MILE HIGH UNITED WAY CURTIS PARK

Financial Statements
and
Independent Auditors' Report
June 30, 2016 and 2015
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mile High United Way Curtis Park
Denver, Colorado

We have audited the accompanying financial statements of Mile High United Way Curtis Park, which are comprised of the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mile High United Way Curtis Park as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

October 19, 2016
Denver, Colorado
MILE HIGH UNITED WAY CURTIS PARK

Statements of Financial Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 87,567</td>
<td>$ 135,724</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>161,717</td>
<td>196,537</td>
</tr>
<tr>
<td>Total current assets</td>
<td>249,284</td>
<td>332,261</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>1,534,934</td>
<td>1,534,934</td>
</tr>
<tr>
<td>Building</td>
<td>17,914,509</td>
<td>17,914,509</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>819,261</td>
<td>819,261</td>
</tr>
<tr>
<td>Less accumulated depreciation and amortization</td>
<td>(1,071,146)</td>
<td>(450,119)</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>19,197,558</td>
<td>19,818,585</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 19,446,842</td>
<td>$ 20,150,846</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued liabilities</td>
<td>$ -</td>
<td>$ 52,251</td>
</tr>
<tr>
<td>Deferred rental income</td>
<td>-</td>
<td>53,750</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>-</td>
<td>106,001</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt, net</td>
<td>18,124,394</td>
<td>18,105,208</td>
</tr>
<tr>
<td>Due to Mile High United Way</td>
<td>135,204</td>
<td>95,393</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>18,259,598</td>
<td>18,306,602</td>
</tr>
<tr>
<td>Commitments and contingencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets</td>
<td>1,187,244</td>
<td>1,844,244</td>
</tr>
<tr>
<td>Total net assets</td>
<td>1,187,244</td>
<td>1,844,244</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$ 19,446,842</td>
<td>$ 20,150,846</td>
</tr>
</tbody>
</table>

See notes to financial statements.
MILE HIGH UNITED WAY CURTIS PARK

Statements of Activities

For the Years Ended
June 30,

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues - unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>$216,614</td>
<td>$122,950</td>
</tr>
<tr>
<td>Interest</td>
<td>279</td>
<td>1,638</td>
</tr>
<tr>
<td>Total revenues - unrestricted</td>
<td>$216,893</td>
<td>$124,588</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>621,027</td>
<td>450,119</td>
</tr>
<tr>
<td>Operations</td>
<td>10,000</td>
<td>187,781</td>
</tr>
<tr>
<td>Interest</td>
<td>230,872</td>
<td>176,506</td>
</tr>
<tr>
<td>Professional fees</td>
<td>11,994</td>
<td>7,734</td>
</tr>
<tr>
<td>Total expenses</td>
<td>873,893</td>
<td>822,140</td>
</tr>
<tr>
<td>Change in unrestricted net assets</td>
<td>(657,000)</td>
<td>(697,552)</td>
</tr>
<tr>
<td>Net assets - unrestricted, beginning of year</td>
<td>1,844,244</td>
<td>2,541,796</td>
</tr>
<tr>
<td>Net assets - unrestricted, end of year</td>
<td>$1,187,244</td>
<td>$1,844,244</td>
</tr>
</tbody>
</table>

See notes to financial statements.
## Statements of Cash Flows

For the Years Ended
June 30,

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ (657,000)</td>
<td>$ (697,552)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>621,027</td>
<td>450,119</td>
</tr>
<tr>
<td>Amortization of debt issuance costs</td>
<td>19,186</td>
<td>17,742</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Mile High United Way</td>
<td>39,811</td>
<td>1,773,808</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>(52,251)</td>
<td>52,251</td>
</tr>
<tr>
<td>Deferred rental income</td>
<td>(53,750)</td>
<td>53,750</td>
</tr>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>(82,977)</td>
<td>1,650,118</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>-</td>
<td>(6,176,939)</td>
</tr>
<tr>
<td>Change in restricted cash</td>
<td>34,820</td>
<td>4,657,299</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>34,820</td>
<td>(1,519,640)</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(48,157)</td>
<td>130,478</td>
</tr>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>135,724</td>
<td>5,246</td>
</tr>
<tr>
<td>Cash and cash equivalents - end of year</td>
<td>$ 87,567</td>
<td>$ 135,724</td>
</tr>
</tbody>
</table>

Supplemental disclosure of cash flow information:

Cash paid for interest for the years ended June 30, 2016 and 2015 was $211,686 and $158,764, respectively.

See notes to financial statements.
Note 1 - Description of Business and Summary of Significant Accounting Policies

Mile High United Way Curtis Park ("Curtis Park") was formed in May 2013 to construct, finance, and own the Mile High United Way Morgridge Center for Community Change (the "Center"). The Center was opened in September 2014 by Mile High United Way ("MHUW") as its headquarters and as a community hub. During the year ended June 30, 2016, the Center hosted over 1,200 meetings and events, resulting in approximately 33,000 individuals from the non-profit, government, and business communities using the Center. MHUW leases and operates the facilities included in the Center under an operating lease. MHUW is the sole voting member of Curtis Park and appoints the members to the Board of Directors.

Use of Estimates

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 disclosures 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.

Cash and Cash Equivalents

Curtis Park considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. Curtis Park continually monitors its positions with, and the credit quality of, the financial institutions with which it invests.

