UNITED WAY OF THE QUAD CITIES
Bettendorf, Iowa
FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR’S REPORT
June 30, 2019 and 2018
## CONTENTS

### INDEPENDENT AUDITOR’S REPORT

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</tr>
</tbody>
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### FINANCIAL STATEMENTS

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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, 2019 and 2018, 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.
Emphasis of Matter

United Way of the Quad Cities adopted ASU 2016-04, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, during the current year, see Note 3. The adoption of the standard resulted in additional footnote disclosures and significant changes to classification of net assets and the disclosures related to net assets. The adoption was retrospectively applied to July 1, 2017; the beginning of the earliest year presented. Our opinion was not modified with respect to this matter.

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, 2019 and 2018, 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, Hodder & Company, LLC

Moline, Illinois
October 7, 2019
**ASSETS**

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,025,555</td>
<td>$1,803,280</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$1,079,225</td>
<td>$1,074,102</td>
</tr>
<tr>
<td>Unconditional promises to give:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campaign, net</td>
<td>$2,330,847</td>
<td>$3,176,659</td>
</tr>
<tr>
<td>Other, net</td>
<td>$164,710</td>
<td>$258,613</td>
</tr>
<tr>
<td>Other receivables</td>
<td>$79,596</td>
<td>$36,373</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$15,078</td>
<td>$17,839</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$5,695,011</strong></td>
<td><strong>$6,366,866</strong></td>
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</tbody>
</table>

**Investments-Endowment**

<table>
<thead>
<tr>
<th>Investmenst-Endowment</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,314,597</td>
<td>$1,542,164</td>
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</table>

**Property and Equipment**

<table>
<thead>
<tr>
<th>Property and Equipment</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment and technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>$202,596</td>
<td>$195,204</td>
</tr>
<tr>
<td>Building</td>
<td>$1,010,842</td>
<td>$1,010,842</td>
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<tr>
<td><strong>Total property and equipment</strong></td>
<td><strong>$1,213,438</strong></td>
<td><strong>$1,206,046</strong></td>
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<tr>
<td>Less accumulated depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>$917,742</td>
<td>$958,638</td>
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</tbody>
</table>

**Other Assets**

<table>
<thead>
<tr>
<th>Other Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>$2,330,648</td>
<td>$2,138,368</td>
</tr>
<tr>
<td>Unconditional promises to give:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other, net - less current maturities</td>
<td>27,113</td>
<td>130,975</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td><strong>$2,357,761</strong></td>
<td><strong>$2,269,343</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$11,285,111</strong></td>
<td><strong>$11,137,011</strong></td>
</tr>
</tbody>
</table>
**LIABILITIES AND NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$177,346</td>
<td>$223,501</td>
</tr>
<tr>
<td>Allocations payable to agencies</td>
<td>3,170,907</td>
<td>3,128,767</td>
</tr>
<tr>
<td>Designations payable</td>
<td>69,208</td>
<td>121,787</td>
</tr>
<tr>
<td>Mortgage payable - current portion</td>
<td>50,112</td>
<td>48,000</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>$3,467,573</td>
<td>$3,522,055</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage payable - less current portion</td>
<td>$340,818</td>
<td>$390,930</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>$340,818</td>
<td>$390,930</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$3,808,391</td>
<td>$3,912,985</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without donor restriction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board designated</td>
<td>$1,944,925</td>
<td>$1,215,953</td>
</tr>
<tr>
<td>Unrestricted for equity in building and equipment</td>
<td>526,812</td>
<td>519,708</td>
</tr>
<tr>
<td>Undesignated</td>
<td>974,925</td>
<td>620,706</td>
</tr>
<tr>
<td>Total net assets without donor restriction</td>
<td>$3,446,662</td>
<td>$2,356,367</td>
</tr>
<tr>
<td>With donor restriction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$3,590,386</td>
<td>$4,461,276</td>
</tr>
<tr>
<td>Endowment</td>
<td>439,672</td>
<td>406,383</td>
</tr>
<tr>
<td>Total net assets with donor restriction</td>
<td>$4,030,058</td>
<td>$4,867,659</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$7,476,720</td>
<td>$7,224,026</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$11,285,111</td>
<td>$11,137,011</td>
</tr>
</tbody>
</table>

