



Mile High United Way

**Consolidated Financial Statements,
Independent Auditors' Report
and
OMB Circular A-133 Reports
For the Years Ended June 30, 2010 and 2009**

EKS&H
**EHRHARDT • KEEFE
STEINER • HOTTMAN PC**
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Mile High United Way, Inc. and Subsidiary
Denver, Colorado

We have audited the accompanying consolidated balance sheets of Mile High United Way, Inc. and Subsidiary ("United Way") as of June 30, 2010 and 2009, and the related consolidated statements of activities, 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 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 audits to obtain reasonable assurance about whether the consolidated 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 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 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 consolidated financial position of Mile High United Way, Inc. and Subsidiary as of June 30, 2010 and 2009, and the changes in its consolidated net assets and its consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information included in the accompanying schedules is presented only for supplementary analysis purposes and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated October 20, 2010 on our consideration of the United Way's internal control over financial reporting and 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 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 in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of United Way taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Ehrhardt Keefe Steiner & Hottman PC".

Ehrhardt Keefe Steiner & Hottman PC

October 20, 2010
Denver, Colorado

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Balance Sheets

	June 30,	
	2010	2009
Assets		
Current assets		
Cash and cash equivalents	\$ 9,056,303	\$ 5,252,328
Restricted cash	1,292,100	2,043,688
Short-term investments	4,791,254	4,703,651
Accounts receivable	126,093	115,501
Current portion of pledges receivable, net	6,718,253	6,671,491
Grants receivable	1,214,422	1,302,200
Prepaid expenses and other current assets	<u>279,448</u>	<u>90,702</u>
Total current assets	23,477,873	20,179,561
Legacy gift investments - Board designated	3,471,117	2,919,392
Pledges receivable, net of current portion	618,000	864,230
Notes receivable	1,619,493	1,619,493
Accrued interest receivable	202,592	154,964
Land, building, and equipment, net	<u>1,249,941</u>	<u>1,444,526</u>
Total assets	<u>\$ 30,639,016</u>	<u>\$ 27,182,166</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,784,267	\$ 2,274,538
Deferred revenue	553,072	1,498,571
Accrued designations and distributions	<u>2,944,219</u>	<u>1,952,132</u>
Total current liabilities	5,281,558	5,725,241
Notes payable	<u>440,000</u>	<u>440,000</u>
Total liabilities	<u>5,721,558</u>	<u>6,165,241</u>
Commitments and contingencies		
Net assets		
Unrestricted	5,206,389	4,319,671
Land, building, and equipment	1,249,941	1,444,526
Board-designated legacy gift fund	<u>3,471,117</u>	<u>2,919,392</u>
	9,927,447	8,683,589
Temporarily restricted	<u>14,990,011</u>	<u>12,333,336</u>
Total net assets	<u>24,917,458</u>	<u>21,016,925</u>
Total liabilities and net assets	<u>\$ 30,639,016</u>	<u>\$ 27,182,166</u>

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Statements of Activities

	For the Years Ended					
	June 30					
	2010			2009		
Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	
Public support and revenue						
Gross campaign results	\$ 18,532,764	\$ 11,001,552	\$ 29,534,316	\$ 19,682,727	\$ 8,592,267	\$ 28,274,994
Grant revenue	2,385,407	2,966,429	5,351,836	4,900,299	724,837	5,625,136
Fundraising events, net	321,185	135,786	456,971	52,080	-	52,080
Founders' Legacy Society	261,806	250,000	511,806	640,983	-	640,983
Less donor-designated contributions	(8,597,392)	-	(8,597,392)	(8,691,153)	-	(8,691,153)
Less uncollectible pledges expense	(693,693)	-	(693,693)	(1,419,407)	-	(1,419,407)
Net campaign results	12,210,077	14,353,767	26,563,844	15,165,529	9,317,104	24,482,633
Service fees	622,156	-	622,156	576,902	-	576,902
Investment income (loss)	422,799	2,117	424,916	(71,940)	15,567	(56,373)
In-kind support	415,185	-	415,185	204,240	-	204,240
Other income	383,314	15,964	399,278	4,064	-	4,064
	14,053,531	14,371,848	28,425,379	15,878,795	9,332,671	25,211,466
Net assets released from restriction	11,715,173	(11,715,173)	-	11,853,707	(11,853,707)	-
Total public support and revenue	25,768,704	2,656,675	28,425,379	27,732,502	(2,521,036)	25,211,466
Expenses						
Program services						
Community program allocations and distributions	11,414,902	-	11,414,902	14,198,025	-	14,198,025
Donor-designated contributions	8,597,392	-	8,597,392	8,691,153	-	8,691,153
Community program allocations, distributions, and donor designations	20,012,294	-	20,012,294	22,889,178	-	22,889,178
Less donor designations	(8,597,392)	-	(8,597,392)	(8,691,153)	-	(8,691,153)
Total community program allocations and distributions	11,414,902	-	11,414,902	14,198,025	-	14,198,025
Community Impact Services	2,298,797	-	2,298,797	2,063,631	-	2,063,631
2-1-1 Services	1,222,163	-	1,222,163	938,397	-	938,397
Assets for Family Success	576,416	-	576,416	839,942	-	839,942
Bridging the Gap	645,494	-	645,494	527,210	-	527,210
Making Connections	1,299,446	-	1,299,446	1,087,951	-	1,087,951
Fiscal Sponsor	1,996,196	-	1,996,196	3,231,108	-	3,231,108
Total Mile High United Way led programs and collaborations	8,038,512	-	8,038,512	8,688,239	-	8,688,239
Total program services	19,453,414	-	19,453,414	22,886,264	-	22,886,264
Supporting services						
Management and general	964,393	-	964,393	1,545,408	-	1,545,408
Funds development	4,107,039	-	4,107,039	4,198,767	-	4,198,767
Total supporting services	5,071,432	-	5,071,432	5,744,175	-	5,744,175
Total expenses	24,524,846	-	24,524,846	28,630,439	-	28,630,439
Change in net assets	1,243,858	2,656,675	3,900,533	(897,937)	(2,521,036)	(3,418,973)
Net assets, beginning of year	8,683,589	12,333,336	21,016,925	9,581,526	14,854,372	24,435,898
Net assets, end of year	\$ 9,927,447	\$ 14,990,011	\$ 24,917,458	\$ 8,683,589	\$ 12,333,336	\$ 21,016,925

