

**CONGRESS FOR THE
NEW URBANISM**

YEARS ENDED DECEMBER 31, 2014 AND 2013

CONGRESS FOR THE NEW URBANISM

YEARS ENDED DECEMBER 31, 2014 AND 2013

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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, 2014 and 2013 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, 2014 and 2013 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.

Ostrow Reisin Berk & Abrams, Ltd.

October 8, 2015

CONGRESS FOR THE NEW URBANISM

STATEMENT OF FINANCIAL POSITION

December 31,	2014	2013
ASSETS		
Cash	\$ 255,090	\$ 101,373
Grants receivable	74,350	52,500
Deposits and other assets	16,251	23,968
Property and equipment, net	5,404	3,551
Total assets	\$ 351,095	\$ 181,392
LIABILITIES AND NET ASSETS (DEFICIT)		
Liabilities:		
Accounts payable	\$ 23,163	\$ 30,475
Accrued expenses	1,199	1,352
Deferred rent	19,881	28,843
Deferred revenue	155,768	139,673
Due to affiliates	16,801	20,275
Total liabilities	216,812	220,618
Net assets (deficit):		
Unrestricted	(102,552)	(295,658)
Temporarily restricted	236,835	256,432
Total net assets (deficit)	134,283	(39,226)
Total liabilities and net assets (deficit)	\$ 351,095	\$ 181,392

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF ACTIVITIES

Years ended December 31,	2014			2013		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 559,946	\$ 94,350	\$ 654,296	\$ 337,777	\$ 260,000	\$ 597,777
Event fees	397,525		397,525	349,600		349,600
Membership dues	313,192		313,192	322,204		322,204
Program service fees	53,217		53,217	47,287		47,287
Interest income	5		5	69		69
Contributed services and goods	2,762		2,762	52,397		52,397
Miscellaneous	30,835		30,835	21,128		21,128
Net assets released from restrictions	113,947	(113,947)		126,846	(126,846)	
Total revenue and support	1,471,429	(19,597)	1,451,832	1,257,308	133,154	1,390,462
Expenses:						
Program services	878,650		878,650	941,558		941,558
Management and general	399,673		399,673	422,006		422,006
Total expenses	1,278,323		1,278,323	1,363,564		1,363,564
Change in net assets	193,106	(19,597)	173,509	(106,256)	133,154	26,898
Net assets (deficit):						
Beginning of year	(295,658)	256,432	(39,226)	(189,402)	123,278	(66,124)
End of year	\$ (102,552)	\$ 236,835	\$ 134,283	\$ (295,658)	\$ 256,432	\$ (39,226)

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF FUNCTIONAL EXPENSES

Years ended December 31,	2014			2013		
	Program services	Management and general	Total	Program services	Management and general	Total
Salaries and wages	\$ 199,973	\$ 270,432	\$ 470,405	\$ 273,855	\$ 249,121	\$ 522,976
Payroll taxes and employee benefits	60,346	24,559	84,905	34,831	49,723	84,554
Bank and credit card fees	22,438	1,594	24,032	10,169	12,171	22,340
Books and publications	9,232	86	9,318	5,775	18	5,793
Contract services	209,865	15,530	225,395	188,840	11,719	200,559
Facilities and catering	172,744		172,744	197,898	561	198,459
Insurance	2,775	3,105	5,880	3,278	3,958	7,236
Membership publications	39,996		39,996	36,663	3,333	39,996
Miscellaneous	3,708	232	3,940	28,192	1,317	29,509
Occupancy	46,064	51,532	97,596	46,724	53,698	100,422
Postage and delivery	6,029	1,427	7,456	2,255	3,689	5,944
Printing and duplication	17,913	4,419	22,332	24,176	7,123	31,299
Professional fees	5,863	6,559	12,422	4,775	5,765	10,540
Public relations	2,882	84	2,966	6,759		6,759
Supplies and equipment	10,404	7,054	17,458	11,690	7,857	19,547
Telephone	8,272	5,789	14,061	16,512	7,095	23,607
Travel and lodging	59,089	6,089	65,178	48,305	3,819	52,124
Total expenses before depreciation and amortization	877,593	398,491	1,276,084	940,697	420,967	1,361,664
Depreciation and amortization	1,057	1,182	2,239	861	1,039	1,900
Total expenses	\$ 878,650	\$ 399,673	\$ 1,278,323	\$ 941,558	\$ 422,006	\$ 1,363,564

