,195	\$ 1,681,693	\$ 701,291	\$ 4,043,179
Total allocations, contracted program services, and functional expenses	\$ 8,703,790	\$ 1,681,693	\$ 701,291	\$ 11,086,774

See accompanying notes to the financial statements

United Way of Broward County, Inc.
Statements of Cash Flows

<i>Year ended June 30,</i>	2012	2011
Cash Flows from Operating Activities:		
Change in net assets	\$ (407,113)	\$ (25,234)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	62,957	40,459
Provision for uncollectible pledges	611,120	679,139
Discount on contributions receivable	44,939	-
Net unrealized and realized losses (gains) on investments	58,308	(924,891)
(Increase) decrease in:		
Contributions and pledges receivable	(821,940)	(1,036,145)
Grants receivable	(21,235)	(258,201)
Other receivables	3,665	(1,280)
Prepaid expenses and other assets	(22,316)	9,501
Beneficial interest in assets held by others	68,282	(292,625)
Increase (decrease) in:		
Accounts payable and accrued expenses	(69,714)	193,838
Accrued pension cost	482,109	(543,883)
Deferred revenue	50,196	-
Approved allocations payable	(51,886)	492,849
Donor designations payable	87,463	99,748
Net cash provided by (used in) operating activities:	74,835	(1,566,725)
Cash Flows from Investing Activities:		
Purchase of equipment and building improvements	(122,860)	(64,572)
Investment purchases	(428,221)	(425,203)
Investment sales	2,127,817	1,449,971
Net cash provided by investing activities	1,576,736	960,196
Net increase (decrease) in cash and cash equivalents	1,651,571	(606,529)
Cash and cash equivalents, beginning of year	1,099,259	1,705,788
Cash and cash equivalents, end of year	\$ 2,750,830	\$ 1,099,259
Noncash Investing Activities:		
Donated Fixed Assets	\$ 7,045	\$ 55,000

See accompanying notes to the financial statements

United Way of Broward County, Inc.

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

Nature of Organization

United Way of Broward County, Inc. (the "Organization" or "United Way") is a volunteer-driven, not-for-profit organization that supports local health and human services and educational programs through its fundraising efforts. The Organization invests in a variety of programs focusing on the impact areas of education, health and income. Revenues are derived principally from contributions that are received from year round fundraising activities that United Way conducts via direct solicitation to individual and corporate contributions as well as from major fundraising activities. A portion of these contributions can be designated by the donor to a specific area of service or organization.

Basis of Presentation

The 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 ("GAAP").

Net Assets

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

- Unrestricted - net assets that are not subject to donor-imposed restrictions
- Temporarily restricted - net assets that are 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 that are subject to donor-imposed restrictions that require the assets to be permanently maintained by United Way

Endowment Net Asset Classification

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205 *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to Enacted Version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA")*, and *Enhanced Disclosures for all Endowment Funds*, provides guidance on classifying net assets of donor restricted and board-designated endowment funds held by organizations whether or not they are subject to an enacted version of UPMIFA. The State of Florida has adopted UPMIFA (refer to Note 6).

Contributions/Promises to Give/Pledges

Contributions are recognized as revenue when they are received or unconditionally pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using the effective interest rate applicable to the donor in the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. 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 Broward County, Inc.
Notes to Financial Statements

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

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

The Organization's top 10 donor organizations represent over 40% of the total promises to give/pledges amount included in the statement of financial position as of June 30, 2012 and 47% of total contributions presented in the statement of activities and changes in net assets for the year ended June 30, 2012. The top 10 donors represent large corporations with substantial history of contributions to the Organization.

Contributed Property and Equipment

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the Organization's fund-raising campaigns during the year. The value of these services has not been reflected in the accompanying financial statements since the services do not require specialized skills, and hence, do not meet the criteria for recognition under GAAP.

Advertising, including television and radio, have been donated during the year. The value of these services has not been reflected in the accompanying financial statements as the services would not have been purchased if not provided by donation.

Beneficial Interest in Assets Held by Others

The Organization has beneficial interests in perpetual trusts, the funds of which are invested with Community Foundation of Broward Inc., in the name of the United Way. As of June 30, 2012, the fair value of these funds equates to \$1,125,431; of these funds, \$1,000,627 are restricted to maintain the purpose of the funds in perpetuity. The net income of the funds shall be distributed at least annually to the Organization, and is expendable to support the Organization.