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2010**

	Program Services						Supporting Services			Total	
	Community Impact	2-1-1 Services	Assets for Family Success	Bridging The Gap	Making Connections	Fiscal Sponsor	Total	Management and General	Funds Development		Total
Community program allocations, distributions, and donor designations	\$ 20,012,294	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,012,294	\$ -	\$ -	\$ -	\$ 20,012,294
Less donor-designated designations	(8,597,392)	-	-	-	-	-	(8,597,392)	-	-	-	(8,597,392)
Total community program allocations and distributions	<u>11,414,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,414,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,414,902</u>
Salaries	1,358,209	654,566	180,092	274,625	528,266	410,000	3,405,758	425,793	2,283,755	2,709,548	6,115,306
Employee health and retirement costs	204,316	159,513	9,408	56,062	82,382	67,302	578,983	79,365	365,487	444,852	1,023,835
Payroll taxes and unemployment expenses	<u>114,247</u>	<u>50,072</u>	<u>1,457</u>	<u>19,558</u>	<u>36,395</u>	<u>25,615</u>	<u>247,344</u>	<u>36,574</u>	<u>185,120</u>	<u>221,694</u>	<u>469,038</u>
Total salaries and related expenses	<u>1,676,772</u>	<u>864,151</u>	<u>190,957</u>	<u>350,245</u>	<u>647,043</u>	<u>502,917</u>	<u>4,232,085</u>	<u>541,732</u>	<u>2,834,362</u>	<u>3,376,094</u>	<u>7,608,179</u>
Public information and advertising	22,983	-	-	-	-	10,654	33,637	492	159,297	159,789	193,426
Contract services and professional fees	142,195	126,560	4,686	96,303	17,207	97,717	484,668	248,170	252,570	500,740	985,408
Dues and subscriptions	44,012	2,073	73	122	323	219	46,822	9,824	14,643	24,467	71,289
Building repairs, maintenance and other occupancy costs	58,589	46,494	4,096	18,857	19,306	10,815	158,157	22,122	96,468	118,590	276,747
Telephone	13,082	35,417	1,425	3,314	5,874	3,474	62,586	5,498	30,648	36,146	98,732
Supplies	11,660	12,113	1,657	4,187	7,940	9,635	47,192	5,273	25,266	30,539	77,731
Conferences and meetings	15,498	1,998	285	10,179	10,011	5,935	43,906	6,315	18,617	24,932	68,838
Staff development	19,886	2,726	414	1,595	3,803	4,152	32,576	3,271	18,011	21,282	53,858
Postage	7,275	2,693	72	2,118	1,449	1,425	15,032	9,061	90,161	99,222	114,254
Local transportation	5,368	1,274	4	3,984	2,974	5,754	19,358	1,100	21,809	22,909	42,267
Printing and campaign materials	6,194	44	8	228	69	945	7,488	4,646	275,182	279,828	287,316
Other program costs	111,667	88,769	360,566	139,212	570,133	1,335,115	2,605,462	-	-	-	2,605,462
Bank fees	-	-	8,715	29	-	59	8,803	15,909	87,311	103,220	112,023
Miscellaneous	1,636	757	110	184	342	262	3,291	1,145	7,160	8,305	11,596
Depreciation	<u>42,896</u>	<u>37,094</u>	<u>3,348</u>	<u>14,937</u>	<u>12,972</u>	<u>7,118</u>	<u>118,365</u>	<u>15,408</u>	<u>71,336</u>	<u>86,744</u>	<u>205,109</u>
Total other expenses	<u>502,941</u>	<u>358,012</u>	<u>385,459</u>	<u>295,249</u>	<u>652,403</u>	<u>1,493,279</u>	<u>3,687,343</u>	<u>348,234</u>	<u>1,168,479</u>	<u>1,516,713</u>	<u>5,204,056</u>
United Way Worldwide dues	<u>119,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,084</u>	<u>74,427</u>	<u>104,198</u>	<u>178,625</u>	<u>297,709</u>
Total functional expenses	<u>\$ 13,713,699</u>	<u>\$ 1,222,163</u>	<u>\$ 576,416</u>	<u>\$ 645,494</u>	<u>\$ 1,299,446</u>	<u>\$ 1,996,196</u>	<u>\$ 19,453,414</u>	<u>\$ 964,393</u>	<u>\$ 4,107,039</u>	<u>\$ 5,071,432</u>	<u>\$ 24,524,846</u>

