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# Mile High United Way, Inc. and Subsidiary

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**Consolidated Financial Statements  
June 30, 2021 and 2020**

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## **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, 2021 and 2020 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.

### ***Auditor's 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. Those standards require that we plan and perform the audits 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, 2021 and 2020 and the changes in their net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

October 15, 2021

## Mile High United Way, Inc. and Subsidiary

# Consolidated Statement of Financial Position

June 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,415,572	\$ 7,015,584
Restricted cash and cash equivalents (Note 2)	2,218,981	7,286,869
Short-term investments (Note 4)	25,368,488	6,782,580
Receivables - Net of allowances:		
Current portion of pledges receivable - Net (Note 7)	6,166,974	4,722,397
Accounts and grants receivable	826,699	509,911
Receivable - Market Place Program (Note 1)	-	500,000
Prepaid expenses and other current assets	545,281	714,143
Total current assets	37,541,995	27,531,484
<b>Noncurrent Assets</b>		
Pledges receivable - Net of current portion (Note 7)	693,581	2,133,632
Legacy gift fund investments - Board designated (Note 4)	12,433,579	9,651,210
Note receivable - UWW (Note 6)	120,000	160,000
Notes receivable (Note 9)	-	12,882,070
<b>Capital Assets - Net (Note 8)</b>	16,786,021	17,503,815
Total noncurrent assets	30,033,181	42,330,727
Total assets	<b>\$ 67,575,176</b>	<b>\$ 69,862,211</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,128,647	\$ 1,185,719
Small business emergency relief funds payable (Note 1)	-	1,279,661
Accrued designations	1,412,750	1,425,405
Deferred revenue	282,715	487,202
Recoverable grant payable to Colorado Health Foundation (Note 1)	-	1,900,000
Grant advance - Paycheck Protection Program (Note 1)	-	1,467,800
Current portion of long-term debt (Note 9)	-	356,637
Total current liabilities	2,824,112	8,102,424
<b>Noncurrent Debt - Long-term debt - Net (Note 9)</b>	-	17,844,501
Total liabilities	2,824,112	25,946,925
<b>Net Assets (Note 10)</b>		
Without donor restrictions	57,552,409	33,689,818
With donor restrictions	7,198,655	10,225,468
Total net assets	64,751,064	43,915,286
Total liabilities and net assets	<b>\$ 67,575,176</b>	<b>\$ 69,862,211</b>

