
Mile High United Way, Inc. and Subsidiary

**Consolidated Financial Statements
with Supplemental Information
June 30, 2022 and 2021**

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Independent Auditor's Report

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

Opinion

We have audited the 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, 2022 and 2021 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of United Way as of June 30, 2022 and 2021 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of United Way and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Other Information

Management is responsible for the other information included in the annual community report. The other information comprises the financial section included in the annual community report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Plante & Moran, PLLC

October 21, 2022

Mile High United Way, Inc. and Subsidiary

Consolidated Statement of Financial Position

June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,312,890	\$ 2,415,572
Restricted cash and cash equivalents (Note 2)	2,939,996	2,218,981
Short-term investments (Note 4)	12,176,666	25,368,488
Receivables - Net of allowances:		
Current portion of pledges receivable - Net (Note 7)	2,776,632	6,166,974
Accounts and grants receivable	1,752,587	826,699
Prepaid expenses and other current assets	643,413	545,281
Total current assets	<u>24,602,184</u>	<u>37,541,995</u>
Noncurrent Assets		
Pledges receivable - Net of current portion (Note 7)	1,877,650	693,581
Legacy gift fund investments - Board designated (Note 4)	14,648,614	12,433,579
Note receivable - UWW (Note 6)	80,000	120,000
Other noncurrent assets	153,000	-
Total noncurrent assets	<u>21,453,449</u>	<u>16,786,021</u>
Total assets	<u><u>\$ 62,814,897</u></u>	<u><u>\$ 67,575,176</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,826,511	\$ 1,128,647
Accrued designations	1,359,661	1,412,750
Deferred revenue	496,502	282,715
Total liabilities	<u>3,682,674</u>	<u>2,824,112</u>
Net Assets (Note 10)		
Without donor restrictions	51,346,421	57,552,409
With donor restrictions	7,785,802	7,198,655
Total net assets	<u>59,132,223</u>	<u>64,751,064</u>
Total liabilities and net assets	<u><u>\$ 62,814,897</u></u>	<u><u>\$ 67,575,176</u></u>