United Way of Broward County, Inc.
Notes to Financial Statements

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

Allocations to Agencies

Annually, the Board of Directors decides which not-for-profit agencies will receive funding from the United Way. The Board of Directors decisions are based on an evaluation of the funding request from the various agencies and the availability of unrestricted net assets. Once a decision including the amount, has been determined and approved by the Board, the liability and the related expense is recorded.

Donor Designations

The Organization has adopted FASB ASC 958-20, *Not-for-Profit Entities, Financially Interrelated Entities*, which applies to the Organization as a recipient that accepts cash or other financial assets from a donor and agrees to transfer those assets to a specified unqualified beneficiary. The Organization as an intermediary recognizes the fair value of those assets as a liability to the specified beneficiary concurrent with the recognition of the assets received from the donor. The Organization refers to this type of donor contribution as donor designations. Donor designations that were pledged for the years ended June 30, 2012 and 2011 are \$1,493,232 and \$1,446,210, respectively, and are not included in net revenues. Gross contributions are shown net of donor designations on the statements of activities and changes in net assets. Donor designations are carried as donor designated pledges receivable and donor designated payables on the statements of financial position until paid to the designated agencies. Processing fees of up to 10% of the amounts designated, subject to certain limitations, are netted against donor designations.

Partner agencies receiving designations from the United Way campaign are charged an administrative fee based upon amounts received in accordance with United Way Worldwide guidelines. United Way is an approved federation representing partner agencies in the combined federal campaign. The partner agencies participating in the combined federal campaign have not been charged dues and/or service charges as a requirement for participation in such campaign.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents consists of cash held in checking and money market accounts at June 30, 2012 and 2011.

Investments

United Way accounts for its investments in marketable securities and all investments in debt securities with readily determinable fair values in the statements of financial position. Investments as of June 30, 2012 and 2011 consist of equity securities, debt securities and certificates of deposit. Investment income (including gains and losses on investments, interest and dividends) is included in the statements of activities and changes in net assets as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

United Way of Broward County, Inc.
Notes to Financial Statements

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

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology are based on inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities either directly or indirectly. Inputs include quoted prices for similar assets and liabilities in active markets, including the following:

- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs that are unobservable reflecting management's own assumptions to determine the valuation methodology, which is significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2012.

Equity Securities: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Certificate of Deposits: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Fixed Income Securities: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Beneficial Interest in Assets Held By Others: Fair value is derived principally from inputs that are corroborated by observable market data by correlation or other means that the Organization has the ability to access.

United Way of Broward County, Inc.
Notes to Financial Statements

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

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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 the effective interest rate applicable to the donor in the year in which the grant is awarded. Amortization of the discount is recorded in grant revenue. All grants receivable were current as of June 30, 2012 and 2011.

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost. The Organization follows the practice of capitalizing all expenditures for buildings and equipment in excess of \$500; the fair value of donated fixed assets are similarly capitalized. Depreciation is provided over the estimated useful lives of the assets, ranging from 5 to 40 years, on a straight-line basis.

Income Taxes

United Way is a non-profit corporation whose revenues are derived from contributions and other fund-raising activities and is not subject to federal or state income taxes. United Way is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986, except for any income that may be a result of unrelated business transactions.

United Way is required under GAAP to recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained.

United Way does not believe that it has 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 2009. However, United Way is still open to examination by taxing authorities from fiscal year 2009 forward. No interest or penalties have been recorded in the financial statements related to any uncertain tax positions.

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those amounts.

United Way of Broward County, Inc.
Notes to Financial Statements

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

Functional Allocation of Expenses

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefitted.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents and investments are maintained at high-quality financial institutions and credit exposure is limited at any one institution. At year-end and throughout the year, the Organization's cash balances were deposited in a bank. All of the United Way's non-interest bearing accounts are fully insured at June 30, 2012 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning 2013, the insurance coverage will revert to the \$250,000 per depositor at each financial institution, and the United Way's non-interest bearing cash accounts may exceed federally insured limits. Management believes that the Organization is not exposed to any significant credit risk on its cash and cash equivalents. Furthermore, the Organization has not experienced any losses on its cash and cash equivalents. In addition, the Organization's investments do not represent significant concentrations of market risk in as much as the Organization's investment portfolio is adequately diversified among issuers. See (Note 2).

