

## Financial Highlights - 2015-2016

The Quad Cities Chamber of Commerce is proud to share financial information with our members. Fiscal year 2015-2016 was a busy year for us, with highlights such as the public launch of Q2030 (a regional vision plan that will increase talent, jobs and economic opportunity for all), securing a \$5.5 million Department of Defense grant in partnership with the University of Illinois to support the defense industry, the implementation of our Quad Cities Manufacturing Innovation Hub to strengthen the region's manufacturing sector, and a number of significant economic development wins.

With a talented staff, inspiring volunteers and dedicated public partners, we hope to continue to build momentum throughout the 2016-2017 fiscal year and unite the Quad Cities region around a shared goal of economic prosperity.

To better understand our financial documents, we've added explanations below.

As you will see on the current Form 990's for the Chamber and its related entities, the organization ended the fiscal year with a combined decrease in net assets of \$1.25 million. The Chamber's accounting records are kept on an accrual basis, which means that, at times, there may be changes in net assets that are not cash-related. The decrease in net assets during fiscal year ending June 30, 2016 is attributable to the following factors:

- \$450,000 non-cash adjustment related to a change in how dues/contribution income are recorded at the conclusion of the 1QC Investor campaign (2011-2015).
- \$250,000 cash investment by the Chamber to support the United Airlines flight from the QC Int'l Airport to Washington Dulles Int'l Airport from August, 2015 – June, 2016.
- \$250,000 related to a \$1.25m multi-year private sector grant that was awarded in June, 2015 to support the QC Regional Growth Initiative; whereby the entire amount of the grant was recorded as an increase in net assets in fiscal year 2015 (as required by GAAP), and thus, will create income fluctuations in future years as expenses related to the grant funds will be spread across a five year period.
- \$150,000 increase in reserve for dues allowance - a more conservative approach to recording member dues adopted by the Chamber.
- \$130,000 of depreciation expense not previously funded

Every year, Chamber staff, with the robust oversight of our Finance Committee and Chamber board, develops a budget based on anticipated funding from private and public sector investors, grants, programs and events, and our local economic development relationships. Based on these estimates we develop work plans and allocate funding to each of our core programs for the year that spans July 1 – June 30.

During the 2015-2016 fiscal year, 91% of our expenditures went to support our **core Chamber programs**: Economic Development, Community Development, Q2030, Member Services and our Downtown Programs.

- **Economic Development / Business Attraction** – Programs supporting business outreach, retention and expansion, and marketing of the region. Focus includes: marketing to companies within our target industries, conducting business connections visits, providing entrepreneurial and startup resources, offering market research databases, connecting businesses with the Critical Talent Network, Manufacturing Innovation Hub, and serving as a

key partner with the University of Illinois for implementation of the Department of Defense grant.

- **Community Development / Public Affairs** – Programs improving livability and supporting advocacy for pro-business policies and legislation. Includes efforts directed at attracting and retaining talent in the Quad Cities and supporting the Young Professionals network.
- **Q2030** – Implementation of the plan’s “Prosperous Economy” priorities as well as providing backbone operational support by organizing and coordinating work amongst community partners to ensure the overall initiative is moving forward.
- **Member Services** – Providing information and resources businesses need to grow and thrive – networking opportunities, business celebrations, promoting businesses and member referrals.
- **Downtowns** – Facilitating collaboration with downtown districts and local economic development organizations focused on strategic growth, beauty of place and creating vibrant and inclusive downtowns. Focus includes beautification grants, programs and festivals geared toward attracting and retaining in downtown areas.