# Mile High United Way, Inc. and Subsidiary

## Consolidated Statement of Activities

Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue</b>						
Gross campaign results - Net	\$ 35,479,652	\$ 5,817,661	\$ 41,297,313	\$ 17,359,334	\$ 8,343,183	\$ 25,702,517
Foundations	62,000	2,036,091	2,098,091	23,715	2,668,621	2,692,336
Government (Note 13)	16,335,420	-	16,335,420	6,118,654	-	6,118,654
PPP loan forgiveness (Note 1)	1,467,800	-	1,467,800	-	-	-
Fundraising events - Net of expenses of \$111,514 (2021) and \$194,783 (2020)	215,420	-	215,420	526,235	-	526,235
Founder's Legacy Society	125,319	-	125,319	188,619	-	188,619
COVID-19 relief funds	-	4,794,904	4,794,904	-	19,021,422	19,021,422
Less donor-designated contributions	(7,493,556)	-	(7,493,556)	(8,534,964)	-	(8,534,964)
Less small business emergency relief funds	(13,269,294)	-	(13,269,294)	(4,145,339)	-	(4,145,339)
Net fundraising revenue	32,922,761	12,648,656	45,571,417	11,536,254	30,033,226	41,569,480
Investment income - Net	4,451,802	-	4,451,802	466,252	-	466,252
Other income	570,455	13,542	583,997	352,041	14,667	366,708
In-kind support	395,079	-	395,079	442,923	-	442,923
Service fees	63,775	-	63,775	84,906	-	84,906
Total revenue	38,403,872	12,662,198	51,066,070	12,882,376	30,047,893	42,930,269
<b>Net Assets Released from Restrictions</b>	15,689,011	(15,689,011)	-	24,249,816	(24,249,816)	-
Total revenue and net assets released from restrictions	54,092,883	(3,026,813)	51,066,070	37,132,192	5,798,077	42,930,269
<b>Expenses</b>						
Program services:						
Distributions to community agencies:	40,462,856	-	40,462,856	38,562,608	-	38,562,608
Less donor-designated contributions	(7,493,556)	-	(7,493,556)	(8,534,964)	-	(8,534,964)
Less small business emergency relief	(13,269,294)	-	(13,269,294)	(4,145,339)	-	(4,145,339)
Total distributions	19,700,006	-	19,700,006	25,882,305	-	25,882,305
Community Impact Division	4,503,747	-	4,503,747	2,546,439	-	2,546,439
2-1-1 Help Center	3,604,428	-	3,604,428	2,901,421	-	2,901,421
Bridging the Gap	1,034,958	-	1,034,958	930,705	-	930,705
United Neighborhoods	1,387,638	-	1,387,638	1,910,248	-	1,910,248
Fiscal Sponsor	29,519	-	29,519	83,864	-	83,864
Curtis Park	495,844	-	495,844	862,636	-	862,636
Total program services	30,756,140	-	30,756,140	35,117,618	-	35,117,618
Support services:						
Management and general	1,382,463	-	1,382,463	1,297,358	-	1,297,358
Funds development	3,305,649	-	3,305,649	3,239,065	-	3,239,065
Total support services	4,688,112	-	4,688,112	4,536,423	-	4,536,423
Total expenses	35,444,252	-	35,444,252	39,654,041	-	39,654,041
<b>Change in Net Assets from Operations</b>	18,648,631	(3,026,813)	15,621,818	(2,521,849)	5,798,077	3,276,228
<b>Gain on Settlement of NMTC Debt (Note 9)</b>	5,213,960	-	5,213,960	-	-	-
<b>Net Contribution from Foothills United Way (Note 1)</b>	-	-	-	940,091	270,505	1,210,596
<b>Change in Net Assets</b>	23,862,591	(3,026,813)	20,835,778	(1,581,758)	6,068,582	4,486,824
<b>Net Assets - Beginning of year</b>	33,689,818	10,225,468	43,915,286	35,271,576	4,156,886	39,428,462
<b>Net Assets - End of year</b>	<b>\$ 57,552,409</b>	<b>\$ 7,198,655</b>	<b>\$ 64,751,064</b>	<b>\$ 33,689,818</b>	<b>\$ 10,225,468</b>	<b>\$ 43,915,286</b>

