



## **Annual Audited Financial Statements**

### **Financial Highlights**

The following is intended to highlight aspects of Mile High United Way's financial results for the fiscal year ended June 30, 2019.

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 Plante Moran, PLLC, independent external auditors, and an unmodified (i.e. clean) opinion was issued on the financial statements.

#### 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 \$39.4 million. During the fiscal year, net assets increased by \$0.5 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.

Included within the notes to the audited financial statements (Note 3) is a new liquidity disclosure, which states that Mile High United Way had \$15.3 million in financial assets available at June 30, 2019 to meet cash needs for general expenditures within one year.

#### Statement of Activities

Mile High United Way had \$17.5 million in net fundraising revenue in fiscal year 2019 (after deducting donor designated contributions of \$9.6 million), and total revenue of \$19.5 million. The \$2.2 million net increase in total revenue from prior year was primarily due from foundation and fiscal sponsorship revenue.

Mile High United Way expenses at \$19.6 million increased by \$1.7M million this fiscal year from increased spending in programs, including \$1.0M increase in grant expenditures to community agencies. Total program expenses were \$14.6 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 82% of total expense; while 18% of expenses go to fundraising and administration.

---

# Mile High United Way, Inc. and Subsidiary

---

**Consolidated Financial Statements  
with Supplemental Information  
June 30, 2019 and 2018**

<b>Independent Auditor's Report</b>	1-2
<b>Consolidated Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-21
<b>Independent Auditor's Report on Supplemental Information</b>	22
Consolidating Statement of Financial Position	23
Consolidating Statement of Activities	24

## **Independent Auditor's Report**

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

We have audited the accompanying consolidated financial statements of Mile High United Way, Inc. and Subsidiary (United Way), which comprise the consolidated statement of financial position as of June 30, 2019 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.

### ***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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 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 auditor's 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 auditor considers 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, 2019 and the changes in their net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2, Mile High United Way, Inc. and Subsidiary adopted the provisions under Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of July 1, 2018 and applied it retrospectively to all years presented. Our opinion is not modified with respect to this matter.

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

**Report on Prior Year Consolidated Financial Statements**

The consolidated financial statements of Mile High United Way, Inc. and Subsidiary as of June 30, 2018 were audited by EKS&H LLLP, whose report dated October 17, 2018 expressed an unqualified opinion on those statements. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Plante & Moran, PLLC*

October 17, 2019

## Mile High United Way, Inc. and Subsidiary

# Consolidated Statement of Financial Position

June 30, 2019 and 2018

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,966,760	\$ 5,158,917
Restricted cash and cash equivalents	57,286	92,081
Short-term investments	8,156,827	8,829,005
Receivables - Net of allowances:		
Current portion of pledges receivable - Net	5,067,328	5,663,635
Accounts and grants receivable	392,477	349,617
Prepaid expenses and other current assets	581,309	509,739
Total current assets	<u>19,221,987</u>	<u>20,602,994</u>
<b>Noncurrent Assets</b>		
Legacy gift fund investments - Board designated	9,226,473	8,329,664
Investment in UWDH	-	400,000
Pledges receivable - Net of current portion	739,479	175,560
Notes receivable	12,882,070	12,882,070
Note receivable - UWW	160,000	-
Capital Assets - Net	<u>17,917,394</u>	<u>18,234,268</u>
Total noncurrent assets	<u>40,925,416</u>	<u>40,021,562</u>
Total assets	<u><b>\$ 60,147,403</b></u>	<u><b>\$ 60,624,556</b></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 675,393	\$ 611,327
Deferred revenue	166,189	105,918
Accrued designations	1,695,407	1,921,825
Current portion of long-term debt	-	80,000
Total current liabilities	<u>2,536,989</u>	<u>2,719,070</u>
Noncurrent Liabilities - Long-term debt - Net	<u>18,181,952</u>	<u>18,322,766</u>
Total liabilities	20,718,941	21,041,836
<b>Net Assets</b>		
Without donor restrictions	35,271,576	36,182,633
With donor restrictions	4,156,886	3,400,087
Total net assets	<u>39,428,462</u>	<u>39,582,720</u>
Total liabilities and net assets	<u><b>\$ 60,147,403</b></u>	<u><b>\$ 60,624,556</b></u>

