

**CONGRESS FOR THE
NEW URBANISM**

YEARS ENDED DECEMBER 31, 2012 AND 2011

CONGRESS FOR THE NEW URBANISM

YEARS ENDED DECEMBER 31, 2012 AND 2011

CONTENTS

	Page
Independent auditor's report	1-2
Financial statements:	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7-12

Independent Auditor's Report

Board of Directors
Congress for the New Urbanism
Chicago, Illinois

We have audited the accompanying financial statements of Congress for the New Urbanism (CNU), which comprise the statement of financial position as of December 31, 2012 and 2011 and the related statements of activities, 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

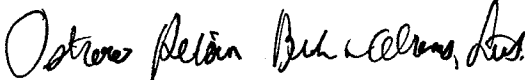
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Congress for the New Urbanism as of December 31, 2012 and 2011 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.

A handwritten signature in cursive script, appearing to read "Ostrom Peterson".

November 11, 2013

CONGRESS FOR THE NEW URBANISM

STATEMENT OF FINANCIAL POSITION

December 31,	2012	2011
ASSETS		
Cash	\$ 51,038	\$ 91,271
Grants receivable	82,063	66,000
Deposits and other assets	24,537	26,183
Property and equipment, net	3,548	6,207
Total assets	\$ 161,186	\$ 189,661
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 27,767	\$ 54,860
Accrued expenses	2,702	2,017
Deferred rent	35,395	39,480
Due to affiliates	17,433	16,827
Total liabilities	83,297	113,184
Net assets (deficit):		
Unrestricted	(45,389)	(91,169)
Temporarily restricted	123,278	167,646
Total net assets	77,889	76,477
Total liabilities and net assets	\$ 161,186	\$ 189,661

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF ACTIVITIES

Years ended December 31,	2012			2011		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 320,930	\$ 123,278	\$ 444,208	\$ 537,164	\$ 167,646	\$ 704,810
Event fees	387,025		387,025	360,002		360,002
Membership dues	339,768		339,768	289,848		289,848
Government contracts				5,764		5,764
Program service fees	74,459		74,459	41,002		41,002
Interest income	168		168	410		410
Miscellaneous	50,560		50,560	28,548		28,548
Net assets released from restrictions	167,646	(167,646)				
Total revenue and support	1,340,556	(44,368)	1,296,188	1,262,738	167,646	1,430,384
Expenses:						
Program services	923,973		923,973	1,014,972		1,014,972
Management and general	370,803		370,803	373,717		373,717
Total expenses	1,294,776		1,294,776	1,388,689		1,388,689
Change in net assets	45,780	(44,368)	1,412	(125,951)	167,646	41,695
Net assets (deficit):						
Beginning of year	(91,169)	167,646	76,477	34,782		34,782
End of year	\$ (45,389)	\$ 123,278	\$ 77,889	\$ (91,169)	\$ 167,646	\$ 76,477

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF FUNCTIONAL EXPENSES

Years ended December 31,	2012			2011		
	Program services	Management and general	Total	Program services	Management and general	Total
Salaries and wages	\$ 309,302	\$ 236,720	\$ 546,022	\$ 350,345	\$ 255,799	\$ 606,144
Payroll taxes and employee benefits	70,604	34,612	105,216	65,940	48,713	114,653
Bank and credit card fees	14,052	12,172	26,224	12,190	7,461	19,651
Books and publications	2,556	250	2,806	87	30	117
Contract services	155,122	1,813	156,935	196,515	2,429	198,944
Facilities and catering	128,830	3,647	132,477	110,229	226	110,455
Insurance	3,055	2,646	5,701	3,230	1,977	5,207
Membership publications	54,999	918	55,917	69,169		69,169
Miscellaneous	8,943	427	9,370	8,964	235	9,199
Occupancy	55,778	44,418	100,196	66,432	37,997	104,429
Postage and delivery	5,610	4,077	9,687	6,296	738	7,034
Printing and duplication	30,201	9,559	39,760	33,709	3,227	36,936
Professional fees	5,412	4,688	10,100	6,079	3,721	9,800
Public relations	9,299		9,299	7,813	11	7,824
Supplies and equipment	6,832	5,259	12,091	9,417	4,746	14,163
Telephone	12,728	6,620	19,348	10,879	5,042	15,921
Travel and lodging	49,225	1,743	50,968	56,319	535	56,854
Total expenses before depreciation and amortization	922,548	369,569	1,292,117	1,013,613	372,887	1,386,500
Depreciation and amortization	1,425	1,234	2,659	1,359	830	2,189
Total expenses	\$ 923,973	\$ 370,803	\$ 1,294,776	\$ 1,014,972	\$ 373,717	\$ 1,388,689