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, 2019

<table>
<thead>
<tr>
<th>PUBLIC SUPPORT AND REVENUE</th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual campaign</td>
<td>$5,000</td>
<td>$4,219,582</td>
<td>$4,219,582</td>
</tr>
<tr>
<td>Endowment contributions</td>
<td>814,080</td>
<td>40,318</td>
<td>854,398</td>
</tr>
<tr>
<td>Loaned executive reimbursement</td>
<td>-</td>
<td>55,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Gain on prior year's campaign</td>
<td>-</td>
<td>165,297</td>
<td>165,297</td>
</tr>
<tr>
<td>Sponsorship revenue</td>
<td>33,152</td>
<td>-</td>
<td>33,152</td>
</tr>
<tr>
<td>Designation fees</td>
<td>2,270</td>
<td>-</td>
<td>2,270</td>
</tr>
<tr>
<td>In-kind revenue</td>
<td>451,182</td>
<td>-</td>
<td>451,182</td>
</tr>
<tr>
<td>Total public support</td>
<td>$1,300,684</td>
<td>$4,480,197</td>
<td>$5,780,881</td>
</tr>
</tbody>
</table>

Revenue:
- Interest and dividends, net: $84,371
- Net unrealized gain (loss) on investments: $12,333
- Net realized gain (loss) on investments: $8,022
- Wish list: $32,717
- Operation read: -
- Volunteer income tax assistance: 19,635
- Education council: 66,517
- QC resource link: 6,000
- Imagination library: 75,152
- Women united (Born Learning): 277,319
- Young leaders (Grow Learning): 42,721
- Volunteer Engagement: 88,374
- African American Leadership Society: 6,000
- UW Operations Capacity: 153,621
- Miscellaneous: 53,466

Net assets released from restrictions-satisfaction of program restrictions: 6,156,191

Total revenue: $943,119

Total public support and revenue: $6,724,000

EXPENSES

<table>
<thead>
<tr>
<th>Expense</th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$4,985,220</td>
<td>-</td>
<td>$4,985,220</td>
</tr>
<tr>
<td>Fundraising</td>
<td>588,754</td>
<td>-</td>
<td>588,754</td>
</tr>
<tr>
<td>Administration</td>
<td>897,332</td>
<td>-</td>
<td>897,332</td>
</tr>
<tr>
<td>Total expenses</td>
<td>6,471,306</td>
<td>-</td>
<td>6,471,306</td>
</tr>
</tbody>
</table>

Increase (decrease) in net assets: $252,694
# UNITED WAY OF THE QUAD CITIES
## STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2018

**PUBLIC SUPPORT AND REVENUE**

<table>
<thead>
<tr>
<th>Public support:</th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual campaign</td>
<td>$ -</td>
<td>$ 5,991,580</td>
<td>$ 5,991,580</td>
</tr>
<tr>
<td>Endowment contributions</td>
<td>15,135</td>
<td>20,691</td>
<td>35,826</td>
</tr>
<tr>
<td>Loaned executive reimbursement</td>
<td>-</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Gain on prior year's campaign</td>
<td>-</td>
<td>85,747</td>
<td>85,747</td>
</tr>
<tr>
<td>Sponsorship revenue</td>
<td>32,043</td>
<td>-</td>
<td>32,043</td>
</tr>
<tr>
<td>Designation fees</td>
<td>49,452</td>
<td>-</td>
<td>49,452</td>
</tr>
<tr>
<td>In-kind revenue</td>
<td>354,974</td>
<td>-</td>
<td>354,974</td>
</tr>
<tr>
<td>Total public support</td>
<td>$ 451,604</td>
<td>$ 6,118,018</td>
<td>$ 6,569,622</td>
</tr>
</tbody>
</table>

Revenue:

