Annual Audited Financial Statements
Financial Highlights

Mile High United Way

The following is intended to highlight aspects of Mile High United Way's financial results for the fiscal year ended June 30, 2017.

The Mile High United Way consolidated financial statements are comprised of two entities: Mile High United Way, Inc. and Mile High United Way Curtis Park. The Mile High United Way Curtis Park nonprofit entity holds the real estate, fixed assets and related liabilities associated with the Morgridge Center for Community Change, the mission-driven center for Mile High United Way which opened in fiscal year 2015.

Please also see our IRS Form 990 for Mile High United Way, Inc. as well as our audited financial statements and 990 for Mile High United Way Curtis Park for a complete picture of our organization and our financial results.

Audit Reports

The financial statement audit was conducted by EKS&H, independent external auditors, and an unmodified (i.e. clean) opinion was issued on the financial statements.

In addition, EKS&H performed procedures and issued a report on the adequacy of and compliance with internal controls over financial reporting. Those procedures and the related report did not identify any material weaknesses or material non-compliance. EKS&H also performed audit procedures for compliance with requirements related to federal award programs in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. An unmodified opinion was issued with regard to compliance with such requirements.

Statement of Financial Position

The overall financial health of Mile High United Way remains strong, as indicated by the consolidated positive net asset balance of $40.2 million. During the fiscal year, net assets increased by $0.4 million for Mile High United Way, Inc., whereas, Mile High United Way Curtis Park net assets decreased by $0.6 million primarily from depreciation expense.

Another indicator of financial health is working capital, which measures an organization's ability to meet its short-term financial obligations. Mile High United Way's total working capital (amount by which current assets exceed current liabilities) was $18.8 million at June 30, 2017, an increase of $0.3 million from the prior year.

Statement of Activities

Mile High United Way had $17.9 million in net fundraising revenue in fiscal year 2017 (after deducting donor designated contributions of $10.7 million), and total revenue of $19.7 million. The net change in total revenue from prior year were primarily the result of a one-time bequest in 2016 and the completion of a fiscal sponsorship arrangement.

Mile High United Way expenses at $19.9 million declined by $1.1 million this fiscal year, proportionate to revenue. Total program expenses were $14.9 million.

Mile High United Way continues to focus on being an efficient organization as evidenced by our overall expense ratio. Program expenses, including donor designations, are 84% of total expense; while 16% of expenses go to fundraising and administration.

Mile High United Way

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Financial Statements,
Independent Auditors' Report,
and
Single Audit Reports
For the Years Ended June 30, 2017 and 2016

EKS&H

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Mile High United Way, Inc. and Subsidiary ("United Way"), which are comprised of the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mile High United Way, Inc. and Subsidiary as of June 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTER

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, and results of operations of the individual entities, and are not a required part of the consolidated financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is also presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating statements of financial position and activities and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. This information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2017, 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, 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* in considering United Way's internal control over financial reporting and compliance.

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October 18, 2017
Denver, Colorado

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Statements of Financial Position

	June 30, 2017	June 30, 2016
Assets		
Current assets		
Cash and cash equivalents	$ 6,720,807	$ 5,950,688
Restricted cash	126,889	279,810
Short-term investments	7,706,197	7,695,656
Current portion of pledges receivable, net	6,298,344	6,575,179
Accounts and grants receivable	1,048,928	1,874,907
Prepaid expenses and other current assets	401,383	311,858
Total current assets	22,302,548	22,688,098
Non-current assets		
Legacy gift fund investments - Board-designated	7,193,947	5,854,959
Investment in UWDH	400,000	-
Receivables restricted for the Center, net of current portion	392,644	1,500,844
Pledges receivable, net of current portion	95,000	427,250
Notes receivable	12,882,070	12,882,070
Capital assets, net	18,770,688	19,420,080
Total non-current assets	39,734,349	40,085,203
Total assets	$ 62,036,897	$ 62,773,301
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 1,077,812	$ 1,101,381
Deferred revenue	63,555	122,905
Accrued designations	2,230,431	2,995,532
Current portion of long-term debt	80,000	-
Total current liabilities	3,451,798	4,219,818
Non-current liabilities		
Long-term debt, net	18,383,580	18,124,394
Total liabilities	21,835,378	22,344,212
Commitments and contingencies		
Net assets		
Unrestricted	15,198,340	15,075,404
Board-designated legacy gift fund	7,193,947	5,854,959
Capital assets	13,509,178	14,177,756
Total unrestricted net assets	35,901,465	35,108,119
Temporarily restricted	4,300,054	5,320,970
Total net assets	40,201,519	40,429,089
Total liabilities and net assets	$ 62,036,897	$ 62,773,301