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2009**

	Program Services						Supporting Services			Total	
	Community Impact	2-1-1 Services	Assets for Family Success	Bridging The Gap	Making Connections	Fiscal Sponsor	Total	Management and General	Funds Development		Total
Community program allocations, distributions, and donor designations	\$ 22,889,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,889,178	\$ -	\$ -	\$ -	\$ 22,889,178
Less donor-designated designations	(8,691,153)	-	-	-	-	-	(8,691,153)	-	-	-	(8,691,153)
Total community program allocations and distributions	<u>14,198,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,198,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,198,025</u>
Salaries	994,702	467,864	351,967	225,403	482,177	240,366	2,762,479	713,483	2,384,783	3,098,266	5,860,745
Employee health and retirement costs	132,798	103,034	45,355	41,537	33,701	28,208	384,633	129,403	266,935	396,338	780,971
Payroll taxes and unemployment expenses	<u>95,315</u>	<u>44,208</u>	<u>21,453</u>	<u>17,142</u>	<u>22,392</u>	<u>14,002</u>	<u>214,512</u>	<u>125,014</u>	<u>196,536</u>	<u>321,550</u>	<u>536,062</u>
Total salaries and related expenses	<u>1,222,815</u>	<u>615,106</u>	<u>418,775</u>	<u>284,082</u>	<u>538,270</u>	<u>282,576</u>	<u>3,361,624</u>	<u>967,900</u>	<u>2,848,254</u>	<u>3,816,154</u>	<u>7,177,778</u>
Public information and advertising	39,324	-	225	-	-	-	39,549	4,538	424,021	428,559	468,108
Contract services and professional fees	106,532	61,826	185	-	50,383	4,111	223,037	147,817	202,773	350,590	573,627
Dues and subscriptions	13,069	1,550	239	-	-	132	14,990	17,119	9,287	26,406	41,396
Building repairs, maintenance and other occupancy costs	115,960	22,924	1,394	-	-	-	140,278	(25,131)	210,526	185,395	325,673
Telephone	23,065	44,254	171	-	6,633	22	74,145	57,764	53,941	111,705	185,850
Supplies	11,049	73	51	42	11,845	1,791	24,851	17,221	23,246	40,467	65,318
Conferences and meetings	47,756	1,327	19	17,780	28,498	2,317	97,697	16,460	64,710	81,170	178,867
Staff development	24,482	3,271	68	-	133	9,921	37,875	9,070	37,361	46,431	84,306
Postage	10,249	1,063	21	113	615	141	12,202	14,817	71,610	86,427	98,629
Local transportation	11,272	2,620	16	2,347	2,663	3,067	21,985	3,528	30,006	33,534	55,519
Printing and campaign materials	33,643	7,389	438	112	6,699	401	48,682	28,798	103,622	132,420	181,102
Other program costs	-	168,325	399,185	222,708	437,403	2,926,595	4,154,216	-	-	-	4,154,216
Bank fees	5,565	-	18,665	-	80	-	24,310	100,162	-	100,162	124,472
Miscellaneous	6,581	2,046	245	26	4,729	34	13,661	24,626	7,334	31,960	45,621
Depreciation	<u>44,793</u>	<u>6,623</u>	<u>245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,661</u>	<u>160,719</u>	<u>112,076</u>	<u>272,795</u>	<u>324,456</u>
Total other expenses	<u>493,340</u>	<u>323,291</u>	<u>421,167</u>	<u>243,128</u>	<u>549,681</u>	<u>2,948,532</u>	<u>4,979,139</u>	<u>577,508</u>	<u>1,350,513</u>	<u>1,928,021</u>	<u>6,907,160</u>
United Way Worldwide dues	<u>347,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,476</u>
Total functional expenses	<u>\$ 16,261,656</u>	<u>\$ 938,397</u>	<u>\$ 839,942</u>	<u>\$ 527,210</u>	<u>\$ 1,087,951</u>	<u>\$ 3,231,108</u>	<u>\$ 22,886,264</u>	<u>\$ 1,545,408</u>	<u>\$ 4,198,767</u>	<u>\$ 5,744,175</u>	<u>\$ 28,630,439</u>

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	For the Years Ended	
	June 30,	
	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Change in net assets	\$ 3,900,533	\$ (3,418,973)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	205,109	324,456
Allowance for uncollectible pledges	(66,383)	236,727
Change in discounted pledges	-	(41,963)
Unrealized (gain) loss on short-term and Board-designated investments	(229,115)	358,321
Changes in assets and liabilities		
Receivables and pledges	343,037	1,742,728
Prepays and other assets	(188,746)	67,090
Accrued interest receivable	(47,628)	(47,627)
Accounts payable, accrued expenses, and accrued designations and distributions	501,816	1,198,586
Deferred revenue	<u>(945,499)</u>	<u>377,982</u>
	<u>(427,409)</u>	<u>4,216,300</u>
Net cash provided by operating activities	<u>3,473,124</u>	<u>797,327</u>
Cash flows from investing activities		
Change in restricted cash	751,588	747,811
Purchase of property and equipment	(10,524)	(93,187)
Net purchase of short-term investments	(83,523)	(737,056)
Net purchase of legacy gift investments	<u>(326,690)</u>	<u>(701,239)</u>
Net cash provided by (used in) investing activities	<u>330,851</u>	<u>(783,671)</u>
Net increase in cash and cash equivalents	3,803,975	13,656
Cash and cash equivalents - beginning of year	<u>5,252,328</u>	<u>5,238,672</u>
Cash and cash equivalents - end of year	<u>\$ 9,056,303</u>	<u>\$ 5,252,328</u>

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies

Founded in 1887, Mile High United Way is the first United Way in the country. Its mission is to mobilize the community to take collective action to create positive and lasting change. Mile High United Way, Inc. and Subsidiary ("United Way") is a nonprofit organization that addresses the most pressing needs of the metropolitan Denver community. Mile High United Way's efforts are concentrated in Adams, Arapahoe, Denver, Douglas, and Jefferson counties.

United Way advances the common good by creating opportunities for a better life for all, through three interconnected areas of focus: School Readiness, Youth Success, and Adult Self-Sufficiency.

Three Interconnected Initiatives

School Readiness

Young children are more likely to succeed throughout their school years if they receive high-quality early care and education beginning at birth. United Way invests in programs that ensure young children from low-income families enter school ready to succeed, read at grade level by third grade, and are prepared for a lifetime of learning.

Youth Success

To make it to graduation and beyond, at-risk youth need more guidance and support to help them make wise choices, stay in school, and graduate. United Way invests in programs that help school-age, low-income and under-served youth succeed academically and graduate from high school prepared for the transition to college or advanced career training.

Adult Self-Sufficiency

United Way provides opportunities for hardworking individuals to become financially stable and provide a better future for themselves and their families. United Way invests in programs that ensure low-income individuals and families are afforded the opportunity to move toward economic self-sufficiency.