At June 30, 2012, United Way has \$2,441,859 in interest bearing deposit accounts that are in excess of the Federal Deposit Insurance Corporation (FDIC) insurance coverage.

Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

Subsequent Events

The date to which events occurring after June 30, 2012, the date of the most recent statement of financial position, has been evaluated for possible adjustments to the financial statements or disclosure is December 13, 2012.

United Way of Broward County, Inc.
Notes to Financial Statements

2. Investments

Investments, stated at fair value, at June 30, 2012 and 2011 include:

	2012	2011
Certificates of deposit	\$ -	\$1,954,327
Equity securities	2,865,550	2,830,877
Fixed income securities	2,117,165	1,955,414
	<u>\$4,982,715</u>	<u>\$6,740,618</u>

Unrestricted investment income (loss) from cash equivalents and investments for the years ended June 30, 2012 and 2011 are as follows:

<i>Year ended June 30,</i>	2012	2011
Dividends and interest	\$ 97,067	\$ 71,017
Net realized gains	48,188	168,370
Net unrealized (losses) gains	(106,496)	756,521
	<u>\$ 38,759</u>	<u>\$ 995,908</u>

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position. The Organization, through its investment advisor, monitors the Organization's investments and the risks associated therewith on a regular basis, wherein the Organization believes that this process minimizes those risks.

United Way of Broward County, Inc.
Notes to Financial Statements

2. Investments (continued)

Fair Value

United Way's investments that are 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 sets forth by level, within the fair value hierarchy, United Way's investments at fair value as of June 30, 2012:

<i>Assets</i>	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equity securities	\$ 2,865,550	\$ -	\$ -	\$ 2,865,550
Fixed income securities	2,117,165	-	-	2,117,165
	\$ 4,982,715	\$ -	\$ -	\$ 4,982,715
Beneficial Interest in assets held by others	\$ -	\$ -	\$ 1,125,431	\$ 1,125,431

The following table sets forth by level, within the fair value hierarchy, United Way's investments at fair value as of June 30, 2011:

<i>Assets</i>	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Certificates of deposit	\$ 1,954,327	\$ -	\$ -	\$ 1,954,327
Equity securities	2,830,877	-	-	2,830,877
Fixed income securities	1,955,414	-	-	1,955,414
	\$ 6,740,618	\$ -	\$ -	\$ 6,740,618
Beneficial Interest in assets held by others	\$ -	\$ -	\$ 1,193,713	\$ 1,193,713

United Way of Broward County, Inc.
Notes to Financial Statements

2. Investments (continued)

The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that United Way has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs. Changes in Level 3 assets measured at fair value for the years ended June 30, 2012 and 2011 are as follows:

Year Ended June 30, 2012	Beginning Balance	Contributions	Net Unrealized Gains (Losses)/ Distributions	Total
Beneficial Interest in Assets held by Community Foundation of Broward	\$ 1,193,713	\$ -	\$ (68,282)	\$ 1,125,431

Year Ended June 30, 2011	Beginning Balance	Contributions	Net Unrealized Gains (Losses)/ Distributions	Total
Beneficial Interest in Assets held by Community Foundation of Broward	\$ 901,088	\$ 206,104	\$ 86,521	\$ 1,193,713

3. Contributions & Donor Designated Receivables

Unconditional promises to give, which are included in contributions receivable, at June 30, 2012 and 2011 are as follows:

	2012	2011
Undesignated contributions receivable less than one year	\$ 4,487,307	\$ 4,545,171
Undesignated contributions receivable one to five years	300,000	-
Unamortized discount	(44,940)	-
Total	4,742,367	4,545,171
Allowance for uncollectible contributions	(1,198,578)	(1,188,854)
Total, net of allowance and unamortized discount	\$ 3,543,789	\$ 3,356,317

United Way of Broward County, Inc.
Notes to Financial Statements

3. Contributions & Donor Designated Receivables (continued)

	<u>2012</u>	<u>2011</u>
Donor designated pledges receivable	\$ 863,150	\$ 775,687
Less: allowance for uncollectible pledges	(310,734)	(201,679)
Total	\$ 552,416	\$ 574,008

All donor designated receivables are due and payable within one year as of June 30, 2012. Contributions receivable are unconditional promises to give that represent a period of one year or more and are measured at the present value of future cash flows based on a discount rate at the date of the contribution. For the year ended June 30, 2012, the discount rate was 3.22%. United Way will not satisfy the donors' requests should it not collect designated pledge receivables from the donors.

