

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

**Consolidated Financial Statements,
Single Audit Reports, and
Supplementary Information**

June 30, 2023 and 2022

(With Independent Auditor's Report Thereon)

Mile High United Way, Inc. and Subsidiary
Table of Contents

Independent Auditor’s Report	1
Consolidated Statements of Financial Position, June 30, 2023 and 2022	4
Consolidated Statement of Activities, Year Ended June 30, 2023	5
Consolidated Statement of Activities, Year Ended June 30, 2022	6
Consolidated Statement of Functional Expenses, Year Ended June 30, 2023	7
Consolidated Statement of Functional Expenses, Year Ended June 30, 2022	8
Consolidated Statements of Cash Flows, Years Ended June 30, 2023 and 2022.....	9
Notes to Consolidated Financial Statements	10
Consolidating Schedule of Financial Position, June 30, 2023	23
Consolidating Schedule of Financial Position, June 30, 2022	24
Consolidating Schedule of Activities, Year Ended June 30, 2023	25
Consolidating Schedule of Activities, Year Ended June 30, 2022	26
Schedule of Expenditures of Federal Awards, Year Ended June 30, 2023	27
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	28
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	30
Schedule of Findings and Questioned Costs, Year Ended June 30, 2023	33
Summary Schedule of Prior Audit Findings.....	34



Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of United Way as of June 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, 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 available to be issued.

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

Auditor's Responsibilities for the Audit of the 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 an audit conducted in accordance with GAAS and *Government Auditing Standards* 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and supplementary consolidating schedules are presented for purposes of additional analysis 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and supplementary consolidating schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2023 on our consideration of United Way's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way's internal control over financial reporting and compliance.

Prior Period Consolidated Financial Statements

The consolidated financial statements of United Way as of June 30, 2022 were audited by predecessor auditors. Their report dated October 21, 2022, expressed an unmodified opinion on those consolidated financial statements. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Kundinger, Corder & Montoya, P.C.

October 20, 2023

Mile High United Way, Inc. and Subsidiary
Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 2,466,893	4,312,890
Restricted cash and cash equivalents (note 1(e))	3,442,366	2,939,996
Short-term investments (note 3)	10,277,968	12,176,666
Current portion of pledges receivable, net (note 4)	2,432,298	2,776,632
Grants receivable (note 4)	1,664,066	1,691,727
Prepaid expenses and other current assets	710,516	704,273
Total current assets	20,994,107	24,602,184
Noncurrent assets		
Pledges receivable, net of current portion (note 4)	1,333,811	1,877,650
Legacy fund investments, board designated (note 3)	16,541,418	14,648,614
Note receivable - UWW (note 5)	40,000	80,000
Other noncurrent receivables	153,000	153,000
Capital assets, net (note 6)	22,068,561	21,453,449
Total noncurrent assets	40,136,790	38,212,713
Total assets	\$ 61,130,897	62,814,897
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,747,862	1,826,511
Accrued designations	1,007,012	1,359,661
Refundable advances (note 1(k))	460,235	496,502
Total liabilities	3,215,109	3,682,674
Net assets (note 8)		
Without donor restrictions	52,072,282	51,346,421
With donor restrictions	5,843,506	7,785,802
Total net assets	57,915,788	59,132,223
Commitments (notes 7 and 11)		
Total liabilities and net assets	\$ 61,130,897	62,814,897

See the accompanying notes to the consolidated financial statements.

Mile High United Way, Inc. and Subsidiary
Consolidated Statement of Activities
Year Ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Revenue, gains, and other support			
Gross campaign results	\$ 13,473,924	5,439,997	18,913,921
Government	8,447,426	–	8,447,426
Foundations	–	1,980,640	1,980,640
Fundraising events	744,610	–	744,610
Less direct expenses	(339,435)	–	(339,435)
Founder's Legacy Society	145,222	–	145,222
Less donor-designated contributions	(5,861,397)	–	(5,861,397)
Net fundraising revenue	16,610,350	7,420,637	24,030,987
In-kind support (note 9)	702,644	–	702,644
Other income	468,371	–	468,371
Rental income	246,871	–	246,871
Net investment return	2,504,078	–	2,504,078
Total revenue, gains, and other support	20,532,314	7,420,637	27,952,951
Net assets released from restrictions (note 8)	9,362,933	(9,362,933)	–
Total revenue and net assets released from restrictions	29,895,247	(1,942,296)	27,952,951
Expenses			
Program services			
Distributions to community agencies (note 10)	16,663,143	–	16,663,143
Less donor-designated contributions	(5,861,397)	–	(5,861,397)
Total distributions	10,801,746	–	10,801,746
Community Impact Division	5,269,016	–	5,269,016
2-1-1 Help Center	4,089,419	–	4,089,419
Bridging the Gap	1,638,295	–	1,638,295
United Neighborhoods	1,869,689	–	1,869,689
Fiscal Sponsor	8,001	–	8,001
Total program services	23,676,166	–	23,676,166
Supporting services			
Management and general	1,256,646	–	1,256,646
Funds development	4,236,574	–	4,236,574
Total supporting services	5,493,220	–	5,493,220
Total expenses	29,169,386	–	29,169,386
Change in net assets	725,861	(1,942,296)	(1,216,435)
Net assets at beginning of year	51,346,421	7,785,802	59,132,223
Net assets at end of year	\$ 52,072,282	5,843,506	57,915,788

See the accompanying notes to the consolidated financial statements.