## Mile High United Way, Inc. and Subsidiary

# Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services						Support Services			Total	
	Community Impact Division	2-1-1 Help Center	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Curtis Park	Management and General	Funds Development	Total		
Distributions to community agencies	\$ 19,164,056	\$ -	\$ -	\$ 369,506	\$ 20,929,294	\$ -	\$ 40,462,856	\$ -	\$ -	\$ -	\$ 40,462,856
Less donor-designated contributions	(7,493,556)	-	-	-	-	-	(7,493,556)	-	-	-	(7,493,556)
Less small business emergency relief funds	-	-	-	-	(13,269,294)	-	(13,269,294)	-	-	-	(13,269,294)
<b>Total distributions to community agencies</b>	<b>11,670,500</b>	<b>-</b>	<b>-</b>	<b>369,506</b>	<b>7,660,000</b>	<b>-</b>	<b>19,700,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,700,006</b>
Salaries and related expenses	1,915,885	1,899,690	638,755	762,492	-	-	5,216,822	802,098	1,967,442	2,769,540	7,986,362
Employee benefits	255,518	332,495	125,015	113,269	-	-	826,297	112,793	294,974	407,767	1,234,064
Payroll taxes and related	141,856	152,132	48,261	57,711	-	-	399,960	57,040	156,680	213,720	613,680
<b>Total salaries and related expenses</b>	<b>2,313,259</b>	<b>2,384,317</b>	<b>812,031</b>	<b>933,472</b>	<b>-</b>	<b>-</b>	<b>6,443,079</b>	<b>971,931</b>	<b>2,419,096</b>	<b>3,391,027</b>	<b>9,834,106</b>
Contract services, professional fees, and other	595,904	459,062	30,740	100,966	514	1,666	1,188,852	91,438	384,969	476,407	1,665,259
Program costs	394,633	176,141	84,964	251,412	415	-	907,565	498	6,633	7,131	914,696
Office expenses	83,641	34,200	13,477	12,755	200	-	144,273	80,615	60,812	141,427	285,700
Occupancy	252,204	91,946	40,727	34,558	-	-	419,435	52,852	109,957	162,809	582,244
Public information and advocacy	370,497	22,603	458	2,365	182	-	396,105	3,379	44,548	47,927	444,032
Information technology	75,003	314,775	13,526	12,925	-	-	416,229	43,420	79,689	123,109	539,338
Temporary help and other	4,744	3,457	887	755	28,208	-	38,051	64,502	4,683	69,185	107,236
Fundraising functions and materials	-	-	-	-	-	-	-	5,553	15,312	20,865	20,865
Conferences, conventions, and meetings	12,358	2,262	1,640	3,450	-	-	19,710	6,326	13,448	19,774	39,484
Travel	5,174	37	4,756	1,156	-	-	11,123	42	2,348	2,390	13,513
United Way Worldwide dues	177,010	26,970	7,744	13,148	-	-	224,872	29,830	105,880	135,710	360,582
Interest	-	-	-	-	-	192,979	192,979	-	-	-	192,979
Depreciation and amortization	219,320	88,658	24,008	20,676	-	301,199	653,861	32,077	58,274	90,351	744,212
<b>Total other expenses</b>	<b>2,190,488</b>	<b>1,220,111</b>	<b>222,927</b>	<b>454,166</b>	<b>29,519</b>	<b>495,844</b>	<b>4,613,055</b>	<b>410,532</b>	<b>886,553</b>	<b>1,297,085</b>	<b>5,910,140</b>
<b>Total functional expenses</b>	<b>\$ 16,174,247</b>	<b>\$ 3,604,428</b>	<b>\$ 1,034,958</b>	<b>\$ 1,757,144</b>	<b>\$ 7,689,519</b>	<b>\$ 495,844</b>	<b>\$ 30,756,140</b>	<b>\$ 1,382,463</b>	<b>\$ 3,305,649</b>	<b>\$ 4,688,112</b>	<b>\$ 35,444,252</b>

