

UNITED WAY OF THE QUAD CITIES

Bettendorf, Iowa

***FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT***

June 30, 2020 and 2019

UNITED WAY OF THE QUAD CITIES

June 30, 2020 and 2019

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4915 - 21st Avenue A, Moline, Illinois 61265
Ph. (309) 762-3626 • Fax (309) 762-4465

INDEPENDENT AUDITOR'S REPORT

To Board of Directors
United Way of the Quad Cities

We have audited the accompanying financial statements of United Way of the Quad Cities (an Iowa nonprofit corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Quad Cities as of June 30, 2020 and 2019, 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.

Carpentier, Mitchell, Goddard & Company, LLC

Moline, Illinois
October 5, 2020

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,199,896	\$ 2,025,555
Certificates of deposit	1,683,974	1,079,225
Unconditional promises to give:		
Campaign, net	2,021,074	2,330,847
Other, net	362,090	164,710
Other receivables	-	79,596
Prepaid expenses	10,854	15,078
	\$ 6,277,888	\$ 5,695,011
INVESTMENTS-ENDOWMENT	\$ 2,864,052	\$ 2,314,597
PROPERTY AND EQUIPMENT		
Office equipment and technology	\$ 245,515	\$ 202,596
Building	1,010,842	1,010,842
	\$ 1,256,357	\$ 1,213,438
Total property and equipment		
Less accumulated depreciation	329,776	295,696
	\$ 926,581	\$ 917,742
Net property and equipment		
OTHER ASSETS		
Certificates of deposit	\$ 1,670,958	\$ 2,330,648
Unconditional promises to give:		
Other, net - less current maturities	16,077	27,113
	\$ 1,687,035	\$ 2,357,761
Total other assets		
Total assets	\$ 11,755,556	\$ 11,285,111

LIABILITIES AND NET ASSETS

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 123,238	\$ 177,346
Allocations payable to agencies	2,833,466	3,170,907
COVID fund payable	100,000	-
Paycheck Protection Program loan payable	221,077	-
Designations payable	59,181	69,208
Mortgage payable - current portion	52,406	50,112
	<u>\$ 3,389,368</u>	<u>\$ 3,467,573</u>
Long-term liabilities:		
Mortgage payable - less current portion	\$ 288,412	\$ 340,818
	<u>\$ 288,412</u>	<u>\$ 340,818</u>
Total liabilities	<u>\$ 3,677,780</u>	<u>\$ 3,808,391</u>
NET ASSETS		
Without donor restriction		
Board designated	\$ 2,467,970	\$ 1,944,925
Unrestricted for equity in building and equipment	585,763	526,812
Undesignated	980,252	974,925
	<u>\$ 4,033,985</u>	<u>\$ 3,446,662</u>
With donor restriction		
Operations	\$ 3,604,062	\$ 3,590,386
Endowment	439,729	439,672
	<u>\$ 4,043,791</u>	<u>\$ 4,030,058</u>
Total net assets	<u>\$ 8,077,776</u>	<u>\$ 7,476,720</u>
Total liabilities and net assets	<u>\$ 11,755,556</u>	<u>\$ 11,285,111</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2020

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Public support:			
Annual campaign	\$ -	\$ 4,412,224	\$ 4,412,224
Endowment contributions	551,099	-	551,099
Loaned executive reimbursement	-	10,000	10,000
Gain on prior year's campaign	-	39,126	39,126
Sponsorship revenue	92,850	-	92,850
Designation fees	19,933	-	19,933
In-kind revenue	106,623	-	106,623
	<u>770,505</u>	<u>4,461,350</u>	<u>5,231,855</u>
Total public support	\$ 770,505	\$ 4,461,350	\$ 5,231,855
Revenue:			
Interest and dividends, net	\$ 110,440	\$ 7,276	\$ 117,716
Net unrealized gain (loss) on investments	(163,390)	(23,384)	(186,774)
Net realized gain (loss) on investments	112,086	19,521	131,607
Wish list	-	13,244	13,244
COVID Rebuilding Fund	-	163,098	163,098
Volunteer income tax assistance	-	23,420	23,420
Education council	-	50,000	50,000
BOLD Institute	-	60,000	60,000
Imagination library	-	10,972	10,972
Women united (Born Learning)	-	534,366	534,366
Young leaders (Grow Learning)	-	36,646	36,646
Volunteer Engagement	-	78,271	78,271
African American Leadership Society	-	118,149	118,149
UW Operations Capacity	-	79,137	79,137
COVID Disaster Response	-	245,606	245,606
Miscellaneous	-	19,858	19,858
Net assets released from restrictions- satisfaction of program restrictions	5,883,797	(5,883,797)	-
	<u>5,942,933</u>	<u>(4,447,617)</u>	<u>1,495,316</u>
Total revenue	\$ 5,942,933	\$ (4,447,617)	\$ 1,495,316
Total public support and revenue	\$ 6,713,438	\$ 13,733	\$ 6,727,171
EXPENSES			
Program services	\$ 4,788,884	\$ -	\$ 4,788,884
Fundraising	591,437	-	591,437
Administration	745,794	-	745,794
	<u>6,126,115</u>	<u>-</u>	<u>6,126,115</u>
Total expenses	\$ 6,126,115	\$ -	\$ 6,126,115
Increase (decrease) in net assets	\$ 587,323	\$ 13,733	\$ 601,056

(Continued)