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Statements of Activities

	For the Years Ended June 30,					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue						
Gross campaign results, net	$ 18,441,249	$ 5,993,643	$ 24,434,892	$ 20,472,226	$ 5,439,359	$ 25,911,585
Foundations	181,889	504,334	686,223	269,678	565,500	835,178
Government	2,814,323	-	2,814,323	2,944,432	-	2,944,432
Fundraising events, net of expenses of $281,951 (2017) and $360,284 (2016)	555,617	-	555,617	439,134	-	439,134
Founders' Legacy Society	142,828	-	142,828	1,172,011	-	1,172,011
Less donor-designated contributions	(10,736,339)	-	(10,736,339)	(11,810,769)	-	(11,810,769)
Net fundraising revenue	11,399,567	6,497,977	17,897,544	13,486,712	6,004,859	19,491,571
Service fees	241,956	-	241,956	339,472	-	339,472
Investment income	840,904	-	840,904	402,554	219	402,773
In-kind support	74,911	-	74,911	80,672	-	80,672
Other income	561,638	35,706	597,344	179,683	37,265	216,948
	13,118,976	6,533,683	19,652,659	14,489,093	6,042,343	20,531,436
Net assets released from restriction	6,567,444	(6,567,444)	-	6,576,280	(6,576,280)	-
Total revenue	19,686,420	(33,761)	19,652,659	21,065,373	(533,937)	20,531,436
Expenses						
Program services						
Distributions to community agencies	6,948,236	-	6,948,236	7,294,247	-	7,294,247
Donor-designated contributions	10,736,339	-	10,736,339	11,810,769	-	11,810,769
Distributions to community agencies and donor designations	17,684,575	-	17,684,575	19,105,016	-	19,105,016
Less donor-designated contributions	(10,736,339)	-	(10,736,339)	(11,810,769)	-	(11,810,769)
Total distributions to community agencies	6,948,236	-	6,948,236	7,294,247	-	7,294,247
Community Impact Division	2,227,613	-	2,227,613	2,234,357	-	2,234,357
2-1-1 Help Center	1,703,563	-	1,703,563	1,452,308	-	1,452,308
Colorado Reading Corps	1,290,071	-	1,290,071	1,378,785	-	1,378,785
Bridging the Gap	782,670	-	782,670	788,514	-	788,514
Early Literacy	90,660	-	90,660	439,011	-	439,011
United Neighborhoods	835,842	-	835,842	455,885	-	455,885
Fiscal Sponsor	125,393	-	125,393	835,058	-	835,058
Curtis Park	875,213	-	875,213	873,893	-	873,893
Total Mile-High-United-Way-led programs	7,931,025	-	7,931,025	8,457,811	-	8,457,811
Total program services	14,879,261	-	14,879,261	15,752,058	-	15,752,058
Supporting services						
Management and general	840,982	-	840,982	886,495	-	886,495
Funds development	4,159,986	-	4,159,986	4,359,587	-	4,359,587
Total supporting services	5,000,968	-	5,000,968	5,246,082	-	5,246,082
Total expenses	19,880,229	-	19,880,229	20,998,140	-	20,998,140
Change in net assets from operations	(193,809)	(33,761)	(227,570)	67,233	(533,937)	(466,704)
Capital campaign net assets released from restriction	987,155	(987,155)	-	1,677,902	(1,677,902)	-
Change in net assets	793,346	(1,020,916)	(227,570)	1,745,135	(2,211,839)	(466,704)
Net assets, beginning of year	35,108,119	5,320,970	40,429,089	33,362,984	7,532,809	40,895,793
Net assets, end of year	$ 35,901,465	$ 4,300,054	$ 40,201,519	$ 35,108,119	$ 5,320,970	$ 40,429,089

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2017

	Program Services									Supporting Services			
	Community Impact Division	2-1-1 Help Center	Colorado Reading Corps	Bridging the Gap	Early Literacy	United Neighborhoods	Fiscal Sponsor	Curtis Park	Total	Management and General	Funds Development	Total	Consolidated Total
Distributions to community agencies	$ 16,614,292	$ 15,927	$ -	$ -	$ 846,247	$ 11,750	$ 196,359	$ -	$ 17,684,575	$ -	$ -	$ -	$ 17,684,575
Less donor-designated contributions	(10,736,339)	-	-	-	-	-	-	-	(10,736,339)	-	-	-	(10,736,339)
Total distributions to community agencies by program	$ 5,877,953	$ 15,927	$ -	$ -	$ 846,247	$ 11,750	$ 196,359	$ -	$ 6,948,236	$ -	$ -	$ -	$ 6,948,236
Salaries and related expenses													
Salaries and wages	$ 1,004,264	$ 1,051,567	$ 849,746	$ 459,361	$ 42,350	$ 517,888	$ -	$ -	$ 3,925,176	$ 493,871	$ 2,516,199	$ 3,010,070	$ 6,935,246
Employee benefits	146,116	199,064	82,133	78,394	8,859	68,640	-	-	583,206	66,969	387,811	454,780	1,037,986
Payroll taxes and related	78,668	89,443	66,985	34,990	3,357	40,216	-	-	313,659	36,713	188,023	224,736	538,395
Total salaries and related expenses	1,229,048	1,340,074	998,864	572,745	54,566	626,744	-	-	4,822,041	597,553	3,092,033	3,689,586	8,511,627
Other expenses													
Contract services, professional fees, and other	529,793	43,090	181,421	23,883	122	109,681	35,278	7,500	930,768	81,222	358,447	439,669	1,370,437
Evaluation services	-	-	-	-	30,166	-	-	-	30,166	-	-	-	30,166
Program costs	85,133	706	8,060	87,298	22	12,893	17,876	10,000	221,988	-	-	-	221,988
Office expenses	36,205	32,357	9,019	12,771	451	10,617	2,022	5,814	109,256	44,592	136,237	180,829	290,085
Occupancy	208,143	50,209	12,478	26,055	2,591	18,809	8,641	-	326,926	53,076	159,918	212,994	539,920
Public information and advocacy	33,492	7,373	5,015	3,361	-	6,679	25,422	-	81,342	4,312	104,880	109,192	190,534
Information technology	48,140	115,594	6,619	11,375	693	8,797	21,040	-	212,258	16,954	87,326	104,280	316,538
Temporary help and other	2,978	15,641	8,771	1,075	65	1,109	12,151	-	41,790	22,539	45,445	67,984	109,774
Fundraising functions and materials	-	-	-	-	-	-	-	-	-	158	77,937	78,095	78,095
Conferences, conventions, and meetings	7,005	8,071	7,083	4,581	1,847	6,342	2,920	-	37,849	7,683	29,915	37,598	75,447
Travel	6,182	3,223	3,120	9,315	60	1,094	43	-	23,037	1,326	16,378	17,704	40,741
United Way Worldwide dues	34,930	66,264	49,307	29,482	-	32,576	-	-	212,559	10,122	48,655	58,777	271,336
Interest	-	-	-	-	-	-	-	230,872	230,872	-	-	-	230,872
Depreciation	6,564	20,961	314	729	77	501	-	621,027	650,173	1,445	2,815	4,260	654,433
Total other expenses	998,565	363,489	291,207	209,925	36,094	209,098	125,393	875,213	3,108,984	243,429	1,067,953	1,311,382	4,420,366
Total program functional expenses	$ 2,227,613	$ 1,703,563	$ 1,290,071	$ 782,670	$ 90,660	$ 835,842	$ 125,393	$ 875,213	$ 7,931,025	$ 840,982	$ 4,159,986	$ 5,000,968	$ 12,931,993