Mile High United Way, Inc. and Subsidiary
Consolidated Statement of Activities
Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
Revenue, gains, and other support			
Gross campaign results	\$ 14,025,089	6,768,183	20,793,272
Government	8,636,246	–	8,636,246
Foundations	–	1,420,315	1,420,315
Fundraising events	653,706	–	653,706
Less direct expenses	(308,366)	–	(308,366)
Founder's Legacy Society	101,552	–	101,552
COVID-19 relief funds	–	10,397	10,397
Less donor-designated contributions	(6,888,979)	–	(6,888,979)
Less CHFA/Energize and small business emergency relief funds	(3,114,001)	–	(3,114,001)
Net fundraising revenue	13,105,247	8,198,895	21,304,142
In-kind support (note 9)	634,871	–	634,871
Other income	507,846	–	507,846
Rental income	178,591	–	178,591
Service fees	8,889	–	8,889
Net investment return	(3,963,125)	–	(3,963,125)
Total revenue, gains, and other support	10,472,319	8,198,895	18,671,214
Net assets released from restrictions (note 8)	7,611,748	(7,611,748)	–
Total revenue and net assets released from restrictions	18,084,067	587,147	18,671,214
Expenses			
Program services			
Distributions to community agencies (note 10)	17,155,002	–	17,155,002
Less donor-designated contributions	(6,888,979)	–	(6,888,979)
Less CHFA/Energize and small business emergency relief funds	(3,114,001)	–	(3,114,001)
Total distributions	7,152,022	–	7,152,022
Community Impact Division	5,198,580	–	5,198,580
2-1-1 Help Center	4,202,085	–	4,202,085
Bridging the Gap	1,288,537	–	1,288,537
United Neighborhoods	1,496,553	–	1,496,553
Fiscal Sponsor	45,832	–	45,832
Total program services	19,383,609	–	19,383,609
Supporting services			
Management and general	1,472,255	–	1,472,255
Funds development	3,434,191	–	3,434,191
Total supporting services	4,906,446	–	4,906,446
Total expenses	24,290,055	–	24,290,055
Change in net assets	(6,205,988)	587,147	(5,618,841)
Net assets at beginning of year	57,552,409	7,198,655	64,751,064
Net assets at end of year	\$ 51,346,421	7,785,802	59,132,223

See the accompanying notes to the consolidated financial statements.

Mile High United Way, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program services					Supporting services				Total
	Community Impact Division	2-1-1 Help Center	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Total program services	Management and general	Funds development	Total supporting services	
Distributions to community agencies	\$ 11,672,350	55,011	–	4,519,532	416,250	16,663,143	–	–	–	16,663,143
Less donor-designated contributions	(5,861,397)	–	–	–	–	(5,861,397)	–	–	–	(5,861,397)
Total distributions to community agencies	5,810,953	55,011	–	4,519,532	416,250	10,801,746	–	–	–	10,801,746
Salaries and related expenses	2,062,895	2,565,784	764,711	1,131,297	–	6,524,687	700,436	2,591,256	3,291,692	9,816,379
Employee benefits	375,605	417,130	145,213	199,849	–	1,137,797	120,273	419,864	540,137	1,677,934
Payroll taxes and related	162,601	226,682	75,427	85,847	–	550,557	50,143	201,287	251,430	801,987
Total salaries and related expenses	2,601,101	3,209,596	985,351	1,416,993	–	8,213,041	870,852	3,212,407	4,083,259	12,296,300
Contract services, professional fees, and other	676,339	93,595	73,027	203,392	2,959	1,049,312	56,349	115,318	171,667	1,220,979
Depreciation and amortization	318,060	192,458	222,981	45,339	–	778,838	30,970	93,173	124,143	902,981
Occupancy	305,961	137,378	184,898	40,210	–	668,447	28,286	115,365	143,651	812,098
Program costs	544,264	57,719	82,837	27,041	–	711,861	–	5,900	5,900	717,761
Public information and advocacy	502,679	11,555	3,006	14,259	–	531,499	7,653	161,793	169,446	700,945
Information technology	95,302	256,418	16,090	20,297	–	388,107	48,592	158,961	207,553	595,660
Fundraising functions and materials	76	127	18	7	–	228	3,914	427,966	431,880	432,108
United Way Worldwide dues	108,125	41,439	13,121	63,885	–	226,570	57,805	114,281	172,086	398,656
Office expenses	43,955	36,688	35,417	19,774	400	136,234	86,431	81,786	168,217	304,451
Conferences, conventions, and meetings	52,463	24,641	9,272	8,986	–	95,362	13,074	32,243	45,317	140,679
Temporary help and other	–	26,288	6,186	7,470	4,642	44,586	52,248	51,229	103,477	148,063
Travel	20,691	1,517	6,091	2,036	–	30,335	472	5,587	6,059	36,394
Total functional expenses	2,667,915	879,823	652,944	452,696	8,001	4,661,379	385,794	1,363,602	1,749,396	6,410,775
Special event expenses netted against revenue	–	–	–	–	–	–	–	(339,435)	(339,435)	(339,435)
Total expenses	\$ 11,079,969	4,144,430	1,638,295	6,389,221	424,251	23,676,166	1,256,646	4,236,574	5,493,220	29,169,386

See the accompanying notes to the consolidated financial statements.