Three Investment Strategies

- 1) United Way invests in a network of nonprofits throughout the Denver metropolitan area to deliver direct services every day. These organizations make up a safety net of services that help people of all ages and in every stage of their lives through three interconnected initiatives: School Readiness, Youth Success, and Adult Self-Sufficiency. That safety net helps by preparing more young children to enter school ready to learn, by affording more youth an opportunity to advance academically and graduate from high school ready to transition to college or career training, and by providing more individuals and families with opportunities to move toward economic self-sufficiency.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Three Investment Strategies (continued)

- 2) Community collaborations with nonprofit, government, corporate, and community partners broaden United Way's reach and ability to affect even more lives. In its fifth year, Denver's Road Home has developed more than 1,900 units of housing for the homeless, and more than 5,000 individuals have been placed in full or part-time jobs. In the fiscal year ended June 30, 2010, the Lights On After School Program provided quality after school activities for more than 40,000 students.
- 3) United Way leads unique programs that meet our community's most pressing needs around the clock. Example programs include: United Way's 2-1-1 information and referral service, Bridging the Gap, Assets for Family Success ("IDAs"), and Making Connections. Last year, United Way's 2-1-1 received more than 140,000 calls from people either needing help or wanting to give help. 2-1-1 brings together more than 6,000 services in the community from emergency shelter to quality child care and after-school programs and so much more, all in one free and convenient service. In the fiscal year ended June 30, 2010, the Bridging the Gap program served 700 youth, providing them with financial education, individual development accounts, housing assistance, employment options, and educational advancement. Innovative programs like IDAs, matched savings accounts for qualifying low-income families and individuals, enabled 121 individuals to buy their first home, expand their small business, or pay for post-secondary education. IDA participants are required to fulfill a list of responsibilities in the IDA program including financial education classes. Making Connections, a collaboration with the Annie E. Casey Foundation, is working in four Denver neighborhoods to ensure that students achieve reading proficiency by the end of third grade.

United Way is a dues-paying member of United Way Worldwide.

Principles of Consolidation

The accompanying consolidated financial statements as of June 30, 2010 and 2009 and for the years then ended include the accounts of Mile High United Way, Inc. and its wholly owned subsidiary, 2595 Larimer MHUW, LLC. All intercompany accounts and transactions have been eliminated.

Financial Instruments and Credit Risk Concentration

Financial instruments, which potentially subject United Way to concentrations of credit risk, consist primarily of cash, restricted cash, short-term investments, legacy gift investments, accounts receivable, and pledges receivable. United Way's investment policy is intended to limit its exposure to credit risk. United Way places its cash and short-term investments in securities backed by the United States Government and in instruments issued by quality financial institutions. Amounts are invested in several institutions to minimize risk.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, United Way considers all highly liquid debt instruments with a maturity of three months, and which are not held by investment managers as part of an investment portfolio, to be cash equivalents and excludes restricted cash, which is held in segregated bank accounts.

Restricted Cash

Restricted cash consists of cash held at segregated bank accounts primarily related to funds restricted for use in the IDA program.

Investments

Short-term and legacy gift investments are carried at fair value. Net realized and unrealized gains and losses on investments are included in the statement of activities.

Fair Value

United Way has adopted an established framework for measuring fair value, which requires enhanced disclosures about fair value measurements. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Once fair value is determined for these assets and liabilities, a hierarchy is established and these assets and liabilities are grouped based on significant levels of inputs.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of liquidity.

Accounts and Grants Receivable

Accounts and grants receivable consist of amounts due from grantors, the Combined Federal Campaign, and the Colorado Combined Campaign.

Annual Campaign Revenue Recognition and Designated and Allocated Pledges

United Way conducts annual fundraising campaigns in cooperation with many local employers. United Way staff and volunteers present to groups of employees the various community needs supported by United Way and distribute fundraising information and pledge cards. Annual campaigns are conducted to raise support for allocation to agencies in the subsequent year. The pledges and cash donations raised in the campaigns during the year are recognized as income in the year that the pledge is received. All support is considered available for unrestricted use unless specifically restricted by the donor.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Annual Campaign Revenue Recognition and Designated and Allocated Pledges (continued)

United Way allows donors to designate their contributions to any agency qualified to receive charitable contributions. Undesignated contributions are allocated to agencies by United Way volunteer committees based on approved budgets, requests, and community needs. Allocations to agencies are recognized in the fiscal year subsequent to the end of the annual campaign. United Way receives resources in certain transactions where it is acting as an intermediary for the resource providers. The processing of pledge and payment transactions for a United Way fundraising campaign is sometimes performed by a third party other than United Way. In some instances the payment of donor-designated pledges is paid directly to the designated organization by the third-party processor. United Way reflects the activity for these third-party processed gifts in the gross campaign revenue and deducts them from revenue as a donor-designated contribution in the statement of activities. Donor-designated pledges are recorded as liabilities rather than as revenue for United Way. Service fee revenue generally ranges between 4% and 15% of a gift that is designated or purpose restricted and is recognized when a pledge is paid.

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

Fiscal Sponsor

United Way operates as the fiscal sponsor for several groups that conduct activities related to the United Way's mission. United Way maintains legal and fiduciary responsibility for the sponsored project, its employees and activities. Sponsored projects include Denver Early Childhood Council, Executives Partnering to Invest in Children, Teaming for Technology, and the Youth Mentoring Collaborative.

Founders' Legacy Society

Founders' Legacy Society is comprised of gifts received through bequests, trusts, and memorials.

Pledges Receivable

Pledges receivable relating to the annual campaign that are expected to be collected within one year are recorded at their net realizable value. An allowance for uncollectible pledges is established by United Way management based on past collection experience and current economic conditions. Promises to give relating to the annual campaign that are expected to be collected in future years are recorded at the present value of estimated future cash flows. United Way has not presented a discount as the amount is immaterial. Conditional promises to give are not included as support until such time as the conditions are substantially met.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Land, Building, and Equipment

Depreciation of property and equipment is computed over the following estimated useful lives using the straight-line method:

	<u>Estimated Useful Lives</u>
Building	30 years
Equipment	3-8 years

Property and equipment are capitalized at purchased cost or fair value at the date of donation. United Way follows the practice of capitalizing all expenditures and donations for buildings and equipment over \$5,000. Expenditures for maintenance, repairs, and minor replacements for lesser amounts are charged to operations.

Deferred Revenue

Deferred revenue consists of funds received from government and foundation grants for programs in which the expenses will be incurred in a future period. The revenue will be recognized in applicable future periods when the services are provided and the related expenses are incurred.