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2016

	Program Services									Supporting Services			
	Community Impact Division	2-1-1 Help Center	Colorado Reading Corps	Bridging the Gap	Early Literacy	United Neighborhoods	Fiscal Sponsor	Curtis Park	Total	Management and General	Funds Development	Total	Consolidated Total
Distributions to community agencies	$ 17,678,589	$ 11,853	$ -	$ 10,268	$ 1,401,273	$ 3,033	$ -	$ -	$ 19,105,016	$ -	$ -	$ -	$ 19,105,016
Less donor-designated contributions	(11,810,769)	-	-	-	-	-	-	-	(11,810,769)	-	-	-	(11,810,769)
Total distributions to community agencies by program	$ 5,867,820	$ 11,853	$ -	$ 10,268	$ 1,401,273	$ 3,033	$ -	$ -	$ 7,294,247	$ -	$ -	$ -	$ 7,294,247
Salaries and related expenses													
Salaries and wages	1,060,076	862,800	918,982	437,732	94,242	305,851	-	-	3,679,683	481,158	2,422,432	2,903,590	6,583,273
Employee benefits	158,857	167,074	90,232	74,799	15,237	38,728	-	-	544,927	60,452	352,446	412,898	957,825
Payroll taxes and related	78,904	65,151	72,189	33,167	6,277	21,846	-	-	277,534	33,715	182,289	216,004	493,538
Total salaries and related expenses	1,297,837	1,095,025	1,081,403	545,698	115,756	366,425	-	-	4,502,144	575,325	2,957,167	3,532,492	8,034,636
Other expenses													
Contract services, professional fees, and other	354,136	65,407	167,960	35,899	410	38,635	458,674	7,300	1,128,421	137,327	527,139	664,466	1,792,887
Evaluation services	-	-	-	-	306,155	-	-	-	306,155	-	-	-	306,155
Program costs	141,618	452	7,552	92,264	76	376	335,029	10,000	587,367	-	-	-	587,367
Office expenses	42,855	43,957	11,407	16,154	1,003	5,565	33,009	4,694	158,644	52,775	151,352	204,127	362,771
Occupancy	195,416	48,909	12,975	25,901	4,719	14,938	-	-	302,858	51,273	161,972	213,245	516,103
Public information and advocacy	27,302	9,981	9,092	5,953	23	3,034	1,109	-	56,494	8,547	140,208	148,755	205,249
Information technology	82,247	88,390	8,945	10,562	1,322	3,208	-	-	194,674	22,665	92,746	115,411	310,085
Temporary help and other	14,966	6,984	14,172	7,811	291	1,136	-	-	45,360	14,061	98,891	112,952	158,312
Fundraising functions and materials	-	-	-	-	-	-	-	-	-	789	123,666	124,455	124,455
Conferences, conventions, and meetings	13,035	13,139	9,044	5,292	5,045	3,740	3,784	-	53,079	10,335	34,177	44,512	97,591
Travel	3,929	2,196	4,333	11,650	3,980	940	290	-	27,318	1,499	18,869	20,368	47,686
United Way Worldwide dues	53,546	55,764	51,316	30,128	19	17,303	3,163	-	211,239	9,948	48,281	58,229	269,468
Interest	-	-	-	-	-	-	-	230,872	230,872	-	-	-	230,872
Depreciation	7,470	22,104	586	1,202	212	585	-	621,027	653,186	1,951	5,119	7,070	660,256
Total other expenses	936,520	357,283	297,382	242,816	323,255	89,460	835,058	873,893	3,955,667	311,170	1,402,420	1,713,590	5,669,257
Total program functional expenses	$ 2,234,357	$ 1,452,308	$ 1,378,785	$ 788,514	$ 439,011	$ 455,885	$ 835,058	$ 873,893	$ 8,457,811	$ 886,495	$ 4,359,587	$ 5,246,082	$ 13,703,893

See notes to consolidated financial statements.

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	For the Years Ended June 30, 2017	For the Years Ended June 30, 2016
Cash flows from operating activities		
Change in net assets	$ (227,570)	$ (466,704)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	654,433	660,256
Amortization of debt issuance costs	19,186	19,186
Allowance for uncollectible pledges, net of write-offs	32,611	13,750
Net unrealized and realized gains on investments	(452,819)	(14,504)
Change in cash surrender value of life insurance policies	(68,718)	(83,963)
Changes in assets and liabilities		
Receivables and pledges	1,484,415	(4,659)
Prepaids and other current assets	(20,807)	93,567
Accounts payable, accrued expenses, and accrued designations	(788,670)	(184,144)
Deferred revenue	(59,350)	61,357
	800,281	560,846
Net cash provided by operating activities	572,711	94,142
Cash flows from investing activities		
Net purchases of investments	(896,710)	(2,385,173)
Purchase of investment in UWDH	(80,000)	-
Purchase of capital assets	(5,041)	-
Net cash used in investing activities	(981,751)	(2,385,173)
Cash flows from financing activities		
Payments received on capital campaign pledges	1,026,238	1,697,834
Net cash provided by financing activities	1,026,238	1,697,834
Net change in cash, cash equivalents, and restricted cash	617,198	(593,197)
Cash, cash equivalents, and restricted cash - beginning of year	6,230,498	6,823,695
Cash, cash equivalents, and restricted cash - end of year	$ 6,847,696	$ 6,230,498

(Continued on the following page)

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(Continued from the previous page)

Cash, cash equivalents, and restricted cash are presented in the consolidated statements of financial position as follows:

	June 30, 2017	June 30, 2016
Cash and cash equivalents	$ 6,720,807	$ 5,950,688
Restricted cash	126,889	279,810
	$ 6,847,696	$ 6,230,498

Supplemental disclosure of cash flow information:

Interest paid was $211,686 for each of the years ended June 30, 2017 and 2016.

Supplemental disclosure of non-cash activity:

During the year ended June 30, 2017, United Way financed the purchase of the investment in UWDH with a note payable of $320,000.