# Mile High United Way, Inc. and Subsidiary

## Consolidated Statement of Activities

Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue</b>						
Gross campaign results - Net	\$ 17,687,618	\$ 6,652,644	\$ 24,340,262	\$ 18,763,976	\$ 5,209,325	\$ 23,973,301
Foundations	1,918	1,057,445	1,059,363	50,243	359,000	409,243
Government	815,697	-	815,697	987,443	-	987,443
Fundraising events - Net of expenses of \$225,289 (2019) and \$272,464 (2018)	522,731	-	522,731	520,171	-	520,171
Founders' Legacy Society	406,577	-	406,577	374,206	-	374,206
Less donor-designated contributions	(9,636,905)	-	(9,636,905)	(10,444,331)	-	(10,444,331)
Net fundraising revenue	9,797,636	7,710,089	17,507,725	10,251,708	5,568,325	15,820,033
Investment income - Net	997,463	-	997,463	642,660	-	642,660
Other income	476,422	36,926	513,348	337,039	47,036	384,075
In-kind support	358,816	-	358,816	270,823	-	270,823
Service fees	117,547	-	117,547	162,729	-	162,729
Total revenue	11,747,884	7,747,015	19,494,899	11,664,959	5,615,361	17,280,320
<b>Net Assets Released from Restrictions</b>	6,810,798	(6,810,798)	-	6,167,045	(6,167,045)	-
Total revenue and net assets released from restrictions	18,558,682	936,217	19,494,899	17,832,004	(551,684)	17,280,320
<b>Expenses</b>						
Program services:						
Distributions to community agencies	16,474,140	-	16,474,140	16,252,909	-	16,252,909
Less donor-designated contributions	(9,636,905)	-	(9,636,905)	(10,444,331)	-	(10,444,331)
Total distributions to community agencies	6,837,235	-	6,837,235	5,808,578	-	5,808,578
Community Impact Division	2,303,417	-	2,303,417	1,781,388	-	1,781,388
2-1-1 Help Center	2,142,752	-	2,142,752	1,937,184	-	1,937,184
Bridging the Gap	955,275	-	955,275	824,979	-	824,979
United Neighborhoods	1,355,143	-	1,355,143	1,334,768	-	1,334,768
Fiscal Sponsor	175,027	-	175,027	141,440	-	141,440
Curtis Park	852,886	-	852,886	863,963	-	863,963
Colorado Reading Corps	-	-	-	154,006	-	154,006
Total program services	14,621,735	-	14,621,735	12,846,306	-	12,846,306
Support services:						
Management and general	1,184,519	-	1,184,519	928,939	-	928,939
Funds development	3,842,903	-	3,842,903	4,123,874	-	4,123,874
Total support services	5,027,422	-	5,027,422	5,052,813	-	5,052,813
Total expenses	19,649,157	-	19,649,157	17,899,119	-	17,899,119
<b>Change in Net Assets from Operations</b>	(1,090,475)	936,217	(154,258)	(67,115)	(551,684)	(618,799)
<b>Capital Campaign Net Assets Released from Restrictions</b>	179,418	(179,418)	-	348,283	(348,283)	-
<b>Change in Net Assets</b>	(911,057)	756,799	(154,258)	281,168	(899,967)	(618,799)
<b>Net Assets - Beginning of year</b>	36,182,633	3,400,087	39,582,720	35,901,465	4,300,054	40,201,519
<b>Net Assets - End of year</b>	<b>\$ 35,271,576</b>	<b>\$ 4,156,886</b>	<b>\$ 39,428,462</b>	<b>\$ 36,182,633</b>	<b>\$ 3,400,087</b>	<b>\$ 39,582,720</b>

## Mile High United Way, Inc. and Subsidiary

# Consolidated Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services						Support Services			Consolidated Total	
	Community Impact Division	2-1-1 Help Center	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Curtis Park	Total	Management and General	Funds Development		Total
Distributions to community agencies	\$ 16,107,088	\$ 32,841	\$ -	\$ 334,211	\$ -	\$ -	\$ 16,474,140	\$ -	\$ -	\$ -	\$ 16,474,140
Less donor-designated contributions	(9,636,905)	-	-	-	-	-	(9,636,905)	-	-	-	(9,636,905)
Total distributions to community agencies	6,470,183	32,841	-	334,211	-	-	6,837,235	-	-	-	6,837,235
Salaries and related expenses	1,024,202	1,303,762	574,842	853,782	-	-	3,756,588	681,725	2,315,372	2,997,097	6,753,685
Employee benefits	134,637	248,937	87,782	108,776	-	-	580,132	102,818	354,602	457,420	1,037,552
Payroll taxes and related	73,522	93,962	41,867	89,980	-	-	299,331	44,453	184,729	229,182	528,513
Total salaries and related expenses	1,232,361	1,646,661	704,491	1,052,538	-	-	4,636,051	828,996	2,854,703	3,683,699	8,319,750
Contract services, professional fees, and other	277,664	148,400	52,148	151,856	60,894	7,750	698,712	125,197	369,676	494,873	1,193,585
Program costs	140,244	10,682	79,746	28,802	88,981	10,000	358,455	-	-	-	358,455
Office expenses	32,532	46,795	16,043	17,771	-	1,885	115,026	76,902	108,581	185,483	300,509
Occupancy	254,709	74,053	34,506	29,941	-	-	393,209	37,205	150,799	188,004	581,213
Public information and advocacy	238,446	7,878	3,608	6,097	-	-	256,029	3,645	69,663	73,308	329,337
Information technology	56,314	101,809	14,727	10,177	20,760	-	203,787	21,439	69,901	91,340	295,127
Temporary help and other	6,108	14,471	2,505	2,201	-	-	25,285	3,271	13,557	16,828	42,113
Fundraising functions and materials	-	-	-	-	-	-	-	8,105	107,137	115,242	115,242
Conferences, conventions, and meetings	27,682	8,377	6,313	10,122	3,692	-	56,186	5,581	16,817	22,398	78,584
Travel	3,845	1,753	9,170	2,364	700	-	17,832	421	8,857	9,278	27,110
United Way Worldwide dues	16,466	62,056	27,301	39,313	-	-	145,136	69,813	54,721	124,534	269,670
Interest	-	-	-	-	-	230,872	230,872	-	-	-	230,872
Depreciation and amortization	17,046	19,817	4,717	3,961	-	602,379	647,920	3,944	18,491	22,435	670,355
Total other expenses	1,071,056	496,091	250,784	302,605	175,027	852,886	3,148,449	355,523	988,200	1,343,723	4,492,172
Total functional expenses	<u>\$ 8,773,600</u>	<u>\$ 2,175,593</u>	<u>\$ 955,275</u>	<u>\$ 1,689,354</u>	<u>\$ 175,027</u>	<u>\$ 852,886</u>	<u>\$ 14,621,735</u>	<u>\$ 1,184,519</u>	<u>\$ 3,842,903</u>	<u>\$ 5,027,422</u>	<u>\$ 19,649,157</u>