## Mile High United Way, Inc. and Subsidiary

# Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services						Support Services			Total	
	Community Impact Division	2-1-1 Help Center	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Curtis Park	Management and General	Funds Development	Total		
Distributions to community agencies	\$ 17,448,346	\$ 67,438	\$ 635	\$ 621,416	\$ 20,424,773	\$ -	\$ 38,562,608	\$ -	\$ -	\$ -	\$ 38,562,608
Less donor-designated contributions	(8,534,964)	-	-	-	-	-	(8,534,964)	-	-	-	(8,534,964)
Less small business emergency relief funds	-	-	-	-	(4,145,339)	-	(4,145,339)	-	-	-	(4,145,339)
<b>Total distributions to community agencies</b>	<b>8,913,382</b>	<b>67,438</b>	<b>635</b>	<b>621,416</b>	<b>16,279,434</b>	<b>-</b>	<b>25,882,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,882,305</b>
Salaries and related expenses	869,931	1,804,495	565,032	1,162,031	-	-	4,401,489	844,832	1,892,233	2,737,065	7,138,554
Employee benefits	139,958	331,163	97,839	146,495	-	-	715,455	125,250	290,072	415,322	1,130,777
Payroll taxes and related	65,288	136,617	43,184	86,974	-	-	332,063	65,003	158,093	223,096	555,159
<b>Total salaries and related expenses</b>	<b>1,075,177</b>	<b>2,272,275</b>	<b>706,055</b>	<b>1,395,500</b>	<b>-</b>	<b>-</b>	<b>5,449,007</b>	<b>1,035,085</b>	<b>2,340,398</b>	<b>3,375,483</b>	<b>8,824,490</b>
Contract services, professional fees, and other	352,523	25,293	28,604	234,831	78,517	19,385	739,153	71,217	258,271	329,488	1,068,641
Program costs	294,130	7,218	92,513	89,069	187	10,000	493,117	-	-	-	493,117
Office expenses	30,047	51,725	14,865	25,402	2,250	-	124,289	67,602	156,022	223,624	347,913
Occupancy	278,420	81,490	32,156	66,714	-	-	458,780	21,507	120,834	142,341	601,121
Public information and advocacy	400,884	14,334	5,667	18,840	-	-	439,725	7,716	54,502	62,218	501,943
Information technology	57,671	344,199	12,929	22,185	-	-	436,984	19,402	86,606	106,008	542,992
Temporary help and other	2,798	9,322	2,033	3,890	1,389	-	19,432	4,118	9,075	13,193	32,625
Fundraising functions and materials	-	-	-	-	-	-	-	3,822	32,385	36,207	36,207
Conferences, conventions, and meetings	4,944	7,883	7,072	5,269	1,382	-	26,550	3,891	37,027	40,918	67,468
Travel	7,087	1,117	7,346	1,986	139	-	17,675	2,518	8,026	10,544	28,219
United Way Worldwide dues	8,683	50,338	15,854	37,544	-	-	112,419	56,189	112,379	168,568	280,987
Interest	-	-	-	-	-	230,872	230,872	-	-	-	230,872
Depreciation and amortization	34,075	36,227	5,611	9,018	-	602,379	687,310	4,291	23,540	27,831	715,141
<b>Total other expenses</b>	<b>1,471,262</b>	<b>629,146</b>	<b>224,650</b>	<b>514,748</b>	<b>83,864</b>	<b>862,636</b>	<b>3,786,306</b>	<b>262,273</b>	<b>898,667</b>	<b>1,160,940</b>	<b>4,947,246</b>
<b>Total functional expenses</b>	<b>\$ 11,459,821</b>	<b>\$ 2,968,859</b>	<b>\$ 931,340</b>	<b>\$ 2,531,664</b>	<b>\$ 16,363,298</b>	<b>\$ 862,636</b>	<b>\$ 35,117,618</b>	<b>\$ 1,297,358</b>	<b>\$ 3,239,065</b>	<b>\$ 4,536,423</b>	<b>\$ 39,654,041</b>

## Mile High United Way, Inc. and Subsidiary

# Consolidated Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 20,835,778	\$ 4,486,824
Adjustments to reconcile increase net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	744,212	715,141
Net gain on debt extinguishment and wind down of Curtis Park	(5,213,960)	-
Amortization of debt issuance costs	-	19,186
Loss on disposal of fixed assets and debt issuance costs	68,237	-
Allowance for uncollectible pledges - Net of write-offs	(164,228)	261,776
Net unrealized and realized (gains) losses on investments	(3,907,139)	114,924
Changes in operating assets and liabilities:		
Receivables and pledges	(117,086)	(1,428,432)
Receivable - Market Place Program	500,000	(500,000)
Prepays and other current assets	168,862	(132,834)
Accounts payable, accrued expenses, and accrued designations	(69,727)	240,324
Small business emergency relief funds payable and recoverable grant funds	(3,179,661)	3,179,661
Deferred revenue	(204,487)	321,013
Grant advance - Paycheck Protection Program	(1,467,800)	1,467,800
Net cash and cash equivalents provided by operating activities	7,993,001	8,745,383
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(20,461,138)	(665,414)
Proceeds from sales of investments	3,000,000	1,500,000
Purchase of capital assets	(199,763)	(301,562)
Net cash and cash equivalents (used in) provided by investing activities	(17,660,901)	533,024
<b>Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash</b>	(9,667,900)	9,278,407
<b>Cash, Cash Equivalents, and Restricted Cash - Beginning of year</b>	14,302,453	5,024,046
<b>Cash, Cash Equivalents, and Restricted Cash - End of year</b>	<b>\$ 4,634,553</b>	<b>\$ 14,302,453</b>
<b>Consolidated Statement of Financial Position Classification of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 2,415,572	\$ 7,015,584
Restricted cash and cash equivalents	2,218,981	7,286,869
Total cash, cash equivalents, and restricted cash	<b>\$ 4,634,553</b>	<b>\$ 14,302,453</b>



**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 seven-county metro Denver community composed of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties. For the year ended June 30, 2021, together with its impact investment partners, MHUW positively impacted more than 265,000 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 50 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. During the year ended June 30, 2021, Curtis Park was dissolved (see Note 9).