- Interest and dividends, net $ 67,379 $ 7,082 $ 74,461
- Net unrealized gain (loss) on investments 38,493 13,772 52,265
- Accounting service bureau fees - - -
- Wish list - 23,296 23,296
- Operation read - 923 923
- Volunteer income tax assistance - 26,570 26,570
- Education council - 5,000 5,000
- QC resource link - 12,625 12,625
- Imagination library - 79,288 79,288
- Women united (Born Learning) - 701,553 701,553
- Young leaders (Grow Learning) - 58,063 58,063
- Volunteer Engagement - 27,554 27,554
- Miscellaneous - 59,529 59,529
- Net assets released from restrictions-satisfaction of program restrictions 5,727,496 (5,727,496) -

Total revenue $ 5,833,368 (4,712,241) $ 1,121,127

Total public support and revenue $ 6,284,972 $ 1,405,777 $ 7,690,749

**EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$ 4,863,941</td>
<td>$ -</td>
<td>$ 4,863,941</td>
</tr>
<tr>
<td>Fundraising</td>
<td>614,740</td>
<td>-</td>
<td>614,740</td>
</tr>
<tr>
<td>Administration</td>
<td>895,635</td>
<td>-</td>
<td>895,635</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 6,374,316</td>
<td>$ -</td>
<td>$ 6,374,316</td>
</tr>
</tbody>
</table>

Increase (decrease) in net assets $ (89,344) $ 1,405,777 $ 1,316,433

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets - June 30, 2017</td>
<td>$ 2,445,711</td>
<td>$ 3,461,882</td>
<td>$ 5,907,593</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>(89,344)</td>
<td>1,405,777</td>
<td>1,316,433</td>
</tr>
<tr>
<td>Net assets - June 30, 2018</td>
<td>$ 2,356,367</td>
<td>$ 4,867,659</td>
<td>$ 7,224,026</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>1,090,295</td>
<td>(837,601)</td>
<td>252,694</td>
</tr>
<tr>
<td>Net assets - June 30, 2019</td>
<td>$ 3,446,662</td>
<td>$ 4,030,058</td>
<td>$ 7,476,720</td>
</tr>
</tbody>
</table>
## UNITED WAY OF THE QUAD CITIES
### STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019

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

<table>
<thead>
<tr>
<th>Volunteer Engagement</th>
<th>Labor</th>
<th>Information Technology for Programs</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,638</td>
<td>$</td>
<td>$</td>
<td>$3,802,652</td>
</tr>
<tr>
<td>$70,355</td>
<td>$41,352</td>
<td>$28,677</td>
<td>$550,418</td>
</tr>
<tr>
<td>$13,956</td>
<td>$2,454</td>
<td>$</td>
<td>$43,939</td>
</tr>
<tr>
<td>$27,046</td>
<td>$533</td>
<td>$5,681</td>
<td>$114,961</td>
</tr>
<tr>
<td>$5,633</td>
<td>$3,623</td>
<td>$2,303</td>
<td>$43,090</td>
</tr>
<tr>
<td>$116,990</td>
<td>$47,962</td>
<td>$36,661</td>
<td>$752,408</td>
</tr>
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(Continued)
## UNITED WAY OF THE QUAD CITIES
### STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019

### EXPENSES

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<thead>
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<th>Community Partners and Initiatives</th>
<th>Fundraising</th>
<th>Administrative</th>
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<tr>
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# UNITED WAY OF THE QUAD CITIES
## STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018

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## UNITED WAY OF THE QUAD CITIES
### STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018