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2019

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Public support:			
Annual campaign	\$ -	\$ 4,219,582	\$ 4,219,582
Endowment contributions	814,080	40,318	854,398
Loaned executive reimbursement	-	55,000	55,000
Gain on prior year's campaign	-	165,297	165,297
Sponsorship revenue	33,152	-	33,152
Designation fees	2,270	-	2,270
In-kind revenue	451,182	-	451,182
	<u>\$ 1,300,684</u>	<u>\$ 4,480,197</u>	<u>\$ 5,780,881</u>
Total public support			
Revenue:			
Interest and dividends, net	\$ 84,371	\$ 9,649	\$ 94,020
Net unrealized gain (loss) on investments	12,333	5,016	17,349
Net realized gain (loss) on investments	8,022	2,206	10,228
Wish list	-	32,717	32,717
Operation read	-	-	-
Volunteer income tax assistance	-	19,635	19,635
Education council	-	66,517	66,517
QC resource link	-	6,000	6,000
Imagination library	-	75,152	75,152
Women united (Born Learning)	-	277,319	277,319
Young leaders (Grow Learning)	-	42,721	42,721
Volunteer Engagement	-	88,374	88,374
African American Leadership Society	-	6,000	6,000
UW Operations Capacity	-	153,621	153,621
Miscellaneous	-	53,466	53,466
Net assets released from restrictions- satisfaction of program restrictions	6,156,191	(6,156,191)	-
	<u>\$ 6,260,917</u>	<u>\$ (5,317,798)</u>	<u>\$ 943,119</u>
Total revenue			
Total public support and revenue	<u>\$ 7,561,601</u>	<u>\$ (837,601)</u>	<u>\$ 6,724,000</u>
EXPENSES			
Program services	\$ 4,985,220	\$ -	\$ 4,985,220
Fundraising	588,754	-	588,754
Administration	897,332	-	897,332
	<u>\$ 6,471,306</u>	<u>\$ -</u>	<u>\$ 6,471,306</u>
Total expenses			
Increase (decrease) in net assets	<u>\$ 1,090,295</u>	<u>\$ (837,601)</u>	<u>\$ 252,694</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF CHANGES IN NET ASSETS
For the Years Ended June 30, 2020 and 2019

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Net assets - June 30, 2018	\$ 2,356,367	\$ 4,867,659	\$ 7,224,026
Changes in net assets	<u>1,090,295</u>	<u>(837,601)</u>	<u>252,694</u>
Net assets - June 30, 2019	\$ 3,446,662	\$ 4,030,058	\$ 7,476,720
Changes in net assets	<u>587,323</u>	<u>13,733</u>	<u>601,056</u>
Net assets - June 30, 2020	<u>\$ 4,033,985</u>	<u>\$ 4,043,791</u>	<u>\$ 8,077,776</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	Program		
	Community Investment	Community Impact	United Way Initiatives
EXPENSES			
Community Partners and Initiatives	\$ 2,741,222	\$ 409,422	\$ 520,266
Compensation			
Professional salaries	\$ 57,420	\$ 140,315	\$ 131,895
Clerical salaries	-	17,148	11,787
Employee benefits	25,181	44,605	5,049
Payroll taxes	4,640	12,192	10,379
Total compensation	\$ 87,241	\$ 214,260	\$ 159,110
Professional fees and contract service payments	4,550	20,736	16,273
Supplies	1,786	4,374	3,128
Telephone	494	1,230	779
Postage and shipping	653	1,521	1,111
Occupancy	2,419	5,849	4,143
Interest	1,027	2,527	1,765
Insurance	1,063	3,285	1,918
Rental and maintenance of equipment	854	2,027	1,458
Printing, publications, and films	196	13,159	18,812
Local travel	688	1,704	2,069
Conferences and meetings	190	705	150
Membership dues	96	300	170
United Way Worldwide dues	4,490	11,017	7,713
IA & IL Association dues	-	7,325	-
Credit card fees	-	-	-
Sponsorship expense	-	21,549	17,148
Wish list expense	18,480	-	-
2-1-1 implementation	-	-	34,810
Total expenses before depreciation	\$ 2,865,449	\$ 720,990	\$ 790,823
Depreciation	2,451	5,620	4,157
In-kind expenses	-	80,494	1,430
Total functional expenses	\$ 2,867,900	\$ 807,104	\$ 796,410

Services			
Volunteer Engagement	Labor	Information Technology for Programs	Total Program Services
\$ 59,727	\$ -	\$ -	\$ 3,730,637
\$ 73,775	\$ 36,971	\$ 30,752	\$ 471,128
8,820	2,541	-	40,296
29,447	3,321	5,988	113,591
6,496	3,240	2,523	39,470
\$ 118,538	\$ 46,073	\$ 39,263	\$ 664,485
10,561	1,252	939	54,311
2,441	942	631	13,302
700	240	163	3,606
892	342	223	4,742
3,304	1,276	857	17,848
1,403	544	370	7,636
1,458	593	479	8,796
1,167	449	297	6,252
2,849	131	66	35,213
1,064	109	184	5,818
202	364	51	1,662
132	53	109	860
6,136	2,376	1,615	33,347
-	-	-	7,325
-	-	-	-
-	-	-	38,697
-	-	-	18,480
-	-	-	34,810
\$ 210,574	\$ 54,744	\$ 45,247	\$ 4,687,827
3,346	1,279	-	16,853
-	-	2,280	84,204
\$ 213,920	\$ 56,023	\$ 47,527	\$ 4,788,884

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UNITED WAY OF THE QUAD CITIES
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