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF CASH FLOWS

Years ended December 31,	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 1,412	\$ 41,695
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	2,659	2,189
(Increase) decrease in operating assets:		
Grants receivable	(16,063)	(26,000)
Deposits and other assets	1,646	3,280
Increase (decrease) in operating liabilities:		
Accounts payable	(27,093)	9,915
Accrued expenses	685	(890)
Deferred rent	(4,085)	(1,811)
Due to affiliates	606	(5,502)
Cash provided by (used in) operating activities	(40,233)	22,876
Cash flows from investing activity:		
Acquisition of property and equipment		(7,046)
Cash used in investing activity		(7,046)
Increase (decrease) in cash	(40,233)	15,830
Cash, beginning of year	91,271	75,441
Cash, end of year	\$ 51,038	\$ 91,271

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.

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 \$123,278 and \$167,646 of temporarily restricted net assets at December 31, 2012 and 2011, respectively. Temporarily restricted net assets at December 31, 2012 consist of \$123,278 that is restricted for specific grant purposes of the Highways to Boulevards initiative, Live Work Walk initiative and Designing Walkable Urban Thoroughfares. Temporarily restricted net assets at December 31, 2011 consist of \$66,000 temporarily restricted due to time and \$101,646 that are restricted for specific grant purposes of the Highways to Boulevards initiative.

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, 2012 and 2011.

Grants receivable:

All grants receivable are due in less than one year. As of December 31, 2012 and 2011, 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.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

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.

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 in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

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.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Property and equipment

Property and equipment consists of the following:

December 31,	2012	2011
Office furniture	\$ 11,594	\$ 11,594
Equipment	46,070	46,070
Leasehold improvements	2,866	2,866
	60,530	60,530
Less accumulated depreciation and amortization	(56,982)	(54,323)
Property and equipment, net	\$ 3,548	\$ 6,207

5. 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 its 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		\$ (35,395)	
2013	\$ 94,854	6,559	\$ 101,413
2014	94,854	9,094	103,948
2015	94,854	11,693	106,547
2016	55,332	8,049	63,381
Total	\$ 339,894	\$ -	\$ 375,289

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Commitments (continued)

Office: (continued)

Occupancy expense was \$100,196 and \$104,429 for the years ended December 31, 2012 and 2011, respectively.

Equipment:

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

<u>Year ending December 31:</u>	<u>Amount</u>
2013	\$ 5,172
2014	5,172
2015	3,448
<u>Total</u>	<u>\$ 13,792</u>

Equipment rental expense was \$5,945 and \$6,051 for the years ended December 31, 2012 and 2011, respectively.

6. 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, 2012 and 2011 was \$15,322 and \$16,636, respectively.

7. Due to affiliates

At times, CNU receives contributions on behalf of affiliated chapters. Amounts not yet remitted to the chapters totaling \$17,433 and \$16,827 as of December 31, 2012 and 2011, respectively, are reflected in due to affiliates.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Subsequent events

Management of CNU has reviewed and evaluated subsequent events from December 31, 2012, the financial statement date, through November 11, 2013, 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.