**Mile High United Way, Inc. and Subsidiary**

**Consolidated Statement of Functional Expenses**

**Year Ended June 30, 2018**

	Program Services							Support Services			Consolidated Total	
	Community Impact Division	2-1-1 Help Center	Colorado Reading Corps	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Curtis Park	Total	Management and General	Funds Development		Total
Distributions to community agencies	\$ 15,819,581	\$ 26,869	\$ -	\$ -	\$ 218,924	\$ 187,535	\$ -	\$ 16,252,909	\$ -	\$ -	\$ -	\$ 16,252,909
Less donor-designated contributions	(10,444,331)	-	-	-	-	-	-	(10,444,331)	-	-	-	(10,444,331)
<b>Total distributions to community agencies</b>	<b>5,375,250</b>	<b>26,869</b>	<b>-</b>	<b>-</b>	<b>218,924</b>	<b>187,535</b>	<b>-</b>	<b>5,808,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,808,578</b>
Salaries and related expenses	874,135	1,143,460	23,546	505,436	879,967	-	-	3,426,544	571,985	2,355,935	2,927,920	6,354,464
Employee benefits	130,725	220,263	1,585	76,137	121,545	-	-	550,255	82,469	356,889	439,358	989,613
Payroll taxes and related	67,084	84,462	1,970	38,702	64,641	-	-	256,859	38,117	180,210	218,327	475,186
<b>Total salaries and related expenses</b>	<b>1,071,944</b>	<b>1,448,185</b>	<b>27,101</b>	<b>620,275</b>	<b>1,066,153</b>	<b>-</b>	<b>-</b>	<b>4,233,658</b>	<b>692,571</b>	<b>2,893,034</b>	<b>3,585,605</b>	<b>7,819,263</b>
Contract services, professional fees, and other	155,607	106,843	117,124	8,236	94,454	54,206	7,550	544,020	84,238	428,704	512,942	1,056,962
Program costs	152,930	646	18	74,624	26,218	56,531	10,000	320,967	-	-	-	320,967
Office expenses	31,698	41,012	934	14,175	15,288	1,757	4,894	109,758	57,497	124,319	181,816	291,574
Occupancy	231,668	66,729	665	32,049	28,190	-	-	359,301	35,100	140,892	175,992	535,293
Public information and advocacy	44,576	10,445	795	4,269	8,640	463	-	69,188	6,791	273,363	280,154	349,342
Information technology	26,051	96,430	368	12,914	18,943	21,580	-	176,286	21,400	78,940	100,340	276,626
Temporary help and other	5,544	23,802	78	2,222	4,150	1,518	-	37,314	2,530	11,778	14,308	51,622
Fundraising functions and materials	-	-	-	-	-	-	-	-	3,559	58,282	61,841	61,841
Conferences, conventions, and meetings	12,842	19,264	522	10,782	12,585	4,175	-	60,170	11,052	40,432	51,484	111,654
Travel	5,605	3,580	96	9,848	3,166	1,210	-	23,505	2,424	14,851	17,275	40,780
United Way Worldwide dues	33,133	94,846	6,244	33,167	54,911	-	-	222,301	9,871	47,478	57,349	279,650
Interest	-	-	-	-	-	-	230,872	230,872	-	-	-	230,872
Depreciation and amortization	9,790	25,402	61	2,418	2,070	-	610,647	650,388	1,906	11,801	13,707	664,095
<b>Total other expenses</b>	<b>709,444</b>	<b>488,999</b>	<b>126,905</b>	<b>204,704</b>	<b>268,615</b>	<b>141,440</b>	<b>863,963</b>	<b>2,804,070</b>	<b>236,368</b>	<b>1,230,840</b>	<b>1,467,208</b>	<b>4,271,278</b>
<b>Total functional expenses</b>	<b>\$ 7,156,638</b>	<b>\$ 1,964,053</b>	<b>\$ 154,006</b>	<b>\$ 824,979</b>	<b>\$ 1,553,692</b>	<b>\$ 328,975</b>	<b>\$ 863,963</b>	<b>\$ 12,846,306</b>	<b>\$ 928,939</b>	<b>\$ 4,123,874</b>	<b>\$ 5,052,813</b>	<b>\$ 17,899,119</b>