Restricted Cash

Restricted cash consists of reserve amounts held for community development entities' asset management fees.

Property and Equipment

Property and equipment consist of the land, building, and furniture and fixtures of the Center. The assets are depreciated utilizing the straight-line method over the estimated useful lives of the assets, ranging from 3 to 35 years. Depreciation expense was $621,027 and $450,119 for the years ended June 30, 2016 and 2015, respectively.

Rental Revenue

Curtis Park recognizes rental revenue on a monthly basis during the rental period, as defined under the terms of the lease agreement. Prepaid rent amounts received are recorded as deferred rental income and recognized during the rental period to which they apply.
Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Income Taxes

Curtis Park is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Curtis Park is subject to federal income tax on any unrelated business taxable income.

Curtis Park applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2016 and 2015. If incurred, interest and penalties associated with tax positions would be recorded in the period assessed as operations expense. No interest or penalties have been assessed as of June 30, 2016 and 2015.

Classes of Net Assets

The balances and activities of Curtis Park have been segregated into classes according to the nature of the activity and related restrictions imposed by funding sources and designations approved by the Board of Directors.

Unrestricted Net Assets

This class is used to account for resources for which Curtis Park has discretionary control.

Temporarily Restricted Net Assets

This class is used to account for amounts administered by Curtis Park that are stipulated by donors for specific operating purposes or for future periods. Curtis Park does not currently maintain any temporarily restricted net assets.

Permanently Restricted Net Assets

This class is used to account for monies that must be maintained permanently by Curtis Park as required by the donor. Curtis Park does not currently maintain any permanently restricted net assets.
Note 2 - Long-Term Debt

NMTC Financing

In order to raise funds for the construction of the Center, MHUW and Curtis Park entered into financing arrangements ("Agreements") with investors using new markets tax credits ("NMTC Financing"). Third-party NMTC investors invested approximately $6,118,000 into the MHUW Investment Fund, LLC (the "Fund") in exchange for new markets tax credits. In connection with the NMTC Financing, MHUW lent to the Fund approximately $12,882,000. As part of the NMTC Financing, the Fund invested a portion of the funds into three qualified community development entities ("CDEs"). The CDEs loaned to Curtis Park substantially all of the proceeds of investments made in them by the Fund, net of fees of $517,000, in the aggregate amount of approximately $18,483,000 ("Project Loans"), and Curtis Park executed and delivered to the CDEs loan agreements, promissory notes, and deeds of trusts in connection with the Project Loans. The new market tax credits have a seven-year compliance period.

In December 2013, Curtis Park received the proceeds of six notes payable from three separate CDEs related to the NMTC Financing. Three of the notes payable total $12,882,000. The remaining three notes payable total $5,601,000. The combined total of the six notes payable is $18,483,000, all of which was used to build the Center. The notes payable accrue interest at 1.1453% and require quarterly interest-only payments through February 2021. Beginning in March 2021, quarterly principal and interest payments will be made through September 11, 2043, at which time all remaining notes payable balances become due. The notes payable are secured by deeds of trust on the property and assignment of leases and rents. MHUW pays rent to Curtis Park to cover the debt servicing payments required under the notes payable.

Curtis Park incurred costs in connection with the NMTC Financing. These costs are being amortized over the term of the long-term debt using the effective interest method. Unamortized costs of $358,606 and $377,792 as of June 30, 2016 and 2015, respectively, have been netted against the notes payable in the statements of financial position.

The notes payable have put and call options that can be exercised at the end of the NMTC Financing seven-year compliance period. If either option is exercised, MHUW will purchase the third-party NMTC investor interests in the MHUW Investment Fund, LLC at an amount as defined in the Agreements. Once the option is exercised and the agreed-upon consideration is paid, all notes payable related to the NMTC Financing will be considered settled in full, and ownership of the Center will transfer from Curtis Park to MHUW.

Note 3 - Related Party Transactions

MHUW entered into a lease agreement with Curtis Park for the Center that commenced in September 2014. The lease requires escalating payments through maturity in December 2034 and allows for two five-year renewal periods. During the years ended June 30, 2016 and 2015, Curtis Park recognized lease income of $216,614 and $122,950, respectively, from MHUW.
Note 3 - Related Party Transactions (continued)

Future lease payments under the lease are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$218,236</td>
</tr>
<tr>
<td>2018</td>
<td>220,419</td>
</tr>
<tr>
<td>2019</td>
<td>222,623</td>
</tr>
<tr>
<td>2020</td>
<td>274,365</td>
</tr>
<tr>
<td>2021</td>
<td>662,500</td>
</tr>
<tr>
<td>Thereafter</td>
<td>14,447,420</td>
</tr>
<tr>
<td></td>
<td>$16,045,563</td>
</tr>
</tbody>
</table>

As part of the construction of the Center, Curtis Park entered into a Development Services Agreement (the "Agreement") with MHUW pursuant to which MHUW provided certain services with respect to overseeing the development of the Center. The developer fee of $100,000 is to be paid as cash flows are available as defined in the Agreement. As of June 30, 2016 and 2015, $81,454 and $95,393, respectively, was due to MHUW for the developer fee.

Note 4 - Subsequent Events

Curtis Park has evaluated all subsequent events through the date of the auditors' report, which is the date the financial statements were available for issuance. There were no material subsequent events that required recognition or additional disclosure in these financial statements.