

**CONGRESS FOR THE  
NEW URBANISM**

YEARS ENDED DECEMBER 31, 2010 AND 2009

# **CONGRESS FOR THE NEW URBANISM**

YEARS ENDED DECEMBER 31, 2010 AND 2009

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## Independent Auditors' Report

Board of Directors  
Congress for the New Urbanism  
Chicago, Illinois

We have audited the accompanying statement of financial position of Congress for the New Urbanism (CNU) as of December 31, 2010 and 2009 and the related statements of activities, functional expenses and cash flows for the years 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 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 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 audits provide 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 Congress for the New Urbanism as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Ostrow Reisin Berk & Abrams LLP*

June 27, 2011

# CONGRESS FOR THE NEW URBANISM

## STATEMENT OF FINANCIAL POSITION

December 31,	2010	2009
<b>ASSETS</b>		
Cash	\$ 75,441	\$ 151,954
Grants receivable	40,000	50,000
Deposits and other assets	29,463	26,227
Property and equipment, net	1,350	2,838
<b>Total assets</b>	<b>\$ 146,254</b>	<b>\$ 231,019</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 44,945	\$ 38,666
Accrued expenses	2,907	2,077
Deferred rent	41,291	40,608
Due to affiliates	22,329	21,501
<b>Total liabilities</b>	<b>111,472</b>	<b>102,852</b>
<b>Net assets:</b>		
Unrestricted	34,782	78,167
Temporarily restricted		50,000
<b>Total net assets</b>	<b>34,782</b>	<b>128,167</b>
<b>Total liabilities and net assets</b>	<b>\$ 146,254</b>	<b>\$ 231,019</b>

*See notes to financial statements.*

**CONGRESS FOR THE NEW URBANISM**

STATEMENT OF ACTIVITIES

Years ended December 31,	2010			2009		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 433,864		\$ 433,864	\$ 384,371	\$ 50,000	\$ 434,371
Event fees	494,070		494,070	473,021		473,021
Membership dues	338,722		338,722	351,944		351,944
Government contracts	128,994		128,994	110,271		110,271
Program service fees	44,576		44,576	46,770		46,770
Interest income	788		788	1,777		1,777
Miscellaneous	35,991		35,991	33,310		33,310
Net assets released from restrictions	50,000	\$ (50,000)				
<b>Total revenue and support</b>	<b>1,527,005</b>	<b>(50,000)</b>	<b>1,477,005</b>	<b>1,401,464</b>	<b>50,000</b>	<b>1,451,464</b>
Expenses:						
Program services	1,126,450		1,126,450	1,056,793		1,056,793
Management and general	443,940		443,940	443,356		443,356
<b>Total expenses</b>	<b>1,570,390</b>		<b>1,570,390</b>	<b>1,500,149</b>		<b>1,500,149</b>
Change in net assets	(43,385)	(50,000)	(93,385)	(98,685)	50,000	(48,685)
Net assets:						
Beginning of year	78,167	50,000	128,167	176,852		176,852
End of year	\$ 34,782	\$ -	\$ 34,782	\$ 78,167	\$ 50,000	\$ 128,167

*See notes to financial statements.*

**CONGRESS FOR THE NEW URBANISM**

STATEMENT OF FUNCTIONAL EXPENSES

Years ended December 31,	2010			2009		
	Program services	Management and general	Total	Program services	Management and general	Total
Salaries and wages	\$ 312,668	\$ 306,938	\$ 619,606	\$ 302,008	\$ 265,604	\$ 567,612
Payroll taxes and employee benefits	49,472	51,256	100,728	50,243	44,188	94,431
Bank and credit card fees	6,714	2,878	9,592	15,499	8,082	23,581
Books and publications	389	9	398	926	227	1,153
Contract services	195,628	22,147	217,775	177,293	21,777	199,070
Facilities and catering	246,401	120	246,521	188,099	916	189,015
Insurance	3,723	2,279	6,002	3,232	2,844	6,076
Membership publications	95,481		95,481	115,014		115,014
Miscellaneous	3,035	309	3,344	636	1,344	1,980
Occupancy	63,601	36,571	100,172	55,266	48,605	103,871
Postage and delivery	14,658	669	15,327	12,358	4,186	16,544
Printing and duplication	32,565	204	32,769	55,865	3,674	59,539
Professional fees	5,859	3,586	9,445		6,466	6,466
Public relations	12,157		12,157		2,637	2,637
Supplies and equipment	11,365	6,206	17,571	17,931	15,770	33,701
Telephone	9,792	5,177	14,969	9,729	8,556	18,285
Travel and lodging	62,019	5,026	67,045	51,536	7,462	58,998
Total expenses before depreciation and amortization	1,125,527	443,375	1,568,902	1,055,635	442,338	1,497,973
Depreciation and amortization	923	565	1,488	1,158	1,018	2,176
Total expenses	\$ 1,126,450	\$ 443,940	\$ 1,570,390	\$ 1,056,793	\$ 443,356	\$ 1,500,149

*See notes to financial statements.*

# CONGRESS FOR THE NEW URBANISM

## STATEMENT OF CASH FLOWS

Years ended December 31,	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ (93,385)	\$ (48,685)
Adjustments to reconcile change in net assets to cash used in operating activities:		
Depreciation and amortization	1,488	2,176
(Increase) decrease in operating assets:		
Grants receivable	10,000	(40,000)
Deposits and other assets	(3,236)	(15,515)
Increase (decrease) in operating liabilities:		
Accounts payable	6,279	1,627
Accrued expenses	830	156
Deferred rent	683	40,608
Due to affiliates	828	(6,058)
Cash used in operating activities	(76,513)	(65,691)
Decrease in cash	(76,513)	(65,691)
Cash, beginning of year	151,954	217,645
Cash, end of year	\$ 75,441	\$ 151,954

See notes to financial statements.

# CONGRESS FOR THE NEW URBANISM

## NOTES TO FINANCIAL STATEMENTS

### 1. Organization and purpose

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) Accounting Standards Codification (the Codification) for *Financial Statements of Not-For-Profit Organizations*. Under the Codification, CNU reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

**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, 2010 and 2009.

# 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 \$-0- and \$50,000 of temporarily restricted net assets at December 31, 2010 and 2009, 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, 2010 and 2009.

#### Grants receivable:

All grants receivable are due in less than one year. As of December 31, 2010 and 2009, 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 lives 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.

### 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. 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,	2010	2009
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	(52,134)	(50,646)
Property and equipment, net	\$ 1,350	\$ 2,838

# 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 lender's prime rate, with interest payable monthly. At December 31, 2010 and 2009, 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. The sum of the minimum lease payments must be recognized on a ratable (straight-line) basis over the lease term as required by generally accepted accounting principles. 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
Deferred rent		\$ (41,291)	
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	94,854	11,693	106,547
2016	55,332	8,188	63,520
Total	\$ 529,602	\$ -	\$ 570,893

Occupancy expense was \$100,172 and \$103,871 for the years ended December 31, 2010 and 2009, 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
2011	\$ 5,172
2012	5,172
2013	5,172
2014	5,172
2015	3,448
Total	\$ 24,136

Equipment rental expense was \$6,018 and \$5,811 for the years ended December 31, 2010 and 2009, 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 subject to statutory limitations. Total Plan expense for the years ended December 31, 2010 and 2009 was \$17,106 and \$16,363, respectively.

### 8. Subsequent events

Management of CNU has reviewed and evaluated subsequent events from December 31, 2010, the financial statement date, through June 27, 2011, 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.