4. Land, Buildings and Equipment, net

At June 30, land, buildings and equipment, net, consisted of the following:

	<i>Useful Lives</i>	<u>2012</u>	<u>2011</u>
Land		\$ 76,900	\$ 76,900
Buildings and improvements	10-40 years	1,383,598	1,298,758
Furniture, equipment and software	5-10 years	1,335,778	1,297,758
Total		2,796,276	2,673,416
Less: accumulated depreciation		(2,412,113)	(2,349,156)
Total Land, Buildings, and Equipment, net		\$ 384,163	\$ 324,260

United Way of Broward County, Inc.
Notes to Financial Statements

5. Employees' Retirement Plans

Defined Benefit Plan

The Organization has a non-contributory defined benefit pension plan (the "Plan") which was frozen effective December 31, 2003. The benefits which were frozen on that date are based on years of service and highest average earnings during five consecutive years of the last ten years of employment for plan participants. The funding policy is to contribute an amount not less than the ERISA minimum funding requirement. The plan assets comprise of fixed income and equity securities. The latest actuarial valuation is for the fiscal year ending June 30, 2012. The following tables set forth the benefit obligation, fair value of plan assets, the funded status of the Plan, amounts recognized in the financial statements and the principal weighted average assumptions that were used:

As of June 30,	2012	2011
Benefit obligation	\$ 2,915,805	\$ 2,332,210
Fair value of plan assets	(1,968,405)	(1,866,919)
Unfunded status	947,400	465,291
Accrued benefit cost recognized in the statement of financial position	\$ 947,400	\$ 465,291

The components of the net periodic benefit cost for the years ended June 30, 2012 and 2011 are as follows:

	2012	2011
Interest cost	\$ 116,944	\$117,531
Expected return on plan assets	(112,636)	(88,410)
Recognized net actuarial loss	34,194	60,792
Net periodic benefit cost	\$ 38,502	\$ 89,913

Projected benefits for the next ten years are as follows:

<i>Fiscal Year</i>	
2013	\$ 104,201
2014	107,787
2015	111,536
2016	115,411
2017	138,659
2018 through 2022	773,254
Total	\$ 1,350,848

United Way of Broward County, Inc.
Notes to Financial Statements

5. Employees' Retirement Plans (continued)

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

	2012	2011
Discount rate	4.13%	5.10%
Expected return on plan assets	6.00%	6.00%
Rate of compensation increase	0%	0%
Employer contribution	\$142,473	\$ 475,000
Benefits paid	\$ (83,598)	\$(82,741)

The weighted average assumptions are based on the activity of the Plan from July 1, 2011 through June 30, 2012.

The increase in the accrued benefit cost of \$482,109 from July 1, 2011 to June 30, 2012 is due to the change from 5.10% to 4.13%, respectively, in the actuarial assumption regarding the discount rate. The change to 4.13% is consistent with the actuarial belief that interest rates will continue to decrease for the next few years hence, resulting in a higher projected pension obligation.

Defined Contribution Plan

During 1999, the Organization established a defined contribution pension plan covering all regular employees over the age of 21 and having at least three months of service. Employer contributions for the years ended June 30, 2012 and 2011 amounted to \$27,941 and \$27,533, respectively.

Participant's contributions and actual earnings or losses thereon are immediately vested. Vesting in the employer's contributions plus actual earnings or losses thereon is based on years of continuous service. A participant is 100% vested after six years of service according to the following schedule:

Years of Service	Vested Percentage
1	0
2	20
3	40
4	60
5	80
6	100

Service with other United Way organizations may be considered when determining years of service in accordance with the plan documents. Upon termination of employment, a participant's non-vested amounts are forfeited in accordance with the Plan document. Upon death, total disability or retirement, participants become 100% vested in their employer contributions.