## Mile High United Way, Inc. and Subsidiary

# Consolidated Statement of Cash Flows

Years Ended June 30, 2019 and 2018

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (154,258)	\$ (618,799)
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities:		
Depreciation and amortization	670,355	664,095
Amortization of debt issuance costs	19,186	19,186
Allowance for uncollectible pledge - Net of write-offs	(252,103)	66,754
Net unrealized and realized gains on investments	(297,496)	(197,727)
Changes in cash surrender value of life insurance policies	(25,626)	(37,100)
Changes in operating assets and liabilities:		
Receivables and pledges	86,071	1,212,476
Prepays and other current assets	(45,944)	(71,256)
Accounts payable, accrued expenses, and accrued designations	(162,352)	(775,091)
Deferred revenue	60,271	42,363
Net cash and cash equivalents (used in) provided by operating activities	(101,896)	304,901
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(1,164,800)	(9,881,780)
Proceeds from sales of investments	1,237,665	7,820,982
Purchase of capital assets	(353,481)	(127,675)
Net cash and cash equivalents used in investing activities	(280,616)	(2,188,473)
<b>Cash Flows from Financing Activities</b>		
Payments received on capital campaign pledges	155,560	366,874
Payments on long-term debt	-	(80,000)
Net cash and cash equivalents provided by financing activities	155,560	286,874
<b>Net Change in Cash and Cash Equivalents</b>	(226,952)	(1,596,698)
<b>Cash and Cash Equivalents - Beginning of year</b>	5,250,998	6,847,696
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 5,024,046</b>	<b>\$ 5,250,998</b>
<b>Consolidated Statement of Financial Position Classification of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 4,966,760	\$ 5,158,917
Restricted cash and cash equivalents	57,286	92,081
Total cash and cash equivalents	<b>\$ 5,024,046</b>	<b>\$ 5,250,998</b>
<b>Supplemental Cash Flow Information - Interest paid</b>	\$ 211,686	\$ 211,686
<b>Significant Noncash Transactions</b>		
Assumption of investment in UWDH by UWW	\$ 400,000	\$ -
Release of note payable for investment in UWDH	240,000	-
Note receivable from UWW for transfer of investment in UWDH	160,000	-

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 1 - Nature of Business**

Founded in 1887, Mile High United Way, Inc. (MHUW) is the first United Way in the world. A nonprofit 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 nonprofit partners, government agencies, policymakers, businesses, and individuals to collectively solve complex social issues affecting the five-county metro Denver community, composed of Adams, Arapahoe, Denver, Douglas, and Jefferson counties. For the year ended June 30, 2019, together with its impact investment partners, MHUW positively impacted more than 250,000 people to create sustainable community change.

MHUW 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 the 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.

The consolidated financial statements include the accounts of MHUW and Curtis Park (collectively referred to as United Way). All material intercompany 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 38 percent of children under age 6 who have working parents, and two in three Colorado third graders are not at or above grade level for language and literacy. Quality early childhood education not only improves young children's health, it also promotes their development and learning.

Last year, United Way, with its impact partners, served nearly 68,000 children. United Way's early childhood work provides parents and caregivers the skills needed to help children build essential preliteracy 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 1,400 children and supported more than 2,600 high-quality child care spots.

***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 five high school students does not graduate on time. Last year, United Way, with its partners, served more than 40,000 youth, supporting over 600 youth in graduating from high school and over 950 in enrolling in post-secondary education and/or training programs. Additionally, United Way provided housing support to 146 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 transitioned to independent living.

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 1 - Nature of Business (Continued)**

**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 nearly 250,000 individuals and their families by providing for basic needs, such as housing and meals, and resources for financial education and building job skills. Mile High United Way's 2-1-1 Help Center received over 86,000 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 nonprofit 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.

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

*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 146 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 Help Center referral specialists are multilingual and available to direct individuals to available community resources. Last year, the 2-1-1 Help Center received over 86,000 contacts from individuals around Colorado.

*Mile High United Way's United Neighborhoods™* is a community-based, dual-generational approach that strengthens under-resourced neighborhoods in metro Denver. This approach invests in children and families to foster academic growth and economic opportunities so that all children arrive at school ready to learn and families can move toward self-sufficiency. United Business Advisory helps locally owned businesses realize their growth potential through consultation and professional services from skills-based volunteers in their industry.

*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 My Brother's Keeper, One Book Colorado, and Denver's Road Home.

**Note 1 - Nature of Business (Continued)**

***Curtis Park***

In September 2014, MHUW opened the Morgridge Center for Community Change, 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, 2019, the Center hosted over 700 meetings and events, resulting in over 20,000 individuals from the nonprofit, government, and business communities using the Center. As part of the Center's mission, the Center rents space to five nonprofit 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.

**Note 2 - Significant Accounting Policies**

***Adoption of New Accounting Pronouncement***

As of July 1, 2018 and applied retrospectively to all years presented, United Way adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities*. This standard requires net assets to be classified in two categories, net assets without donor restrictions and net assets with donor restrictions, rather than the three previous classifications. This standard also requires changes in the way certain information is aggregated and reported by United Way, including disclosures of quantitative and qualitative information about the liquidity and availability of resources and the presentation of expenses by both functional and natural classification. The standard also clarifies the definition of management and general and prohibits certain expenses from being allocated out of management and general. As a result of the adoption of this standard, the financial information for the year ended June 30, 2018 has been restated as follows: net assets of \$3,400,087 previously reported as temporarily restricted net assets has been renamed to net assets with donor restrictions. Under the new standard, United Way has elected to omit the disclosures about liquidity and availability of resources for periods prior to the period of adoption.

***Classification of Net Assets***

Net assets of United Way are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of United Way.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of United Way or by the passage of time.