Mile High United Way, Inc. and Subsidiary

Consolidated Statement of Activities

Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Gross campaign results - Net	\$ 14,025,089	\$ 6,768,183	\$ 20,793,272	\$ 35,479,652	\$ 5,817,661	\$ 41,297,313
Government	8,636,246	-	8,636,246	16,335,420	-	16,335,420
Foundations	-	1,420,315	1,420,315	62,000	2,036,091	2,098,091
PPP loan forgiveness	-	-	-	1,467,800	-	1,467,800
Fundraising events - Net of expenses of \$308,366 (2022) and \$111,514 (2021)	345,340	-	345,340	215,420	-	215,420
Founder's Legacy Society	101,552	-	101,552	125,319	-	125,319
COVID-19 relief funds	-	10,397	10,397	-	4,794,904	4,794,904
Less donor-designated contributions	(6,888,979)	-	(6,888,979)	(7,493,556)	-	(7,493,556)
Less CHFA/Energize and small business emergency relief funds	(3,114,001)	-	(3,114,001)	(13,269,294)	-	(13,269,294)
Net fundraising revenue	13,105,247	8,198,895	21,304,142	32,922,761	12,648,656	45,571,417
Rental income	178,591	-	178,591	-	-	-
Investment (loss) income - Net	(3,963,125)	-	(3,963,125)	4,451,802	-	4,451,802
Other income	507,846	-	507,846	570,455	13,542	583,997
In-kind support	634,871	-	634,871	395,079	-	395,079
Service fees	8,889	-	8,889	63,775	-	63,775
Total revenue	10,472,319	8,198,895	18,671,214	38,403,872	12,662,198	51,066,070
Net Assets Released from Restrictions	7,611,748	(7,611,748)	-	15,689,011	(15,689,011)	-
Total revenue and net assets released from restrictions	18,084,067	587,147	18,671,214	54,092,883	(3,026,813)	51,066,070
Expenses						
Program services:						
Distributions to community agencies:	17,155,002	-	17,155,002	40,462,856	-	40,462,856
Less donor-designated contributions	(6,888,979)	-	(6,888,979)	(7,493,556)	-	(7,493,556)
Less small business emergency relief	(3,114,001)	-	(3,114,001)	(13,269,294)	-	(13,269,294)
Total distributions	7,152,022	-	7,152,022	19,700,006	-	19,700,006
Community Impact Division	5,198,580	-	5,198,580	4,503,747	-	4,503,747
2-1-1 Help Center	4,202,085	-	4,202,085	3,604,428	-	3,604,428
Bridging the Gap	1,175,986	-	1,175,986	1,034,958	-	1,034,958
United Neighborhoods	1,496,553	-	1,496,553	1,387,638	-	1,387,638
Fiscal Sponsor	45,832	-	45,832	29,519	-	29,519
Curtis Park	-	-	-	495,844	-	495,844
Total program services	19,271,058	-	19,271,058	30,756,140	-	30,756,140
Support services:						
Management and general	1,584,806	-	1,584,806	1,382,463	-	1,382,463
Funds development	3,434,191	-	3,434,191	3,305,649	-	3,305,649
Total support services	5,018,997	-	5,018,997	4,688,112	-	4,688,112
Total expenses	24,290,055	-	24,290,055	35,444,252	-	35,444,252
Gain on Settlement of NMTC Debt	-	-	-	5,213,960	-	5,213,960
Change in Net Assets	(6,205,988)	587,147	(5,618,841)	23,862,591	(3,026,813)	20,835,778
Net Assets - Beginning of year	57,552,409	7,198,655	64,751,064	33,689,818	10,225,468	43,915,286
Net Assets - End of year	\$ 51,346,421	\$ 7,785,802	\$ 59,132,223	\$ 57,552,409	\$ 7,198,655	\$ 64,751,064

Mile High United Way, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services					Support Services				Total
	Community Impact Division	2-1-1 Help Center	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Total	Management and General	Funds Development	Total	
Distributions to community agencies	\$ 13,133,160	\$ -	\$ -	\$ 484,840	\$ 3,537,002	\$ 17,155,002	\$ -	\$ -	\$ -	\$ 17,155,002
Less donor-designated contributions	(6,888,979)	-	-	-	-	(6,888,979)	-	-	-	(6,888,979)
Less CHFA/Energize and small business emergency relief funds	(3,114,001)	-	-	-	-	(3,114,001)	-	-	-	(3,114,001)
Total distributions to community agencies	3,130,180	-	-	484,840	3,537,002	7,152,022	-	-	-	7,152,022
Salaries and related expenses	1,819,389	2,474,791	663,706	952,207	-	5,910,093	805,647	2,048,614	2,854,261	8,764,354
Employee benefits	294,721	459,657	133,864	130,751	-	1,018,993	138,768	324,493	463,261	1,482,254
Payroll taxes and related	147,531	189,271	52,306	74,216	-	463,324	52,830	147,541	200,371	663,695
Total salaries and related expenses	2,261,641	3,123,719	849,876	1,157,174	-	7,392,410	997,245	2,520,648	3,517,893	10,910,303
Contract services, professional fees, and other	919,449	214,784	38,535	80,818	5,471	1,259,057	90,407	105,817	196,224	1,455,281
Program costs	465,296	136,393	92,999	109,773	-	804,461	5	3,250	3,255	807,716
Office expenses	81,983	31,836	12,639	12,104	-	138,562	212,981	54,475	267,456	406,018
Occupancy	252,388	123,786	58,025	32,842	-	467,041	33,296	117,712	151,008	618,049
Public information and advocacy	557,788	6,038	1,516	3,650	-	568,992	3,735	91,154	94,889	663,881
Information technology	73,590	270,049	16,558	16,251	178	376,626	49,999	113,611	163,610	540,236
Temporary help and other	27,900	30,563	7,287	7,572	40,167	113,489	7,749	45,144	52,893	166,382
Fundraising functions and materials	131	197	50	50	-	428	1,371	81,489	82,860	83,288
Conferences, conventions, and meetings	41,351	14,187	5,486	3,936	-	64,960	13,509	35,078	48,587	113,547
Travel	12,629	1,058	4,207	1,205	16	19,115	353	4,008	4,361	23,476
United Way Worldwide dues	221,926	65,009	18,196	30,654	-	335,785	93,490	158,101	251,591	587,376
Depreciation and amortization	282,508	184,466	70,612	40,524	-	578,110	80,666	103,704	184,370	762,480
Fundraising events - Cost of direct to donors	-	-	-	-	-	-	-	308,366	308,366	308,366
Total other expenses	2,936,939	1,078,366	326,110	339,379	45,832	4,726,626	587,561	1,221,909	1,809,470	6,536,096
Total functional expenses	\$ 8,328,760	\$ 4,202,085	\$ 1,175,986	\$ 1,981,393	\$ 3,582,834	\$ 19,271,058	\$ 1,584,806	\$ 3,742,557	\$ 5,327,363	\$ 24,598,421