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<th>EXPENSES</th>
<th>Fundraising</th>
<th>Administrative</th>
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<tbody>
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<td>Resource Development/ Major Gifts</td>
<td>Finance</td>
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<td>Community Partners and Initiatives</td>
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<td>IA &amp; IL Association dues</td>
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<td>7,837</td>
<td>5,212</td>
<td>28,267</td>
</tr>
<tr>
<td>$ 144,307</td>
<td>$ 87,651</td>
<td>$ 504,207</td>
</tr>
<tr>
<td>4,470</td>
<td>2,696</td>
<td>31,605</td>
</tr>
<tr>
<td>1,773</td>
<td>828</td>
<td>5,710</td>
</tr>
<tr>
<td>728</td>
<td>422</td>
<td>2,368</td>
</tr>
<tr>
<td>748</td>
<td>431</td>
<td>2,445</td>
</tr>
<tr>
<td>3,846</td>
<td>2,223</td>
<td>12,548</td>
</tr>
<tr>
<td>1,878</td>
<td>1,095</td>
<td>6,090</td>
</tr>
<tr>
<td>2,211</td>
<td>1,375</td>
<td>6,838</td>
</tr>
<tr>
<td>1,004</td>
<td>583</td>
<td>3,269</td>
</tr>
<tr>
<td>69,365</td>
<td>127</td>
<td>69,895</td>
</tr>
<tr>
<td>1,234</td>
<td>414</td>
<td>2,615</td>
</tr>
<tr>
<td>27</td>
<td>15</td>
<td>2,774</td>
</tr>
<tr>
<td>188</td>
<td>12,385</td>
<td>12,969</td>
</tr>
<tr>
<td>7,889</td>
<td>4,521</td>
<td>25,888</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>12,048</td>
</tr>
<tr>
<td>-</td>
<td>5,775</td>
<td>5,775</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$ 239,668</td>
<td>$ 120,541</td>
<td>$ 707,044</td>
</tr>
<tr>
<td>4,039</td>
<td>1,857</td>
<td>20,066</td>
</tr>
<tr>
<td>159,265</td>
<td>5,540</td>
<td>168,525</td>
</tr>
<tr>
<td>$ 402,972</td>
<td>$ 127,938</td>
<td>$ 895,635</td>
</tr>
</tbody>
</table>

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

-10-
# UNITED WAY OF THE QUAD CITIES
## STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2019 and 2018

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$ 252,694</td>
<td>$ 1,316,433</td>
</tr>
</tbody>
</table>

Adjustments to reconcile change in net assets to net cash provided (used) for operating activities:

- Depreciation                      | 54,077     | 51,203     |
- Provision for uncollectable promises to give | 200,000     | 287,401   |
- Realized net (gain) loss on investments | (10,228)   | -         |
- Unrealized net (gain) loss on investments | (17,349)   | (52,265)  |
- (Increase) decrease in unconditional promises to give | 843,577    | (831,228) |
- (Increase) decrease in other receivables | (43,223)   | (33,907)  |
- (Increase) decrease in prepaid expenses | 2,761      | (3,058)   |
- Increase (decrease) in accounts payable and accrued expenses | (46,155)   | (15,266)  |
- Increase (decrease) in allocations payable to agencies | 42,140     | 85,478    |
- Increase (decrease) in designations payable | (52,579)   | (525,206) |

Net cash provided by operating activities | $ 1,225,715 | $ 279,585 |

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sale (purchase) of certificates of deposit</td>
<td>$ (197,403)</td>
<td>$ 148,320</td>
</tr>
<tr>
<td>Net change in endowment</td>
<td>(744,856)</td>
<td>(8,872)</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>(13,181)</td>
<td>(11,192)</td>
</tr>
</tbody>
</table>

Net cash provided (used) by investing activities | $ (955,440) | $ 128,256 |

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal payments on mortgage</td>
<td>$ (48,000)</td>
<td>$ (45,938)</td>
</tr>
</tbody>
</table>

Net cash used by financing activities | $ (48,000) | $ (45,938) |

Increase (decrease) in cash and cash equivalents | $ 222,275 | $ 361,903 |

Cash and cash equivalents - Beginning of year | 1,803,280 | 1,441,377 |

Cash and cash equivalents - Ending of year | $ 2,025,555 | $ 1,803,280 |

<table>
<thead>
<tr>
<th>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid during the year for interest</td>
<td>$ 18,356</td>
<td>$ 20,419</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
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 is committed to creating a stronger region where kids succeed in school and life, adults are gainfully employed and financially stable and families are happy and healthy – the building blocks of a quality life.