Mile High United Way, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program services					Supporting services				Total
	Community Impact Division	2-1-1 Help Center	Bridging the Gap	United Neighborhoods	Fiscal Sponsor	Total program services	Management and general	Funds development	Total supporting services	
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	53,817	80,818	5,471	1,274,339	75,125	105,817	180,942	1,455,281
Program costs	465,296	136,393	92,999	109,773	–	804,461	5	3,250	3,255	807,716
Depreciation and amortization	282,508	184,466	108,198	40,524	–	615,696	43,080	103,704	146,784	762,480
Public information and advocacy	557,788	6,038	1,516	3,650	–	568,992	3,735	91,154	94,889	663,881
Occupancy	252,388	123,786	113,866	32,842	–	522,882	33,296	117,712	151,008	673,890
United Way Worldwide dues	221,926	65,009	18,196	30,654	–	335,785	93,490	158,101	251,591	587,376
Information technology	73,590	270,049	16,558	16,251	178	376,626	49,999	113,611	163,610	540,236
Office expenses	81,983	31,836	16,239	12,104	–	142,162	153,540	54,475	208,015	350,177
Fundraising functions and materials	131	197	50	50	–	428	1,371	389,855	391,226	391,654
Temporary help and other	27,900	30,563	7,529	7,572	40,167	113,731	7,507	45,144	52,651	166,382
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
Total functional expenses	2,936,939	1,078,366	438,661	339,379	45,832	4,839,177	475,010	1,221,909	1,696,919	6,536,096
Special event expenses netted against revenue	–	–	–	–	–	–	–	(308,366)	(308,366)	(308,366)
Total expenses	\$ 8,328,760	4,202,085	1,288,537	1,981,393	3,582,834	19,383,609	1,472,255	3,434,191	4,906,446	24,290,055

See the accompanying notes to the consolidated financial statements.

Mile High United Way, Inc. and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (1,216,435)	(5,618,841)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	902,981	762,480
Provision for uncollectable pledges receivable	90,883	60,884
Net realized and unrealized (gains) losses on investments	(1,724,974)	5,189,294
Change in operating assets and liabilities		
Pledges receivable	797,290	2,185,389
Grants receivable	27,661	(1,078,888)
Prepaid expenses and other current assets	(6,243)	(98,132)
Accounts payable and accrued expenses	(78,649)	697,864
Accrued designations	(352,649)	(53,089)
Refundable advances	(36,267)	213,787
Net cash (used in) provided by operating activities	(1,596,402)	2,260,748
Cash flows from investing activities		
Purchases of investments	(10,542,190)	(6,548,896)
Proceeds from sales of investments	12,273,058	12,336,389
Purchases of capital assets	(1,518,093)	(5,429,908)
Net cash provided by investing activities	212,775	357,585
Cash flows from financing activities		
Proceeds from note receivable	40,000	–
Net cash provided by financing activities	40,000	–
Net (decrease) increase in cash and restricted cash	(1,343,627)	2,618,333
Cash and restricted cash at beginning of year	7,252,886	4,634,553
Cash and restricted cash at end of year	\$ 5,909,259	7,252,886
Reconciliation of cash and restricted cash at end of year		
Cash and cash equivalents	\$ 2,466,893	4,312,890
Restricted cash and cash equivalents	3,442,366	2,939,996
Total cash and restricted cash	\$ 5,909,259	7,252,886

See the accompanying notes to the consolidated financial statements.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies

(a) Organization

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, 2023, 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 fifty community and business leaders.

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.

Community Impact Goals

Giving All Children a Strong Start and Reading Matters

United Way helps ensure that children are entering school ready to learn and are on the right path to read at or above their grade level. In metro Denver, there are licensed childcare spots for only 30% 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.

For the year ended June 30, 2023, United Way, with its impact partners, served nearly 6,700 young children through high-quality early childhood programs and provided over 3,800 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 to ensure that elementary school children are reading proficiently by the end of third grade. United Way and community-led programs that supported more than 1,700 high quality childcare spots.

Developing Tomorrow's Talent

United Way is committed to building educational success through partnerships with schools, families, and communities. 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.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Organization, 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. For the year ended June 30, 2023, United Way, with its partners, served over 183,000 individuals and their families by providing basic needs, such as housing and meals, and childcare. Funding supported over 31,000 overnight stays at local shelters and the distribution of nearly 270,000 pounds of food. United Way's 2-1-1 Help Center received over 120,000 contacts from people around Colorado seeking resources for housing, income support, food assistance, childcare referrals, and utility assistance, among other needs.

Description of Program Services

Community Impact Division

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.

2-1-1 Help Center

United Way's 2-1-1 Help Center (2-1-1) is a free and confidential community referral service that connects people with resources that provide food, health, shelter, rent assistance, clothing, childcare options, legal assistance, and other services to meet basic needs. 2-1-1's referral specialists are multilingual and available to direct individuals to available community resources. For the year ended June 30, 2023, 2-1-1 received over 120,000 contacts from individuals around Colorado. Covering twenty-five 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% of the state's population.

