

**CONGRESS FOR THE
NEW URBANISM**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

CONGRESS FOR THE NEW URBANISM

YEARS ENDED DECEMBER 31, 2016 AND 2015

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Independent Auditors' Report

Board of Directors
Congress for the New Urbanism

We have audited the accompanying financial statements of Congress for the New Urbanism (CNU), which comprise the statements of financial position as of December 31, 2016 and 2015, 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.

Auditors' 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, 2016 and 2015, 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.

July 13, 2017

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF FINANCIAL POSITION

December 31,	2016	2015
ASSETS		
Cash	\$ 35,410	\$ 96,124
Grants receivable	437,754	104,970
Deposits and other assets	86,475	132,695
Property and equipment, net	1,506	2,917
Total assets	\$ 561,145	\$ 336,706
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 25,394	\$ 30,045
Accrued expenses	34,397	23,180
Deferred rent	1,944	8,189
Deferred revenue	133,629	130,434
Due to affiliates	10,220	12,402
Total liabilities	205,584	204,250
Net assets (deficit):		
Unrestricted	62,377	(84,594)
Temporarily restricted	293,184	217,050
Total net assets	355,561	132,456
Total liabilities and net assets	\$ 561,145	\$ 336,706

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF ACTIVITIES

Years ended December 31,	2016			2015		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 682,180	\$ 251,367	\$ 933,547	\$ 377,672	\$ 151,470	\$ 529,142
Event fees	422,991		422,991	308,187		308,187
Membership dues	260,856		260,856	322,890		322,890
Program service fees	37,682		37,682	38,644		38,644
Interest income	530		530	12		12
Contributed services and goods	28,740		28,740	32,025		32,025
Miscellaneous	2,641		2,641	40,296		40,296
Net assets released from restrictions	175,233	(175,233)		171,255	(171,255)	
Total revenue and support	1,610,853	76,134	1,686,987	1,290,981	(19,785)	1,271,196
Expenses:						
Program services	1,251,775		1,251,775	1,088,875		1,088,875
Management and general	212,107		212,107	184,148		184,148
Total expenses	1,463,882		1,463,882	1,273,023		1,273,023
Change in net assets	146,971	76,134	223,105	17,958	(19,785)	(1,827)
Net assets (deficit):						
Beginning of year	(84,594)	217,050	132,456	(102,552)	236,835	134,283
End of year	\$ 62,377	\$ 293,184	\$ 355,561	\$ (84,594)	\$ 217,050	\$ 132,456

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31,	2016			2015		
	Program services	Management and general	Total	Program services	Management and general	Total
Salaries and wages	\$ 342,833	\$ 128,530	\$ 471,363	\$ 303,890	\$ 114,591	\$ 418,481
Payroll taxes and employee benefits	50,999	22,754	73,753	56,461	21,290	77,751
Bank and credit card fees	8,555	2,420	10,975	10,271	3,873	14,144
Books and publications	56		56	410		410
Contract services	348,318	11,657	359,975	322,155		322,155
Facilities and catering	251,658	14,776	266,434	176,685		176,685
Insurance	5,769	1,629	7,398	3,180	1,199	4,379
Miscellaneous	122	35	157	232	87	319
Occupancy	67,426	19,410	86,836	73,766	27,816	101,582
Postage and delivery	3,698	710	4,408	5,311	514	5,825
Printing and duplication	37,348	22	37,370	26,617	122	26,739
Professional fees	10,201	2,650	12,851	12,352	3,090	15,442
Public relations	500		500	1,145	9	1,154
Supplies and equipment	10,447	3,186	13,633	9,277	3,015	12,292
Telephone	17,760	774	18,534	13,675	4,031	17,706
Travel and lodging	94,674	3,554	98,228	70,961	4,511	75,472
Total expenses before depreciation and amortization	1,250,364	212,107	1,462,471	1,086,388	184,148	1,270,536
Depreciation and amortization	1,411		1,411	2,487		2,487
Total expenses	\$ 1,251,775	\$ 212,107	\$ 1,463,882	\$ 1,088,875	\$ 184,148	\$ 1,273,023