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.

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 transferred certain assets and liabilities to United Way on July 1, 2019. The remaining assets and liabilities of Foothills were used to settle the remaining liabilities and the final dissolution of Foothills. United Way assumed responsibility for grants and contracts defined in the agreement and will service Broomfield and Boulder counties under the United Way Worldwide model. As part of the transfer, cash and receivables totaling approximately \$1,347,000 were transferred to United Way. Additionally, grants and designations payable of approximately \$137,000 were also transferred, resulting in a contribution recognized of approximately \$1,210,000.

***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 licensed child care spots for only 30 percent of children under age 6 who have working parents, and two in three Colorado third graders are below 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 13,000 young children through high-quality early childhood programs and provided over 63,000 parents and caregivers with information, resources, and other tools to help them ensure their child's development. 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 5,800 children and supported more than 5,000 high-quality child care spots.

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

**Supporting Education and Academic Success**

United Way is committed to building educational success through partnerships with schools, families, and communities. Our programs focus on attendance because, while a variety of factors - such as quality instruction, a positive school culture, and meaningful summer activities - contribute to a student's academic success, before those factors can have any impact, a student needs to simply be at school. Regular attendance is an essential first step for academic achievement. Research is clear that the more students consistently attend school and engage in their learning, the more they academically progress.

**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 opportunities 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 266,000 individuals and their families by providing for basic needs, such as housing and meals, and child care. United Way's 2-1-1 Help Center received over 126,000 contacts from people around Colorado seeking resources for housing, income support, food assistance, child care referrals, 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 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:

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 150 participants. Independent life coaches also provided life skills support and workforce development assistance.

United Way's 2-1-1 Help Center is a free and confidential community referral service that connects people with resources that provide food, health, shelter, rent assistance, clothing, child care options, legal assistance, and other services to meet basic needs. Our 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 126,000 contacts from individuals around Colorado. Covering 25 counties in partnership with United Way of Larimer County and United Way of Weld County, 2-1-1 serves the metro Denver area, as well as Northern Colorado - approximately 71 percent of the state's population.

**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

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

United Way's United Neighborhoods™ is a community-based, dual-generational approach that strengthens under resourced neighborhoods in metro Denver. United for Schools invests in children and families to foster academic growth and economic opportunities by ensuring students attend school regularly. We know this is critical so all children arrive at school ready to learn and families can move toward self-sufficiency. United for Business helps locally owned businesses realize their growth potential through consultation and professional services from skills-based volunteers in their industry. United for Families combines community-based efforts and collaborative partnerships to advance outcomes for young children (ages 0-5) and their families and caregivers. We realize that increasing access to quality early childhood education improves kindergarten readiness.

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. During the years ended June 30, 2021 and 2020, United Way initiated and continued a number of COVID-related funding programs to provide emergency relief to nonprofits, community-based organizations, and small business.

**Response to COVID-19**

In response to the COVID-19 pandemic and in partnership with the State of Colorado in 2020, United Way created the Colorado COVID-19 Relief Fund (the "Fund") to support nonprofit and community-based organizations that were either disproportionately affected by COVID-19 or provide emergency relief services. From the start of the pandemic to June 30, 2021, the Fund had received cash donations totaling over \$23 million from approximately 11,000 donors and provided 1,050 grants statewide.

**Small Business Emergency Relief Fund**

During the year ended 2020, United Way entered into an agreement with the City and County of Denver, Colorado to provide grants through the Small Business Emergency Relief Program to small businesses adversely impacted by the effects of COVID-19. During the years ended June 30, 2021 and 2020, United Way distributed grants totaling \$13,269,294 and \$4,145,339, respectively, to over 2,000 recipients. As of June 30, 2020, \$1,279,661 of grants was accrued for. As of June 30, 2021, all grants had been paid out.