Bridging the Gap

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. For the year ended June 30, 2023, the program provided safe and stable housing and support to 140 participants and their families. Independent life coaches also provided life skills support and workforce development assistance.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Organization, Continued

United Neighborhoods

United for Schools invests in low-income children and families to foster academic growth and economic opportunities. For the year ended June 30, 2023, United for Schools invested in out-of-school-time programs that provided enrichment activities, basic needs support, and tutoring programs for 673 students. United for Business helps locally owned businesses realize their growth potential through consultation and professional services from skills-based volunteers in their industry. For the year ended June 30, 2023, United for Business supported over 320 small businesses in receiving new capital totaling over \$4.2 million through a partnership with the City and County of Denver. United for Families combines community-based efforts and collaborative partnerships to advance outcomes for young children (aged 0-5) and their families and caregivers. United for Families realizes that increasing access to quality early childhood education improves kindergarten readiness.

Fiscal Sponsor

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 year ended June 30, 2023, United Way continued a number of COVID-19-related funding programs to provide emergency relief to nonprofits, community-based organizations, and small businesses.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of MHUW and Penn Street (collectively, United Way). All material intercompany accounts and transactions have been eliminated in consolidation.

(c) Basis of Accounting

The accompanying consolidated financial statements of United Way have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

(d) Financial Statement Presentation

United Way is required to present information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of United Way. These net assets may be used at the discretion of United Way's management and the board of trustees.

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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Cash Equivalents and Restricted Cash

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

Restricted cash totaling \$3,442,366 and \$2,939,996 at June 30, 2023 and 2022, respectively, mainly consists of amounts held for specific purposes based on donor advised funds, refundable advances, and fiscal sponsorships.

(f) Concentrations

Financial instruments which potentially subject United Way to concentrations of credit risk consist principally of cash, receivables, and investments. United Way places its cash with creditworthy, high-quality financial institutions. At times, a portion of these cash balances may not be insured by the Federal Deposit Insurance Corporation or related entity.

United Way has significant investments and is, therefore, subject to concentrations of credit risk. Investments are made and monitored by the management of United Way pursuant to an investment policy adopted by the board of trustees. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of United Way.

Credit risk with respect to receivables is limited due to the number of and credit worthiness of the entities that comprise the customer and donor bases.

(g) Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Fair value is determined as more fully described below.

Management is responsible for the fair value measurement of investments reported in the consolidated financial statements and believes that the reported values are reasonable. Investment return consists of United Way's distributive share of any interest, dividends, and capital gains and losses generated from sales of investments. Gains or losses attributable to investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the consolidated statements of activities.

(h) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. Generally accepted accounting principles (GAAP) establish a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Fair Value Measurements, Continued

Assets are grouped in three levels based on the markets in which the assets are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

In addition, certain investments are reported using the "practical expedient" method. The practical expedient method allows net asset value per share or its equivalent to represent fair value for reporting purposes when the criteria for using this method are met. Investments valued using net asset value per share or its equivalent are not categorized within the hierarchy.

Investments in cash and money market funds, mutual funds, and exchange traded funds with readily determinable fair values are reported at fair value based on quoted prices in active markets. Investments in equity securities fluctuate in value in response to many factors such as the activities and financial condition of individual companies, business and industry market conditions, and the general economic environment. Alternative investments are not publicly traded on national security market exchanges, are generally illiquid, and may be valued differently should readily available markets exist for such investments. The market value for alternative investments represents the pro-rata interest in the net assets of the investment and is based on financial information determined and reported by the investment manager. Based on inherent uncertainties of valuation of alternative investments, the reported market value of the investment may differ significantly from realizable value.

(i) Capital Assets

Capital assets are recorded at cost, if purchased or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years. United Way's policy is to capitalize all expenditures for property and equipment in excess of \$5,000 with an estimated useful life greater than one year, and to expense normal repairs and maintenance as incurred. When assets are sold, retired, or otherwise disposed of, the applicable costs are removed from the accounts and any resulting gain or loss is recognized.

(j) Custodial Accounts

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.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Custodial Accounts, Continued

Pledged contributions for the years ended June 30, 2023 and 2022 that relate to national accounts outside of United Ways' region are not reflected on the accompanying consolidated statements 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) in the accompanying statements of financial position. Any portion of the pledged contributions that is not collected is not distributed to the designated agency.

(k) Revenue Recognition

Contributions and Grants

Contributions and grants revenue consists of revenue from the annual campaign, foundations, Founder's Legacy Society, and government. Contributions and grants are recognized when cash, securities, or other assets, and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Should United Way substantially meet the conditions in the same period that the contribution was received, and barring any further donor-imposed restrictions, United Way has elected to recognize the revenue in net assets without donor restrictions. Payments received in advance of conditions being met are recorded as a refundable advance in the consolidated statements of financial position. At June 30, 2023, there were no conditional contributions from foundations or individuals.

Government grants are treated as contributions that are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2023, conditional contributions related to these grants, totaling \$6,320,512, have not been recognized in the accompanying consolidated financial statements. At June 30, 2023 and 2022, advance payments received under government grants totaled \$460,235 and \$496,502, respectively, and have been recognized as refundable advances in the statements of financial position.

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. Contributions and grants, including pledges, which are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a donor restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from donor restrictions.

Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. United Way uses the allowance method to determine uncollectable amounts. In determining the collectability of receivables, management considers past collection experience and performs an analysis of subsequent collections. Uncollectable amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectable.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Revenue Recognition, Continued

Annual Campaign Revenue 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 campaign 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 statements of activities. Designations are paid when the pledge is collected.

In-Kind Support

In-kind support is recorded as contributions and corresponding expenses in the accompanying statements at their estimated values at the date of donation. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by United Way. Many volunteers have donated time in connection with United Way's programs and general operations. However, the value of this contributed time is not reflected in the accompanying consolidated financial statements as it does not meet the criteria of recognition under accounting principles. See also note 9.

Fundraising Events Revenue

Special events revenue consists of ticket sales and sponsorships for various special events. Ticket sales and sponsorships may be received in advance of the event taking place and are recorded as refundable advances. These amounts are recorded as revenue the day the event takes place.

(l) Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. United Way incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. United Way also conducts a number of activities which benefit both program objectives as well as supporting services (i.e., funds development and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as estimates of time and effort incurred by personnel, square footage, and the number of full-time employees.

(m) Estimates

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

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Income Taxes

As a subsidiary, Penn Street files a consolidated federal tax return with its direct controlling parent entity, MHUW. United Way is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. Income from activities not directly related to United Way's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income subject to tax in 2023 or 2022.

Management is required to evaluate tax positions taken by United Way, and to recognize a tax liability if United Way has taken an uncertain position that probably would not be sustained upon examination by taxing authorities. United Way believes it has appropriate support for any positions taken and that none would require recognition of a liability or disclosure in the consolidated financial statements. United Way is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. The three previous tax years remain subject to examination by the IRS.

(o) Subsequent Events

Management has evaluated subsequent events through October 20, 2023, the date the consolidated financial statements were available to be issued.

(p) Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications had no effect on previously reported net assets or the change in net assets.

(2) Liquidity and Availability of Financial Assets

The following represents United Way's consolidated financial assets as of June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,466,893	4,312,890
Short-term investments	10,277,968	12,176,666
Current portion of pledges receivable, net	2,432,298	2,776,632
Grants receivable	1,664,066	1,691,727
Accounts receivable	<u>97,656</u>	<u>48,948</u>
Total financial assets	16,938,881	21,006,863
Less accrued designations included in pledges receivable	<u>(1,007,012)</u>	<u>(1,359,661)</u>
Consolidated financial assets available to meet general expenditures within one year	\$ <u>15,931,869</u>	<u>19,647,202</u>

United Way considers net assets with donor restrictions expected to be met within one year to be available for general expenditure. United Way has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, United Way invests cash in excess of daily requirements in various short-term investments. 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, Continued

(2) Liquidity and Availability of Financial Assets, Continued

United Way's board of trustees has designated a portion of net assets without donor restrictions for specific purposes (see note 8). Although United Way does not intend to spend from the board-designated funds, the funds could be made available for current operations, with board approval, if needed. To manage liquidity, United Way has a \$2,000,000 line of credit agreement with a bank that is available to be drawn upon as needed to manage cash flows (see note 7).

(3) Investments

Investments consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Short-term investments	\$ 10,277,968	12,176,666
Board-designated Legacy Fund investments (note 8)	<u>16,541,418</u>	<u>14,648,614</u>
Total investments	<u>\$ 26,819,386</u>	<u>26,825,280</u>

Investments are comprised of the following at June 30:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 127,885	155,635
Certificates of deposit	103,179	103,179
Equity mutual funds	12,532,939	16,239,641
Bond mutual funds	9,208,626	6,329,010
Exchange-traded funds	4,497,356	3,997,815
Alternative investments	<u>349,401</u>	<u>—</u>
Total investments	<u>\$ 26,819,386</u>	<u>26,825,280</u>

The following table summarizes the valuation of investments by the fair value hierarchy levels as of June 30, 2023:

<u>Description</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Money market funds	\$ 127,885	127,885	—	—
Equity mutual funds	12,532,939	12,532,939	—	—
Bond mutual funds	9,208,626	9,208,626	—	—
Exchange-traded funds	4,497,356	4,497,356	—	—
Certificates of deposit	<u>103,179</u>	<u>—</u>	<u>103,179</u>	<u>—</u>
Investments measured at FMV	26,469,985	26,366,806	103,179	—
Investments measured at NAV (a)	<u>349,401</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments	<u>\$ 26,819,386</u>	<u>26,366,806</u>	<u>103,179</u>	<u>—</u>

The following table summarizes the valuation of investments by the fair value hierarchy levels as of June 30, 2022:

<u>Description</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Money market funds	\$ 155,635	155,635	—	—
Equity mutual funds	16,239,641	16,239,641	—	—
Bond mutual funds	6,329,010	6,329,010	—	—
Exchange-traded funds	3,997,815	3,997,815	—	—
Certificates of deposit	<u>103,179</u>	<u>—</u>	<u>103,179</u>	<u>—</u>
Total investments	<u>\$ 26,825,280</u>	<u>26,722,101</u>	<u>103,179</u>	<u>—</u>

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(3) Investments, Continued

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient, which is a reasonable estimate of fair value, have not been classified in the fair value hierarchy. The fair value amounts presented in the above table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

All Level 1 investments have been valued using a market approach. Level 2 assets have been valued using models or other valuation methodologies, or quoted market prices for similar assets in markets that are not active. All other investments are valued at net asset value per share (or its equivalent) as permitted under the practical expedient rule. There were no changes in valuation techniques during the current year.