Mile High United Way, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services						Support Services				
	Community Impact Division	2-1-1 Help Center	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Curtis Park	Total	Management and General	Funds Development	Total	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)
Total distributions to community agencies	11,670,500	-	-	369,506	7,660,000	-	19,700,006	-	-	-	19,700,006
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
Total salaries and related expenses	2,313,259	2,384,317	812,031	933,472	-	-	6,443,079	971,931	2,419,096	3,391,027	9,834,106
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
Fundraising events - Cost of direct to donors	-	-	-	-	-	-	-	-	111,514	111,514	111,514
Total other expenses	2,190,488	1,220,111	222,927	454,166	29,519	495,844	4,613,055	410,532	998,067	1,408,599	6,021,654
Total functional expenses	\$ 16,174,247	\$ 3,604,428	\$ 1,034,958	\$ 1,757,144	\$ 7,689,519	\$ 495,844	\$ 30,756,140	\$ 1,382,463	\$ 3,417,163	\$ 4,799,626	\$ 35,555,766

See notes to consolidated financial statements.

Mile High United Way, Inc. and Subsidiary

Consolidated Statement of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
(Decrease) increase in net assets	\$ (5,618,841)	\$ 20,835,778
Adjustments to reconcile (decrease) increase net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	762,480	744,212
Net gain on debt extinguishment and wind down of Curtis Park	-	(5,213,960)
Loss on disposal of fixed assets and debt issuance costs	-	68,237
Allowance for uncollectible pledges - Net of write-offs	60,884	(164,228)
Net unrealized and realized losses (gains) on investments	5,189,294	(3,907,139)
Changes in operating assets and liabilities:		
Receivables and pledges	1,106,501	(117,086)
Receivable - Market Place Program	-	500,000
Prepays and other current assets	(98,132)	168,862
Accounts payable, accrued expenses, and accrued designations	644,775	(69,727)
Small business emergency relief funds payable and recoverable grant funds	-	(3,179,661)
Deferred revenue	213,787	(204,487)
Grant advance - Paycheck Protection Program	-	(1,467,800)
Net cash and cash equivalents provided by operating activities	2,260,748	7,993,001
Cash Flows from Investing Activities		
Purchases of investments	(6,548,896)	(20,461,138)
Proceeds from sales of investments	12,336,389	3,000,000
Purchase of capital assets	(5,429,908)	(199,763)
Net cash and cash equivalents provided by (used in) investing activities	357,585	(17,660,901)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	2,618,333	(9,667,900)
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	4,634,553	14,302,453
Cash, Cash Equivalents, and Restricted Cash - End of year	\$ 7,252,886	\$ 4,634,553
Consolidated Statement of Financial Position Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 4,312,890	\$ 2,415,572
Restricted cash and cash equivalents	2,939,996	2,218,981
Total cash, cash equivalents, and restricted cash	\$ 7,252,886	\$ 4,634,553

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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, 2022, 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).