United Way of Broward County, Inc.
Notes to Financial Statements

6. Endowment Net Asset Classification

The Organization's endowments consist of funds established for a variety of purposes related to the Organization's missions and programs. These endowments include funds designated by the Board of Directors to function as endowments (quasi-endowments). As required by GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

As of June 30, 2012, endowment net assets consisted of the following:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Donor restricted endowment funds	\$ -	\$ -	\$1,000,627	\$1,000,627
Board designated quasi-endowment funds	1,463,061	-	-	1,463,061
	\$1,463,061	\$ -	\$1,000,627	\$2,463,688

As of June 30, 2011, endowment net assets consisted of the following:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Donor restricted endowment funds	\$ -	\$ -	\$ 1,000,627	\$ 1,000,627
Board designated quasi-endowment funds	1,145,331	-	-	1,145,331
	\$ 1,145,331	\$ -	\$ 1,000,627	\$ 2,145,958

United Way of Broward County, Inc.
Notes to Financial Statements

6. Endowment Net Asset Classification (continued)

Changes to endowment net assets for the year ended June 30, 2012 are as follows:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Endowment net assets, June 30, 2011	\$ 1,145,331	\$ -	\$ 1,000,627	\$ 2,145,958
Endowment investment return:				
Interest and dividends	39,648	-	-	39,648
Realized and unrealized Gains	1,870	-	-	1,870
Total endowment investment return	41,518	-	-	41,518
Appropriation of endowment for expenditures	(8,789)	-	-	(8,789)
Contributions	285,001	-	-	285,001
Endowment net assets, June 30, 2012	\$1,463,061	\$ -	\$ 1,000,627	\$ 2,463,688

Changes to endowment net assets for the year ended June 30, 2011 are as follows:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Endowment net assets, July 1, 2010	\$ 950,513	\$ -	\$ 794,523	\$ 1,745,036
Endowment investment return:				
Interest and dividends	18,758	-	-	18,758
Realized and unrealized Gains	183,047	-	-	183,047
Total endowment investment return	201,805	-	-	201,805
Appropriation of endowment for expenditures	(6,987)	-	-	(6,987)
Contributions			206,104	206,104
Endowment net assets, June 30, 2011	\$ 1,145,331	\$ -	\$ 1,000,627	\$ 2,145,958

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods as well as board-designated funds.

United Way of Broward County, Inc.
Notes to Financial Statements

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distributions each year up to five percent of its endowment fund's average fair value over the prior thirty six months through the calendar year-end preceding the fiscal year in which the distribution is planned. Effective November 1, 2009, there have been no distributions for operations from the Board Designated funds until June 30, 2013. In establishing this policy, the Organization considered the long-term expected return on its endowment.

7. Net Assets

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

	2012	2011
Board designated allocations	\$ 26,000	\$ 275,800
Board designated endowment	1,463,061	1,145,331
Unrestricted and undesignated	2,513,312	2,989,849
Total unrestricted net assets	\$ 4,002,373	\$ 4,410,980

Temporarily restricted net assets are available at June 30, 2012 and 2011 for the following purposes or periods:

	2012	2011
Time restrictions:		
Program funding for future periods	\$ 154,723	\$ 153,229
	\$ 154,723	\$ 153,229

United Way of Broward County, Inc.
Notes to Financial Statements

7. Net Assets (continued)

Temporarily restricted net assets are related to funding of a specific program for a period ending March 2013. The unspent funds for this program as of June 30, 2012 remain temporarily restricted.

Permanently restricted net assets of \$1,000,627 at June 30, 2012 and 2011, respectively, are a restricted contribution of assets in perpetuity, which are held by a third party trustee, Community Foundation of Broward, Inc.

8. Annual Dues for National and State Affiliations

The United Way provides funding to the State and National United Way organizations to finance programs of research, education and community services. Membership support is used to provide National Academy for Volunteerism (NAV) training and conferencing, career development, advertising, market research, campaign assistance, National Corporate Leadership and National Football League relationships, executive search, Alexis de Tocqueville Society enrollments, product and service discounts, and consultation and technical assistance.

Payments for the years ended June 30, 2012 and 2011 are based upon the campaign reported gross contributions as follows:

	2012	2011
State organization	\$ 21,414	\$ 19,371
National organization	95,205	113,045
Total	\$116,619	\$ 132,416

9. Beneficial Interest in Assets Held by Others

A third party trustee, Community Foundation of Broward, Inc., holds assets for the benefit of United Way in five endowment funds. The endowments were established by third party donors. The beneficial interest in assets held by others is measured by the fair value of the assets contributed at initial donation. Changes in fair value are recognized in investment income in the statement of activities and changes in net assets. The components of the change in beneficial interest for the year ended June 30 are as follows:

	2012	2011
Fair value at beginning of year	\$ 1,193,713	\$ 901,088
Contributions	16,203	206,104
Net (depreciation) appreciation of assets held by others	(15,811)	138,960
Change at end of the year	392	345,064
Distributions	(68,674)	(52,439)
Fair value at end of the year	\$ 1,125,431	\$ 1,193,713

United Way of Broward County, Inc.
Notes to Financial Statements

10. Leasing Arrangements

The Organization entered into a noncancelable operating lease agreement for the lease of four copiers/printers.