The following table summarizes the significant information related to investments valued at net asset value per share (or its equivalent) as of June 30, 2023:

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Business Development Corporation	\$ 349,401	281,250	None	N/A

Business Development Corporation has the primary objective of generating favorable risk-adjusted returns, including current income and capital appreciation, from directly originated investments in middle market companies primarily located and/or operating in the United States. Investments are held primarily in direct lending loans and to a lesser extent, common stock, preferred stock, and warrants.

(4) Pledges Receivable

Annual fundraising campaigns commence each fall, with pledges being collected over the following calendar year. The majority of fundraising campaign pledges received by United Way are paid via payroll deductions and corporate match payments. These individual pledges are deducted from individuals' paychecks each pay period by their employers and remitted to United Way throughout the year. Pledges receivable consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 2,812,025	3,278,482
One to five years	<u>1,392,368</u>	<u>1,963,963</u>
	4,204,393	5,242,445
Less allowance for uncollectable pledges	<u>(438,284)</u>	<u>(588,163)</u>
Pledges receivable, net	\$ <u>3,766,109</u>	<u>4,654,282</u>

Grants receivable totaling \$1,664,066 and \$1,691,727 at June 30, 2023 and 2022, respectively, consist of amounts due from foundations and government agencies. All amounts are collectable in less than one year. Additionally, at June 30, 2023 and 2022, management believes all grants receivable are collectable and, therefore, no allowance has been recognized.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(5) 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 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, 2023 and 2022, \$40,000 and \$80,000 are due from UWW, respectively.

(6) Capital Assets

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 22,075,676	22,075,676
Land	2,534,934	2,534,934
Furniture and fixtures	1,748,048	1,575,872
Computer equipment and software	892,279	657,155
Construction in progress	<u>1,118,126</u>	<u>7,333</u>
	28,369,003	26,850,970
Less accumulated depreciation	<u>(6,300,502)</u>	<u>(5,397,521)</u>
Property and equipment, net	\$ <u>22,068,561</u>	<u>21,453,449</u>

(7) 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 (7.9 percent at June 30, 2023), with a floor of 3.75 percent, and expires in February 2024. There were no amounts outstanding as of June 30, 2023 or 2022.

(8) Net Assets

Net Assets without Donor Restrictions

Net assets without donor restrictions are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Board-designated Legacy Fund	\$ 16,541,418	14,648,614
Capital assets	22,068,561	21,453,449
Donor-advised funds	2,226,712	1,196,297
Undesignated net assets	<u>11,235,591</u>	<u>14,048,061</u>
Total net assets without donor restrictions	\$ <u>52,072,282</u>	<u>51,346,421</u>

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(8) Net Assets, Continued

The board has designated certain investments as a reserve account to fund future operations, referred to as the “Legacy Fund”. The Legacy 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.

Net Assets with Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for a specified purpose:		
Multi-year pledges	\$ 1,636,258	2,251,916
Capital campaign for operations	24,385	24,385
COVID-19 relief funds	—	306
Giving All Children a Strong Start/Reading Matters	192,110	206,922
Developing Tomorrow’s Talent	229,402	310,561
Creating Economic Opportunity for All	1,575,913	2,622,104
Uniting Neighborhoods	<u>2,185,438</u>	<u>2,369,608</u>
Total net assets with donor restrictions	<u>\$ 5,843,506</u>	<u>7,785,802</u>

During the years ended June 30, 2023 and 2022, net assets totaling \$9,362,933 and \$7,611,748, respectively, were released from restrictions due to expenditures incurred for specific programs.

(9) In-kind Support

United Way received the following in-kind support during the years ended June 30:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 429,132	497,913
Marketing and advertising services	205,126	123,205
Sports tickets	—	7,920
Food and prizes	<u>68,386</u>	<u>5,833</u>
Total in-kind support	<u>\$ 702,644</u>	<u>634,871</u>

All in-kind support was utilized as part of United Way’s program activities. There were no donor-imposed restrictions associated with the in-kind support. United Way does not sell in-kind support and only uses the support for its own programs. The value of in-kind support is estimated on the basis of estimates of values that would be received for selling similar services or products in the United States.

(10) Distributions to Community Agencies

United Way evaluates community needs, gaps in services, and trends in the community on a regular basis. This data and agency performance are evaluated annually to determine awards for Community Impact 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.

Mile High United Way, Inc. and Subsidiary
Notes to Consolidated Financial Statements, Continued

(10) Distributions to Community Agencies, Continued

United Way made the following distributions during the years ended June 30:

	<u>2023</u>	<u>2022</u>
Donor designated contributions	\$ 5,861,397	6,888,979
COVID-19 relief funds	—	65,273
CHFA/Energize Colorado gap funds	—	3,048,728
Community Impact Division grants	2,666,250	3,527,400
Other initiatives	<u>8,135,496</u>	<u>3,624,622</u>
Total distributions	\$ <u>16,663,143</u>	<u>17,155,002</u>

(11) Defined Contribution 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 total participant compensation for the plan year. United Way contributed \$500,101 and \$425,617 to the Plan during the years ended June 30, 2023 and 2022, respectively.