See notes to consolidated financial statements.

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

Founded in 1887, Mile High United Way, Inc. ("MHUW") is the first United Way in the world. A non-profit organization, its mission is to unite people, ideas, and resources to advance the common good. MHUW fights for the education, health, and financial stability of every person in Metro Denver. MHUW's work is focused around four Community Impact Goals: Giving All Children a Strong Start, Reading Matters, Developing Tomorrow's Talent, and Creating Economic Opportunity for All. MHUW works in partnership with hundreds of local non-profit partners, government agencies, policy makers, businesses, and individuals to collectively solve complex social issues affecting the five-county Metro Denver community, comprised of Adams, Arapahoe, Denver, Douglas, and Jefferson counties. Last year, with its Impact Investment Partners, MHUW positively impacted nearly 250,000 people to create sustainable community change.

Mile High United Way is a dues-paying member of United Way Worldwide. MHUW is governed by a Board of Trustees (the "Board") of approximately 40 community and business leaders.

Mile High United Way Curtis Park ("Curtis Park") was formed in 2013 as a subsidiary of MHUW to construct, finance, and own Mile High United Way Morgridge Center for Community Change (the "Center"). The Center is used by MHUW as its headquarters and community hub. MHUW is the sole voting member of Curtis Park and appoints members to the Curtis Park Board of Directors.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of MHUW and Curtis Park (herein collectively referred to as "United Way"). All inter-company accounts and transactions have been eliminated in consolidation.

Community Impact Goals

Giving All Children a Strong Start and Reading Matters

United Way is helping ensure that children are entering school ready to learn and are on the right path to read at or above grade level. In Metro Denver, there are only licensed child care spots for 41 percent of children under age 6 who have working parents, and one in four Colorado third graders is not reading at or above grade level. Quality early childhood education not only improves young children's health but also promotes their development and learning.

Last year, United Way with its Impact Partners served more than 55,000 children. United Way's early childhood work provides parents and caregivers the skills needed to help children build essential pre-literacy skills so they enter kindergarten prepared to learn, and ensures that elementary school children are reading proficiently by the end of third grade. United Way and community led programs improved the literacy skills of more than 3,700 children, funded more than 2,600 high-quality child care spots, and placed AmeriCorps members in three school districts serving approximately 930 students.

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

Community Impact Goals (continued)

Developing Tomorrow's Talent

United Way is committed to helping youth graduate from high school ready for post-secondary education or entry into the workforce by supporting programs that offer out-of-school activities, mentoring, and educational support. In Metro Denver, approximately one in four high school students does not graduate on time. Last year, United Way with its partners served more than 44,200 youth, providing mentoring to more than 2,600 youth, and out-of-school-time programming to more than 19,200 youth. Additionally, United Way provided housing support to 126 youth formerly in the child welfare system, while also offering career and life-skills resources and one-on-one coaching to help them as they transition to independent living.

Creating Economic Opportunity for All

United Way is committed to creating economic opportunity for all so that individuals and families can meet their basic needs and have the opportunity to move toward economic success. The increasing cost of living in Metro Denver is forcing families to make hard decisions, such as whether to pay for food or rent. Last year, United Way with its partners served more than 143,200 individuals and their families by providing for basic needs, like housing and meals, and resources for financial education and building job skills. Mile High United Way's 2-1-1 Help Center received more than 80,000 contacts from people around Colorado seeking resources for housing, income support, and utility assistance, among other needs.

Community Investment and Impact

United Way's Community Impact Division ("CID") leads its community investment and impact strategy. CID staff work to identify needs and gaps in the community; collect and aggregate data to make informed funding decisions; develop and evaluate best practice strategies; advocate to policymakers on behalf of the community; and convene community members, agencies, and state and local government entities to address issues and develop solutions for complex social problems in Metro Denver.

As part of this work, United Way funds a portfolio of partner organizations implementing strategies directly aligned with its Community Impact Goals. United Way also funds two Centers for Family Opportunity where best-in-class adult education providers lead classes to support economic opportunity in under-resourced communities. United Way also operates programs to support the non-profit sector in serving Metro Denver communities by strengthening their ability to collect and evaluate data to make decisions that improve the effectiveness of their programs.

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

Community Investment and Impact (continued)

United Way's direct-service programs include the following:

- *Colorado Reading Corps, a strategic initiative of Mile High United Way,* integrates trained AmeriCorps members into classrooms to help improve reading proficiency in kindergarten through third grade students. The program uses evidence-based interventions to help students improve their literacy skills. In fiscal year 2017, Colorado Reading Corps tutors served more than 930 students in three Metro Denver school districts.

- *Mile High United Way's Bridging the Gap* is a transformative program that helps improve the lives of young adults who were formerly in the child welfare system by addressing their needs related to housing, education, employment, financial literacy, health, and leadership development. Last year, the program provided safe and stable housing and support to 126 participants. Independent life coaches also provided life skills support and workforce development assistance.

- *Mile High United Way's 2-1-1 Help Center* is a free and confidential community referral service that connects people with resources that provide food, shelter, rent assistance, clothing, child care options, legal assistance, and other services to meet basic needs. 2-1-1 referral specialists are multilingual and available to direct individuals to available community resources. Last year, 2-1-1 received more than 80,000 contacts from individuals around Colorado.

- *Mile High United Way's United Neighborhoods*™ initiative works to revitalize the most under-resourced neighborhoods in Metro Denver by partnering with community members who care deeply about eliminating poverty in their community. Last year, United Way worked closely with three neighboring communities to identify their needs and priorities and developed four community goals: Housing, Health, Workforce, and Education.

- The *Mile High United Way Social Innovation Fund* invests in early literacy programs across the state of Colorado to deliver effective data-driven interventions that drive program improvements and expand services to children from birth to age 8. Last year, six sub-grantees received funding through the Social Innovation Fund and served nearly 9,000 children and families in 32 schools.

- *Fiscal Sponsor* programs are those for which United Way maintains legal and fiduciary responsibility for groups that conduct activities related to United Way's mission. Sponsored projects include Take Note Colorado and Denver's Road Home.