***Cash Equivalents***

For the purpose of the accompanying consolidated financial statements, United Way considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents unless held for reinvestment as part of the investment portfolio. At times throughout the year, United Way's cash balances exceeded federally insured limits.

***Restricted Cash***

Restricted cash consists of amounts held for the operations of the Center.

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 2 - Significant Accounting Policies (Continued)**

***Investments***

Short-term and legacy gift fund investments are carried at fair value. Net realized and unrealized gains and losses on investments are included in the consolidated statement of activities. Investments are managed by investment advisors who are retained by the Board. United Way has adopted investment and spending policies for the purpose of financial stability and to fund strategic initiatives. The legacy gift fund is invested in a manner that is intended to produce results that exceed indexed returns while assuming a moderate level of investment risk with a long-term outlook. The short-term fund's objective is moderate returns with high liquidity with a two- to five-year time horizon. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Board believes that the investment policy is prudent for the long-term welfare of United Way.

***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, 2019 and 2018.

***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.

***Capital Assets***

Capital assets consist of land, building, equipment, and computer software and are capitalized at purchased cost or fair value at the date of acquisition or donation. Depreciation and amortization is computed over the estimated useful lives using the straight-line method.

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.

	Depreciable Life - Years
Buildings	35
Furniture and fixtures	3-8
Computer equipment and software	3-5

***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 fundraising 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.

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 2 - Significant Accounting Policies (Continued)**

***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 without donor restrictions 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 statement 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, 2019 and 2018 that relate to national accounts outside of United Way's region are not reflected on the accompanying consolidated statement of activities. The revenue is reflected in the consolidated financial statements of 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 statement of financial position. Any portion of the pledged contributions that is not collected is not distributed to the designated agency.

***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 approximately 1 percent and 2 percent of donor-designated contributions for the years ended June 30, 2019 and 2018, respectively.

***Functional Allocation of Expenses***

Costs of providing program and support services have been reported on a functional basis in the consolidated statement of activities. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Costs have been allocated between the various programs and support services on several bases and estimates. Certain salaries and related benefits have been allocated based on time and effort. Facilities costs have been allocated based on square footage. Human resources and IT expenses are allocated based on the number of full-time equivalent employees. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***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 corporate volunteer days of service and the power lunch program has grown the community volunteer effort. Nearly 15,000 hours were volunteered through United Way during the year ended June 30, 2019. 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).

**Note 2 - Significant Accounting Policies (Continued)**

***Advertising Expense***

Advertising expense is expensed in the year in which it is incurred. Advertising expense for the years ended June 30, 2019 and 2018 was \$44,982 and \$45,993, respectively.

***Change in Net Assets from Operations***

Change in net assets from operations does not include capital campaign contributions or capital campaign net assets released from restrictions, as they are not related to United Way's major and ongoing activities.

***Income Taxes***

MHUW and Curtis Park are not-for-profit corporations and are exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by United Way and recognize a tax liability if United Way has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Services (IRS) or other applicable taxing authorities. Management has analyzed the tax positions taken by United Way and has concluded that, as of June 30, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. United Way is subject to routine audits by taxing jurisdictions; however, currently there are no audits for any tax periods in progress.

***Use of Estimates***

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

***Upcoming Accounting Pronouncement***

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance will result in more governmental contracts being accounted for as contributions and may delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance will be effective for United Way's year ending June 30, 2020 and will be applied on a modified prospective basis.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including October 17, 2019, which is the date the financial statements were available to be issued. See also Note 17.

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 3 - Liquidity and Availability of Resources**

The following reflects United Way's financial assets as of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date.

Cash and cash equivalents	\$ 4,966,760
Accounts and grants receivable	392,477
Pledges receivable	5,067,328
Short-term investments	<u>8,156,827</u>
Financial assets - At year end	18,583,392
Less those unavailable for general expenditures within one year, due to:	
Cash and cash equivalents not available for general operating use	1,628,140
Accrued designations included in pledges receivable	<u>1,695,407</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 15,259,845</u>

As part of United Way's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets in excess of this reserve requirement are invested in short-term investments, including certificates of deposit, money market funds, and highly liquid mutual funds. United Way maintains a funded stabilization reserve at a level determined after taking the annual program funding and costs of operating and maintaining the organization into account.

United Way also has a committed line of credit in the amount of \$2,000,000 (see Note 15) upon which it can draw if needed for liquidity. The legacy gift fund investments are intended to fund projects and initiatives not considered in the annual operating budget and can be drawn upon to meet liquidity needs with consent and board resolution.

**Note 4 - Investments**

***Short-term Investments***

Short-term investments consist of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Money market funds	\$ 68,378	\$ 38,619
Certificates of deposit	100,000	1,150,834
Equity mutual funds	3,244,851	2,964,417
Bond mutual fund	4,743,598	3,860,062
Bond securities	-	<u>815,073</u>
Total	<u>\$ 8,156,827</u>	<u>\$ 8,829,005</u>

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 4 - Investments (Continued)**

***Board-designated Legacy Gift Fund Investments***

Board-designated legacy gift fund investments consist of the following as of June 30:

	2019	2018
Money market funds	\$ 62,635	\$ 36,236
Equity mutual funds	7,836,029	7,065,890
Bond mutual funds	1,327,809	1,027,465
Equity securities	-	200,073
Total	<u>\$ 9,226,473</u>	<u>\$ 8,329,664</u>

***Investment Returns***

Investment returns consist of the following as of June 30:

	2019	2018
Dividends and interest - Net of fees	\$ 699,967	\$ 444,933
Net realized and unrealized gains	297,496	197,727
Total	<u>\$ 997,463</u>	<u>\$ 642,660</u>

**Note 5 - Fair Value Measurements**

United Way categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The United Way's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

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

*Certificates of deposit and bond securities:* Valued based on prices currently available on comparable securities.