Mile High United Way Penn Street, LLC (Penn Street) was formed during the year ended June 30, 2022 as a subsidiary of MHUW to own and operate an apartment complex as part of MHUW's Bridging the Gap program.

The consolidated financial statements include the accounts of MHUW, Penn Street, 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 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, but it also promotes their development and learning.

Last year, United Way, with its impact partners, served nearly 7,400 young children through high-quality early childhood programs and provided over 19,000 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 that supported more than 3,600 high-quality child care spots.

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.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 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 over 271,000 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 109,000 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 151 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 109,000 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.

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, 2022 and 2021, United Way initiated and continued a number of COVID-19-related funding programs to provide emergency relief to nonprofits, community-based organizations, and small business.

Note 1 - Nature of Business (Continued)

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. All cash donations were used in the Fund by June 30, 2021.

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 year ended June 30, 2021, United Way distributed grants totaling \$13,269,294 to over 2,000 recipients. All grants were distributed by June 30, 2021.

Colorado Health Foundation Recoverable Grant

During the year ended June 30, 2021, 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. During the year ended June 30, 2021, United Way had returned \$1,900,000 to the Colorado Health Foundation under the recoverable grant arrangement.

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.

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. 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.

Restricted Cash

Restricted cash consists of amounts held for specific purposes based on donor intent. As of June 30, 2022 and 2021, restricted cash consists mainly of cash held for fiscal sponsorships. United Way has restricted cash balances of approximately \$2,900,000 and \$2,200,000 as of June 30, 2022 and 2021, respectively.

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.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

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, 2022 and 2021.

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

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.

Government Contracts

Government contracts are recognized as contributions once the eligible expenses are incurred, as that means the conditions have been met.

Note 2 - Significant Accounting Policies (Continued)

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, 2022 and 2021 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, 2022 and 2021.

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 program 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.

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, 2022. 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, which is included in gain on settlement of NMTC debt (see Note 9) on the consolidated statement of activities, as it is not related to United Way's major and ongoing activities.

Income Taxes

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

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.

Recently Adopted Accounting Pronouncement

During 2022, United Way adopted 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 that 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 is effective for United Way's year ended June 30, 2022 and was applied using the retrospective method. The amendments did 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 21, 2022, which is the date the financial statements were available to be issued.

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:

	2022	2021
Cash and cash equivalents	\$ 4,312,890	\$ 2,415,572
Restricted cash and cash equivalents	2,939,996	2,218,981
Accounts and grants receivable	1,752,587	826,699
Pledges receivable - Current portion	2,776,632	6,166,974
Short-term investments	12,176,666	25,368,488
Financial assets - At year end	23,958,771	36,996,714
Less those unavailable for general expenditures within one year due to:		
Assets not available for general operating use	2,939,996	2,218,981
Accrued designations included in pledges receivable	1,359,661	1,412,750
Financial assets available to meet cash needs for general expenditures within one year	\$ 19,659,114	\$ 33,364,983

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.

Mile High United Way, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 3 - Liquidity and Availability of Resources (Continued)

United Way also has a committed line of credit in the amount of \$2,000,000 (see Note 16) 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:

	2022	2021
Money market funds	\$ 67,988	\$ 147,483
Certificates of deposit	103,179	103,179
Equity mutual funds	7,612,149	10,278,488
Bond mutual fund	4,393,350	14,839,338
Total	<u>\$ 12,176,666</u>	<u>\$ 25,368,488</u>

Board-designated Legacy Gift Fund Investments

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

	2022	2021
Money market funds	\$ 87,647	\$ 89,387
Equity mutual funds	8,627,492	10,752,340
Bond mutual funds	1,935,660	1,591,852
Exchange-traded funds	3,997,815	-
Total	<u>\$ 14,648,614</u>	<u>\$ 12,433,579</u>

Investment Returns

Investment returns consist of the following as of June 30:

	2022	2021
Dividends and interest - Net of fees	\$ 1,226,169	\$ 544,663
Net realized and unrealized (losses) gains	<u>(5,189,294)</u>	<u>3,907,139</u>
Total	<u>\$ (3,963,125)</u>	<u>\$ 4,451,802</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, and 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.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 5 - Fair Value Measurements (Continued)

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.