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

Cash and Cash Equivalents

For purposes of the consolidated statements of financial position and consolidated statements of cash flows, United Way considers all highly liquid debt instruments with an original maturity of three months or less that are not held by investment managers as part of an investment portfolio to be cash equivalents.

Financial Instruments and Credit Risk

Financial instruments that potentially subject United Way to credit risk consist primarily of cash, restricted cash, short-term investments, legacy gift fund investments, accounts and grants 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 at or above investment grade level or backed by the United States government. Investments are diversified or are invested in several institutions to minimize risk.

At times throughout the year, United Way's cash balances exceeded federally insured limits.

Restricted Cash

Restricted cash consists of the following:

	June 30, 2017	June 30, 2016
Amounts held for operations of the Center	$ 126,889	$ 161,717
Individual Development Account funds	-	118,093
Total restricted cash	$ 126,889	$ 279,810

Investments

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

Accounts and Grants Receivable

Accounts and grants receivable consist of amounts due from grantors. Management periodically reviews accounts to determine uncollectible amounts. Accounts are written off in the period they are deemed uncollectible. No allowance is deemed necessary as of June 30, 2017 and 2016.

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

Pledges Receivable

Pledges receivable relating to the annual fundraising campaign that are expected to be collected within one year are recorded at their net realizable values. An allowance for uncollectible pledges is established 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 discounted its pledges receivable as the amount is insignificant.

Conditional promises to give are not included as support until such time as the conditions are substantially met.

Curtis Park

In September 2014, MHUW opened the Morgridge Center for Community Change (the "Center"), a new, mission-driven headquarters and community collaboration center in the historic Curtis Park neighborhood. As metro Denver has grown, so has the need for MHUW's services and those of its partners. The building was designed to facilitate MHUW's unique role as a convener and leader of collaborative engagement with community partners. During the year ended June 30, 2017, the Center hosted approximately 780 meetings and events, resulting in approximately 28,600 individuals from the non-profit, government, and business communities using the Center. As part of the Center's mission, the Center rents space to four non-profit organizations.

The building project was financed by a combination of the proceeds of the sale of its previous building, new market tax credits, and a $10 million capital campaign, which concluded in 2015.

Capital Assets

Capital assets consist of land, building, equipment, and computer software. Depreciation and amortization is computed over the following estimated useful lives using the straight-line method:

	Estimated Useful Lives
Building	35 years
Equipment	3-8 years
Software	3 years

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

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

Investment in UWDH

In February 2017, MHUW purchased a 3% membership interest in United Way Digital Holdings, LLC ("UWDH") for $400,000. MHUW paid $80,000 and financed the remaining $320,000 with a promissory note (Note 6). The investment is recorded at cost and is periodically assessed for impairment.

Deferred Revenue

Deferred revenue consists of funds received for programs in which the expenses will be incurred in a future period or for sponsorships of future special events. The revenue will be recognized in applicable future periods when the services are provided and the related expenses are incurred or when the event occurs.

Annual Campaign Revenue Recognition and Designated 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. The pledges and cash donations raised in the campaigns during the year are recognized as revenue in the year that the pledge is received. All support is considered available for unrestricted use unless specifically restricted by the donor.

United Way allows donors to designate their contributions to any agency qualified to receive charitable contributions. United Way reflects the activity for donor-designated contributions in gross campaign results and deducts them from revenue on the consolidated statements of activities. Designations are paid when the pledge is collected.

Custodial Funds

United Way administers national fundraising campaigns for local employers that have employees located outside United Way's local region. Pledges collected from these national campaigns are held by United Way for the accounts of other agencies and are disbursed as directed by the donors. United Way allows these donors to designate their contributions to any agency in the United States qualified to receive charitable contributions.

Pledged contributions for the years ended June 30, 2017 and 2016 that relate to national accounts outside of United Way's region are not reflected on the accompanying consolidated statements of activities. The revenue is reflected in the consolidated financial statements of the United Way organizations serving those regions. Pledges collected and payable to other agencies at June 30 are recorded as accrued designations (a liability) on the accompanying consolidated statements of financial position. Any portion of the pledged contributions that is not collected is not distributed to the designated agency.

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

Service Fees

United Way may withhold fees from donor-designated contributions to cover costs. These amounts are recorded as service fee revenue when the designation is paid. Service fees collected averaged 2.2% and 2.9% of donor-designated contributions for the years ended June 30, 2017 and 2016, respectively.

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 designations approved by the Board.

Unrestricted

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

Board-Designated Legacy Gift Fund

The Legacy Gift Fund is comprised of gifts received through bequests, trusts, and memorials. These funds are designated by the Board whereby the principal amount and related net investment earnings are maintained as a reserve fund for future strategic initiatives.

Capital Assets

This class is used to account for United Way's investment in capital assets, net of depreciation, plus related notes receivable, less net long-term debt.

Temporarily Restricted

This class is used to account for amounts administered by United Way that are stipulated by donors for specific operating purposes or for future periods (Note 7).

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 on the consolidated statements of activities as net assets released from restriction.

Permanently Restricted

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.

Functional Allocation of Expenses

The costs of supporting United Way's primary programs and other activities have been summarized on a functional basis on the consolidated statements 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.

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

Distributions to Community Agencies

United Way evaluates community needs, gaps in services, and trends in the community on a regular basis. This data and agency performance are evaluated annually to determine awards for Community Impact grants. In addition, United Way awards grants to other non-profit organizations through community collaboratives and United Way-led programs. These distributions are recognized as an expense in the year distributed.

Distributions to community agencies consisted of the following:

	June 30, 2017	June 30, 2016
Community Impact grants	$ 5,818,925	$ 5,799,688
Donor-designated contributions	10,736,339	11,810,769
Other initiatives	1,129,311	1,494,559
	$ 17,684,575	$ 19,105,016

Other initiatives include the Social Innovation Fund, Denver's Road Home, and other fiscal sponsor organizations.

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 expansion of the Colorado Reading Corps and Power Lunch programs has grown the community volunteer effort. Over 34,300 hours were volunteered through United Way during the year ended June 30, 2017. The consolidated financial statements do not reflect the value of these donated services as they do not meet the recognition criteria under U.S. generally accepted accounting principles ("GAAP").