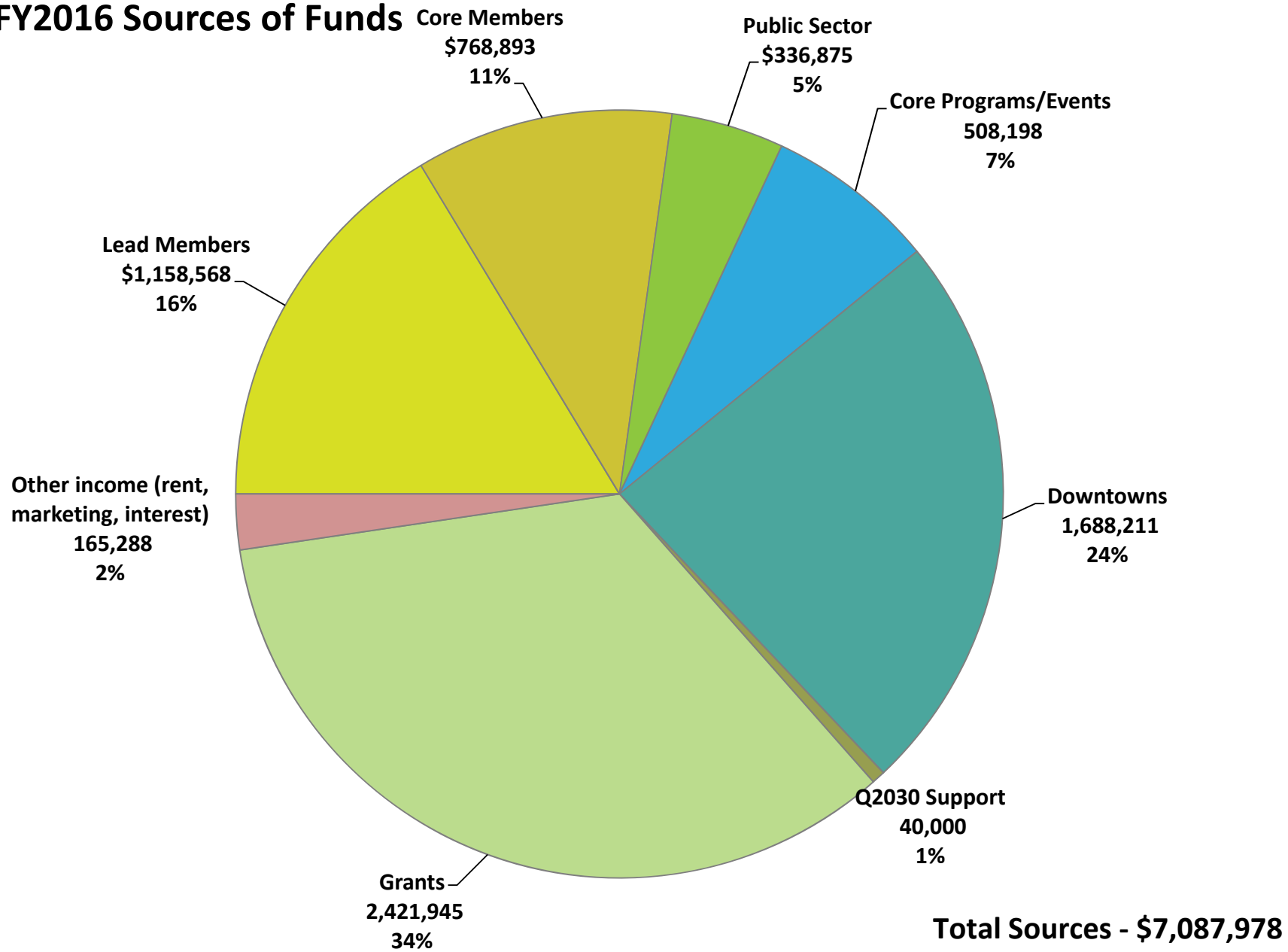
Funding for our core programs comes from the following primary sources:

- **Lead and Core Investors** – Our members are part of the largest business network in the region and represent the diversity of our region, ranging from start-up to Fortune 500. Members have access to tools that promote their business, develop their employees and build their network. The Chamber has a number of investment levels with varying associated benefits. For reporting purposes, members are grouped into two categories based on their annual investment – Core (up to \$5,000) and Lead (\$5,000+).
- **Grants** – Grants received by the Chamber are typically project based in nature. The following three grants are notable for discussion:
  - During fiscal year 2016, the Chamber partnered with the University of Illinois to be a sub-recipient of a two-year \$5 million grant from the Department of Defense Office of Economic Adjustment (OEA). The grant is meant to assist military-connected communities and will research the impact of the defense industry and support economic revitalization in Illinois and the bi-state Quad Cities region affected by reductions in federal military spending. The Chamber has budgeted for and provides an in-kind and cash match commitment towards the grant by allocating existing staff time as well as private sector grant funds.
  - In addition to the investment made by the Chamber, Grow Quad Cities Fund IL received federal and state monies to help fund the United Airlines D.C. Flight program to the extent United received less than the guaranteed minimum revenue. The agreement was terminated in June, 2016.
  - During fiscal year 2015, the Chamber was awarded a \$1.25m grant payable over five years supporting regional growth initiatives. For accounting purposes, multi-year grants must be recognized in income in the full amount in the year awarded and as such can cause fluctuations in year- to-year income comparisons. Therefore, the entire \$1.25m was recognized as an increase in net assets in the prior fiscal year, however for budget and work plan purposes, the fulfillment of the grant (\$250k every year until 2019) is matched to the term and payment stream of the grant.