Minimum future rental commitments are as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2013	\$ 18,000
2014	16,500
	<u>\$ 34,500</u>

11. Commitments and Contingencies

Commitments

In April 2009, the Organization entered into an agreement with the United Way of Delaware and the United Way of Southeastern Pennsylvania (UWSEPA) for information technology hosting services. The agreement is in effect through May 2014. The Organization pays UWSEPA \$1,500 per month for these services.

Contingencies

In the normal course of business, United Way has received grants which are subject to audit by agents of the relevant funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. The Board believes that all of the grant 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 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 United Way. While United Way's Board of Directors believes that the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues to do so may be dependent on the above factors.

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



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 Broward County, Inc.
Fort Lauderdale, Florida

We have audited the financial statements of **United Way of Broward County, Inc.** (the "United Way") as of and for the year ended June 30, 2012, and have issued our report thereon dated December 13, 2012. 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

Management of United Way is responsible for establishing and maintaining effective 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 deficiency, 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 audit committee, the board of directors, federal regulatory agencies and pass thru entities, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida
December 13, 2012

BDO USA, LLP

Certified Public Accountants

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 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors
United Way of Broward County, Inc.
Fort Lauderdale, Florida

Compliance

We have audited the compliance of **United Way of Broward County, Inc.** (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 the United Way's major federal program for the year ended June 30, 2012. The United Way's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the United Way's management. Our responsibility is to express an opinion on the United Way's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the United Way's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the United Way's compliance with those requirements.

In our opinion, the United Way complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the United Way is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the United Way's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the United Way's internal control over compliance.

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



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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of United Way as of and for the year ended June 30, 2012, and have issued our report thereon dated December 13, 2012, which contained an unqualified opinion. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the audit committee, the board of directors, federal regulatory agencies and pass thru entities, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida
December 13, 2012

BDO USA, LLP

Certified Public Accountants

Schedule of Expenditures of Federal Awards

United Way of Broward County, Inc.
Schedule of Expenditures of Federal Awards
Year ended June 30, 2012

Federal Agency/Project Title/Pass Through Agency	CFDA Numbers	Contract Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Office of Substance Abuse and Mental Health Services			
Administrative Programs:			
Pass-through:			
State of Florida - Department of Children and Families			
Prevention and Treatment of Substance Abuse Block Grant	93.959	JD254	\$ 102,465
Prevention and Treatment of Substance Abuse Block Grant	93.959	JD260	1,486,854
Total Prevention and Treatment of Substance Abuse Block Grants			1,589,319
Office of Substance Abuse and Mental Health Service			
Administration Programs:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
Changing Alcohol Norms Program	93.243	5H79SP015277-024	6,266
Changing Alcohol Norms Program	93.243	5H79SP015277-025	37,643
Total for Substance Abuse and Mental Health Services of Projects of Regional and National Programs			43,909
Total for U.S. Department of Health and Human Services			1,633,228
U.S Department of Justice:			
Justice Assistance Grant Cluster- Bureau of Justice Assistance:			
Pass-through Broward County:			
Edward Byrne Memorial Justice Assistance Grant Program Broward Youth Coalition (BYC)	16.738	2011-JAGC-C-BROW-1-B2-227	14,813
Edward Byrne Memorial Justice Assistance Grant Program Planning, Evaluation and Technology Improvement Program	16.738	2010-JAGC- BROW-3-132-256	43,355
Edward Byrne Memorial Justice Assistance Grant Program Planning, Evaluation and Technology Improvement Program	16.738	2011-JAGC- BROW-7-CA-238	57,620
Pass-through:			
Sheriff of Broward County			
Broward Youth Coalition (BYC) to Combat Underage Drinking and Other Drugs			
Edward Byrne Memorial Justice Assistance Grant Program Drinking and Other Drug Programs	16.738	2012-JAGC-BROW-2-CA-225	61,896
Total U.S. Department of Justice and Justice Assistance Grant Cluster			177,684
Total Expenditures for Federal Awards			\$ 1,810,912