Classes of Net Assets

The balances and activities of United Way have been segregated into classes according to the nature of the activity and related restrictions imposed by funding sources and the Board of Trustees.

Unrestricted Net Assets

This class is used to account for resources for which United Way has discretionary control.

Land, Building, and Equipment Net Assets

This class is used to account for United Way's net investment in property and equipment.

Board-Designated Legacy Gift Net Assets

This class is used to account for funds designated by the Board in which the principal amount is maintained as a reserve fund.

Temporarily Restricted Net Assets

This class is used to account for amounts administered by United Way, which are stipulated by donors for specific operating purposes or for future periods (Note 8).

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Classes of Net Assets (continued)

Permanently Restricted Net Assets

This class is used to account for monies that must be maintained permanently by United Way as required by the donor. United Way does not currently maintain any permanently restricted net assets.

Income Taxes

United Way is a non-profit corporation as defined by Section 501(c)(3) of the U.S. Internal Revenue Code and, as such, is subject to federal income taxes on unrelated business income. United Way had no unrelated business income during the years ended June 30, 2010 and 2009.

United Way adopted guidance related to uncertainty in income taxes. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2010 and 2009. If incurred, interest and penalties associated with tax positions would be recorded in the period assessed as miscellaneous administrative expense. No interest or penalties have been assessed as of June 30, 2010 and 2009. Tax years that remain subject to examination include 2006 through current.

Donated Services

Community volunteers have donated significant amounts of time assisting United Way in achieving its campaign goals and in supporting various program activities. The financial statements do not reflect the value of these donated services because they do not meet the recognition criteria under U.S. generally accepted accounting principles ("GAAP").

Functional Allocation of Expenses

The costs of supporting United Way's primary program and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated by management based on the best available estimate of the percentage of each cost element applicable to each functional area.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 estimates.

Advertising

Advertising costs are expensed in the period incurred. The total advertising costs for the years ended June 30, 2010 and 2009 were \$123,913 and \$251,093, respectively.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Reclassifications

Certain reclassifications have been made to the financial statements for the year ended June 30, 2009 to conform to the 2010 presentation.

Subsequent Events

United Way has evaluated all subsequent events through October 20, 2010, which is the date the financial statements were available to be issued.

Note 2 - Investments

Short-Term Investments

Short-term investments consist of the following:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Money market funds	\$ 1,855,494	\$ 1,351,989
Certificates of deposit	2,833,621	3,248,096
Bond securities	<u>102,139</u>	<u>103,566</u>
Total	<u>\$ 4,791,254</u>	<u>\$ 4,703,651</u>

Board-Designated Legacy Gift Investments

Board-designated legacy gift investments, at market, consist of the following:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Money market	\$ 71,273	\$ 524,729
Equity mutual funds	976,770	692,628
Bond mutual funds	589,410	341,628
Bond securities	824,782	546,692
Equity securities	955,691	744,150
Real estate funds	<u>53,191</u>	<u>69,565</u>
Total	<u>\$ 3,471,117</u>	<u>\$ 2,919,392</u>

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 2 - Investments (continued)

Investment Returns

Investment returns on all investments, included in investment income, consist of the following:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Dividends and interest	\$ 195,801	\$ 301,948
Net realized and unrealized gains (losses) on investments reported at fair value	<u>229,115</u>	<u>(358,321)</u>
Total	<u>\$ 424,916</u>	<u>\$ (56,373)</u>

Note 3 - Fair Value Measurement

United Way has adopted the methods of fair value as described under GAAP to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, GAAP establishes a fair value hierarchy that prioritizes observable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.
- Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In determining fair value, United Way utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets, including short-term and Board-designated legacy gift investments, are carried at fair value as of June 30, 2010 and 2009 and are classified in the tables below in one of the three categories described above.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 3 - Fair Value Measurement (continued)

Assets at fair value as of June 30, 2010 are as follows:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Money market	\$ -	\$ 1,926,767	\$ -	\$ 1,926,767
Certificates of deposit	-	2,833,621	-	2,833,621
Equity mutual funds	976,770	-	-	976,770
Bond mutual funds	589,410	-	-	589,410
Bond securities	-	926,921	-	926,921
Equity securities	955,691	-	-	955,691
Real estate funds	-	<u>53,191</u>	-	<u>53,191</u>
Total assets at fair value	<u>\$ 2,521,871</u>	<u>\$ 5,740,500</u>	<u>\$ -</u>	<u>\$ 8,262,371</u>

Assets at fair value as of June 30, 2009 are as follows:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Money market	\$ -	\$ 1,876,718	\$ -	\$ 1,876,718
Certificates of deposit	-	3,248,096	-	3,248,096
Equity mutual funds	692,628	-	-	692,628
Bond mutual funds	341,628	-	-	341,628
Bond securities	-	650,258	-	650,258
Equity securities	744,150	-	-	744,150
Real estate funds	<u>16,373</u>	<u>53,192</u>	-	<u>69,565</u>
Total assets at fair value	<u>\$ 1,794,779</u>	<u>\$ 5,828,264</u>	<u>\$ -</u>	<u>\$ 7,623,043</u>

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 4 - Pledges Receivable

Pledges receivable consist of the following:

	June 30,	
	2010	2009
Multi-year campaign	\$ 1,625,362	\$ 1,428,954
Completed 2009 campaign	7,065,179	-
Completed 2008 campaign	67,867	7,239,885
Completed 2007 campaign	-	355,420
Allowance for uncollectible pledges	(1,422,155)	(1,488,538)
Total pledges receivable, net	\$ 7,336,253	\$ 7,535,721
Amounts due in		
Less than one year	\$ 6,718,253	\$ 6,671,491
One to five years	618,000	864,230
Total	\$ 7,336,253	\$ 7,535,721

The majority of pledges received by United Way are paid via payroll deductions. These pledges are deducted from individuals' paychecks each pay period by their employer and remitted to United Way throughout the year. United Way establishes an allowance for uncollectible pledges to account for payroll deduction pledges that are not collected as a result of individuals leaving a company prior to fulfilling their pledge commitment to United Way.

