

**CONGRESS FOR THE
NEW URBANISM**

YEARS ENDED DECEMBER 31, 2009 AND 2008

CONGRESS FOR THE NEW URBANISM

YEARS ENDED DECEMBER 31, 2009 AND 2008

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Independent Auditors' Report

Board of Directors
Congress for the New Urbanism
Chicago, Illinois

*Independent Affiliate
of BKR International*

We have audited the accompanying statement of financial position of the Congress for the New Urbanism (CNU) as of December 31, 2009 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of CNU's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of CNU as of December 31, 2008, were audited by other auditors whose report dated August 7, 2009, expressed an unqualified opinion on those statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Congress for the New Urbanism as of December 31, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ostrow Reisin Berk & Abrams, Ltd.

May 25, 2010

CONGRESS FOR THE NEW URBANISM

STATEMENT OF FINANCIAL POSITION

December 31,	2009	2008
ASSETS		
Cash	\$ 151,954	\$ 217,645
Grants receivable	50,000	10,000
Deposits and other assets	26,227	10,712
Property and equipment, net	2,838	5,014
Total assets	\$ 231,019	\$ 243,371
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 38,666	\$ 37,039
Accrued expenses	2,077	1,921
Deferred rent	40,608	
Due to affiliates	21,501	27,559
Total liabilities	102,852	66,519
Net assets:		
Unrestricted	78,167	176,852
Temporarily restricted	50,000	
Total net assets	128,167	176,852
Total liabilities and net assets	\$ 231,019	\$ 243,371

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF ACTIVITIES

Years ended December 31,	2009			2008		
	Unrestricted	Temporarily		Unrestricted	Temporarily	
		Restricted	Restricted		Restricted	Restricted
	Total	Total	Total	Total	Total	Total
Revenue and support:						
Contributions and grants	\$ 384,371	\$ 50,000	\$ 434,371	\$ 307,611		\$ 307,611
Event fees	473,021		473,021	586,973		586,973
Membership dues	351,944		351,944	494,301		494,301
Government contracts	110,271		110,271	85,350		85,350
Program service fees	46,770		46,770	39,683		39,683
Interest income	1,777		1,777	14,587		14,587
Miscellaneous	33,310		33,310	24,305		24,305
Total revenue and support	1,401,464	50,000	1,451,464	1,552,810		1,552,810
Expenses:						
Program services	1,056,793		1,056,793	1,323,514		1,323,514
Management and general	443,356		443,356	509,480		509,480
Total expenses	1,500,149		1,500,149	1,832,994		1,832,994
Change in net assets	(98,685)	50,000	(48,685)	(280,184)		(280,184)
Net assets:						
Beginning of year	176,852		176,852	457,036		457,036
End of year	\$ 78,167	\$ 50,000	\$ 128,167	\$ 176,852		\$ 176,852

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF FUNCTIONAL EXPENSES

Years ended December 31,	2009		2008	
	Program services	Management and general	Program services	Management and general
	Total	Total	Total	Total
Salaries and wages	\$ 302,008	\$ 265,604	\$ 351,368	\$ 309,015
Payroll taxes and employee benefits	50,243	44,188	56,660	49,832
Bank and credit card fees	15,499	8,082	21,017	10,960
Books and publications	926	227	1,153	455
Contract services	177,293	21,777	242,762	29,819
Facilities and catering	188,099	916	236,893	1,153
Insurance	3,232	2,844	2,681	2,359
Membership publications	115,014		134,503	5,040
Miscellaneous	636	1,344	382	808
Occupancy	55,266	48,605	38,658	33,999
Postage and delivery	12,358	4,186	19,529	6,615
Printing and duplication	55,865	3,674	84,486	5,556
Professional fees		6,466		6,367
Public relations		2,637		
Supplies and equipment	17,931	15,770	33,927	29,837
Telephone	9,729	8,556	9,033	7,944
Travel and lodging	51,536	7,462	87,354	12,648
Total expenses before depreciation and amortization	1,055,635	442,338	1,321,112	507,367
Depreciation and amortization	1,158	1,018	2,402	2,113
Total expenses	\$ 1,056,793	\$ 443,356	\$ 1,323,514	\$ 509,480

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF CASH FLOWS

Years ended December 31,	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ (48,685)	\$ (280,184)
Adjustments to reconcile change in net assets to cash used in operating activities:		
Depreciation and amortization	2,176	4,515
(Increase) decrease in operating assets:		
Grants receivable	(40,000)	(10,000)
Other receivable		4,875
Deposits and other assets	(15,515)	11,096
Increase (decrease) in operating liabilities:		
Accounts payable	1,627	(7,966)
Accrued expenses	156	
Deferred rent	40,608	
Due to affiliates	(6,058)	(4,420)
Cash used in operating activities	(65,691)	(282,084)
Cash flows from investing activity:		
Purchases of property and equipment		(3,733)
Cash used in investing activity		(3,733)
Decrease in cash	(65,691)	(285,817)
Cash, beginning of year	217,645	503,462
Cash, end of year	\$ 151,954	\$ 217,645

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS

1. Organization and purpose

The Congress for the New Urbanism (CNU) is a Chicago-based not-for-profit organization that was founded in 1993.