EXPENSES	<u>Fundraising</u>	<u>Administrative</u>	
	<u>Resource Development/ Major Gifts</u>	<u>Finance</u>	<u>Information Technology for Management</u>
Community Partners and Initiatives	\$ -	\$ -	\$ -
Compensation			
Professional salaries	\$ 243,626	\$ 83,126	\$ 50,175
Clerical salaries	61,164	3,429	-
Employee benefits	45,522	17,699	9,770
Payroll taxes	25,265	6,997	4,117
Total compensation	\$ 375,577	\$ 111,251	\$ 64,062
Professional fees and contract service payments	26,041	23,867	1,532
Supplies	11,149	3,314	1,030
Telephone	2,055	604	265
Postage and shipping	2,748	708	364
Occupancy	10,046	2,916	1,399
Interest	4,293	1,297	604
Insurance	4,902	2,241	782
Rental and maintenance of equipment	3,520	978	485
Printing, publications, and films	79,528	203	107
Local travel	6,863	358	300
Conferences and meetings	727	178	84
Membership dues	1,023	173	177
United Way Worldwide dues	18,761	5,627	2,634
IA & IL Association dues	-	-	-
Credit card fees	-	12,295	-
Sponsorship expense	28,951	-	-
Wish list expense	-	-	-
2-1-1 implementation	-	-	-
Total expenses before depreciation	\$ 576,184	\$ 166,010	\$ 73,825
Depreciation	9,973	2,543	16,875
In-kind expenses	5,280	-	3,720
Total functional expenses	<u>\$ 591,437</u>	<u>\$ 168,553</u>	<u>\$ 94,420</u>

<u>Marketing and Brand Strategy</u>	<u>Other Administrative</u>	<u>Total Administrative</u>	<u>Total 2020</u>
\$ -	\$ -	\$ -	\$ 3,730,637
\$ 123,091	\$ 70,117	\$ 326,509	\$ 1,041,263
-	13,624	17,053	118,513
6,456	13,984	47,909	207,022
9,458	6,633	27,205	91,940
\$ 139,005	\$ 104,358	\$ 418,676	\$ 1,458,738
45,181	2,313	72,893	153,245
2,856	2,733	9,933	34,384
831	589	2,289	7,950
914	526	2,512	10,002
3,532	2,043	9,890	37,784
1,528	886	4,315	16,244
2,026	1,205	6,254	19,952
1,221	705	3,389	13,161
101,225	155	101,690	216,431
822	746	2,226	14,907
198	161	621	3,010
168	11,649	12,167	14,050
6,662	3,863	18,786	70,894
-	-	-	7,325
-	-	12,295	12,295
25,202	-	25,202	92,850
-	-	-	18,480
-	-	-	34,810
\$ 331,371	\$ 131,932	\$ 703,138	\$ 5,967,149
4,160	1,939	25,517	52,343
10,320	3,099	17,139	106,623
\$ 345,851	\$ 136,970	\$ 745,794	\$ 6,126,115

(Continued)

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019

	Program		
	Community Investment	Community Impact	United Way Initiatives
EXPENSES			
Community Partners and Initiatives	\$ 3,118,155	\$ 19,108	\$ 564,751
Compensation			
Professional salaries	\$ 77,373	\$ 176,895	\$ 155,766
Clerical salaries	-	22,622	4,907
Employee benefits	21,639	45,757	14,305
Payroll taxes	5,463	14,323	11,745
Total compensation	\$ 104,475	\$ 259,597	\$ 186,723
Professional fees and contract service payments	4,941	8,354	4,841
Supplies	624	2,583	1,144
Telephone	384	1,173	688
Postage and shipping	385	1,172	690
Occupancy	1,922	5,866	3,445
Interest	994	3,043	1,781
Insurance	1,168	3,674	2,066
Rental and maintenance of equipment	591	1,805	1,059
Printing, publications, and films	2,004	6,830	13,108
Local travel	1,514	2,805	1,451
Conferences and meetings	84	605	900
Membership dues	123	408	248
United Way Worldwide dues	4,186	12,712	7,519
IA & IL Association dues	-	8,934	-
Credit card fees	-	-	-
Sponsorship expense	-	-	8,995
Wish list expense	31,196	-	-
2-1-1 implementation	-	-	59,768
Total expenses before depreciation	\$ 3,272,746	\$ 338,669	\$ 859,177
Depreciation	1,972	5,988	3,542
In-kind expenses	-	127,865	-
Total functional expenses	\$ 3,274,718	\$ 472,522	\$ 862,719

Services			
Volunteer Engagement	Labor	Information Technology for Programs	Total Program Services
\$ 100,638	\$ -	\$ -	\$ 3,802,652
\$ 70,355	\$ 41,352	\$ 28,677	\$ 550,418
13,956	2,454	-	43,939
27,046	533	5,681	114,961
5,633	3,623	2,303	43,090
\$ 116,990	\$ 47,962	\$ 36,661	\$ 752,408
7,350	1,449	1,181	28,116
921	343	466	6,081
523	210	170	3,148
526	212	170	3,155
2,620	1,053	850	15,756
1,352	541	439	8,150
1,540	585	510	9,543
805	323	261	4,844
2,869	2,983	880	28,674
697	561	184	7,212
75	516	24	2,204
164	63	156	1,162
5,736	2,325	1,856	34,334
-	-	-	8,934
-	-	-	-
14,808	-	-	23,803
-	-	-	31,196
-	-	-	59,768
\$ 257,614	\$ 59,126	\$ 43,808	\$ 4,831,140
2,702	1,095	7,251	22,550
-	1,385	2,280	131,530
\$ 260,316	\$ 61,606	\$ 53,339	\$ 4,985,220