Mile High United Way, Inc. and Subsidiary
Consolidating Schedule of Financial Position
June 30, 2023

	MHUW	Penn Street	Eliminating Entries	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 2,412,464	54,429	–	2,466,893
Restricted cash and cash equivalents	3,247,379	194,987	–	3,442,366
Short-term investments	10,277,968	–	–	10,277,968
Current portion of pledges receivable, net	2,431,283	1,015	–	2,432,298
Grants receivable	1,664,066	–	–	1,664,066
Intercompany note receivable	5,199,727	–	(5,199,727)	–
Prepaid expenses and other current assets	691,516	19,000	–	710,516
Total current assets	<u>25,924,403</u>	<u>269,431</u>	<u>(5,199,727)</u>	<u>20,994,107</u>
Noncurrent assets				
Pledges receivable, net of current portion	1,333,811	–	–	1,333,811
Legacy fund investments, board designated	16,541,418	–	–	16,541,418
Note receivable - UWW	40,000	–	–	40,000
Other noncurrent receivables	153,000	–	–	153,000
Capital assets, net	17,121,981	4,946,580	–	22,068,561
Total noncurrent assets	<u>35,190,210</u>	<u>4,946,580</u>	<u>–</u>	<u>40,136,790</u>
Total assets	<u>\$ 61,114,613</u>	<u>5,216,011</u>	<u>(5,199,727)</u>	<u>61,130,897</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 1,718,418	29,444	–	1,747,862
Accrued designations	1,007,012	–	–	1,007,012
Refundable advances	460,235	–	–	460,235
Intercompany note payable	–	5,199,727	(5,199,727)	–
Total liabilities	<u>3,185,665</u>	<u>5,229,171</u>	<u>(5,199,727)</u>	<u>3,215,109</u>
Net assets				
Without donor restrictions	52,085,442	(13,160)	–	52,072,282
With donor restrictions	5,843,506	–	–	5,843,506
Total net assets (deficit)	<u>57,928,948</u>	<u>(13,160)</u>	<u>–</u>	<u>57,915,788</u>
Total liabilities and net assets	<u>\$ 61,114,613</u>	<u>5,216,011</u>	<u>(5,199,727)</u>	<u>61,130,897</u>

See the accompanying independent auditor's report.

Mile High United Way, Inc. and Subsidiary
Consolidating Schedule 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
Current portion of pledges receivable, net	2,776,632	–	–	2,776,632
Grants receivable	1,691,727	–	–	1,691,727
Intercompany note receivable	5,147,373	–	(5,147,373)	–
Prepaid expenses and other current assets	692,182	12,091	–	704,273
Total current assets	<u>29,608,610</u>	<u>140,947</u>	<u>(5,147,373)</u>	<u>24,602,184</u>
Noncurrent assets				
Pledges receivable, net of current portion	1,877,650	–	–	1,877,650
Legacy gift fund investments, board designa	14,648,614	–	–	14,648,614
Note receivable - UWW	80,000	–	–	80,000
Other noncurrent receivables	153,000	–	–	153,000
Capital assets, net	16,356,523	5,096,926	–	21,453,449
Total noncurrent assets	<u>33,115,787</u>	<u>5,096,926</u>	<u>–</u>	<u>38,212,713</u>
Total assets	<u>\$ 62,724,397</u>	<u>5,237,873</u>	<u>(5,147,373)</u>	<u>62,814,897</u>
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
Refundable advances	496,502	–	–	496,502
Intercompany note payable	–	5,147,373	(5,147,373)	–
Total liabilities	<u>3,658,214</u>	<u>5,171,833</u>	<u>(5,147,373)</u>	<u>3,682,674</u>
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	<u>59,066,183</u>	<u>66,040</u>	<u>–</u>	<u>59,132,223</u>
Total liabilities and net assets	<u>\$ 62,724,397</u>	<u>5,237,873</u>	<u>(5,147,373)</u>	<u>62,814,897</u>

See the accompanying independent auditor's report.

Mile High United Way, Inc. and Subsidiary
Consolidating Schedule of Activities
Year Ended June 30, 2023

	MHUW	Penn Street	Eliminating Entries	Total
Changes in net assets without donor restrictions				
Revenue, gains, and other support				
Gross campaign results, net	\$ 13,473,924	–	–	13,473,924
Government	8,447,426	–	–	8,447,426
Fundraising events	744,610	–	–	744,610
Less direct expenses	(339,435)	–	–	(339,435)
In-kind support	702,644	–	–	702,644
Founder's Legacy Society	145,222	–	–	145,222
Less donor-designated contributions	(5,861,397)	–	–	(5,861,397)
Rental income	–	246,871	–	246,871
Other income	468,371	–	–	468,371
Net investment return	2,504,078	–	–	2,504,078
Total revenue, gains, and other support	20,285,443	246,871	–	20,532,314
Net assets released from restrictions	9,362,933	–	–	9,362,933
Expenses				
Program services				
Distributions to community agencies	16,663,143	–	–	16,663,143
Less donor-designated contributions	(5,861,397)	–	–	(5,861,397)
Community Impact Division	5,269,016	–	–	5,269,016
2-1-1 Help Center	4,089,419	–	–	4,089,419
Bridging the Gap	1,312,224	326,071	–	1,638,295
United Neighborhoods	1,869,689	–	–	1,869,689
Fiscal Sponsor	8,001	–	–	8,001
Total program services	23,350,095	326,071	–	23,676,166
Supporting services				
Management and general	1,256,646	–	–	1,256,646
Funds development	4,236,574	–	–	4,236,574
Total supporting services	5,493,220	–	–	5,493,220
Total expenses	28,843,315	326,071	–	29,169,386
Change in net assets from operations	805,061	(79,200)	–	725,861
Changes in net assets with donor restrictions				
Gross campaign results, net	5,439,997	–	–	5,439,997
Foundations	1,980,640	–	–	1,980,640
Net assets released from restrictions	(9,362,933)	–	–	(9,362,933)
Change in net assets with donor restrictions	(1,942,296)	–	–	(1,942,296)
Change in net assets	(1,137,235)	(79,200)	–	(1,216,435)
Net assets at beginning of year	59,066,183	66,040	–	59,132,223
Net assets at end of year	\$ 57,928,948	(13,160)	–	57,915,788