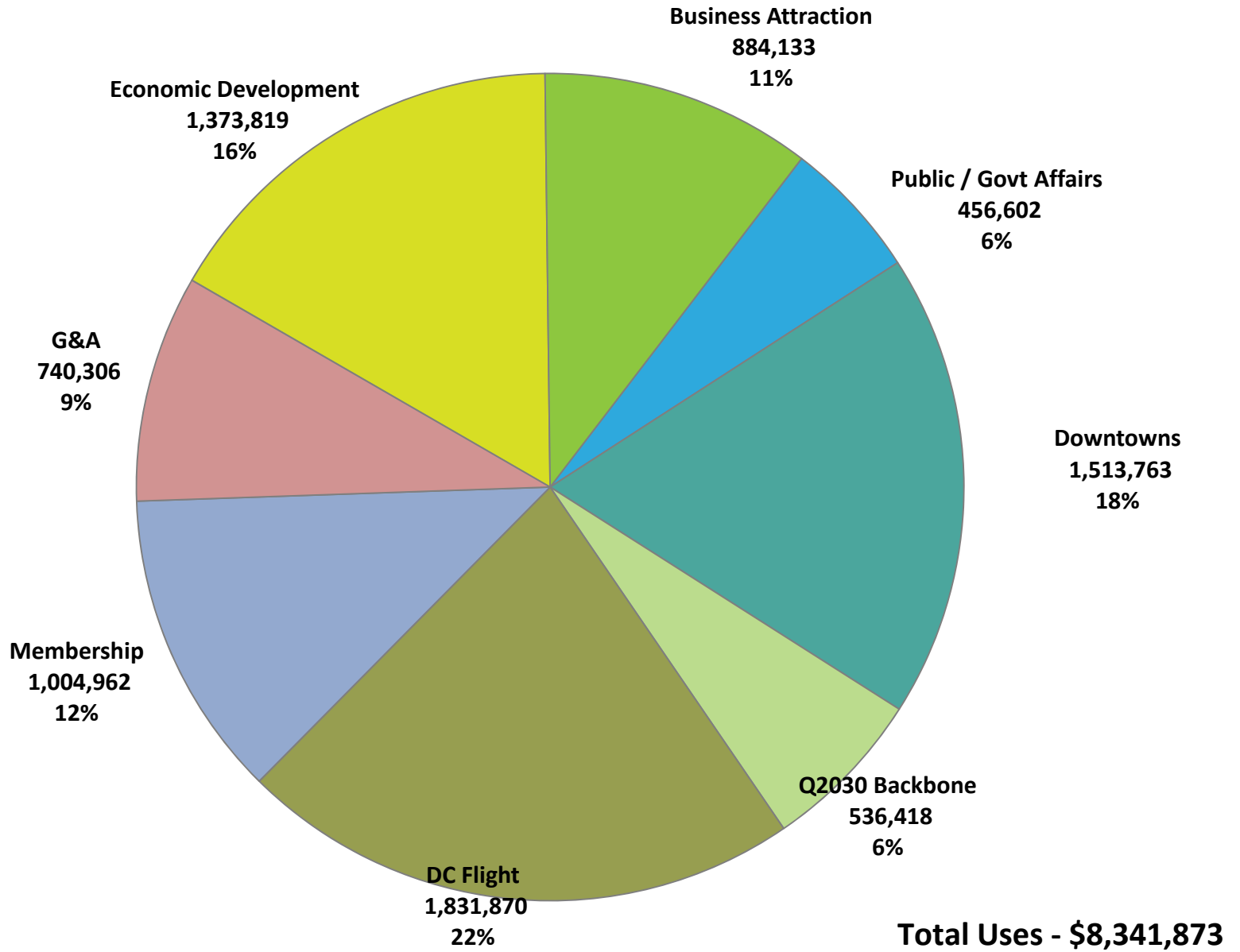
- **Programs / Events** – The Chamber hosts 70+ events annually, giving members the opportunity to network, stay informed on community issues and access professional development.
- **Downtowns** – In partnership with downtown districts and local economic development organizations throughout the region, the Chamber works to create vibrant central business districts. These efforts are funded through self-supporting municipal improvement districts (SSMID) and special service areas (SSAs). Underlying funding comes from an additional self-imposed tax initiated by property owners within these areas designated to fund improvements and provide for additional services and maintenance for the area.