(Continued)

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019

EXPENSES	<u>Fundraising</u>	<u>Administrative</u>	
	<u>Resource Development/ Major Gifts</u>	<u>Finance</u>	<u>Information Technology for Management</u>
Community Partners and Initiatives	\$ -	\$ -	\$ -
Compensation			
Professional salaries	\$ 224,372	\$ 96,869	\$ 46,789
Clerical salaries	76,285	4,524	-
Employee benefits	45,877	21,169	9,269
Payroll taxes	22,815	7,759	3,757
Total compensation	\$ 369,349	\$ 130,321	\$ 59,815
Professional fees and contract service payments	38,861	25,758	1,928
Supplies	6,291	3,660	760
Telephone	1,764	783	277
Postage and shipping	2,807	784	278
Occupancy	8,823	3,919	1,387
Interest	4,573	2,029	717
Insurance	5,478	2,397	832
Rental and maintenance of equipment	2,714	1,205	426
Printing, publications, and films	90,930	4,042	1,435
Local travel	7,507	406	301
Conferences and meetings	2,539	141	40
Membership dues	1,194	252	255
United Way Worldwide dues	19,145	8,526	3,028
IA & IL Association dues	-	-	-
Credit card fees	-	10,993	-
Sponsorship expense	2,878	-	-
Wish list expense	-	-	-
2-1-1 implementation	-	-	-
Total expenses before depreciation	\$ 564,853	\$ 195,216	\$ 71,479
Depreciation	9,018	4,016	11,830
In-kind expenses	14,883	-	3,720
Total functional expenses	\$ 588,754	\$ 199,232	\$ 87,029

<u>Marketing and Brand Strategy</u>	<u>Other Administrative</u>	<u>Total Administrative</u>	<u>Total 2019</u>
\$ -	\$ -	\$ -	\$ 3,802,652
\$ 78,071	\$ 43,971	\$ 265,700	\$ 1,040,490
-	20,391	24,915	145,139
18,398	9,222	58,058	218,896
5,455	4,572	21,543	87,448
\$ 101,924	\$ 78,156	\$ 370,216	\$ 1,491,973
33,956	2,727	64,369	131,346
1,461	2,875	8,756	21,128
705	417	2,182	7,094
713	423	2,198	8,160
3,537	2,093	10,936	35,515
1,815	1,072	5,633	18,356
1,936	1,116	6,281	21,302
1,085	642	3,358	10,916
32,665	2,205	40,347	159,951
871	292	1,870	16,589
162	226	569	5,312
211	11,123	11,841	14,197
7,829	4,651	24,034	77,513
-	-	-	8,934
-	-	10,993	10,993
-	6,471	6,471	33,152
-	-	-	31,196
-	-	-	59,768
\$ 188,870	\$ 114,489	\$ 570,054	\$ 5,966,047
4,472	2,191	22,509	54,077
295,649	5,400	304,769	451,182
\$ 488,991	\$ 122,080	\$ 897,332	\$ 6,471,306

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE QUAD CITIES
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 601,056	\$ 252,694
Adjustments to reconcile change in net assets to net cash provided (used) for operating activities		
Depreciation	52,343	54,077
Provision for uncollectable promises to give	346,807	200,000
Realized net (gain) loss on investments	(131,607)	(10,228)
Unrealized net (gain) loss on investments	186,774	(17,349)
(Increase) decrease in unconditional promises to give	(223,378)	843,577
(Increase) decrease in other receivables	79,596	(43,223)
(Increase) decrease in prepaid expenses	4,224	2,761
Increase (decrease) in accounts payable and accrued expenses	(54,108)	(46,155)
Increase (decrease) in allocations payable to agencies	(337,441)	42,140
Increase (decrease) in other liabilities	100,000	-
Increase (decrease) in designations payable	(10,027)	(52,579)
Net cash provided by operating activities	<u>\$ 614,239</u>	<u>\$ 1,225,715</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale (purchase) of certificates of deposit	\$ 54,941	\$ (197,403)
Net change in endowment	(604,622)	(744,856)
Purchase of fixed assets	(61,182)	(13,181)
Net cash used by investing activities	<u>\$ (610,863)</u>	<u>\$ (955,440)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage	\$ (50,112)	\$ (48,000)
Proceeds from Paycheck Protection Program loan	221,077	-
Net cash provided (used) by financing activities	<u>\$ 170,965</u>	<u>\$ (48,000)</u>
Increase in cash and cash equivalents	\$ 174,341	\$ 222,275
Cash and cash equivalents - Beginning of year	<u>2,025,555</u>	<u>1,803,280</u>
Cash and cash equivalents - Ending of year	<u>\$ 2,199,896</u>	<u>\$ 2,025,555</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 22,403</u>	<u>\$ 18,356</u>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF THE QUAD CITIES
NOTES TO FINANCIAL STATEMENTS**

June 30, 2020 and 2019

NOTE 1 – NATURE OF THE ORGANIZATION

United Way of the Quad Cities' ("United Way QC" or the "Organization") mission is mobilizing people and resources to improve lives in our community.

United Way QC develops, supports and invests in the most impactful strategies and partners to strengthen education, income and health—the building blocks of opportunity.

United Way QC believes every Quad Citizen deserves the opportunity to live their best possible life. United Way QC involves partners and supporters from all walks of life in volunteerism, advocacy and investment and uses resources and networks to bring the best people, ideas and projects together to create opportunities for all Quad Citizens. Stronger together we will rebuild a more equitable, resilient and prosperous Quad Cities.