Note 5 - Notes Receivable

Notes receivable consist of the following:

	June 30,	
	2010	2009
Notes receivable from the subsidiary to 2595 Larimer Street Holdings, LLC, with interest at 2.6%. The notes are payable in full on December 31, 2022. The notes are secured by a deed of trust.	\$ 1,179,493	\$ 1,179,493
Note receivable from the subsidiary to 2595 Larimer Street Holdings, LLC, with interest at 2.6%. The note is payable in full on December 31, 2024. The note is secured by a deed of trust.	210,000	210,000
Note receivable from the subsidiary to 2595 Larimer Street Holdings, LLC, with interest at 5%. The note is payable in full on December 31, 2019. The note is secured by a deed of trust.	230,000	230,000
	\$ 1,619,493	\$ 1,619,493

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 5 - Notes Receivable (continued)

The notes represent funds that have been raised from the public and private sectors, as well as forgivable loans received from the City and County of Denver and the state of Colorado, which have been loaned to a low-income housing project known as the Transformational Housing Initiative.

Total investment income also includes interest income from the notes receivable from 2595 Larimer Street Holdings, LLC of \$47,628 and \$47,627 for the years ended June 30, 2010 and 2009, respectively.

Note 6 - Land, Building, and Equipment

Land, building, and equipment consist of the following:

	June 30,	
	2010	2009
Land	\$ 646,430	\$ 646,430
Building	2,174,297	2,174,297
Equipment	2,102,469	2,742,534
	4,923,196	5,563,261
Less accumulated depreciation	(3,673,255)	(4,118,735)
Total	\$ 1,249,941	\$ 1,444,526

Note 7 - Notes Payable

Notes payable consist of the following as of June 30, 2010 and 2009:

Note payable from the subsidiary to the State of Colorado. The portion of the loan equal to the amount of the IDA funded at December 1, 2010, will be forgiven. The unfunded portion, with no interest, is payable in full in November 2024. The note is secured by a deed trust. \$ 230,000

Note payable from the subsidiary to the City and County of Denver, with no interest. Note will be forgiven in December 2024 if the terms and conditions of the loan agreement are met. The conditions to be met require that five of the low-income housing units must be occupied by individuals whose income is at or below 60% of the average median income and five of the units must be occupied by individuals whose income is at or below 50% of the average median income. The note is secured by a deed of trust. 210,000

\$ 440,000

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 7 - Notes Payable (continued)

The notes related to the low-income housing project are known as the Transformational Housing Initiative. The amounts received from the City of Denver and the State of Colorado have been loaned to 2595 Larimer Street Holdings, LLC, the owner of the Transformational Housing Project.

Note 8 - Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Multi-year campaign	\$ 1,678,245	\$ 1,580,745
School readiness	6,814,974	4,941,475
Adult self-sufficiency	3,953,511	4,006,774
Youth success	2,405,443	1,225,455
Other	<u>137,838</u>	<u>578,887</u>
	<u>\$ 14,990,011</u>	<u>\$ 12,333,336</u>

Note 9 - Employee Benefit Plan

United Way has a defined contribution plan (the "Plan") available to all full-time employees after six months of employment. During the year ended June 30, 2009, United Way intended to make discretionary contributions to reach 7% of each participant's annual compensation. Additionally, United Way matched 50% of participants' contributions up to a maximum of 3% of their annual compensation. Participants vested at 20% per year and were 100% vested after five years. Effective July 1, 2009, United Way changed its intended discretionary contributions for the Plan from 7% to 3% and changed participant vesting to 33% per year and 100% vested after three years. United Way contributed \$284,404 and \$445,666 to the Plan during the years ended June 30, 2010 and 2009, respectively.

Note 10 - Line-of-Credit

United Way has a \$1,500,000 unsecured line-of-credit, with interest at the monthly LIBOR rate plus 3%, with a minimum interest rate floor of 5%, maturing on January 1, 2011. No amounts were outstanding under the line-of-credit at June 30, 2010 and 2009.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 11 - Commitments and Contingencies

Government Contracts

United Way receives certain revenues from contracts with various governmental agencies. The disbursement of funds received under these contracts generally requires compliance with terms and conditions specified in the contracts and is subject to audit by the contracting agencies. The amount of charges to these contracts that may be disallowed, if any, by such audits cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. However, management believes United Way is in compliance with its grant requirements, and no liability has arisen in the past or is currently expected.

Credit Facilities

United Way has obtained a letter-of-credit totaling \$53,327 and \$65,909 at the years ended June 30, 2010 and 2009, respectively. The letter-of-credit is related to unemployment insurance, expires January 1, 2012, and has not been drawn upon.

Operating Leases

United Way leases equipment under operating leases, which expire July 2010 through September 2013. United Way is responsible for repairs and maintenance on certain leases. The monthly lease payments range from \$100 to \$3,100.

Rent expense for these leases was \$45,097 and \$59,679 for 2010 and 2009, respectively.

Future minimum lease payments under these leases are as follows:

Year Ending June 30.

2011	\$	36,406
2012		3,546
2013		3,546
2014		<u>886</u>
	\$	<u>44,384</u>

Note 12 - Certain Contractual Relationships

United Way was the Principal Combined Fund Organization ("PCFO") for the Combined Federal Campaign ("CFC"). CFC is the charitable giving efforts of federal employees within the Denver Metro area. As the PCFO, United Way administers this campaign and disburses funds to various non-profit organizations according to the bylaws of the U.S. Office of Personnel Management ("OPM"). The fiscal agent relationship with the CFC is subject to annual renewal and was not renewed in 2009. Transactions between the United Way and the CFC consist primarily of certain reimbursed expenses paid by United Way on behalf of the Campaign. Additionally, United Way is a recipient of designated gifts from the CFC.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

Note 12 - Certain Contractual Relationships (continued)

Audit procedures for the CFC campaigns are required in accordance with the CFC Audit Guide as agreed upon by the OPM, the Local Federal Coordinating Committee, and United Way. Based on the most recent audit performed of the CFC campaign, United Way is honoring the designations made to each member organization and is distributing a proportionate share of receipts based on donor designations to each member.