United Way has the following recurring fair value measurements as of June 30, 2022:

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2022			
	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, 2022
Assets				
Money market funds	\$ 155,635	\$ -	\$ -	\$ 155,635
Certificates of deposit	-	103,179	-	103,179
Domestic equity mutual funds	9,641,721	-	-	9,641,721
International equity mutual funds	6,597,920	-	-	6,597,920
Domestic bond mutual funds	6,329,010	-	-	6,329,010
Exchange-traded fund	3,997,815	-	-	3,997,815
Total assets at fair value	<u>\$ 26,722,101</u>	<u>\$ 103,179</u>	<u>\$ -</u>	<u>\$ 26,825,280</u>

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

	Assets and Liabilities 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
Assets				
Money market funds	\$ 236,870	\$ -	\$ -	\$ 236,870
Certificates of deposit	-	103,179	-	103,179
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>

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 is accrued 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, 2022, \$80,000 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 2021 and 2020 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:

	2022	2021
Multiyear campaign pledges	\$ 1,963,963	\$ 2,818,441
2021 fundraising campaign	3,278,482	-
2020 fundraising campaign	-	4,842,150
Allowance for uncollectible pledges	(588,163)	(800,036)
Total pledges receivable - Net	<u>\$ 4,654,282</u>	<u>\$ 6,860,555</u>
Less than one year	\$ 2,776,632	\$ 6,166,974
One to five years	1,877,650	693,581
Total	<u>\$ 4,654,282</u>	<u>\$ 6,860,555</u>

Note 8 - Capital Assets

Capital assets consist of the following as of June 30:

	2022	2021
Land	\$ 2,534,934	\$ 1,534,934
Buildings	22,075,676	17,941,165
Furniture and fixtures	1,575,872	1,410,804
Computer equipment and software	657,155	534,160
Construction in progress	7,333	-
Total	26,850,970	21,421,063
Accumulated depreciation	(5,397,521)	(4,635,042)
Total	<u>\$ 21,453,449</u>	<u>\$ 16,786,021</u>

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 8 - Capital Assets (Continued)

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 was \$762,480 and \$744,212, respectively.

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 are as follows:

	<u>2022</u>	<u>2021</u>
Board-designated net assets:		
Legacy gift fund	\$ 14,648,614	\$ 12,433,579
Capital assets	21,453,449	16,786,021
Donor-advised funds	1,196,297	321,126
Total board-designated net assets	<u>37,298,360</u>	<u>29,540,726</u>
Undesignated net assets	<u>14,048,061</u>	<u>28,011,683</u>
Total net assets without donor restrictions	<u>\$ 51,346,421</u>	<u>\$ 57,552,409</u>

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 10 - Net Assets (Continued)

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

	<u>2022</u>	<u>2021</u>
Subject to expenditures for a specified purpose:		
Multiyear pledges	\$ 2,251,916	\$ 2,820,633
Capital campaign for operations	24,385	24,385
COVID-19 relief funds	306	62,482
Giving All Children a Strong Start/Reading Matters	206,922	256,236
Developing Tomorrow's Talent	310,561	180,840
Creating Economic Opportunity for All	2,622,104	2,308,493
United Neighborhoods	<u>2,369,608</u>	<u>1,545,586</u>
Total	<u>\$ 7,785,802</u>	<u>\$ 7,198,655</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>2022</u>	<u>2021</u>
Donor-designated contributions	\$ 6,888,979	\$ 7,493,556
COVID-19 relief funds	65,945	7,516,750
CHFA/Energize Colorado gap funds	3,048,728	-
Small business emergency relief grants	-	13,269,294
Community Impact Division grants	3,527,400	11,004,811
Other initiatives	<u>3,625,950</u>	<u>1,178,445</u>
Total	<u>\$ 17,157,002</u>	<u>\$ 40,462,856</u>