United Way QC believes every Quad Citizen deserves the opportunity to live their best possible life. These opportunities happen by involving people in volunteerism, advocacy and giving. The result is a mobilized community creating the conditions that improve individual lives and strengthen the 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 prevent problems from happening in the first place by focusing on critical issues in our community in education, financial stability, 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 – Members are a growing force of local women dedicated to creating a world of opportunity for our youngest Quad Citizens. They invest $1,000 or more annually to ensure all Quad Cities kids are ready for kindergarten.
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** – Young Leaders United are a group young people who are committed to personal, professional and philanthropic development in order to become the next generation of community champions for the Quad Cities. They work to ensure all Quad Cities kids are reading proficiently by 3rd grade.

**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.

**QC Resource Link** – QC Resource Link helps individuals overcome barriers to education and employment goals and empowers individuals to attain and sustain long-term self-sufficiency. A QC Resource Link coach works with individuals to develop a personal plan to achieve his/her goals.

**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, 2019 and 2018, the Organization had net assets with donor restriction of $4,030,058 and $4,867,659.

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.
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 $54,077 and $51,203 in 2019 and 2018, 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 $451,182 and $354,974 for the years ended June 30, 2019 and 2018, 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, 2019, 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, 2019 and 2018, cash and certificates of deposit balances exceed insured amounts by $1,577,203 and $1,337,134, 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, 2019 and 2018 is as follows.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables due in less than one year</td>
<td>$2,535,171</td>
<td>$3,502,181</td>
</tr>
<tr>
<td>Allowance for uncollectable promises to give</td>
<td>(204,324)</td>
<td>(325,522)</td>
</tr>
<tr>
<td>Net unconditional campaign promises to give</td>
<td>$2,330,847</td>
<td>$3,176,659</td>
</tr>
<tr>
<td>Gross other receivable</td>
<td>$193,477</td>
<td>$396,587</td>
</tr>
<tr>
<td>Less: present value discount with an interest rate of 4.0%</td>
<td>(1,654)</td>
<td>(6,999)</td>
</tr>
<tr>
<td>Net other receivable</td>
<td>$191,823</td>
<td>$389,588</td>
</tr>
<tr>
<td>Amount due in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than one year</td>
<td>$164,710</td>
<td>$258,613</td>
</tr>
<tr>
<td>One to five years</td>
<td>27,113</td>
<td>130,975</td>
</tr>
<tr>
<td>Six to ten years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net other receivable</td>
<td>$191,823</td>
<td>$389,588</td>
</tr>
</tbody>
</table>

NOTE 6 – INVESTMENTS – ENDOWMENT

Investments consist of the following at June 30, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
<th></th>
<th></th>
<th>2018</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost Basis</td>
<td>Gross Unrealized Gains</td>
<td>Gross Unrealized (Losses)</td>
<td>Market Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pooled separate accounts</td>
<td>$2,122,004</td>
<td>$192,593</td>
<td>$ - - -</td>
<td>$2,314,597</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,122,004</td>
<td>$192,593</td>
<td>$ - - -</td>
<td>$2,314,597</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th></th>
<th></th>
<th>2018</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost Basis</td>
<td>Gross Unrealized Gains</td>
<td>Gross Unrealized (Losses)</td>
<td>Market Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pooled separate accounts</td>
<td>$1,366,920</td>
<td>$175,244</td>
<td>$ - - -</td>
<td>$1,542,164</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,366,920</td>
<td>$175,244</td>
<td>$ - - -</td>
<td>$1,542,164</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
NOTE 7 – INVESTMENTS

The fair values of certificates of deposits and investments consist of the following as of June 30, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quoted Prices in Active Markets for Identical Assets (Level 1)</td>
<td>Significant Other Observable Inputs (Level 2)</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$3,409,873</td>
<td>$3,409,873</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pooled separate accounts</td>
<td>$2,314,597</td>
<td>$168,286</td>
</tr>
<tr>
<td></td>
<td>$2,122,434</td>
<td></td>
</tr>
</tbody>
</table>

There were no transfers of assets between Levels 1, 2, and 3 of the fair value hierarchy during the years ended June 30, 2019 and 2018.