**Again, thank you for another year of significant progress.** We appreciate the support of our members and partner organizations in making the Quad Cities the perfect place to live, work and grow.

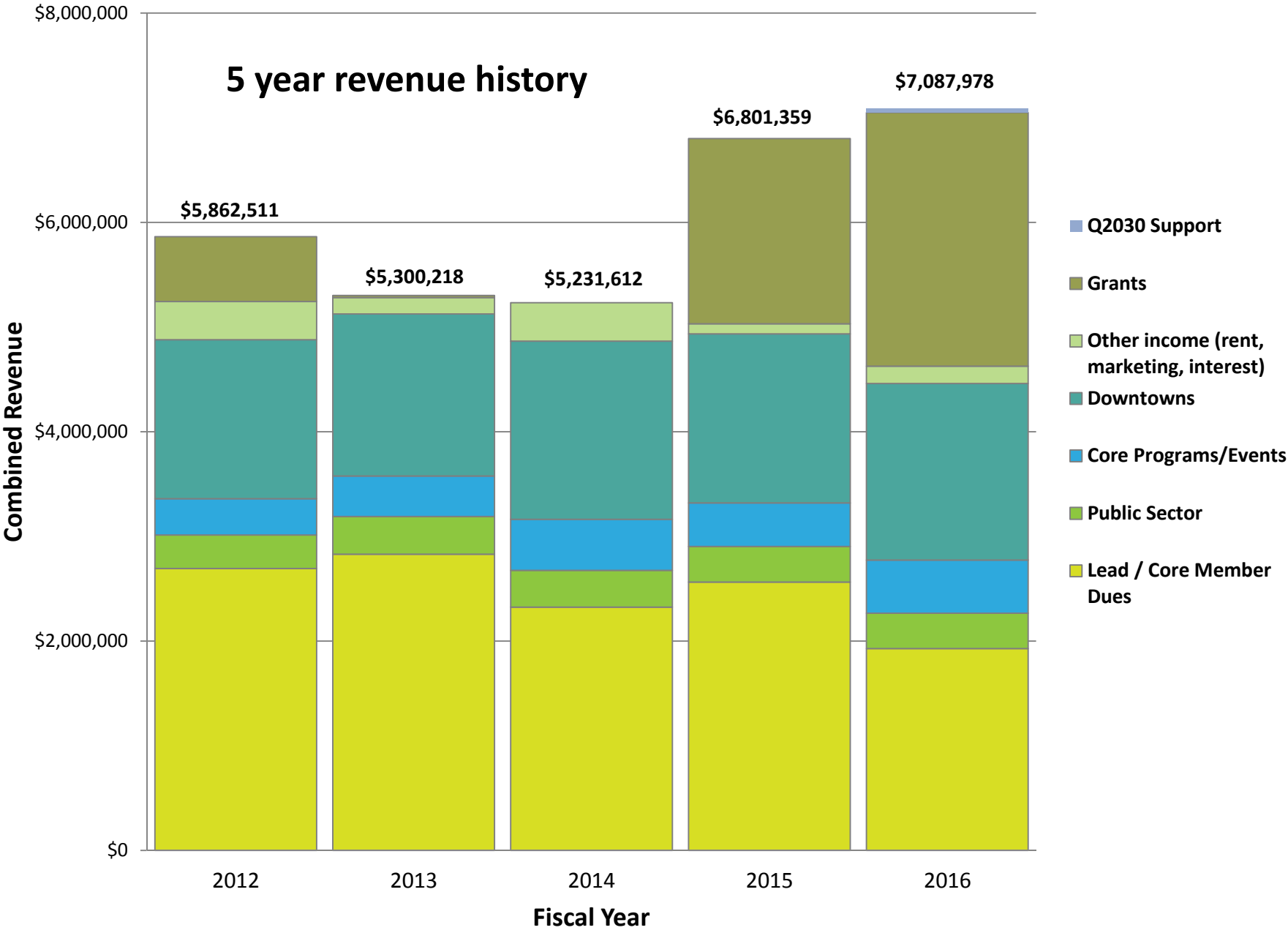
# FY2016 Sources of Funds



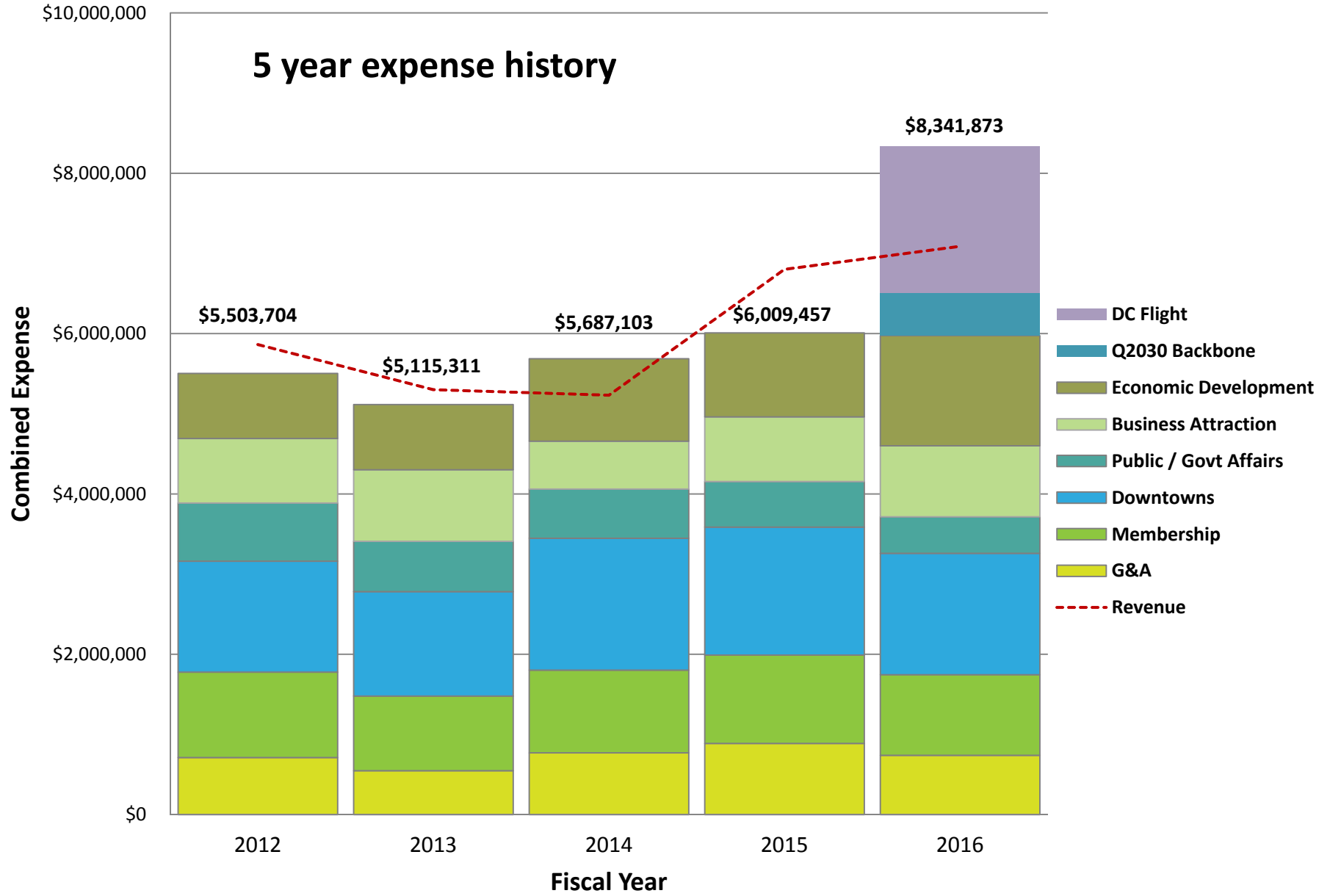
# FY2016 Uses of Funds



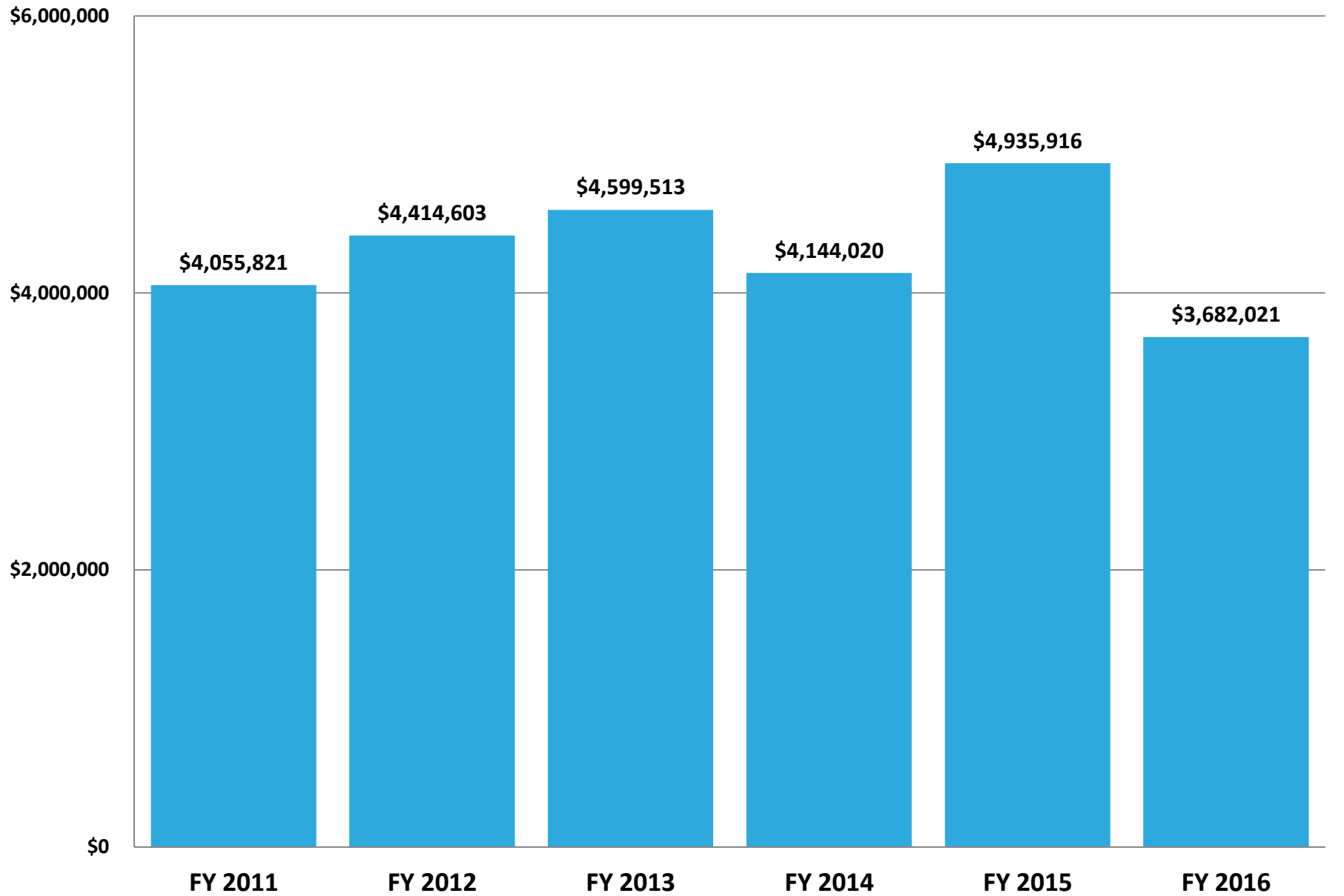
# 5 year revenue history



# 5 year expense history



## Combined Net Assets





**Quad Cities Chamber of Commerce**  
(and affiliate entities)

	Per Combined Audited Financial Statements		
	Revenue	Net Income (loss)	Net Assets
FY 2012	5,862,511	358,782	4,414,603
FY 2013	5,300,218	184,910	4,599,513
FY 2014	5,231,612	(455,493)	4,144,020
FY 2015	6,801,357	791,899	4,935,916
FY 2016	7,087,978	(1,253,895)	3,682,021

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**Change in Net Assets per Form 990 / Audit Report (by entity):**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Quad Cities Chamber	35,894	40,099	(974,685)	951,393	(979,812)
Grow QC Fund - IA	217,422	200,116	2,091,232	(184,690)	(135,557)
Grow QC Fund - IL	1,768	994	2,746	(1,337)	(144,516)
Quad Cities First	7,850	9,192	200,430	14,592	537
NewVentures Initiative	101,395	(66,896)	(1,781,115)	-	-
QC Foreign Trade Zone	(5,547)	1,405	5,899	11,941	5,453
	<b>358,782</b>	<b>184,910</b>	<b>(455,493)</b>	<b>791,899</b>	<b>(1,253,895)</b>