See the accompanying independent auditor's report.

Mile High United Way, Inc. and Subsidiary
Consolidating Schedule of Activities
Year 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	653,706	–	–	653,706
Less direct expenses	(308,366)	–	–	(308,366)
In-kind support	634,871	–	–	634,871
Founder's Legacy Society	101,552	–	–	101,552
Less donor-designated contributions	(6,888,979)	–	–	(6,888,979)
Less CHFA/Energize and small business emergency relief funds	(3,114,001)	–	–	(3,114,001)
Rental income	–	178,591	–	178,591
Other income	507,846	–	–	507,846
Service fees	8,889	–	–	8,889
Net investment return	(3,963,125)	–	–	(3,963,125)
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
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 funds	(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	112,551	–	1,288,537
United Neighborhoods	1,496,553	–	–	1,496,553
Fiscal Sponsor	45,832	–	–	45,832
Total program services	19,271,058	112,551	–	19,383,609
Supporting services				
Management and general	1,472,255	–	–	1,472,255
Funds development	3,434,191	–	–	3,434,191
Total supporting services	4,906,446	–	–	4,906,446
Total expenses	24,177,504	112,551	–	24,290,055
Change in net assets from operations	(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)
Change in net assets with donor restrictions	587,147	–	–	587,147
Change in net assets	(5,684,881)	66,040	–	(5,618,841)
Net assets at beginning of year	64,751,064	–	–	64,751,064
Net assets at end of year	\$ 59,066,183	66,040	–	59,132,223

See the accompanying independent auditor's report.

Mile High United Way, Inc. and Subsidiary
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Pass-through entity identi- fying number	Grant award year	Assistance listing number	Federal expend- itures
U.S. Department of Agriculture				
<i>Passed through Colorado Department of Human Services</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	233CO401S2514	10/1/22 - 9/30/23	10.561	\$ <u>180,054</u>
Total U.S. Department of Agriculture				<u>180,054</u>
U.S. Department of the Treasury				
<i>Direct award</i>				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	N/A	10/1/21 - 9/30/23	21.009	267,575
<i>Passed through Adams County, Bridging the Gap</i>				
Coronavirus State and Local Fiscal Recovery Funds	2022-105	6/1/22 - 12/31/24	21.027	19,194
<i>Passed through Adams County, United for Schools</i>				
Coronavirus State and Local Fiscal Recovery Funds	2022-108	6/1/22 - 12/31/24	21.027	178,655
<i>Passed through City and County of Denver</i>				
Coronavirus State and Local Fiscal Recovery Funds	OEDEV-202366896-01	4/1/22 - 6/30/26	21.027	<u>4,105,000</u>
Total 21.027				<u>4,302,849</u>
Total U.S. Department of the Treasury				<u>4,570,424</u>
U.S. Department of Health and Human Services				
<i>Passed through State of Colorado, Department of Early Childhood</i>				
Child Care and Development Block Grant	23 QAAA 175201	7/1/21 - 6/30/23	93.575	286,417
<i>Direct award</i>				
Congressional Directives	H79FG000909	9/30/22 - 9/29/23	93.493	<u>74,880</u>
Total U.S. Department of Health and Human Services				<u>361,297</u>
Total Expenditures of Federal Awards				<u>\$ 5,111,775</u>

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Mile High United Way, Inc. and Subsidiary (United Way) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of United Way, it is not intended to and does not present the financial position, changes in net assets, or cash flows of United Way.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

United Way has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Subrecipients

United Way did not pass through federal awards to subrecipients during the year ended June 30, 2023.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Mile High United Way, Inc. and Subsidiary (United Way), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 20, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

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

Kundinger, Corder & Montoya, P.C.

October 20, 2023



**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control
over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mile High United Way, Inc. and Subsidiary's (United Way) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way's major federal programs for the year ended June 30, 2023. United Way's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way's federal programs.

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Way’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 United Way’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Way’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Kundinger, Corder & Montoya, P.C.

October 20, 2023

Mile High United Way, Inc. and Subsidiary
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Mile High United Way, Inc. and Subsidiary (United Way) were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of United Way, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance*.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no audit findings relating to major programs that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing No. 21.027).
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. United Way was determined not to be a low-risk auditee.

B. Findings – Financial Statements Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None.

Mile High United Way, Inc. and Subsidiary
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

None.