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.
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 certificates of deposit is based on original cost plus accrued interest. Although the certificates of deposit are not actively traded, certain observable inputs are available which the Organization considered in determining fair value. 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.
NOTE 8 – (Continued)

The composition of net assets relating to endowment funds as of June 30, 2019 and 2018 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without Donor Restriction</td>
<td>With Donor Restriction</td>
</tr>
<tr>
<td>Donor-restricted</td>
<td>$ - - -</td>
<td>$ 439,672</td>
</tr>
<tr>
<td>Board designated</td>
<td>1,874,925</td>
<td>- - -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,874,925</td>
<td>$ 439,672</td>
</tr>
</tbody>
</table>

The following schedule summarizes the investment income and its classification for the endowment in the statements of activities at June 30, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>$ 1,135,781</td>
<td>$ 406,383</td>
</tr>
<tr>
<td>Investment return:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend and interest income</td>
<td>$ 40,028</td>
<td>$ 15,015</td>
</tr>
<tr>
<td>Net appreciation (realized and unrealized)</td>
<td>20,355</td>
<td>7,222</td>
</tr>
<tr>
<td>Total investment return</td>
<td>$ 60,383</td>
<td>$ 22,237</td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 742,400</td>
<td>$ 30,318</td>
</tr>
<tr>
<td>Fees</td>
<td>(16,039)</td>
<td>(5,366)</td>
</tr>
<tr>
<td>Distributions</td>
<td>(47,600)</td>
<td>(13,900)</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$ 1,874,925</td>
<td>$ 439,672</td>
</tr>
</tbody>
</table>
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>$1,106,989</td>
<td>$374,038</td>
<td>$1,481,027</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend and interest income</td>
<td>$ 36,520</td>
<td>$ 12,763</td>
<td>$ 49,283</td>
</tr>
<tr>
<td>Net appreciation (realized and unrealized)</td>
<td>38,493</td>
<td>13,772</td>
<td>52,265</td>
</tr>
<tr>
<td>Total investment return</td>
<td>$ 75,013</td>
<td>$ 26,535</td>
<td>$ 101,548</td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 15,135</td>
<td>$ 20,691</td>
<td>$ 35,826</td>
</tr>
<tr>
<td>Fees</td>
<td>(16,756)</td>
<td>(5,681)</td>
<td>(22,437)</td>
</tr>
<tr>
<td>Distributions</td>
<td>(44,600)</td>
<td>(9,200)</td>
<td>(53,800)</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$1,135,781</td>
<td>$406,383</td>
<td>$1,542,164</td>
</tr>
</tbody>
</table>

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, Financial Stability, and Health in Scott and Rock Island Counties. The recipient organizations are notified of the investment, which is payable in the following fiscal year, and will continue for the next two years provided the funding is available.

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, 2019 and 2018 were $98,845 and $107,793, respectively.
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, 2019 and 2018 is as follows:

<table>
<thead>
<tr>
<th>Endowment funds:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment fund</td>
<td>$1,874,925</td>
<td>$1,135,781</td>
</tr>
<tr>
<td>Emergency grant fund</td>
<td>70,000</td>
<td>80,172</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,944,925</strong></td>
<td><strong>$1,215,953</strong></td>
</tr>
</tbody>
</table>

**Endowment Fund** – The Board of Directors has designated an endowment fund, managed by the Quad Cities Community Foundation, to develop sustaining financial strength of the Organization. A portion of these funds are used for 2-1-1 and Community Impact on an annual basis.