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF CASH FLOWS

Years ended December 31,	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 223,105	\$ (1,827)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,411	2,487
Deferred rent	(6,245)	(11,692)
(Increase) decrease in operating assets:		
Grants receivable	(332,784)	(30,620)
Deposits and other assets	46,220	(116,444)
Increase (decrease) in operating liabilities:		
Accounts payable	(4,651)	6,882
Accrued expenses	11,217	21,981
Deferred revenue	3,195	(25,334)
Due to affiliates	(2,182)	(4,399)
Net cash used in operating activities	(60,714)	(158,966)
Cash, beginning of year	96,124	255,090
Cash, end of year	\$ 35,410	\$ 96,124

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:

CNU is required to report 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 statements 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, 2016 and 2015.

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, 2016 and 2015, 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.

CNU follows the requirements for accounting for uncertain tax positions and management has determined that CNU was not required to record a liability related to uncertain tax positions as of December 31, 2016 and 2015.

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 statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributed goods and services:

CNU recognizes revenue at fair value for contributed (donated) goods and services. During the years ended December 31, 2016 and 2015, CNU received contributions of specialized services totaling \$27,990 and \$32,025, respectively. They also received contributions of goods for the years ended December 31, 2016 and 2015 totaling \$750 and \$-0-, respectively.

Deferred revenue:

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

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. There was no cash in excess of federally-insured limits at December 31, 2016 and 2015.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Property and equipment

Property and equipment consists of the following:

December 31,	2016	2015
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	(65,019)	(63,608)
Property and equipment, net	\$ 1,506	\$ 2,917

5. Commitments

Office:

CNU leases office space in Washington D.C. The operating 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. The sum of the minimum lease payments must be recognized as rent 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 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:	Minimum rental payments
2017	\$ 52,912
2018	55,557
2019	14,057
Total	\$ 122,526

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Commitments (continued)

Office: (continued)

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

Occupancy expense was \$86,836 and \$101,582 for the years ended December 31, 2016 and 2015, respectively.

Equipment:

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

Year ending December 31:	Amount
2017	\$ 5,940
2018	3,465
Total	\$ 9,405

Equipment rental expense was \$8,050 and \$5,142 for the years ended December 31, 2016 and 2015, 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, 2016 and 2015 was \$12,952 and \$10,434, respectively.

7. Due to affiliates

At times, CNU receives contributions on behalf of affiliated chapters. Amounts not yet remitted to the chapters totaling \$10,220 and \$12,402 as of December 31, 2016 and 2015, respectively, are reflected in due to affiliates.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Temporarily restricted net assets

Temporarily restricted net assets consist of the following:

December 31,	2016	2015
Purpose-restricted funds:		
Live Work Walk Initiative	\$ 48,308	\$ 49,056
Highways to Boulevards Initiative		19,216
Designing Walkable Urban Thoroughfares	32,013	32,013
City as a Platform		15,000
Website management	9,996	75,000
Other miscellaneous projects	1,500	26,765
Time restrictions:		
Pledges receivable	201,367	
Total temporarily restricted net assets	\$ 293,184	\$ 217,050

During the years ended December 31, 2016 and 2015, net assets were released from donor restrictions by incurring expenses satisfying the following purpose or time restrictions specified by the donors:

Years ended December 31,	2016	2015
Purpose-restricted funds:		
Live Work Walk Initiative	\$ 748	\$ 4,276
Highways to Boulevards Initiative	19,216	60,525
City as a Platform	15,000	
Chicago Pilot Project		70,000
Freeway-Free San Francisco Initiative		7,104
Website management	65,004	15,000
Other miscellaneous projects	25,265	14,350
Time restrictions:		
Pledges receivable	50,000	
Total net assets released from restrictions	\$ 175,233	\$ 171,255

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. Subsequent events

Management of CNU has reviewed and evaluated subsequent events from December 31, 2016, the financial statement date, through July 13, 2017, 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.