**Colorado Health Foundation Recoverable Grant**

During the year ended June 30, 2020, United Way entered into an arrangement with the Colorado Health Foundation and the State of Colorado to enable the funding, procurement, and distribution of essential personal protective equipment (PPE) in response to the COVID-19 outbreak. The Colorado Health Foundation provided \$1,900,000 to United Way under a recoverable grant with a termination date of September 30, 2021. United Way subsequently entered into a funding agreement with OraLabs, Inc. (OraLabs) to advance up to \$1,000,000 of the recoverable grant fund for PPE inventory to be purchased by OraLabs and sold through its online PPE Market Place. The funding agreement terminated on November 30, 2020. As of June 30, 2020, United Way advanced \$500,000 to OraLabs, which was recorded as a receivable on the consolidated statement of financial position. This amount was paid in full during the year ended June 30, 2021. The remaining grant funds of \$1,400,000 were included in restricted cash on the consolidated statement of financial position as of June 30, 2020. During the year ended June 30, 2021, United Way had returned \$1,900,000 to the Colorado Health Foundation under the recoverable grant arrangement.

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

**Paycheck Protection Program**

During the year ended June 30, 2020, United Way received a PPP loan in the amount of \$1,467,800. The PPP loan program was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. United Way may use the funds on qualifying expenses over a covered period up to 24 weeks. Accounting principles generally accepted in the United States of America (U.S. GAAP) state that government grants, including certain forgivable government loans, are recognized as income in the period in which United Way has substantially overcome all measurable performance-related barriers necessary to be entitled to keep the grant funds. As of June 30, 2021, United Way has assessed that all requirements for forgiveness were achieved and, therefore, United Way has recorded government revenue of \$1,467,800, consistent with generally accepted accounting principles.

United Way applied for and received notification from the SBA of forgiveness of the entire loan in February 2021.

**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. 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 Markets Tax Credit, and a \$10 million capital campaign, which concluded in 2015.

During the year ended June 30, 2021, Curtis Park was dissolved, and the remaining assets were transferred to MHUW (see Note 9).

**Note 2 - Significant Accounting Policies**

**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 for which 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.

**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

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

***Restricted Cash***

Restricted cash consists of amounts held for specific purposes based on donor intent. As of June 30, 2020, restricted cash included funds received in advance for funds related to COVID-19 and fiscal sponsorships. As of June 30, 2021, restricted cash consists mainly of cash held for fiscal sponsorships. United Way has restricted cash balances of approximately \$2,200,000 and \$7,300,000 as of June 30, 2021 and 2020, respectively. The remaining restricted cash is expected to be used within the next five years.

***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, 2021 and 2020.

***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 are 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

**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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

***Deferred Revenue***

Deferred revenue consists of grant 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.

***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 without donor restrictions 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 of 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, 2021 and 2020 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 of donor-designated contributions for each of the years ended June 30, 2021 and 2020.

***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. 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.



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

***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 1,250 hours from 690 volunteers were volunteered through United Way during the year ended June 30, 2021. Due to COVID-19 restrictions, the amount of volunteer activities decreased during 2021. 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).

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

Change in net assets from operations does not include the gain on dissolution of Curtis Park or the net contribution from Foothills United Way, as they are not related to United Way's major and ongoing activities.

***Income Taxes***

MHJW is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

***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 September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which provides clearer financial information about important noncash contributions charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). The standard provides new presentation and disclosure requirements about contributed nonfinancial assets for nonprofits, including additional disclosure rules for recognized contributed services. The new guidance will be effective for United Way's year ending June 30, 2022 and will be applied using the retrospective method. The amendments will not change the recognition and measurement requirements for those assets.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including October 15, 2021, which is the date the financial statements were available to be issued.

**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

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

The following reflects United Way's financial assets as of June 30, 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:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,415,572	\$ 7,015,584
Restricted cash and cash equivalents	2,218,981	7,286,869
Accounts and grants receivable	826,699	509,911
Receivable - Market Place Program	-	500,000
Pledges receivable - Current portion	6,166,974	4,722,397
Short-term investments	<u>25,368,488</u>	<u>6,782,580</u>
Financial assets - At year end	36,996,714	26,817,341
Less those unavailable for general expenditures within one year due to:		
Assets not available for general operating use	2,218,981	7,786,869
Accrued designations included in pledges receivable	<u>1,412,750</u>	<u>1,425,405</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 33,364,983</u>	<u>\$ 17,605,067</u>

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date.