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

## Mile High United Way, Inc. and Subsidiary

# Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### Note 5 - Fair Value Measurements (Continued)

United Way has the following recurring fair value measurements as of June 30, 2019:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2019			
	Quoted Prices in			
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2019
<b>Assets</b>				
Money market funds	\$ 131,013	\$ -	\$ -	\$ 131,013
Certificates of deposit	-	100,000	-	100,000
Domestic equity mutual funds	7,604,487	-	-	7,604,487
International equity mutual funds	3,476,393	-	-	3,476,393
Domestic bond mutual funds	4,819,011	-	-	4,819,011
International bond mutual funds	1,252,396	-	-	1,252,396
Total assets at fair value	\$ 17,283,300	\$ 100,000	\$ -	\$ 17,383,300

United Way has the following recurring fair value measurements as of June 30, 2018:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2018			
	Quoted Prices in			
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2018
<b>Assets</b>				
Money market funds	\$ 74,855	\$ -	\$ -	\$ 74,855
Certificates of deposit	-	1,150,834	-	1,150,834
Domestic equity mutual funds	6,176,024	-	-	6,176,024
International equity mutual funds	3,854,283	-	-	3,854,283
Domestic bond mutual funds	3,729,247	-	-	3,729,247
International bond mutual funds	1,158,280	-	-	1,158,280
Bond securities	-	1,015,146	-	1,015,146
Total assets at fair value	\$ 14,992,689	\$ 2,165,980	\$ -	\$ 17,158,669

### Note 6 - Investment in UWDH and Note Receivable from UWW

In February 2017, MHUW purchased a 3 percent membership interest in United Way Digital Holdings, LLC (UWDH) for \$400,000. UWDH is a for-profit limited liability company formed for the purpose of designing, developing, and operating a digital philanthropic employee engagement platform across the United Way network. MHUW paid \$80,000 and financed the remaining \$320,000 with a promissory note. MHUW does not have the ability to exert significant influence over UWDH's operating and financing activities and, therefore, accounted for the investment under the cost method of accounting.

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 6 - Investment in UWDH and Note Receivable from UWW (Continued)**

On December 31, 2018, United Way Worldwide (UWW) entered into an exchange agreement with United Way to repurchase its 3 percent membership interest in UWDH. As of December 31, 2018, United Way had paid \$160,000 to UWDH and had an outstanding promissory note of \$240,000. The promissory note was assumed by UWW, and UWW issued a promissory note to United Way for the remaining \$160,000. The UWW promissory note accrues interest at 2.72 percent. Interest will be paid monthly, and principal shall be paid in four equal installments of \$40,000 beginning on December 1, 2020, with the remaining outstanding principal and any accrued and unpaid interest due in full on December 1, 2023. As of June 30, 2019, \$160,000 is due from UWW.

**Note 7 - Pledges Receivable**

Annual fundraising campaigns commence each fall with pledges being collected over the following calendar year. The majority of fundraising campaign pledges from campaign years 2018 and 2017 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 as of June 30:

	2019	2018
Multiyear campaign pledges	\$ 1,118,228	\$ 347,021
Multiyear pledges restricted for the Center	54,369	260,331
2018 fundraising campaign	5,336,699	-
2017 fundraising campaign	-	6,186,435
Allowance for uncollectible pledges	(702,489)	(954,592)
Total pledges receivable - Net	<u>\$ 5,806,807</u>	<u>\$ 5,839,195</u>
Less than one year	\$ 5,067,328	\$ 5,663,635
One to five years	739,479	175,560
Total	<u>\$ 5,806,807</u>	<u>\$ 5,839,195</u>

**Note 8 - Capital Assets**

Capital assets consist of the following as of June 30:

	2019	2018
Land	\$ 1,534,934	\$ 1,534,934
Buildings	18,114,509	18,114,509
Furniture and fixtures	1,008,111	947,186
Computer equipment and software	172,068	136,100
Construction in progress	263,461	6,872
Total	21,093,083	20,739,601
Accumulated depreciation	<u>(3,175,689)</u>	<u>(2,505,333)</u>
Total	<u>\$ 17,917,394</u>	<u>\$ 18,234,268</u>

Depreciation and amortization expense for the years ended June 30, 2019 and 2018 was \$670,355 and \$664,095, respectively.

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 9 - Long-term Debt and Deferred Financing Costs**

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 (the "NMTC Financing"). In connection with the NMTC Financing, MHUW lent approximately \$12,882,000 to MHUW Investment Fund, LLC (the "Fund") at 1.0 percent interest, which matures on September 2043 and is reflected as a note receivable to MHUW. 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 (the "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, totaling \$18,483,000, all of which was used to build the Center. The notes payable accrue interest at 1.1453 percent 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 \$301,048 and \$320,234 as of June 30, 2019 and 2018, respectively, have been netted against the notes payable in the consolidated statement of financial position.

