

**CONGRESS FOR THE  
NEW URBANISM**

YEARS ENDED DECEMBER 31, 2015 AND 2014

# **CONGRESS FOR THE NEW URBANISM**

YEARS ENDED DECEMBER 31, 2015 AND 2014

## CONTENTS

	Page
<b>Independent auditor's report</b>	1-2
<b>Financial statements:</b>	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7-13

## **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, 2015 and 2014 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, 2015 and 2014 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.*

June 20, 2016

# CONGRESS FOR THE NEW URBANISM

## STATEMENT OF FINANCIAL POSITION

December 31,	2015	2014
<b>ASSETS</b>		
Cash	\$ 96,124	\$ 255,090
Grants receivable	104,970	74,350
Deposits and other assets	132,695	16,251
Property and equipment, net	2,917	5,404
<b>Total assets</b>	<b>\$ 336,706</b>	<b>\$ 351,095</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 48,832	\$ 23,163
Accrued expenses	4,393	1,199
Deferred rent	8,189	19,881
Deferred revenue	130,434	155,768
Due to affiliates	12,402	16,801
<b>Total liabilities</b>	<b>204,250</b>	<b>216,812</b>
<b>Net assets (deficit):</b>		
Unrestricted	(84,594)	(102,552)
Temporarily restricted	217,050	236,835
<b>Total net assets</b>	<b>132,456</b>	<b>134,283</b>
<b>Total liabilities and net assets</b>	<b>\$ 336,706</b>	<b>\$ 351,095</b>

*See notes to financial statements.*

**CONGRESS FOR THE NEW URBANISM**

STATEMENT OF ACTIVITIES

Years ended December 31,	2015			2014		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 377,672	\$ 151,470	\$ 529,142	\$ 559,946	\$ 94,350	\$ 654,296
Event fees	308,187		308,187	397,525		397,525
Membership dues	322,890		322,890	313,192		313,192
Program service fees	38,644		38,644	53,217		53,217
Interest income	12		12	5		5
Contributed services and goods	32,025		32,025	2,762		2,762
Miscellaneous	40,296		40,296	30,835		30,835
Net assets released from restrictions	171,255	(171,255)		113,947	(113,947)	
<b>Total revenue and support</b>	<b>1,290,981</b>	<b>(19,785)</b>	<b>1,271,196</b>	<b>1,471,429</b>	<b>(19,597)</b>	<b>1,451,832</b>
Expenses:						
Program services	1,088,875		1,088,875	878,650		878,650
Management and general	184,148		184,148	399,673		399,673
<b>Total expenses</b>	<b>1,273,023</b>		<b>1,273,023</b>	<b>1,278,323</b>		<b>1,278,323</b>
Change in net assets	17,958	(19,785)	(1,827)	193,106	(19,597)	173,509
Net assets (deficit):						
Beginning of year	(102,552)	236,835	134,283	(295,658)	256,432	(39,226)
End of year	\$ (84,594)	\$ 217,050	\$ 132,456	\$ (102,552)	\$ 236,835	\$ 134,283

*See notes to financial statements.*

**CONGRESS FOR THE NEW URBANISM**

**STATEMENT OF FUNCTIONAL EXPENSES**

Years ended December 31,	2015			2014		
	Program services	Management and general	Total	Program services	Management and general	Total
Salaries and wages	\$ 303,890	\$ 114,591	\$ 418,481	\$ 199,973	\$ 270,432	\$ 470,405
Payroll taxes and employee benefits	56,461	21,290	77,751	60,346	24,559	84,905
Bank and credit card fees	10,271	3,873	14,144	22,438	1,594	24,032
Books and publications	410		410	9,232	86	9,318
Contract services	322,155		322,155	209,865	15,530	225,395
Facilities and catering	176,685		176,685	172,744		172,744
Insurance	3,180	1,199	4,379	2,775	3,105	5,880
Membership publications				39,996		39,996
Miscellaneous	232	87	319	3,708	232	3,940
Occupancy	73,766	27,816	101,582	46,064	51,532	97,596
Postage and delivery	5,311	514	5,825	6,029	1,427	7,456
Printing and duplication	26,617	122	26,739	17,913	4,419	22,332
Professional fees	12,352	3,090	15,442	5,863	6,559	12,422
Public relations	1,145	9	1,154	2,882	84	2,966
Supplies and equipment	9,277	3,015	12,292	10,404	7,054	17,458
Telephone	13,675	4,031	17,706	8,272	5,789	14,061
Travel and lodging	70,961	4,511	75,472	59,089	6,089	65,178
Total expenses before depreciation and amortization	1,086,388	184,148	1,270,536	877,593	398,491	1,276,084
Depreciation and amortization	2,487		2,487	1,057	1,182	2,239
Total expenses	\$ 1,088,875	\$ 184,148	\$ 1,273,023	\$ 878,650	\$ 399,673	\$ 1,278,323