United Way QC is autonomous and is governed by a Board of Directors comprised of local volunteers from a broad cross-selection of our community, and participates in a national trade association, United Way Worldwide.

The following initiatives and supporting services of United Way QC are included in the accompanying financial statements:

Resource Development and Major Gifts – Efficiently and effectively raise the maximum amount of funds from employees, businesses, individuals, grants, labor members, and foundations to improve the quality of life for individuals and families in the Quad Cities area. In addition, United Way QC is building an Endowment to help guarantee quality of life in our community into the future.

Community Investment – United Way works hard to ensure Community Impact contributions are invested in several targeted priorities to make the maximum impact possible in the Quad Cities area. Allocable Community Impact funds are distributed through a volunteer review process, whereby local volunteers assess programs and recommend fund allocations to the United Way QC Board of Directors. In the Quad Cities, approximately 150 volunteers are involved in this important, multi-year process. The Board of Directors also invests Community Impact funds in United Way QC operations and United Way QC Initiatives such as Emergency Grant Fund and Community Impact activities.

Community Impact – Create long-lasting changes that gets to the root cause of an issue by focusing on critical issues in our community in education, income and health. We stand to make the greatest impact possible by creating efficient and effective strategies and developing measurable results of our work. United Way QC has three Impact Councils that govern this work – Education, Income, and Health. They lead the development of initiatives to achieve community impact.

United Way Initiatives and Donor Networks – United Way works closely with local change makers to transform the lives of Quad Citizens through our Donor Networks. Staff provide support to volunteers and workplace campaigns centered on one or more of the Donor Networks.

Women United Quad Cities – Generous and accomplished women dedicated to ensuring every child has the supports needed to be kindergarten ready.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

Imagination Library – Through Imagination Library, all children from birth to age five in Scott and Rock Island Counties are eligible to receive free, age-appropriate books mailed to their homes each month once registered for the program.

Volunteer Income Tax Assistance (VITA) – A free tax preparation service provided to the community. Trained volunteers prepare taxes and ensure clients receive all eligible tax credits including the Earned Income Tax Credit and the Child Tax Credit.

Young Leaders United – Energetic group of professionals under the age of 40 who aim to build bridges and break down barriers in education, income and health for a more equitable and resilient Quad Cities. Young Leaders donate \$250 or more annually.

2-1-1 – A free, confidential, information and referral service of the United Way QC. By simply dialing 211, callers can speak with a live information specialist who listens to their needs, assesses their situation, and helps them make the most informed decisions about their next steps.

African American Leadership Society (AALS) – Made up of local people linked by a common purpose: to harness the power of philanthropy to improve the life outcomes of Quad Cities' Black residents.

Volunteer Engagement – Volunteer engagement is a strategy to inspire employees in the workplace to further United Way's mission by committing to long-term, ongoing projects that move the needle in education, income, and health. Day of Caring, where thousands of individuals volunteer for hundreds of projects throughout the community, is one of our largest volunteer events. Current corporate volunteer opportunities are: Vello-online tutoring, reading with students from your desk and Reading for Tomorrow – one-on-one reading with students.

Labor – The mission of the Community Services Liaison is to develop and support an active participation of labor in United Way QC activities such as Resource Development, Community Investment, and Community Impact.

Finance – Responsible for overseeing financial matters within United Way QC. Finance committee volunteers monitor United Way QC's financial activities. Audit Committee volunteers monitor the United Way QC annual audit.

Information Technology for Management and Programs – Responsible for maintaining, maximizing usage, and enhancing the use of technology at United Way QC, among our Partners and with our constituents as volunteers and contributors.

Marketing and Brand Strategy – Responsible for providing year-round information through a variety of mediums and vehicles to the general public and target constituents about United Way QC activities, investments, and achievements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

Administration – Responsible for overseeing all aspects of operations. This includes those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. United Way QC's work is led by a Board of Directors, with support from several committees and numerous volunteers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way QC and changes therein are classified and reported as follows:

Net Assets without Donor Restriction: Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restriction: Net assets subject to donor-imposed stipulations that may or will be met either by actions of United Way QC and/or the passage of time. Also, net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be met by actions of United Way QC. As of June 30, 2020 and 2019, the Organization had net assets with donor restriction of \$4,043,791 and \$4,030,058.

Restricted Contributions – United Way QC reports gifts of cash and other assets as restricted support if they are received with donor stipulation that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand and amounts available in checking and savings accounts.

For purposes of reporting cash flows, the Organization includes all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

Investments – Investments in equity securities, debt securities, and mutual funds are stated at fair market value as determined by quoted market prices with unrealized gains and losses included in the statement of activities. Certificates of deposit are valued based on original cost plus accrued interest which approximates fair value. Gains and losses on sales of investments are determined by the specific-identification method. Realized and unrealized gains and losses in investments, interest, and dividends are reported as increases and decreases in unrestricted net assets unless the income is restricted by donor or law.

Fair Value Measurements – The Fair Value Measurement topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. It also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Fair value measurements are disclosed by level within that hierarchy.

Property and Equipment – Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives which range from three to thirty years. Depreciation expense amounted to \$52,343 and \$54,077 in 2020 and 2019, respectively.

The Organization's policy is to capitalize assets in excess of \$1,000.

Support and Expenses – Contributions received and unconditional promises to give are recognized as revenue in the period the contributions or the unconditional promise is received. Unconditional promises to give are stated net of an allowance for estimated uncollectible promises based on historical experience and other factors. Unconditional promises to give expected to be received over more than one year are recorded by the Organization at their net realizable value using a discount rate equivalent to treasury yields of similar maturity.