**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.
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, 2019 and 2018 is as follows:

<table>
<thead>
<tr>
<th>Purpose and time restriction:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promises to give for future campaign</td>
<td>$1,191,840</td>
<td>$2,033,363</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose restriction:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>QC Times wish list contribution</td>
<td>7,340</td>
<td>5,820</td>
</tr>
<tr>
<td>Volunteer income tax assistance (VITA)</td>
<td>4,116</td>
<td>37,470</td>
</tr>
<tr>
<td>Women United (Born Learning)</td>
<td>1,576,727</td>
<td>1,679,140</td>
</tr>
<tr>
<td>Young Leaders United (Grow Learning)</td>
<td>88,364</td>
<td>50,509</td>
</tr>
<tr>
<td>Economic downturn grants</td>
<td>50,872</td>
<td>50,872</td>
</tr>
<tr>
<td>Student united way</td>
<td>3,579</td>
<td>3,579</td>
</tr>
<tr>
<td>Community action plan</td>
<td>221,183</td>
<td>221,183</td>
</tr>
<tr>
<td>Education</td>
<td>94,208</td>
<td>39,644</td>
</tr>
<tr>
<td>Health</td>
<td>56,338</td>
<td>52,872</td>
</tr>
<tr>
<td>Loaned executive sponsorships</td>
<td>15,009</td>
<td>4,361</td>
</tr>
<tr>
<td>Imagination library</td>
<td>4,432</td>
<td>86,164</td>
</tr>
<tr>
<td>Kindergarten skills inventory</td>
<td>1,813</td>
<td>3,293</td>
</tr>
<tr>
<td>Operation read</td>
<td>- -</td>
<td>1,856</td>
</tr>
<tr>
<td>2-1-1</td>
<td>21,051</td>
<td>80,819</td>
</tr>
<tr>
<td>African American Leadership Society</td>
<td>6,000</td>
<td>- -</td>
</tr>
<tr>
<td>United Way QC Operations Capacity</td>
<td>201,221</td>
<td>- -</td>
</tr>
<tr>
<td>Volunteer engagement</td>
<td>31,385</td>
<td>43,649</td>
</tr>
<tr>
<td>QC resource link</td>
<td>3,570</td>
<td>57,944</td>
</tr>
<tr>
<td>Non-Profit excellence</td>
<td>11,338</td>
<td>8,738</td>
</tr>
</tbody>
</table>

Total net assets with donor restriction for operations | $3,590,386 | $4,461,276 |

<table>
<thead>
<tr>
<th>Purpose restriction:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board governance – training</td>
<td>$214,085</td>
<td>$195,147</td>
</tr>
<tr>
<td>Non-Profit excellence</td>
<td>91,718</td>
<td>89,776</td>
</tr>
<tr>
<td>Senior citizens</td>
<td>79,760</td>
<td>69,385</td>
</tr>
<tr>
<td>Imagination library</td>
<td>54,109</td>
<td>52,075</td>
</tr>
</tbody>
</table>

Total net assets with donor restriction for endowment | $439,672 | $406,383 |

-23-
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, 2019 and 2018 is as follows:

<table>
<thead>
<tr>
<th>Purpose restriction accomplished:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wish list</td>
<td>$ 5,820</td>
<td>$ 7,971</td>
</tr>
<tr>
<td>Volunteer income tax assistance (VITA)</td>
<td>37,470</td>
<td>44,494</td>
</tr>
<tr>
<td>Operation read</td>
<td>1,856</td>
<td>2,656</td>
</tr>
<tr>
<td>Community action plan</td>
<td></td>
<td>6,193</td>
</tr>
<tr>
<td>Education</td>
<td>39,644</td>
<td>126,258</td>
</tr>
<tr>
<td>Young Leaders United (Grow Learning)</td>
<td>4,866</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>52,872</td>
<td></td>
</tr>
<tr>
<td>Loaned executive sponsorships</td>
<td>4,361</td>
<td>4,316</td>
</tr>
<tr>
<td>Women United</td>
<td>372,734</td>
<td>341,668</td>
</tr>
<tr>
<td>Imagination library</td>
<td>86,164</td>
<td>141,074</td>
</tr>
<tr>
<td>Kindergarten skills inventory</td>
<td>1,480</td>
<td>3,200</td>
</tr>
<tr>
<td>2-1-1</td>
<td>59,768</td>
<td>60,300</td>
</tr>
<tr>
<td>QC resource link</td>
<td>57,944</td>
<td>59,877</td>
</tr>
<tr>
<td>Volunteer engagement</td>
<td>43,649</td>
<td>5,735</td>
</tr>
</tbody>
</table>