See Notes to Schedule of Expenditures of Federal Awards

United Way of Broward County, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2012

Note 1 - BASIS OF PRESENTATION

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

Note 2 - SUBRECIPIENTS

The following awards were received directly by United Way and passed through to subrecipients during the year ended June 30, 2012:

Department	Program	CFDA Number	Expenditures
U. S. Department of Health and Human Services	Prevention and Treatment of Substance Abuse Block Grant	93.959	\$ 1,183,125
Total			\$ 1,183,125

United Way of Broward County, Inc.
Schedule of Findings and Questioned Costs
Year ended June 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditor's report issued	Unqualified	
Internal control over financial reporting:		
• Material weaknesses identified?	___yes	<u> X </u> no
• Significant deficiencies identified not considered to be material weaknesses?	___yes	<u> X </u> none reported
• Non-compliance material to financial statements noted?	___yes	<u> X </u> no

Federal Programs:

Internal control over major program:		
Material weaknesses identified?	___yes	<u> X </u> no
Significant deficiencies identified not considered to be material weaknesses?	___yes	<u> X </u> none reported

Type of auditor's report issued on compliance of major program?	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with the requirements of OMB Circular A-133?	___yes	<u> X </u> no
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Identification of major programs:
CFDA Numbers

93.959

Name of Federal Program or Cluster

Prevention and Treatment of Substance Abuse Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	<u> X </u> yes	___no
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United Way of Broward County, Inc.
Schedule of Findings and Questioned Costs
Year ended June 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

There were no findings and questioned costs for Federal Awards (as defined in Circular A-133 Section 510a) that are required to be reported.

United Way of Broward County, Inc.
Summary Schedule of Prior Audit Findings
Year ended June 30, 2012

STATUS

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

Supplemental Information

United Way of Broward County, Inc.
Schedules of Allocations to Agencies and Donor Designations
Year ended June 30, 2012

Agency	Year ended June 30, 2012
Achievement & Rehabilitation Center	\$ 292,140
American Red Cross, Broward County Chapter	210,000
ASPIRA of Florida, Inc.	102,448
Big Brothers/Big Sisters	87,500
Boys and Girls Club of Broward County	123,015
Broward Children's Center, Inc.	60,000
Broward Partnership for the Homeless	24,000
Broward Regional Health Planning Council	40,000
Catholic Charities	110,518
Children's Diagnostic & Treatment Center	65,000
Children's Harbor, Inc.	25,000
Community Foundation	95,000
Cooperative Feeding Program	93,000
Covenant House	75,000
Episcopal Mental Health Ministries/St. Laurence Chapel	50,000
Family Central	508,500
First Call For Help	204,600
Gilda's Club South Florida	20,700
Healthy Mothers Healthy Babies	25,000
Helping Abused & Neglected Dependent Youth (HANDY)	30,000
Henderson Behavioral Health, Inc.	99,500
Hispanic Unity of Florida	172,500
IDA	20,000
Jewish Family Service, Inc. of Broward	72,000
Junior League	50,000
League for the Hard of Hearing/Center for Hearing and Communication	73,000
Legal Aid Service of Broward	63,000
Lighthouse of Broward County, Inc.	82,000
Luz del Mundo	20,000
Meals on Wheels	250,000
Mental Health Association	45,000
Minority Development & Empowerment, Inc.	38,000
National Multiple Sclerosis Society South Florida	22,000
North East Focal Point	51,520
Nova Southeastern	40,000
Opportunities Industrialization Center	288,000
Pace Center for Girls	35,000
Project Lifeline	450,000
Salvation Army - Broward County	75,000
Second Chance Society, Inc.	35,000
Senior Volunteer Services	196,500
SOS Children's Village	40,000
South Florida Urban Ministries	85,000
Starting Place, Inc.	55,000
SunServe/Sunshine Social Services	74,000
Susan B. Anthony Center	173,000
TaskForce Fore Ending Homelessness	40,000
The Shepherd's Way	63,000
Urban League	167,000
VFW-Stone of Hope	210,000
Volunteer Broward	25,000
Women In Distress	120,544
Woodhouse II, Inc.	27,600
YMCA of Broward County	141,000
Total Approved Allocations	\$ 5,640,585