The NMTC third-party investment of \$6,118,000 has 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 MHUW Investment Fund, LLC. The put option has a purchase price of \$1,000, and the call option amount would be determined at fair market value, as defined in the agreement. 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 may transfer from Curtis Park to MHUW.

The balance of the above debt matures as follows:

Years Ending June 30	Amount
2020	\$ -
2021	356,637
2022	719,427
2023	727,709
2024	736,087
Thereafter	15,943,140
Unamortized debt discount	(301,048)
Total	<u>\$ 18,181,952</u>

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 10 - Net Assets**

***Net Assets without Donor Restrictions***

Net assets without donor restrictions consist of the following as of June 30:

	2019	2018
Board-designated net assets:		
Legacy gift fund	\$ 9,226,473	\$ 8,329,664
Capital assets	12,617,512	12,953,572
Donor-advised funds	93,177	-
	21,937,162	21,283,236
Undesignated net assets	13,334,414	14,899,397
Total net assets without donor restrictions	\$ 35,271,576	\$ 36,182,633

***Board-designated Legacy Gift Fund***

The Legacy Gift Fund is composed 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.

***Donor-advised Funds***

United Way has entered into donor-advised fund agreements whereby United Way received contributions from other entities and individuals. United Way was granted variance power to manage, invest, and ultimately to decide how these funds are utilized.

***Net Assets with Donor Restrictions***

Net assets with donor restrictions are available for the following purposes as June 30:

	2019	2018
Purpose restrictions:		
Multiyear pledges	\$ 1,116,161	\$ 732,304
Capital campaign for operations	34,710	220,022
Giving All Children a Strong Start/Reading Matters	1,196,418	1,408,413
Developing Tomorrow's Talent	190,914	136,210
Creating Economic Opportunity for All	1,525,700	562,034
United Neighborhoods	92,983	341,104
	\$ 4,156,886	\$ 3,400,087
Total net assets with donor restrictions	\$ 4,156,886	\$ 3,400,087

**Notes to Consolidated Financial Statements**

**June 30, 2019 and 2018**

**Note 11 - Distribution 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 Division grants. In addition, United Way awards grants to other nonprofit organizations through community collaboratives and United Way-led programs. These distributions are recognized as an expense in the year distributed.

	2019	2018
Donor-designated contributions	\$ 9,636,905	\$ 10,444,331
Community Impact Division grants	6,452,510	5,506,174
Other initiatives	384,725	302,404
Total	<u>\$ 16,474,140</u>	<u>\$ 16,252,909</u>

Other initiatives include Denver's Road Home and other Fiscal Sponsor organizations.

**Note 12 - 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 nonelective safe harbor contribution to participant accounts of 3 percent of eligible participant compensation. Additionally, United Way may make matching contributions to the Plan equal to 50 percent of participant elective contributions to the Plan up to 6 percent of participant contributions, not to exceed 3 percent of total participant compensation for the plan year. United Way contributed \$323,992 and \$301,074 to the Plan during the years ended June 30, 2019 and 2018, respectively.

**Note 13 - Government Contracts**

United Way receives certain revenue 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 14 - 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 \$41,491 and \$41,924 for the years ended June 30, 2019 and 2018, respectively.

Future minimum annual commitments under these operating leases are as follows:

Years Ending June 30	Amount
2020	\$ 44,799
2021	2,526
2022	2,105
Total	<u>\$ 49,430</u>

**Notes to Consolidated Financial Statements**

---

**June 30, 2019 and 2018**

**Note 15 - Line of Credit**

Under a line of credit agreement with a bank, United Way has available borrowings of approximately \$2,000,000. The line of credit accrues interest at the one-month LIBOR plus 2.75 percent and expires in February 2021. There are currently no amounts outstanding.

**Note 16 - Purchase Agreement**

MHUW has entered into a partner agreement with United Way Worldwide to purchase software licenses for resale to third parties for software being developed by UWDH. The agreement requires MHUW to purchase a minimum number of licenses during the period from July 2018 through June 2021. During the year ended June 30, 2019, United Way paid approximately \$117,000. MHUW's maximum commitment for the remaining years of the agreement is estimated at approximately \$440,000. Future annual commitments will be recalculated annually based on various performance factors.

**Note 17 - Foothills United Way**

On May 3, 2019, United Way entered into an asset transfer and assumption agreement with Foothills United Way (Foothills). Under the terms of the agreement, Foothills is to transfer certain assets and liabilities to United Way on July 1, 2019. The remaining assets and liabilities of Foothills will be used to settle the remaining liabilities and the final dissolution of Foothills. United Way will also assume responsibility for grants and contracts defined in the agreement and will service Broomfield and Boulder counties under the United Way Worldwide model. Subsequent to June 30, 2019, cash and receivables totaling approximately \$1,422,000 and grants and designations payable of approximately \$137,000 were transferred to United Way, resulting in a net contribution recognized of approximately \$1,285,000.

## Independent Auditor's Report on Supplemental Information

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

We have audited the consolidated financial statements of Mile High United Way, Inc. and Subsidiary (United Way) as of and for the year ended June 30, 2019 and have issued our report thereon dated October 17, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2019 consolidated financial statements as a whole. The supplemental consolidating statement of financial position and consolidating statement of activities are presented for the purpose of additional analysis rather than to present the financial position and changes in net assets of the individual organizations and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2019 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 consolidated financial statements as a whole.