Contributions of assets other than cash are recorded at their fair values at the date of the gift, except that contributions of works of art, historical treasures, and similar assets held as part of the collections are not recognized or capitalized.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues, support, and expenses are allocated directly to the programs to which they relate.

Donated Goods and Services – An appreciable number of volunteers have donated significant amounts of their time. All non-cash donated goods and services that meet the criteria for recognition are reflected at their estimated fair market values at the date of receipt. Non-cash donated goods and services totaled \$106,623 and \$451,182 for the years ended June 30, 2020 and 2019, respectively.

Functional Expense Allocation Method – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated based on estimates of time and effort. All other expenses are based on direct use.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

Income Tax Status – United Way of the Quad Cities, a nonprofit organization, is exempt income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the code.

The Organization evaluates the tax benefits of a tax position using the “more likely than not” threshold. As of June 30, 2020, management is not aware of any uncertain tax positions and related tax benefits which would be material to the Organization’s financial statements.

NOTE 3 – ADOPTION OF ASU 2016-14

During the year ended June 30, 2019, United Way QC adopted the requirements of the Financial Accounting Standards Board’s Accounting Standard Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restriction. A footnote on liquidity has also been added (Note 18).

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in local financial institutions in excess of \$250,000. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Association (NCUA) up to \$250,000. As of June 30, 2020 and 2019, cash and certificates of deposit balances exceed insured amounts by \$2,155,879 and \$1,577,203, respectively. Management believes that the credit risk related to these deposits is minimal.

NOTE 5 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded in the period the promise is made; net of an initial estimate of potential uncollectible promises to give and/or a present value discount. Any subsequent differences between the estimated and actual uncollectible amounts are reported as gains or losses in the net asset class in which the promise to give was originally reported.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – (Continued)

A summary of unconditional promises to give as of June 30, 2020 and 2019 is as follows.

	2020	2019
Campaign		
Receivables due in less than one year	\$ 2,409,366	\$ 2,535,171
Allowance for uncollectable promises to give	(388,292)	(204,324)
Net unconditional campaign promises to give	\$ 2,021,074	\$ 2,330,847
Gross other receivable	\$ 379,003	\$ 193,477
Less: present value discount with an interest rate of 4.0%	(836)	(1,654)
Net other receivable	\$ 378,167	\$ 191,823
Amount due in:		
Less than one year	\$ 362,090	\$ 164,710
One to five years	16,077	27,113
Six to ten years	---	---
Net other receivable	\$ 378,167	\$ 191,823

NOTE 6 – INVESTMENTS – ENDOWMENT

Investments consist of the following at June 30, 2020 and 2019:

	2020			
	Cost Basis	Gross Unrealized Gains	Gross Unrealized (Losses)	Market Value
Pooled separate accounts	\$ 2,858,233	\$ 5,819	\$ ---	\$ 2,864,052
Total	\$ 2,858,233	\$ 5,819	\$ ---	\$ 2,864,052
	2019			
	Cost Basis	Gross Unrealized Gains	Gross Unrealized (Losses)	Market Value
Pooled separate accounts	\$ 2,122,004	\$ 192,593	\$ ---	\$ 2,314,597
Total	\$ 2,122,004	\$ 192,593	\$ ---	\$ 2,314,597

The investments of the Organization are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – INVESTMENTS

The fair values of certificates of deposits and investments consist of the following as of June 30, 2020 and 2019:

		2020			
		Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:					
	Pooled separate accounts	<u>\$ 2,864,052</u>	<u>\$ 2,730,904</u>	<u>\$ 103,560</u>	<u>\$ 29,588</u>
		2019			
		Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:					
	Pooled separate accounts	<u>\$ 2,314,597</u>	<u>\$ 2,122,434</u>	<u>\$ 168,286</u>	<u>\$ 23,877</u>

There were no transfers of assets between Levels 1, 2, and 3 of the fair value hierarchy during the years ended June 30, 2020 and 2019.

SFAS ASC 820 "Fair Value Measurements" provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of the three broad levels:

- Level 1 inputs consist of the unadjusted quoted prices in active markets for identical assets and have highest priority.
- Level 2 inputs consist of quoted prices in active markets of similar assets for assets in non-active markets.
- Level 3 inputs consist of other valuation techniques which have the lowest priority.

The Organization uses appropriate valuation techniques based on the availability inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Level 1 Measurements – The fair value of investments in pooled separate accounts is based on quoted market prices in active markets.

Level 2 Measurements – The fair value of the pooled separate accounts is based on significant other observable inputs, particularly dealer market prices for comparable investments.

Level 3 Measurements – In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

The pooled separate accounts are maintained by the Quad Cities Community Foundation and the Moline Foundation.

NOTE 8 – ENDOWMENT FUNDS

The Organization's investment funds consist of several individual funds established for a variety of purposes. The Organization's portfolio includes donor-restricted funds and unrestricted funds. The Board of Directors of the Organization has interpreted that the Organization is not subject to the State of Iowa Uniform Prudent Management of Institutional Funds Act since the Organization's bylaws provide for variance power including spending from principal.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Organization's endowment funds are invested in various types of investments managed by the Quad Cities Community Foundation. The Organization's investments are at the moderate level of risk with the diversification of assets within the parameters of the Quad Cities Community Foundation's investment policy. The Organization's spending policy of funds is based on a calculation provided by the Quad Cities Community Foundation of 4.5% of the spendable balance of the fund.