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>2021</u>	<u>2020</u>
Money market funds	\$ 147,483	\$ 307,732
Certificates of deposit	103,179	101,650
Equity mutual funds	10,278,488	2,575,753
Bond mutual fund	<u>14,839,338</u>	<u>3,797,445</u>
Total	<u>\$ 25,368,488</u>	<u>\$ 6,782,580</u>



**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

**Note 4 - Investments (Continued)**

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

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

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 89,387	\$ 595,153
Equity mutual funds	10,752,340	7,809,615
Bond mutual funds	<u>1,591,852</u>	<u>1,246,442</u>
Total	<u>\$ 12,433,579</u>	<u>\$ 9,651,210</u>

***Investment Returns***

Investment returns consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Dividends and interest - Net of fees	\$ 544,663	\$ 581,176
Net realized and unrealized gains (losses)	<u>3,907,139</u>	<u>(114,924)</u>
Total	<u>\$ 4,451,802</u>	<u>\$ 466,252</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 where 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. 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: Valued based on prices currently available on comparable securities

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

**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

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

United Way has the following recurring fair value measurements as of June 30, 2021:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2021			
	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, 2021
<b>Assets</b>				
Money market funds	\$ 236,870	\$ -	\$ -	\$ 236,870
Certificates of deposit	-	103,179	-	103,179
Domestic equity mutual funds	16,030,834	-	-	16,030,834
International equity mutual funds	4,999,994	-	-	4,999,994
Domestic bond mutual funds	16,431,190	-	-	16,431,190
Total assets at fair value	<u>\$ 37,698,888</u>	<u>\$ 103,179</u>	<u>\$ -</u>	<u>\$ 37,802,067</u>

United Way has the following recurring fair value measurements as of June 30, 2020:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2020			
	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, 2020
<b>Assets</b>				
Money market funds	\$ 902,885	\$ -	\$ -	\$ 902,885
Certificates of deposit	-	101,650	-	101,650
Domestic equity mutual funds	6,941,804	-	-	6,941,804
International equity mutual funds	3,443,564	-	-	3,443,564
Domestic bond mutual funds	5,043,887	-	-	5,043,887
Total assets at fair value	<u>\$ 16,332,140</u>	<u>\$ 101,650</u>	<u>\$ -</u>	<u>\$ 16,433,790</u>

**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.

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, 2021, \$120,000 is due from UWW.

**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

**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 2020 and 2019 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:

	2021	2020
Multiyear campaign pledges	\$ 2,818,441	\$ 3,362,981
2020 fundraising campaign	4,842,150	-
2019 fundraising campaign	-	4,457,313
Allowance for uncollectible pledges	(800,036)	(964,265)
Total pledges receivable - Net	<u>\$ 6,860,555</u>	<u>\$ 6,856,029</u>
Less than one year	\$ 6,166,974	\$ 4,722,397
One to five years	693,581	2,133,632
Total	<u>\$ 6,860,555</u>	<u>\$ 6,856,029</u>

**Note 8 - Capital Assets**

Capital assets consist of the following as of June 30:

	2021	2020
Land	\$ 1,534,934	\$ 1,534,934
Buildings	17,941,165	18,114,509
Furniture and fixtures	1,410,804	1,385,764
Computer equipment and software	534,160	357,279
Construction in progress	-	2,159
Total	21,421,063	21,394,645
Accumulated depreciation	(4,635,042)	(3,890,830)
Total	<u>\$ 16,786,021</u>	<u>\$ 17,503,815</u>

Depreciation and amortization expense for the years ended June 30, 2021 and 2020 was \$744,212 and \$715,141, respectively.

**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

**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 (the "Agreements") with investors using New Markets Tax Credit (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 in 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 Markets Tax Credit. 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 CDE loan agreements, promissory notes, and deeds of trusts in connection with the Project Loans. The New Markets Tax Credit was 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 were being amortized over the term of the long-term debt using the effective interest method.