Advertising

Advertising costs are expensed in the period incurred. The total advertising costs for the years ended June 30, 2017 and 2016 were $52,123 and $94,628, respectively.

Income Taxes

MHUW and Curtis Park are exempt from federal income tax under Section 501(a) as organizations described in Section 501(c)(3) of the U.S. Internal Revenue Code. As such, United Way is only subject to federal income tax on income unrelated to its exempt purpose.

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

Income Taxes (continued)

MHUW and Curtis Park apply 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, 2017 and 2016. 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, 2017 and 2016.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

United Way has evaluated all subsequent events through the date of the auditors' report, which is the date the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the consolidated financial statements.

Recently Issued Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment applies to not-for-profit entities. The amendment reduces the classes of net assets to *net assets with donor restrictions* and *net assets without donor restrictions*; removes the reconciliation of cash flows to the indirect method if using the direct method; requires the reporting of investment returns, net of expenses, with no disclosure of netted expenses required; requires the use, in the absence of explicit donor stipulations, of the placed-in-service approach for reporting expirations of restrictions on cash or other asset donations and requires disclosure of expenses by both their natural and functional classification on the face of the statement of activities, as a separate statement, or in the notes to the financial statements. In addition, the amendment provides enhanced disclosures on amounts and purposes of board designations and appropriations, composition of net assets with donor restrictions, discussion of liquidity for the year following year-end, discussion of liquidity of financial assets at year-end, methodology used to allocate costs between program and support functions, and underwater endowment funds. The amendment is effective for all fiscal years beginning after December 15, 2017. Entities should apply the amendment in this update retrospectively to all periods presented.

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

Recently Issued Accounting Pronouncements (continued)

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU No. 2014-09 will replace most existing revenue recognition guidance in accounting principles generally accepted in the United States of America when it becomes effective. The new standard is effective for all fiscal years beginning after December 15, 2018.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early application of this amendment is permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

United Way is currently evaluating the impact of the new standards above on the consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendment requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendment is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. United Way has implemented this amendment for the year ended June 30, 2017.

Note 2 - Investments

Short-Term Investments

Short-term investments consist of the following:

	June 30,	
	2017	2016
Money market funds	$ 141,287	$ 445,639
Certificates of deposit	5,151,243	5,627,363
Bond securities	2,413,667	1,622,654
Total	$ 7,706,197	$ 7,695,656

Note 2 - Investments (continued)

Board-Designated Legacy Gift Fund Investments

Board-designated legacy gift fund investments consist of the following:

	June 30, 2017	June 30, 2016
Money market funds	$ 135,776	$ 384,858
Equity mutual funds	1,841,792	1,317,890
Bond mutual funds	636,937	577,939
Bond securities	2,154,413	1,702,258
Equity securities	2,425,029	1,869,354
Real estate funds	-	2,660
Total	$ 7,193,947	$ 5,854,959

Investment Returns

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

	June 30, 2017	June 30, 2016
Dividends and interest, net of fees	$ 388,085	$ 388,269
Net realized gains	226,895	12,932
Net unrealized gains on investments reported at fair value	225,924	1,572
Total	$ 840,904	$ 402,773

Note 3 - Fair Value Measurement

United Way follows 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.

Note 3 - Fair Value Measurement (continued)

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 and considers counterparty credit risk in its assessment of fair value.

The following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds, equity mutual funds, bond mutual funds, and equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of deposit, bond securities, and real estate funds: Valued based on prices currently available on comparable securities.

There were no changes to the valuation techniques used during the periods.

Financial assets, including short-term and Board-designated legacy gift fund investments, are carried at fair value as of June 30, 2017 and 2016 and are classified in the following tables in one of the three categories described above.

Assets at fair value as of June 30, 2017 are as follows:

Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Money market funds	$ 277,063	$ -	$ -	$ 277,063
Certificates of deposit	-	5,151,243	-	5,151,243
Equity mutual funds				
Domestic mutual funds	1,081,470	-	-	1,081,470
International mutual funds	760,322	-	-	760,322
Bond mutual funds				
Domestic mutual funds	214,225	-	-	214,225
International mutual funds	422,712	-	-	422,712
Bond securities	-	4,568,080	-	4,568,080
Equity securities				
Domestic equities	2,025,781	-	-	2,025,781
International equities	399,248	-	-	399,248
Total assets at fair value	$ 5,180,821	$ 9,719,323	$ -	$ 14,900,144

Note 3 - Fair Value Measurement (continued)

Assets at fair value as of June 30, 2016 are as follows:

Description	Level 1	Level 2	Level 3	Total
Assets at fair value				
Money market funds	$ 830,497	$ -	$ -	$ 830,497
Certificates of deposit	-	5,627,363	-	5,627,363
Equity mutual funds				
Domestic mutual funds	821,192	-	-	821,192
International mutual funds	496,698	-	-	496,698
Bond mutual funds				
Domestic mutual funds	218,810	-	-	218,810
International mutual funds	359,129	-	-	359,129
Bond securities	-	3,324,912	-	3,324,912
Equity securities				
Domestic equities	1,640,482	-	-	1,640,482
International equities	228,872	-	-	228,872
Real estate funds	-	2,660	-	2,660
Total assets at fair value	$ 4,595,680	$ 8,954,935	$ -	$ 13,550,615

Note 4 - Pledges Receivable

Annual fundraising campaigns commence each fall with pledges being collected over the following calendar year. The majority of the fundraising campaign years of 2016 and 2015 campaign pledges received by United Way are paid via payroll deductions and corporate match payments. These individual pledges are deducted from individuals' paychecks each pay period by their employers and remitted to United Way throughout the year.