At June 30, 2010 and 2009, amounts due from the CFC of \$373,251 and \$364,857, respectively, are included in pledges receivable in the accompanying consolidated balance sheet and consist of CFC campaign pledges designated specifically for United Way. At June 30, 2010 and 2009, amounts due from the CFC of \$4,418 and \$49,196, respectively, are included in accounts receivable in the accompanying consolidated balance sheets and consist of expenses paid by United Way on behalf of the CFC.

For the years ended June 30, 2010 and 2009, total designated gifts received from the CFC campaign specifically for United Way of \$425,640 and \$433,249, respectively, are included in gross campaign revenue in the accompanying statements of activities.

United Way began administering the Colorado Combined Campaign ("CCC") 2008 campaign. This program is similar to the CFC but operates at the state level. At June 30, 2010 and 2009, amounts due from the CCC for United Way of \$138,453 and \$167,246, respectively, are included in pledges receivable in the accompanying consolidated balance sheets and consist of CCC campaign pledges designated specifically for United Way. At June 30, 2010 and 2009, amounts due from the CCC of \$22,428 and \$12,895, respectively, are included in accounts receivable in the accompanying consolidated balance sheets and consist of expenses paid by United Way on behalf of the CCC.

For the years ended June 30, 2010 and 2009, total designated gifts received from the CCC specifically for United Way of \$234,762 and \$251,291, respectively, are included in gross campaign revenue in the accompanying statements of activities.

Note 13 - Subsequent Event

Pledges collected in 2010 will be used to pay agency allocations from July 1, 2010 through June 30, 2011. Subsequent to year-end, United Way has committed approximately \$6,261,000 in allocations to agencies from July 1, 2010 through June 30, 2011. Approximately \$3,107,000 of the \$6,261,000 is purpose restricted by donors for child care and after school programs; approximately \$1,325,000 is restricted by donors for School Readiness, Youth Success, and Adult Self-Sufficiency initiatives.

ACCOMPANYING SUPPLEMENTAL INFORMATION

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

**Consolidating Balance Sheet
As of June 30, 2010**

	<u>Mile High United Way, Inc.</u>	<u>2595 Larimer MHUW LLC</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 9,022,149	\$ 34,154	\$ 9,056,303
Restricted cash	1,292,100	-	1,292,100
Short-term investments	4,791,254	-	4,791,254
Accounts receivable	126,093	-	126,093
Current portion of pledges receivable, net	6,718,253	-	6,718,253
Grants receivable	1,214,422	-	1,214,422
Prepaid expenses and other current assets	<u>279,448</u>	<u>-</u>	<u>279,448</u>
Total current assets	23,443,719	34,154	23,477,873
Legacy gift investments - Board designated	3,471,117	-	3,471,117
Pledges receivable, net of current portion	618,000	-	618,000
Note receivable	-	1,619,493	1,619,493
Accrued interest receivable	-	202,592	202,592
Land, building, and equipment, net	<u>1,249,941</u>	<u>-</u>	<u>1,249,941</u>
Total assets	<u>\$ 28,782,777</u>	<u>\$ 1,856,239</u>	<u>\$ 30,639,016</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 1,784,267	\$ -	\$ 1,784,267
Deferred revenue	553,072	-	553,072
Accrued designations and distributions	<u>2,944,219</u>	<u>-</u>	<u>2,944,219</u>
Total current liabilities	5,281,558	-	5,281,558
Notes payable	<u>-</u>	<u>440,000</u>	<u>440,000</u>
Total liabilities	<u>5,281,558</u>	<u>440,000</u>	<u>5,721,558</u>
Commitments and contingencies			
Net assets			
Unrestricted	3,790,150	1,416,239	5,206,389
Land, building, and equipment	1,249,941	-	1,249,941
Board-designated legacy gift fund	<u>3,471,117</u>	<u>-</u>	<u>3,471,117</u>
	8,511,208	1,416,239	9,927,447
Temporarily restricted	<u>14,990,011</u>	<u>-</u>	<u>14,990,011</u>
Total net assets	<u>23,501,219</u>	<u>1,416,239</u>	<u>24,917,458</u>
Total liabilities and net assets	<u>\$ 28,782,777</u>	<u>\$ 1,856,239</u>	<u>\$ 30,639,016</u>

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

**Consolidating Statement of Activities
For the Year Ended June 30, 2010**

	Mile High United Way, Inc.	2595 Larimer MHUW LLC	Eliminations	Total
Public support and revenue				
Gross campaign results	\$ 29,534,316	\$ -	\$ -	\$ 29,534,316
Grant revenue	5,351,836	-	-	5,351,836
Fundraising events, net	456,971	-	-	456,971
Founders' Legacy Society	511,806	-	-	511,806
Less donor-designated contributions	(8,597,392)	-	-	(8,597,392)
Less uncollectible pledges expense	<u>(693,693)</u>	-	-	<u>(693,693)</u>
Net campaign results	26,563,844	-	-	26,563,844
Service fees	622,156	-	-	622,156
Investment (loss) income	377,288	47,628	-	424,916
In-kind support	415,185	-	-	415,185
Other income	<u>399,278</u>	-	-	<u>399,278</u>
Total public support and revenue	<u>28,377,751</u>	<u>47,628</u>	<u>-</u>	<u>28,425,379</u>
Expenses				
Program services				
Community program allocations and distributions	11,414,902	-	-	11,414,902
Donor-designated contributions	<u>8,597,392</u>	-	-	<u>8,597,392</u>
Community program allocations, distributions and donor designations	20,012,294	-	-	20,012,294
Less donor designations	<u>(8,597,392)</u>	-	-	<u>(8,597,392)</u>
Total community program allocations and distributions	<u>11,414,902</u>	<u>-</u>	<u>-</u>	<u>11,414,902</u>
Community Impact Services	2,298,797	-	-	2,298,797
2-1-1 Services	1,222,163	-	-	1,222,163
Assets for Family Success	576,416	-	-	576,416
Bridging the Gap	645,494	-	-	645,494
Making Connections	1,299,446	-	-	1,299,446
Fiscal Sponsor	<u>1,996,196</u>	-	-	<u>1,996,196</u>
Total Mile High United Way led programs and collaborations	<u>8,038,512</u>	<u>-</u>	<u>-</u>	<u>8,038,512</u>
Total program services	<u>19,453,414</u>	<u>-</u>	<u>-</u>	<u>19,453,414</u>
Supporting services				
Management and general	964,393	-	-	964,393
Funds development	<u>4,107,039</u>	-	-	<u>4,107,039</u>
Total supporting services	<u>5,071,432</u>	<u>-</u>	<u>-</u>	<u>5,071,432</u>
Total expenses	<u>24,524,846</u>	<u>-</u>	<u>-</u>	<u>24,524,846</u>
Changes in net assets	3,852,905	47,628	-	3,900,533
Net assets at beginning of year	<u>19,648,314</u>	<u>1,368,611</u>	<u>-</u>	<u>21,016,925</u>
Net assets at end of year	<u>\$ 23,501,219</u>	<u>\$ 1,416,239</u>	<u>\$ -</u>	<u>\$ 24,917,458</u>