CNU has a broad mission based on the conviction that our cities and towns can again be great places - vital, walkable, diverse communities that exist in greater harmony with nature. CNU advocates the restructuring of public policy and development practices to support the restoration of existing urban centers and towns within coherent metropolitan regions. CNU supports the reconfiguration of sprawling suburbs into communities of real neighborhoods and diverse districts, the conservation of natural environments and the preservation of our built legacy.

2. Summary of significant accounting policies

The significant accounting policies of CNU are summarized below:

Basis of accounting:

CNU's accounting records are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation:

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in Accounting Standards Codification (ASC). CNU reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted - Unrestricted net assets are available to finance the general operations of CNU. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of CNU, the environment in which it operates and the purposes specified in its articles of incorporation. Voluntary resolutions by the Board of Directors to designate a portion of CNU's unrestricted net assets for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the Board of Directors at any time, designated net assets are included under the caption "unrestricted net assets." Board-designated net assets include assets for future special projects over which the Board retains control and may, at its discretion, subsequently use for other purposes. There were no board-designated net assets at December 31, 2009 and 2008.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Basis of presentation: (continued)

Temporarily restricted - Temporarily restricted net assets represent those contributions for which the use by CNU has been limited by donors to a specific time period or purpose. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. CNU's policy is to record restricted donations for which the restrictions have been fulfilled in the same fiscal year as unrestricted revenue. There were \$50,000 and \$-0- of temporarily restricted net assets at December 31, 2009 and 2008, respectively. Temporarily restricted net assets at December 31, 2009 are temporarily restricted due to time.

Permanently restricted - Permanently restricted net assets (generally referred to as endowment funds) are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit CNU to use up all or a portion of the income or other economic benefits derived from the donated assets. CNU does not have any permanently restricted net assets at December 31, 2009 and 2008.

Grants receivable:

All grants receivable are due in less than one year. As of December 31, 2009 and 2008, there is no allowance for uncollectible accounts.

Property and equipment and related depreciation and amortization:

CNU capitalizes all acquisitions of property and equipment in excess of \$1,000. Property and equipment are stated at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Depreciation of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the useful life of the assets, whichever is shorter.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Income tax status:

CNU is exempt from the payment of income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. No provisions for income taxes have been made, as CNU does not have significant unrelated business income.

Functional allocation of expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications:

Certain amounts reported in the prior year have been reclassified in order to conform to the current year's presentation.

3. Cash

CNU maintains its cash in bank accounts which, at times, may exceed federally-insured limits. CNU has not experienced any losses in such accounts and management believes that CNU is not subject to any significant credit risk on cash.

4. Property and equipment

Property and equipment consists of the following:

December 31,	2009	2008
Office furniture	\$ 11,594	\$ 11,594
Equipment	39,024	39,024
Leasehold improvements	2,866	2,866
	53,484	53,484
Less accumulated depreciation and amortization	(50,646)	(48,470)
Property and equipment, net	\$ 2,838	\$ 5,014

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Bank line of credit

CNU has a line of credit with Chase Bank, which provides a maximum available credit of \$50,000. Outstanding advances under the line of credit bear interest at the lenders prime rate, with interest payable monthly. At December 31, 2009 and 2008, the entire balance remained available. The line is collateralized predominately by a certificate of deposit account.

6. Commitments

Office:

CNU leases its office space in Chicago, Illinois. The operating lease expires in 2016. Under the terms of this lease, CNU is obligated to pay minimum escalation rentals plus their proportionate share of certain operating expenses and real estate taxes. Generally accepted accounting principles (GAAP) require that the sum of the minimum lease payments be recognized on a ratable (straight-line) basis over the lease term. The difference between the minimum lease payment each year and the calculated straight-line amount is credited or charged to a deferred rental liability account. Future rent expense, deferral amounts and minimal rental payments are summarized as follows:

Year ending December 31:	Straight-line rent expense	Amortization of deferred rent	Minimum rental payments
2009 (Inception of lease)		\$ (40,608)	
2010	\$ 94,854	(683)	\$ 94,171
2011	94,854	1,672	96,526
2012	94,854	4,085	98,939
2013	94,854	6,559	101,413
2014	94,854	9,094	103,948
2015 and thereafter	150,186	19,881	170,067
Total	\$ 624,456	\$ -	\$ 665,064

Occupancy expense was \$103,871 and \$72,657 for the years ended December 31, 2009 and 2008, respectively.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Commitments (continued)

Equipment:

CNU rents certain office equipment under an operating lease. Future minimum payments are as follows:

Year ending December 31:	Amount
2010	\$ 5,846
2011	5,846
2012	5,846
2013	974
Total	\$ 18,512

Equipment rental expense was \$5,811 and \$10,598 for the years ended December 31, 2009 and 2008, respectively.

7. Defined-contribution plan

CNU has a defined-contribution plan (the Plan) covering all eligible employees who are at least 21 years of age. CNU makes a fully-vested safe harbor non-elective contribution to all eligible participants equal to 3% of the individual participant's compensation. Total Plan expense for the years ended December 31, 2009 and 2008 was \$16,363 and \$18,061, respectively.

8. Subsequent events

Management of CNU has reviewed and evaluated subsequent events from December 31, 2009, the financial statement date, through May 25, 2010, the date the financial statements were available to be issued. No events have occurred in this period that would be required to be recognized and/or disclosed in these financial statements as required by generally accepted accounting principles.