Pledges receivable consist of the following:

	June 30,	
	2017	2016
Multi-year campaign pledges	$ 847,959	$ 873,035
Multi-year pledges restricted for the Center	627,205	1,653,443
2016 fundraising campaign	6,198,662	-
2015 fundraising campaign	-	6,832,022
Allowance for uncollectible pledges	(887,838)	(855,227)
Total pledges receivable, net	$ 6,785,988	$ 8,503,273
Amounts due in		
Less than one year	$ 6,298,344	$ 6,575,179
One to five years	487,644	1,928,094
Total	$ 6,785,988	$ 8,503,273

Note 4 - Pledges Receivable (continued)

Pledges receivable are reflected on the consolidated statements of financial position as follows:

	June 30, 2017	June 30, 2016
Current portion of pledges receivable, net	$ 6,298,344	$ 6,575,179
Multi-year receivables restricted for the Center	392,644	1,500,844
Long-term pledges receivable, net of current portion	95,000	427,250
Total	$ 6,785,988	$ 8,503,273

Note 5 - Capital Assets

Capital assets consist of the following:

	June 30, 2017	June 30, 2016
Land	$ 1,534,934	$ 1,534,934
Building and improvements	18,114,509	18,114,509
Equipment	922,567	917,527
Software	39,917	39,917
	20,611,927	20,606,887
Less accumulated depreciation and amortization	(1,841,239)	(1,186,807)
Total	$ 18,770,688	$ 19,420,080

Depreciation expense for the years ended June 30, 2017 and 2016 was $654,433 and $660,256, respectively.

Note 6 - Long-Term Debt and Deferred Financing Costs

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 market tax credits ("NMTC Financing"). In connection with the NMTC Financing, MHUW lent $12,882,000 to the MHUW Investment Fund, LLC (the "Fund"). Third-party NMTC investors invested approximately $6,118,000 in the Fund in exchange for new market tax credits. As part of the NMTC Financing, the Fund invested a majority 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.

Note 6 - Long-Term Debt and Deferred Financing Costs (continued)

NMTC Financing (continued)

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.

United Way 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 $339,420 and $358,606 as of June 30, 2017 and 2016, 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.

UWDH Promissory Note

MHUW entered into a $320,000 promissory note for the purchase of a membership interest in UWDH. The note accrues interest at 4% per annum and is payable in four equal annual installments of $80,000 beginning February 1, 2018.

The long-term debt matures as follows:

Year Ending June 30,	UWDH	NMTC	Total
2018	$ 80,000	$ -	$ 80,000
2019	80,000	-	80,000
2020	80,000	-	80,000
2021	80,000	356,637	436,637
2022	-	719,427	719,427
Thereafter	-	17,406,936	17,406,936
	$ 320,000	$ 18,483,000	18,803,000
Less deferred financing costs			(339,420)
			18,463,580
Less current portion			(80,000)
Long-term portion			$ 18,383,580

Note 7 - Net Assets

Temporarily restricted net assets are available for the following purposes:

	June 30,	
	2017	2016
Multi-year pledges	$ 1,145,976	$ 1,017,293
Capital campaign for operations	577,906	1,579,061
Giving All Children a Strong Start/Reading Matters	1,824,258	1,833,812
Developing Tomorrow's Talent	222,161	329,064
Creating Economic Opportunity For All	326,679	333,668
United Neighborhoods	203,074	228,072
	$ 4,300,054	$ 5,320,970

Note 8 - Employee Benefit Plan

United Way has a defined contribution plan (the "Plan") available to all eligible employees on the first day of the month following 60 days of employment. United Way makes a non-elective safe harbor contribution to participant accounts of 3% of eligible participant compensation. Additionally, United Way may make matching contributions to the Plan equal to 50% of participant elective contributions to the Plan up to 6% of participant contributions, not to exceed 3% of total participant compensation for the Plan year. United Way contributed $294,498 and $259,107 to the Plan during the years ended June 30, 2017 and 2016, respectively.

Note 9 - 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 consolidated 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.

Note 9 - Commitments and Contingencies (continued)

Operating Leases

United Way leases equipment under operating leases expiring at various dates through April 2022. United Way is responsible for repairs and maintenance on certain leases. The monthly lease payments range from approximately $120 to $2,300.

Rent expense for these leases was $44,915 and $61,830 for the years ended June 30, 2017 and 2016, respectively.

Future minimum lease payments under these leases are as follows:

Year Ending June 30,		
2018	$	32,444
2019		32,444
2020		28,991
2021		2,526
2022		2,105
	$	98,510

Line-of-Credit

United Way has a $2,000,000 unsecured line-of-credit agreement with a bank. The line-of-credit accrues interest at 1-Month LIBOR plus 2.75% and expires in February 2019. There are currently no amounts outstanding.

ACCOMPANYING SUPPLEMENTAL INFORMATION

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position
As of June 30, 2017

	Mile High United Way, Inc.	Mile High United Way Curtis Park	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	$ 6,629,969	$ 90,838	$ -	$ 6,720,807
Restricted cash	-	126,889	-	126,889
Short-term investments	7,706,197	-	-	7,706,197
Current portion of pledges receivable, net	6,298,344	-	-	6,298,344
Accounts and grants receivable	1,048,928	-	-	1,048,928
Prepaid expenses and other current assets	401,383	-	-	401,383
Total current assets	22,084,821	217,727	-	22,302,548
Non-current assets				
Legacy gift fund investments - Board-designated	7,193,947	-	-	7,193,947
Investment in UWDH	400,000	-	-	400,000
Receivables restricted for the Center	392,644	-	-	392,644
Pledges receivable, net of current portion	95,000	-	-	95,000
Notes receivable	12,882,070	-	-	12,882,070
Intercompany receivable	119,568	-	(119,568)	-
Capital assets, net	194,157	18,576,531	-	18,770,688
Total non-current assets	21,277,386	18,576,531	(119,568)	39,734,349
Total assets	$ 43,362,207	$ 18,794,258	$ (119,568)	$ 62,036,897
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	$ 1,077,812	$ -	$ -	$ 1,077,812
Deferred revenue	63,555	-	-	63,555
Accrued designations	2,230,431	-	-	2,230,431
Current portion of note payable	80,000	-	-	80,000
Total current liabilities	3,451,798	-	-	3,451,798
Non-current liabilities				
Intercompany payable	-	119,568	(119,568)	-
Long-term debt, net	240,000	18,143,580	-	18,383,580
Total liabilities	3,691,798	18,263,148	(119,568)	21,835,378
Net assets				
Unrestricted	15,100,181	98,159	-	15,198,340
Board-designated legacy gift fund	7,193,947	-	-	7,193,947
Capital assets and NMTC financing, net	13,076,227	432,951	-	13,509,178
Total unrestricted net assets	35,370,355	531,110	-	35,901,465
Temporarily restricted	4,300,054	-	-	4,300,054
Total net assets	39,670,409	531,110	-	40,201,519
Total liabilities and net assets	$ 43,362,207	$ 18,794,258	$ (119,568)	$ 62,036,897