Purpose and time restrictions expired:

| Promises to give for future campaign                             | 2,033,363| 891,916|
| Promises to give current campaign                                | 3,354,200| 4,031,838|

Net assets released from restrictions: $6,156,191  $5,727,496

NOTE 15 – MORTGAGE PAYABLE

<table>
<thead>
<tr>
<th>Payable to</th>
<th>2019</th>
<th>2018</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>A financial institution</td>
<td>$ 390,930</td>
<td>$ 438,930</td>
<td>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 $894,748, as of June 30, 2019.</td>
</tr>
</tbody>
</table>

Total $390,930 $438,930

| Current portion       | $ 50,112 | $ 48,000 |
| Long-term portion     | 340,818  | 390,930  |

Total $390,930 $438,930
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – (Continued)

Maturities of debt are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$50,112</td>
</tr>
<tr>
<td>2020</td>
<td>52,406</td>
</tr>
<tr>
<td>2021</td>
<td>54,759</td>
</tr>
<tr>
<td>2022</td>
<td>57,218</td>
</tr>
<tr>
<td>2023</td>
<td>59,770</td>
</tr>
<tr>
<td>Thereafter</td>
<td>116,665</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$390,930</strong></td>
</tr>
</tbody>
</table>

NOTE 16 – IN-KIND REVENUE/EXPENSES

Recorded in the financial statements for June 30, 2019 and 2018, are the following in-kind categories:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue-in-kind</td>
<td>$451,182</td>
<td>$354,974</td>
</tr>
<tr>
<td>Functional expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>$131,530</td>
<td>$168,118</td>
</tr>
<tr>
<td>Fundraising</td>
<td>14,883</td>
<td>18,331</td>
</tr>
<tr>
<td>Administrative</td>
<td>304,769</td>
<td>168,525</td>
</tr>
<tr>
<td><strong>Total functional expenses</strong></td>
<td><strong>$451,182</strong></td>
<td><strong>$354,974</strong></td>
</tr>
</tbody>
</table>

NOTE 17 – ANNUAL CAMPAIGN

The 2018 (FY19) and 2017 (FY18) United Way Campaigns raised $6,976,100 and $7,217,629 and, respectively. These amounts are reduced by the provision for uncollectable contributions, and designations to arrive at the net annual campaign amounts of $4,219,582 and $5,991,580 for 2018 (FY19) and 2017 (FY18), 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.

Financial assets at year-end:
Cash and cash equivalents $ 2,025,555
Certificates of deposit 3,409,873
Investments 2,314,597
Unconditional promises to give 2,522,670
Other receivables 79,596

Total financial assets $10,352,291

Less amounts not available to be used within one year:
Net assets with donor restrictions $ 4,030,058
Long-term certificates of deposit 2,330,648
Long-term unconditional promises to give 27,113
Allocations payable 3,170,907
Designation payable 69,208

Total amounts not available to be used within one year $9,627,934

Financial assets available to meet general expenditures over the next twelve months $ 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:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$ 9,309</td>
</tr>
<tr>
<td>2021</td>
<td>9,309</td>
</tr>
<tr>
<td>2022</td>
<td>9,309</td>
</tr>
<tr>
<td>2023</td>
<td>9,309</td>
</tr>
<tr>
<td>2024</td>
<td>3,103</td>
</tr>
<tr>
<td>Total</td>
<td>$ 40,339</td>
</tr>
</tbody>
</table>

NOTE 20 – RECLASSIFICATIONS

Certain items in the prior year have been reclassified to conform to current year classifications. Such reclassifications had no effect on previously reported net income.

NOTE 21 – SUBSEQUENT EVENT

United Way of the Quad Cities evaluated its June 30, 2019 financial statements for subsequent events through October 7, 2019, 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.