**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**

Board of Trustees
Mile High United Way, Inc. and Subsidiary
Denver, Colorado

We have audited the consolidated financial statements of Mile High United Way, Inc. and Subsidiary ("United Way") as of and for the year ended June 30, 2010, and have issued our report thereon dated October 20, 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 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 United Way's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Board of Trustees
Mile High United Way, Inc. and Subsidiary

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should be not be used by anyone other than these specified parties.



Ehrhardt Keefe Steiner & Hottman PC

October 20, 2010
Denver, Colorado

**REPORT ON COMPLIANCE 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**

Board of Trustees
Mile High United Way, Inc. and Subsidiary
Denver, Colorado

COMPLIANCE

We have audited the compliance of Mile High United Way, Inc. and Subsidiary ("United Way") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. 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 United Way's management. Our responsibility is to express an opinion on 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 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 of United Way's compliance with those requirements.

In our opinion, United Way complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

INTERNAL CONTROL OVER COMPLIANCE

The management of 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 United Way's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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 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, to 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.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Ehrhardt Keefe Steiner & Hottman PC

October 20, 2010
Denver, Colorado

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Section I - Summary of Audit Results

Financial Statements

Type of auditors' report issued - Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? [] Yes [x] No
Significant deficiencies identified that are not considered to be material weaknesses? [] Yes [x] None reported
Noncompliance material to financial statements noted? [] Yes [x] No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? [] Yes [x] No
Significant deficiencies identified that are not considered to be material weaknesses? [] Yes [x] None reported

Type of auditors' report issued on compliance for major programs - Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? [] Yes [x] No

Identification of major programs:

Table with 2 columns: Name of Program, CFDA#. Row 1: CCDF Cluster, Various

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

Auditee qualified as a low-risk auditee under Section 530 of OMB circular A-133? [x] Yes [] No

B. Findings - Financial Statement Audit
None.

C. Findings and Questioned Costs - Major Federal Award Programs Audit Statement Audit
None.

D. Prior Year Findings and Questioned Costs - Major Federal Award Programs Audit
None.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor	Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures During the Year Ended June 30, 2010
U.S. Department of Health and Human Services					
Direct awards					
	Assets for Independence Demonstration Program	93.602	90EI0353/01	\$ 849,409	\$ <u>201,161</u>
Pass-through awards					
City and County of Denver	Individual Development Accounts	93.558	CE53067	\$ 98,022	47,307
City and County of Denver	Child Care Referral Services 211	93.558	GE80618	\$ 54,172	<u>52,076</u>
					<u>99,383</u>
Colorado Department of Human Services*	Early Childhood Education - HB 1238	93.575	07-IHA-00196	\$ 370,496	370,232
Qualistar*	Childcare Referral Services - ECE	93.575	SDA16	\$ 38,173	38,173
Qualistar*	Childcare Referral Services - Denver 211	93.575	SDA17	\$ 81,439	81,439
Colorado Department of Education*	Early Childhood Education - Building Grant	93.575	Project 200	\$ 202,546	<u>202,546</u>
					<u>692,390</u>
Qualistar*	Priority Area Ratings Projects	93.713	ARRA	\$ 56,000	56,000
Colorado Department of Education*	Early Childhood Systems - Building Grant	93.713	ARRA	\$ 100,274	<u>100,274</u>
					<u>156,274</u>
Colorado Department of Public Health and Environment	Women's Wellness	93.919	08-FLA-00874	\$ 45,600	<u>45,600</u>
Arapahoe County Department of Human Services	Chafee Foster Care Independence Program	93.674	Not Provided	\$ 20,000	<u>1,115</u>
	Subtotal - U.S. Department of Health and Human Services				<u>1,195,923</u>
U.S. Department of Housing and Urban Development					
Pass-through awards					
Colorado Department of Human Services	Family Unification Program	14.880	Not Provided	\$ 14,466	14,466
City and County of Denver	DH&NDS IDAs	14.218	GE61145-1	\$ 211,500	29,415
City and County of Denver	DH&NDS IDAs	14.218	GE81098	\$ 529,000	193,139
City of Lakewood	Individual Development Accounts	14.218	Not Provided	\$ 59,800	3,104
Jefferson County	Individual Development Accounts	14.218	CB06MH	\$ 21,500	<u>1,848</u>
					<u>241,972</u>
	Subtotal - U.S. Department of Housing and Urban Development				<u>241,972</u>
Total federal awards					\$ <u>1,437,895</u>

*Major program

See notes to Schedule of Expenditures of Federal Awards.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Notes to Schedule of Expenditures of Federal Awards

(1) Method of Accounting

The accompanying schedule of expenditures of federal awards has been prepared on an accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*.

(2) Reconciliation to Financial Statements

United Way receives grant revenue from other sources than the federal government. The following analysis reconciles expenditures in the accompanying schedule to grant revenue reflected in United Way for the year ended June 30, 2010:

Federal revenue expenditures	\$ 1,437,895
Non-federal revenues	<u>3,913,941</u>
Grant revenues	<u>\$ 5,351,836</u>