The Organization also holds endowment funds invested in various types of investments held by the Moline Foundation.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

The composition of net assets relating to endowment funds as of June 30, 2020 and 2019 is as follows:

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted	\$ - - -	\$ 439,729	\$ 439,729
Board designated	2,424,323	- - -	2,424,323
 Total	 \$ 2,424,323	 \$ 439,729	 \$ 2,864,052
	2019		
	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted	\$ - - -	\$ 439,672	\$ 439,672
Board designated	1,874,925	- - -	1,874,925
 Total	 \$ 1,874,925	 \$ 439,672	 \$ 2,314,597

The following schedule summarizes the investment income and its classification for the endowment in the statements of activities at June 30, 2020 and 2019:

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Net assets, beginning of year	\$ 1,874,925	\$ 439,672	\$ 2,314,597
Investment return:			
Dividend and interest income	\$ 62,388	\$ 12,425	\$ 74,813
Net appreciation (realized and unrealized)	(51,304)	(3,863)	(55,167)
Total investment return	\$ 11,084	\$ 8,562	\$ 19,646
Contributions	\$ 616,935	\$ 15,844	\$ 632,779
Fees	(24,221)	(5,149)	(29,370)
Distributions	(54,400)	(19,200)	(73,600)
 Net assets, end of year	 \$ 2,424,323	 \$ 439,729	 \$ 2,864,052

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

	2019		
	Without Donor Restriction	With Donor Restriction	Total
Net assets, beginning of year	\$ 1,135,781	\$ 406,383	\$ 1,542,164
Investment return:			
Dividend and interest income	\$ 40,028	\$ 15,015	\$ 55,043
Net appreciation (realized and unrealized)	20,355	7,222	27,577
Total investment return	\$ 60,383	\$ 22,237	\$ 82,620
Contributions	\$ 742,400	\$ 30,318	\$ 772,718
Fees	(16,039)	(5,366)	(21,405)
Distributions	(47,600)	(13,900)	(61,500)
Net assets, end of year	\$ 1,874,925	\$ 439,672	\$ 2,314,597

NOTE 9 – ALLOCATIONS PAYABLE TO AGENCIES

Applications for funding are reviewed every three years by Community Investment volunteers to align with our strategies in Education, Income, and Health in Scott and Rock Island Counties. The recipient organizations are notified of the investment, which is payable in the following fiscal year.

NOTE 10 – DESIGNATIONS PAYABLE

A donor may designate their pledge to any 501(c)(3) organization. United Way QC has no discretion over these pledges and therefore they are not included in public support in the statement of activities. Starting with the 2017 campaign (FY18), the Board of Directors approved expanding designations beyond 501(c)(3) organizations to include all organizations recognized by IRS code Section 170.

NOTE 11 – RETIREMENT PLANS

Effective July 1, 2011, the Organization started a defined contribution pension plan under IRS Code Section 403(b), covering all employees who meet the eligibility requirements. The Organization's contributions are discretionary as determined by the Board of Directors.

Participants are immediately vested in their contributions and fully vested in employer contribution after five years of service. The Organization's contributions for the years ending June 30, 2020 and 2019 were \$102,909 and \$98,845, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – UNRESTRICTED BOARD DESIGNATED NET ASSETS

A summary of the net assets designated by the Board of Directors for specific purposes at June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Endowment funds:		
Endowment fund	\$ 2,424,323	\$ 1,874,925
Emergency grant fund	<u>43,647</u>	<u>70,000</u>
 Total	 <u>\$ 2,467,970</u>	 <u>\$ 1,944,925</u>

Endowment Fund – The Board of Directors has designated endowment funds, managed by the Quad Cities Community Foundation and the Moline Foundation, to develop sustaining financial strength of the Organization. A portion of these funds are used to support the annual operating budget.

Emergency Grant Fund – Each year during the Community Investment process, the Board sets aside the portion of allocable funds as available for agencies in need of emergency funding. An application is completed by the agency and the Board decides whether to approve the emergency grant request.

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NOTES TO FINANCIAL STATEMENTS

NOTE 13 – NET ASSETS WITH DONOR RESTRICTION

A summary of net assets with donor restriction for operations and endowment as of June 30, 2020 and 2019 is as follows:

Operations	2020	2019
Purpose and time restriction:		
Promises to give for future campaign	\$ 884,184	\$ 1,191,840
Purpose restriction:		
QC Times wish list contribution	2,104	7,340
Volunteer income tax assistance (VITA)	25,382	4,116
Women United (Born Learning)	1,712,147	1,576,727
Young Leaders United (Grow Learning)	118,597	88,364
Economic downturn/Innovation Grants	50,872	50,872
Student united way	- - -	3,579
Community action plan	52,906	221,183
Education	111,413	94,208
Health	56,338	56,338
Loaned executive sponsorships	- - -	15,009
Imagination library	1,727	4,432
Kindergarten skills inventory	- - -	1,813
UW COVID Rebuilding Fund	199,191	- - -
2-1-1	1,241	21,051
African American Leadership Society	110,365	6,000
United Way QC Operations Capacity	137,158	201,221
Volunteer engagement	49,929	31,385
BOLD Institute	55,969	- - -
QC resource link	- - -	3,570
Non-Profit excellence	34,539	11,338
	<u>\$ 3,604,062</u>	<u>\$ 3,590,386</u>
Total net assets with donor restriction for operations		
	<u>\$ 3,604,062</u>	<u>\$ 3,590,386</u>
Endowment	2020	2019
Purpose restriction:		
Board governance – training	\$ 204,696	\$ 214,085
Non-Profit excellence	107,660	91,718
Senior citizens	77,615	79,760
Imagination library	49,758	54,109
	<u>\$ 439,729</u>	<u>\$ 439,672</u>
Total net assets with donor restriction for endowment		
	<u>\$ 439,729</u>	<u>\$ 439,672</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 14 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of time or other events specified by donors during the year ended June 30, 2020 and 2019 is as follows:

	2020	2019
Purpose restriction accomplished:		
Wish list	\$ 7,340	\$ 5,820
Volunteer income tax assistance (VITA)	37,724	37,470
Operation read	- - -	1,856
Community action plan	121,277	- - -
Education	32,796	39,644
Young Leaders United (Grow Learning)	6,413	4,866
Health	- - -	52,872
Loaned executive sponsorships	15,009	4,361
Women United	398,110	372,734
Imagination library	8,011	86,164
Kindergarten skills inventory	1,813	1,480
2-1-1	34,810	59,768
African American Leadership Society (AALS)	6,000	- - -
QC resource link	- - -	57,944
UW Operations Capacity	47,600	- - -
Volunteer engagement	31,385	43,649
Purpose and time restrictions expired:		
Promises to give for future campaign	1,191,840	2,033,363
Promises to give current campaign	3,943,669	3,354,200
	\$ 5,883,797	\$ 6,156,191

NOTE 15 – MORTGAGE PAYABLE

Payable to	2020	2019	Terms
A financial institution	\$ 340,818	\$ 390,930	Monthly payments of \$5,530, including interest at 4.34%, matures April 1, 2026. This debt is secured by a mortgage on the building with a book value of \$858,236, as of June 30, 2020.
	\$ 340,818	\$ 390,930	
Total	\$ 340,818	\$ 390,930	
Current portion	\$ 52,406	\$ 50,112	
Long-term portion	288,412	340,818	
	\$ 340,818	\$ 390,930	

NOTES TO FINANCIAL STATEMENTS

NOTE 15 – (Continued)

Maturities of debt are as follows:

Year	Amount
2021	52,406
2022	54,759
2023	57,218
2024	59,770
2025	62,470
Thereafter	54,195
Total	\$ 340,818

NOTE 16 – IN-KIND REVENUE/EXPENSES

Recorded in the financial statements for June 30, 2020 and 2019, are the following in-kind categories:

	2020	2019
Revenue-in-kind	\$ 106,623	\$ 451,182
Functional expenses:		
Program services	\$ 84,204	\$ 131,530
Fundraising	5,280	14,883
Administrative	17,139	304,769
Total functional expenses	\$ 106,623	\$ 451,182

NOTE 17 – ANNUAL CAMPAIGN

The 2019 (FY20) and 2018 (FY19) United Way Campaigns raised \$7,043,093 and \$6,976,100 and, respectively. These amounts are reduced by the provision for uncollectable contributions, and designations to arrive at the net annual campaign amounts of \$4,412,224 and \$4,219,582 for 2019 (FY20) and 2018 (FY19), respectively, which are reported on the statements of activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 18 – AVAILABLE RESOURCES AND LIQUIDITY

United Way of the Quad Cities monitors monthly the liquidity required to meet its operating needs and commitments to community partners. United Way QC has various sources of liquidity at its disposal, including cash and cash equivalents and investments in certificates of deposit.

For the purpose of analyzing resources available to meet general expenditures over a 12-month period, United Way QC considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The following reflects United Way QC's financial assets as of the statement of financial position date; reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,199,896	\$ 2,025,555
Certificates of deposit	3,354,932	3,409,873
Investments	2,864,052	2,314,597
Unconditional promises to give	2,399,241	2,522,670
Other receivables	-	79,596
	\$ 10,818,121	\$ 10,352,291
Less amounts not available to be used within one year:		
Net assets with donor restrictions	\$ 4,043,791	\$ 4,030,058
Long-term certificates of deposit	1,670,958	2,330,648
Long-term unconditional promises to give	16,077	27,113
Allocations payable	2,833,466	3,170,907
COVID fund payable	100,000	-
Designation payable	59,181	69,208
	\$ 8,723,473	\$ 9,627,934
Financial assets available to meet general expenditures over the next twelve months	\$ 2,094,648	\$ 724,357

NOTE 19 – LEASE

On October 29, 2018, the Organization entered into a noncancelable operating lease for a copier. The lease is scheduled to expire on October 29, 2023 with monthly payments of \$776.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 – (Continued)

Future minimum payments under the operating lease are as follows:

Year Ending June 30	Amount
2021	\$ 9,309
2022	9,309
2023	9,309
2024	3,103
Total	<u>\$ 31,030</u>

NOTE 20 – PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization obtained a forgivable loan from the Small Business Association's (SBA) Paycheck Protection Program (PPP) which was a government stimulus Program to address the economic distress caused by COVID-19 pandemic. The Organization obtained a PPP Loan in the amount of \$221,077. This loan matures in two years and bears interest at a rate of 1%. The loan does not require payments for the first six months. The loan is fully guaranteed by the SBA and is forgivable under certain requirements, on the use of the loan proceeds including, among other requirements, that the large majority is used for payroll and maintenance of employee levels over certain defined terms. The Organization fully intends for the entire loan amount to be forgiven and that no interest payments will be made by the Organization.

NOTE 21 – RISKS AND UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The Organization expects this matter could negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 22 – SUBSEQUENT EVENT

United Way of the Quad Cities evaluated its June 30, 2020 financial statements for subsequent events through October 5, 2020, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.