*Plante & Moran, PLLC*

October 17, 2019

## Mile High United Way, Inc. and Subsidiary

# Consolidating Statement of Financial Position

June 30, 2019

	Mile High United Way, Inc.	Mile High United Way Curtis Park	Eliminating Entries	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 4,858,922	\$ 107,838	\$ -	\$ 4,966,760
Restricted cash and cash equivalents	-	57,286	-	57,286
Short-term investments	8,156,827	-	-	8,156,827
Receivables - Net of allowances:				
Current portion of pledges receivable - Net	5,067,328	-	-	5,067,328
Accounts and grants receivable	392,477	-	-	392,477
Prepaid expenses and other current assets	581,309	-	-	581,309
Total current assets	19,056,863	165,124	-	19,221,987
<b>Noncurrent Assets</b>				
Legacy gift fund investments - Board designated	9,226,473	-	-	9,226,473
Pledges receivable - Net of current portion	739,479	-	-	739,479
Notes receivable	12,882,070	-	-	12,882,070
Note receivable - UWW	160,000	-	-	160,000
Intercompany receivable	85,398	-	(85,398)	-
Total noncurrent assets	23,093,420	-	(85,398)	23,008,022
<b>Capital Assets - Net</b>	553,888	17,363,506	-	17,917,394
Total noncurrent assets	23,647,308	17,363,506	(85,398)	40,925,416
Total assets	<b>\$ 42,704,171</b>	<b>\$ 17,528,630</b>	<b>\$ (85,398)</b>	<b>\$ 60,147,403</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 675,393	\$ 85,398	\$ (85,398)	\$ 675,393
Deferred revenue	166,189	-	-	166,189
Accrued designations	1,695,407	-	-	1,695,407
Total current liabilities	2,536,989	85,398	(85,398)	2,536,989
<b>Noncurrent Liabilities - Long-term debt - Net</b>	-	18,181,952	-	18,181,952
Total liabilities	2,536,989	18,267,350	(85,398)	20,718,941
<b>Net Assets</b>				
Without donor restrictions	36,010,296	(738,720)	-	35,271,576
With donor restrictions	4,156,886	-	-	4,156,886
Total net assets	40,167,182	(738,720)	-	39,428,462
Total liabilities and net assets	<b>\$ 42,704,171</b>	<b>\$ 17,528,630</b>	<b>\$ (85,398)</b>	<b>\$ 60,147,403</b>

Consolidating Statement of Activities

For the Year Ended June 30, 2019

	Mile High United Way, Inc.	Mile High United Way Curtis Park	Eliminating Entries	Total
<b>Revenue</b>				
Gross campaign results, net	\$ 24,340,262	\$ -	\$ -	\$ 24,340,262
Foundations	1,059,363	-	-	1,059,363
Government	815,697	-	-	815,697
Fundraising events, net of expenses of \$225,289	522,731	-	-	522,731
Founders' Legacy Society	406,577	-	-	406,577
Less donor-designated contributions	<u>(9,636,905)</u>	<u>-</u>	<u>-</u>	<u>(9,636,905)</u>
Net fundraising revenue	17,507,725	-	-	17,507,725
Investment income	997,463	-	-	997,463
Other income	512,846	223,689	(223,187)	513,348
In-kind support	358,816	-	-	358,816
Service fees	<u>117,547</u>	<u>-</u>	<u>-</u>	<u>117,547</u>
Total revenue	<u>19,494,397</u>	<u>223,689</u>	<u>(223,187)</u>	<u>19,494,899</u>
<b>Expenses</b>				
Program expenses:				
Distributions to community agencies	16,474,140	-	-	16,474,140
Less donor-designated contributions	<u>(9,636,905)</u>	<u>-</u>	<u>-</u>	<u>(9,636,905)</u>
Total distributions to community agencies	6,837,235	-	-	6,837,235
Community Impact Division	2,303,417	-	-	2,303,417
2-1-1 Help Center	2,142,752	-	-	2,142,752
Bridging the Gap	955,275	-	-	955,275
United Neighborhoods	1,355,143	-	-	1,355,143
Fiscal Sponsor	175,027	-	-	175,027
Curtis Park	<u>-</u>	<u>852,886</u>	<u>-</u>	<u>852,886</u>
Total program services	13,768,849	852,886	-	14,621,735
<b>Supporting services</b>				
Management and general	1,407,706	-	(223,187)	1,184,519
Funds development	<u>3,842,903</u>	<u>-</u>	<u>-</u>	<u>3,842,903</u>
Total supporting services	<u>5,250,609</u>	<u>-</u>	<u>(223,187)</u>	<u>5,027,422</u>
Total expenses	<u>19,019,458</u>	<u>852,886</u>	<u>(223,187)</u>	<u>19,649,157</u>
<b>Change in net assets</b>	474,939	(629,197)	-	(154,258)
<b>Net assets, beginning of year</b>	<u>39,692,243</u>	<u>(109,523)</u>	<u>-</u>	<u>39,582,720</u>
<b>Net assets, end of year</b>	<u>\$ 40,167,182</u>	<u>\$ (738,720)</u>	<u>\$ -</u>	<u>\$ 39,428,462</u>