The NMTC third-party investment of \$6,118,000 had put and call options that could be exercised at the end of the NMTC Financing seven-year compliance period (December 2020). In December 2020, the NMTC third party exercised the put option, and MHUW paid \$1,000 for the NMTC third party's interest in MHUW Investment Fund, LLC. Notes payable related to the NMTC Financing of approximately \$18,483,000 were forgiven in full, and approximately \$446,000 of unamortized debt financing costs was written off on Curtis Park. MHUW wrote off its \$12,882,000 note receivable to the Fund. The Curtis Park entity was dissolved and transferred all remaining assets and net assets to MHUW. The result of the settlement of the NMTC Financing and dissolution of Curtis Park resulted in a net gain recognized of \$5,213,960 in the consolidated statement of activities.

**Note 10 - Net Assets**

Net assets without donor restrictions:

	2021	2020
Board-designated net assets:		
Legacy gift fund	\$ 12,433,579	\$ 9,651,210
Capital assets	16,786,021	12,184,745
Donor-advised funds	321,126	240,563
Total board-designated net assets	29,540,726	22,076,518
Undesignated net assets	28,011,683	11,613,300
Total net assets without donor restrictions	\$ 57,552,409	\$ 33,689,818

**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

**Note 10 - Net Assets (Continued)**

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

	<u>2021</u>	<u>2020</u>
Subject to expenditures for a specified purpose:		
Multi year pledges	\$ 2,820,633	\$ 3,381,067
Capital campaign for operations	24,385	24,385
COVID-19 relief funds	62,482	2,790,517
Giving All Children a Strong Start/Reading Matters	256,236	1,260,271
Developing Tomorrow's Talent	180,840	160,665
Creating Economic Opportunity for All	2,308,493	2,072,167
United Neighborhoods	<u>1,545,586</u>	<u>536,396</u>
Total	<u>\$ 7,198,655</u>	<u>\$ 10,225,468</u>

**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.

	<u>2021</u>	<u>2020</u>
Donor-designated contributions	\$ 7,493,556	\$ 8,534,964
COVID-19 relief funds	7,516,750	16,249,435
Small business emergency relief grants	13,269,294	4,145,339
Community Impact Division grants	11,004,811	7,124,708
Other initiatives	<u>1,178,445</u>	<u>2,508,162</u>
Total	<u>\$ 40,462,856</u>	<u>\$ 38,562,608</u>

During 2021 and 2020, due to the COVID-19 pandemic, additional distributions are included in the consolidated financial statements. The most important funds are related to COVID-19 and small business emergency relief funds. Other initiatives include grants from Community ACTS fiscal sponsorship, Keep The Lights On fund for early childhood education, and other minor grants.

**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 \$282,102 and \$337,573 to the Plan during the years ended June 30, 2021 and 2020, respectively.

## Mile High United Way, Inc. and Subsidiary

# Notes to Consolidated Financial Statements

June 30, 2021 and 2020

### 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.

Government revenue is composed of the following as of June 30:

	2021	2020
Small business emergency relief funds	\$ 13,967,839	\$ 4,441,239
COVID-19-related grants	1,311,783	643,777
General programs	1,055,798	1,033,638
Total	<u>\$ 16,335,420</u>	<u>\$ 6,118,654</u>

### Note 14 - Operating Leases

United Way leases equipment under operating leases expiring at various dates through June 2024. United Way is responsible for repairs and maintenance on certain leases. The monthly lease payments range from \$27 to \$3,030.

Rent expense for these leases was \$37,898 and \$40,598 for the years ended June 30, 2021 and 2020, respectively.

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

Years Ending June 30	Amount
2022	\$ 41,474
2023	25,884
2024	12,942
Total	<u>\$ 80,300</u>

### Note 15 - Line of Credit

Under a line of credit agreement with a bank, United Way has available borrowings of \$2,000,000. The line of credit accrues interest at the one-month LIBOR plus 2.75 percent (2.85 percent at June 30, 2021), with a floor of 4.0 percent, and expires in February 2022. There were no amounts outstanding as of June 30, 2021 and 2020.