During 2022 and 2021, 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 \$425,617 and \$265,027 to the Plan during the years ended June 30, 2022 and 2021, respectively.

Mile High United Way, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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:

	2022	2021
Small business emergency relief funds	\$ -	\$ 13,967,839
COVID-19-related grants	4,770,417	1,311,783
General programs	3,865,829	1,055,798
Total	<u>\$ 8,636,246</u>	<u>\$ 16,335,420</u>

Note 14 - In-kind Support

In-kind support recognized by United Way for the years ended June 30, 2022 and 2021 are as follows:

	June 30, 2022	Usage in Programs/ Activities	Donor- imposed Restrictions	Valuation Techniques and Inputs
Professional services	\$ 497,913	Programs	None	Estimated fair value on the basis of estimates of values that would be received for selling similar services in the U.S.
Marketing and advertising services	123,205	Programs	None	Estimated fair value on the basis of estimates of values that would be received for selling similar services in the U.S.
Sports tickets	7,920	Programs	None	Estimated fair value on the basis of estimates of values that would be received for selling similar products in the U.S.
Food and prizes	<u>5,833</u>	Programs	None	Estimated fair value on the basis of estimates of values that would be received for selling similar products in the U.S.
Total	<u>\$ 634,871</u>			

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 14 - In-kind Support (Continued)

	June 30, 2021	Usage in Programs/ Activities	Donor- imposed Restrictions	Valuation Techniques and Inputs
Marketing and advertising services	\$ 190,264	Programs	None	Estimated fair value on the basis of estimates of values that would be received for selling similar services in the U.S.
Professional services	151,218	Programs	None	Estimated fair value on the basis of estimates of values that would be received for selling similar services in the U.S.
Other	<u>53,597</u>	Programs	None	Estimated fair value on the basis of estimates of values that would be received for selling similar products or service in the U.S.
Total	<u>\$ 395,079</u>			

United Way receives volunteer services that are not recordable under generally accepted accounting principles. The value of the volunteer services is not disclosed since no objective basis is available to measure the value of such services.

Note 15 - 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 \$52,546 and \$37,898 for the years ended June 30, 2022 and 2021, respectively.

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

Years Ending June 30	Amount
2023	\$ 37,274
2024	<u>12,942</u>
Total	<u>\$ 50,216</u>

Note 16 - 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 AMERIBOR Term-30 rate plus 2.75 percent (4.43 percent at June 30, 2022), with a floor of 3.75 percent, and expires in February 2024. There were no amounts outstanding as of June 30, 2022 and 2021.

Supplemental Information

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 as of and for the years ended June 30, 2022 and 2021 and have issued our report thereon dated October 21, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2022 consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities are presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