*See notes to financial statements.*

# CONGRESS FOR THE NEW URBANISM

## STATEMENT OF CASH FLOWS

Years ended December 31,	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ (1,827)	\$ 173,509
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	2,487	2,239
(Increase) decrease in operating assets:		
Grants receivable	(30,620)	(21,850)
Deposits and other assets	(116,444)	7,717
Increase (decrease) in operating liabilities:		
Accounts payable	25,669	(7,312)
Accrued expenses	3,194	(153)
Deferred rent	(11,692)	(8,962)
Deferred revenue	(25,334)	16,095
Due to affiliates	(4,399)	(3,474)
Cash provided by (used in) operating activities	(158,966)	157,809
Cash flows from investing activity:		
Acquisition of property and equipment		(4,092)
Cash used in investing activity		(4,092)
Increase (decrease) in cash	(158,966)	153,717
Cash, beginning of year	255,090	101,373
Cash, end of year	\$ 96,124	\$ 255,090

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.

**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. See Note 8.

# **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, 2015 and 2014.

#### **Grants receivable:**

CNU records a receivable and revenue for grants which are receivable in future years in the year in which they are awarded. As of December 31, 2015 and 2014, 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 using the straight-line method over the estimated useful lives of the assets.

Amortization of leasehold improvements is provided using 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, 2015 and 2014, CNU received contributions of specialized services totaling \$32,025 and \$-0-, respectively. They also received contributions of goods for the years ended December 31, 2015 and 2014 totaling \$-0- and \$2,762, 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 \$-0- and \$30,908 cash in excess of federally-insured limits at December 31, 2015 and 2014, respectively.

# CONGRESS FOR THE NEW URBANISM

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 4. Property and equipment

Property and equipment consists of the following:

December 31,	2015	2014
Office furniture	\$ 11,594	\$ 11,594
Equipment	52,065	52,065
Leasehold improvements	2,866	2,866
	66,525	66,525
Less accumulated depreciation and amortization	(63,608)	(61,121)
Property and equipment, net	\$ 2,917	\$ 5,404

### 5. Commitments

#### Office:

CNU leases its office space in Chicago, Illinois. The operating lease expired in 2016. Under the terms of this lease, CNU was 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 was 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 2016	\$ 55,332	\$ (8,189) 8,189	\$ 63,521
Total	\$ 55,332	\$ -	\$ 63,521

# CONGRESS FOR THE NEW URBANISM

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 5. Commitments (continued)

#### Office: (continued)

Occupancy expense was \$101,582 and \$97,596 for the years ended December 31, 2015 and 2014, respectively.

During 2016, CNU entered into a month-to-month lease for office space in Chicago.

During 2016, CNU entered into a lease for office space in Washington D.C. The lease expires in 2019. Under the terms of this lease, CNU is obligated to pay minimum escalation rentals plus its proportionate share of certain operating expenses. Future minimum rental payments are as follows:

Year ending December 31:	Amount
2016	\$ 38,250
2017	52,913
2018	55,558
2019	14,057
Total	\$ 160,778

#### Equipment:

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

Year ending December 31:	Amount
2016	\$ 5,940
2017	5,940
2018	3,465
Total	\$ 15,345

Equipment rental expense was \$5,142 and \$8,245 for the years ended December 31, 2015 and 2014, respectively.

# CONGRESS FOR THE NEW URBANISM

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 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, 2015 and 2014 was \$10,434 and \$9,992, respectively.

### 7. Due to affiliates

At times, CNU receives contributions on behalf of affiliated chapters. Amounts not yet remitted to the chapters totaling \$12,402 and \$16,801 as of December 31, 2015 and 2014, respectively, are reflected in due to affiliates.

### 8. Temporarily restricted net assets

Temporarily restricted net assets consists of the following:

December 31,	2015	2014
Purpose-restricted funds:		
Live Work Walk Initiative	\$ 49,056	\$ 53,332
Highways to Boulevards Initiative	19,216	79,741
Designing Walkable Urban Thoroughfares	32,013	12,308
Chicago Pilot Project		70,000
Freeway-Free San Francisco Initiative		7,104
City as a Platform	15,000	
Website management	75,000	
Other miscellaneous projects	26,765	14,350
Total temporarily restricted net assets	\$ 217,050	\$ 236,835

# CONGRESS FOR THE NEW URBANISM

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 8. Temporarily restricted net assets (continued)

During the years ended December 31, 2015 and 2014, net assets were released from donor restrictions by incurring expenses satisfying the following purpose restrictions specified by the donors:

Years ended December 31,	2015	2014
Purpose-restricted funds:		
Live Work Walk Initiative	\$ 4,276	\$ 27,263
Highways to Boulevards Initiative	60,525	56,558
Designing Walkable Urban Thoroughfares		27,230
Chicago Pilot Project	70,000	
Freeway-Free San Francisco Initiative	7,104	2,896
Website management	15,000	
Other miscellaneous projects	14,350	
Total net assets released from restrictions	\$ 171,255	\$ 113,947

### 9. Subsequent events

Management of CNU has reviewed and evaluated subsequent events from December 31, 2015, the financial statement date, through June 20, 2016, the date the financial statements were available to be issued. Other than the new leases described in Note 5, 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.