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Consolidating Statement of Activities
For the Year Ended June 30, 2017

	Mile High United Way, Inc.	Mile High United Way Curtis Park	Eliminations	Total
Revenue				
Gross campaign results, net	$ 24,434,892	$ -	$ -	$ 24,434,892
Foundations	686,223	-	-	686,223
Government	2,814,323	-	-	2,814,323
Fundraising events, net of expenses of $281,951	555,617	-	-	555,617
Founders' Legacy Society	142,828	-	-	142,828
Less donor-designated contributions	(10,736,339)	-	-	(10,736,339)
Net fundraising revenue	17,897,544	-	-	17,897,544
Service fees	241,956	-	-	241,956
Investment income	840,606	298	-	840,904
In-kind support	74,911	-	-	74,911
Other income	597,344	218,781	(218,781)	597,344
Total revenue	19,652,361	219,079	(218,781)	19,652,659
Expenses				
Program services				
Distributions to community agencies	6,948,236	-	-	6,948,236
Donor-designated contributions	10,736,339	-	-	10,736,339
Distributions to community agencies and donor designations	17,684,575	-	-	17,684,575
Less donor-designated contributions	(10,736,339)	-	-	(10,736,339)
Total distributions to community agencies	6,948,236	-	-	6,948,236
Community Impact Division	2,227,613	-	-	2,227,613
2-1-1 Help Center	1,703,563	-	-	1,703,563
Colorado Reading Corps	1,290,071	-	-	1,290,071
Bridging the Gap	782,670	-	-	782,670
Early Literacy	90,660	-	-	90,660
United Neighborhoods	835,842	-	-	835,842
Fiscal Sponsor	125,393	-	-	125,393
Curtis Park	-	875,213	-	875,213
Total Mile-High-United-Way-led programs	7,055,812	875,213	-	7,931,025
Total program services	14,004,048	875,213	-	14,879,261
Supporting services				
Management and general	1,059,763	-	(218,781)	840,982
Funds development	4,159,986	-	-	4,159,986
Total supporting services	5,219,749	-	(218,781)	5,000,968
Total expenses	19,223,797	875,213	(218,781)	19,880,229
Change in net assets	428,564	(656,134)	-	(227,570)
Net assets, beginning of year	39,241,845	1,187,244	-	40,429,089
Net assets, end of year	$ 39,670,409	$ 531,110	$ -	$ 40,201,519

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the 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, the consolidated financial statements of Mile High United Way, Inc. and Subsidiary ("United Way"), which are comprised of the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 18, 2017.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the consolidated financial statements, we considered United Way's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way's internal control.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether United Way's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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; accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of United Way's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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October 18, 2017
Denver, Colorado

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Mile High United Way, Inc. and Subsidiary's ("United Way") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way's major federal programs for the year ended June 30, 2017. United Way's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of United Way's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of United Way's compliance.

Opinion on Each Major Federal Award

In our opinion, United Way complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of United Way is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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, or detect and correct, non-compliance 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 non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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October 18, 2017
Denver, Colorado

MILE HIGH UNITED WAY, INC. AND SUBSIDIARY

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued - *Unmodified*

Internal control over financial reporting:

• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiencies identified that are not considered to be material weaknesses?	☐ Yes	☒ None reported
Non-compliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major programs:

• Material weaknesses identified?	☐ Yes	☒ No
• Significant deficiencies identified that are not considered to be material weaknesses?	☐ Yes	☒ None reported

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

Any audit findings disclosed that are required to be reported under the Uniform Guidance?	☐ Yes	☒ None

Identification of major programs:

Name of Program	CFDA#
AmeriCorps	94.006

Dollar threshold used to distinguish between type A and B programs: $750,000

Auditee qualified as a low-risk auditee?	☒ Yes	☐ No

Section II - Findings - Financial Statement Audit

None.

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit Statement

None.

Section IV - 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, 2017

Federal Grantor/Pass-Through Grantor	Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Amounts Provided to Subrecipients	Expenditures During the Year Ended June 30, 2017
Corporation for National & Community Services Direct awards						
	Social Innovation Fund	94.019	N/A - Direct	$ 8,572,750	$ 609,865	$ 609,865
Pass-through awards						
State of Colorado	AmeriCorps *	94.006	13ESHCO0010001	$ 648,000	-	499,170
State of Colorado	AmeriCorps *	94.006	13ESHCO0010001	$ 58,199	-	18,272
	Subtotal - Corporation for National & Community Services				609,865	1,127,307
U.S. Department of Health and Human Services Direct awards						
Pass-through awards						
Qualistar	Child Care and Development Fund	93.575	SDA17	$ 200,000	-	199,999
U.S. Department of Justice Direct awards						
	Building Community Resilience	Not Available	N/A - Direct	$ 500,000	-	444,364
Total federal awards					$ 609,865	$ 1,771,670

*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
For the Year Ended June 30, 2017

(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 the Uniform Guidance.

(2) Reconciliation to Consolidated Financial Statements

United Way receives grant revenue from sources other than the federal government. The following analysis reconciles expenditures on the accompanying schedule to government revenue reflected on United Way's consolidated statement of activities for the year ended June 30, 2017:

Federal revenue	$	1,771,670
Non-federal revenue		1,042,653
Government support	$	2,814,323

(3) Indirect Cost Rate

United Way did not elect to use the 10% de minimis indirect cost rate. United Way used indirect cost rates specified in the individual grant documents.