October 21, 2022

Mile High United Way, Inc. and Subsidiary

Consolidating Statement of Financial Position

June 30, 2022

	MHUW	Penn Street	Eliminating Entries	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 4,261,652	\$ 51,238	\$ -	\$ 4,312,890
Restricted cash and cash equivalents	2,862,378	77,618	-	2,939,996
Short-term investments	12,176,666	-	-	12,176,666
Receivables - Net of allowances:				
Current portion of pledges receivable - Net	2,776,632	-	-	2,776,632
Accounts and grants receivable	1,740,675	11,912	-	1,752,587
Intercompany note receivable	5,147,373	-	(5,147,373)	-
Prepaid expenses and other current assets	643,234	179	-	643,413
Total current assets	29,608,610	140,947	(5,147,373)	24,602,184
Noncurrent Assets				
Pledges receivable - Net of current portion	1,877,650	-	-	1,877,650
Legacy gift fund investments - Board designated	14,648,614	-	-	14,648,614
Note receivable - UWW	80,000	-	-	80,000
Other noncurrent assets	153,000	-	-	153,000
Capital Assets - Net	16,356,523	5,096,926	-	21,453,449
Total noncurrent assets	33,115,787	5,096,926	-	38,212,713
Total assets	\$ 62,724,397	\$ 5,237,873	\$ (5,147,373)	\$ 62,814,897
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 1,802,051	\$ 24,460	\$ -	\$ 1,826,511
Accrued designations	1,359,661	-	-	1,359,661
Deferred revenue	496,502	-	-	496,502
Intercompany note payable	-	5,147,373	(5,147,373)	-
Total liabilities	3,658,214	5,171,833	(5,147,373)	3,682,674
Net Assets				
Without donor restrictions	51,280,381	66,040	-	51,346,421
With donor restrictions	7,785,802	-	-	7,785,802
Total net assets	59,066,183	66,040	-	59,132,223
Total liabilities and net assets	\$ 62,724,397	\$ 5,237,873	\$ (5,147,373)	\$ 62,814,897

Mile High United Way, Inc. and Subsidiary

Consolidating Statement of Activities

Years Ended June 30, 2022

	MHUW	Penn Street	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions				
Revenue, gains, and other support:				
Gross campaign results - Net	\$ 14,025,089	\$ -	\$ -	\$ 14,025,089
Government	8,636,246	-	-	8,636,246
Fundraising events - Net of expenses of \$308,366	345,340	-	-	345,340
Founder's Legacy Society	101,552	-	-	101,552
Less donor-designated contributions	(6,888,979)	-	-	(6,888,979)
Less small business emergency relief funds	(3,114,001)	-	-	(3,114,001)
Rental income	-	178,591	-	178,591
Investment loss - Net	(3,963,125)	-	-	(3,963,125)
Other income	507,846	-	-	507,846
In-kind support	634,871	-	-	634,871
Service fees	8,889	-	-	8,889
Total revenue, gains, and other support	10,293,728	178,591	-	10,472,319
Net assets released from restrictions	7,611,748	-	-	7,611,748
Total revenue, gains, other support, and net assets released from restrictions	17,905,476	178,591	-	18,084,067
Expenses:				
Program services:				
Distributions to community agencies:	17,155,002	-	-	17,155,002
Less donor-designated contributions	(6,888,979)	-	-	(6,888,979)
Less small business emergency relief	(3,114,001)	-	-	(3,114,001)
Community Impact Division	5,198,580	-	-	5,198,580
2-1-1 Help Center	4,202,085	-	-	4,202,085
Bridging the Gap	1,175,986	-	-	1,175,986
United Neighborhoods	1,496,553	-	-	1,496,553
Fiscal Sponsor	45,832	-	-	45,832
Total program services	19,271,058	-	-	19,271,058
Support services:				
Management and general	1,472,255	112,551	-	1,584,806
Membership development	3,434,191	-	-	3,434,191
Total support services	4,906,446	112,551	-	5,018,997
Total expenses	24,177,504	112,551	-	24,290,055
(Decrease) Increase in Net Assets without Donor Restrictions	(6,272,028)	66,040	-	(6,205,988)
Changes in Net Assets with Donor Restrictions				
Gross campaign results - Net	6,768,183	-	-	6,768,183
Foundations	1,420,315	-	-	1,420,315
COVID-19 relief funds	10,397	-	-	10,397
Net assets released from restrictions	(7,611,748)	-	-	(7,611,748)
Increase in Net Assets with Donor Restrictions	587,147	-	-	587,147
(Decrease) Increase in Net Assets	\$ (5,684,881)	\$ 66,040	\$ -	\$ (5,618,841)