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENT OF CASH FLOWS

Years ended December 31,	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 173,509	\$ 26,898
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	2,239	1,900
(Increase) decrease in operating assets:		
Grants receivable	(21,850)	29,563
Deposits and other assets	7,717	569
Increase (decrease) in operating liabilities:		
Accounts payable	(7,312)	2,708
Accrued expenses	(153)	(1,350)
Deferred rent	(8,962)	(6,552)
Deferred revenue	16,095	(4,340)
Due to affiliates	(3,474)	2,842
Cash provided by operating activities	157,809	52,238
Cash flows from investing activity:		
Acquisition of property and equipment	(4,092)	(1,903)
Cash used in investing activity	(4,092)	(1,903)
Increase in cash	153,717	50,335
Cash, beginning of year	101,373	51,038
Cash, end of year	\$ 255,090	\$ 101,373

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. Temporarily restricted net assets as of December 31, 2014 and 2013 are available for the following purpose restrictions:

December 31,	2014	2013
Purpose-restricted funds:		
Live Work Walk Initiative	\$ 53,332	\$ 80,595
Highways to Boulevards Initiative	79,741	136,299
Designing Walkable Urban Thoroughfares	12,308	39,538
Chicago Pilot Project	70,000	
Freeway-Free San Francisco Initiative	7,104	
Other miscellaneous projects	14,350	
Total temporarily restricted net assets	\$ 236,835	\$ 256,432

During the years ended December 31, 2014 and 2013, net assets were released from donor restrictions by incurring expenses satisfying the following purpose restrictions specified by the donors:

Years ended December 31,	2014	2013
Purpose-restricted funds:		
Live Work Walk Initiative	\$ 27,263	\$ 17,099
Highways to Boulevards Initiative	56,558	42,228
Designing Walkable Urban Thoroughfares	27,230	67,519
Freeway-Free San Francisco Initiative	2,896	
Total net assets released from restrictions	\$ 113,947	\$ 126,846

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

Basis of presentation: (continued)

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, 2014 and 2013.

Grants receivable:

All grants receivable are due in less than one year. As of December 31, 2014 and 2013, all amounts are expected to be fully collected.

Property and equipment and related depreciation and amortization:

CNU capitalizes all acquisitions of property and equipment in excess of \$1,000. Purchased 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.

Amortization 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.

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.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

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.

Contributed goods and services:

Financial statement presentation follows the recommendations of the Codification for *Accounting for Contributions Received and Contributions Made*, which requires CNU to recognize as revenue the fair value of contributed (donated) goods and services. During the years ended December 31, 2014 and 2013, CNU received contributions of specialized services totaling \$-0- and \$49,897, respectively. They also received contributions of goods for the years ended December 31, 2014 and 2013 totaling \$2,762 and \$2,500, respectively.

Deferred revenue:

Amounts collected for membership dues are credited directly to deferred revenue in the statement of financial position. Membership dues are recognized as revenue in the applicable membership period in the statement of activities. Deferred revenue represents unearned membership dues at year-end.

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. There was \$30,908 and \$-0- cash in excess of federally-insured limits at December 31, 2014 and 2013, respectively.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Property and equipment

Property and equipment consists of the following:

December 31,	2014	2013
Office furniture	\$ 11,594	\$ 11,594
Equipment	52,065	47,973
Leasehold improvements	2,866	2,866
	66,525	62,433
Less accumulated depreciation and amortization	(61,121)	(58,882)
Property and equipment, net	\$ 5,404	\$ 3,551

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 rent 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		\$ (19,881)	
2015	\$ 94,854	11,693	\$ 106,547
2016	55,332	8,188	63,520
Total	\$ 150,186	\$ -	\$ 170,067

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Commitments (continued)

Office: (continued)

Occupancy expense was \$97,596 and \$100,422 for the years ended December 31, 2014 and 2013, respectively.

Equipment:

CNU rents certain office equipment under an operating lease that expires in 2015. Future minimum payments in 2015 are \$3,448.

Equipment rental expense was \$8,245 and \$5,691 for the years ended December 31, 2014 and 2013, 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, 2014 and 2013 was \$9,992 and \$13,412, respectively.

7. Due to affiliates

At times, CNU receives contributions on behalf of affiliated chapters. Amounts not yet remitted to the chapters totaling \$16,801 and \$20,275 as of December 31, 2014 and 2013, respectively, are reflected in due to affiliates.

8. Subsequent events

Management of CNU has reviewed and evaluated subsequent events from December 31, 2014, the financial statement date, through October 8, 2015, 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.