

**CONGRESS FOR THE
NEW URBANISM**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

CONGRESS FOR THE NEW URBANISM

YEARS ENDED DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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 12, 2018

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF FINANCIAL POSITION

December 31,	2017	2016
ASSETS		
Cash	\$ 239,640	\$ 35,410
Grants receivable	55,602	437,754
Deposits and other assets	46,820	86,475
Property and equipment, net	4,883	1,506
Total assets	\$ 346,945	\$ 561,145
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 26,119	\$ 25,394
Accrued expenses	24,203	34,397
Deferred rent	680	1,944
Deferred revenue	156,299	133,629
Due to affiliates	9,865	10,220
Total liabilities	217,166	205,584
Net assets:		
Unrestricted	12,061	62,377
Temporarily restricted	117,718	293,184
Total net assets	129,779	355,561
Total liabilities and net assets	\$ 346,945	\$ 561,145

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF ACTIVITIES

Years ended December 31,	2017			2016		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and support:						
Contributions and grants	\$ 358,492	\$ 1,361	\$ 359,853	\$ 682,180	\$ 251,367	\$ 933,547
Event fees	438,464		438,464	422,991		422,991
Membership dues	298,800		298,800	260,856		260,856
Program service fees	32,385		32,385	37,682		37,682
Interest income	142		142	530		530
Contributed services and goods	51,628		51,628	28,740		28,740
Miscellaneous	1,625		1,625	2,641		2,641
Net assets released from restrictions	176,827	(176,827)		175,233	(175,233)	
Total revenue and support	1,358,363	(175,466)	1,182,897	1,610,853	76,134	1,686,987
Expenses:						
Program services	1,141,577		1,141,577	1,251,775		1,251,775
Management and general	267,102		267,102	212,107		212,107
Total expenses	1,408,679		1,408,679	1,463,882		1,463,882
Change in net assets	(50,316)	(175,466)	(225,782)	146,971	76,134	223,105
Net assets (deficit):						
Beginning of year	62,377	293,184	355,561	(84,594)	217,050	132,456
End of year	\$ 12,061	\$ 117,718	\$ 129,779	\$ 62,377	\$ 293,184	\$ 355,561

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31,	2017			2016		
	Program services	Management and general	Total	Program services	Management and general	Total
Salaries and wages	\$ 344,877	\$ 169,862	\$ 514,739	\$ 342,833	\$ 128,530	\$ 471,363
Payroll taxes and employee benefits	59,924	29,848	89,772	50,999	22,754	73,753
Bank and credit card fees	17,298	8,520	25,818	8,555	2,420	10,975
Books and publications	278	137	415	56		56
Contract services	353,602	8,735	362,337	348,318	11,657	359,975
Depreciation and amortization	143	971	1,114	1,411		1,411
Facilities and catering	178,660	578	179,238	251,658	14,776	266,434
Insurance	3,899	1,684	5,583	5,769	1,629	7,398
Miscellaneous	744	362	1,106	122	35	157
Occupancy	52,365	25,791	78,156	67,426	19,410	86,836
Postage and delivery	1,996	218	2,214	3,698	710	4,408
Printing and duplication	31,321	36	31,357	37,348	22	37,370
Professional fees	8,538	4,205	12,743	10,201	2,650	12,851
Public relations				500		500
Supplies and equipment	7,503	3,367	10,870	10,447	3,186	13,633
Telephone	12,945	1,338	14,283	17,760	774	18,534
Travel and lodging	67,484	11,450	78,934	94,674	3,554	98,228
Total expenses	\$ 1,141,577	\$ 267,102	\$ 1,408,679	\$ 1,251,775	\$ 212,107	\$ 1,463,882

See notes to financial statements.

CONGRESS FOR THE NEW URBANISM

STATEMENTS OF CASH FLOWS

Years ended December 31,	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (225,782)	\$ 223,105
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,114	1,411
Deferred rent	(1,264)	(6,245)
(Increase) decrease in operating assets:		
Grants receivable	382,152	(332,784)
Deposits and other assets	39,655	46,220
Increase (decrease) in operating liabilities:		
Accounts payable	725	(4,651)
Accrued expenses	(10,194)	11,217
Deferred revenue	22,670	3,195
Due to affiliates	(355)	(2,182)
Net cash provided by (used in) operating activities	208,721	(60,714)
Cash flows from investing activity:		
Acquisition of property and equipment	(4,491)	
Net cash used in investing activity	(4,491)	
Net increase (decrease) in cash	204,230	(60,714)
Cash, beginning of year	35,410	96,124
Cash, end of year	\$ 239,640	\$ 35,410

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 Washington, D.C.-based not-for-profit organization that was founded in 1993.

CNU has a broad mission based on the conviction that United States 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 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, 2017 and 2016.

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, 2017 and 2016, 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, 2017 and 2016.

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, 2017 and 2016, CNU received contributions of specialized services totaling \$50,800 and \$27,990, respectively. They also received contributions of goods for the years ended December 31, 2017 and 2016 totaling \$828 and \$750, 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.

3. Cash

CNU maintains its cash in bank accounts which, at times, may exceed federally-insured limits. 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, 2017 and 2016.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Property and equipment

Property and equipment consists of the following:

December 31,	2017	2016
Office furniture	\$ 11,594	\$ 11,594
Equipment	56,556	52,065
Leasehold improvements	2,866	2,866
	71,016	66,525
Less accumulated depreciation and amortization	(66,133)	(65,019)
Property and equipment, net	\$ 4,883	\$ 1,506

5. Commitments

Office:

CNU leases office space in Washington D.C. The operating lease expires on March 31, 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 are 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 are credited or charged to a deferred rent liability account.

Future minimum rental payments are summarized as follows:

Year ending December 31:	Amount
2018	\$ 55,557
2019	14,057
Total	\$ 69,614

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

Rent expense was \$78,156 and \$86,836 for the years ended December 31, 2017 and 2016, respectively.

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Commitments (continued)

Equipment:

CNU rents certain office equipment under an operating lease that expires on July 31, 2018. Future minimum payments total \$3,465 in 2018. Equipment rental expense was \$6,849 and \$8,050 for the years ended December 31, 2017 and 2016, respectively.

6. Defined-contribution plan

CNU has a 401(k) retirement 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. Employer contributions for the years ended December 31, 2017 and 2016 was \$11,841 and \$12,952, respectively.

7. Due to affiliates

At times, CNU receives contributions on behalf of affiliated chapters. Amounts not yet remitted to the chapters totaling \$9,865 and \$10,220 as of December 31, 2017 and 2016, respectively, are reflected in due to affiliates.

8. Temporarily restricted net assets

Temporarily restricted net assets consist of the following:

December 31,	2017	2016
Purpose-restricted funds:		
Live Work Walk Initiative	\$ 48,308	\$ 48,308
Designing Walkable Urban Thoroughfares	16,549	32,013
Website management		9,996
Other miscellaneous projects	1,500	1,500
Time restrictions:		
Pledges receivable	51,361	201,367
Total temporarily restricted net assets	\$ 117,718	\$ 293,184

CONGRESS FOR THE NEW URBANISM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Temporarily restricted net assets (continued)

During the years ended December 31, 2017 and 2016, 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,	2017	2016
Purpose-restricted funds:		
Live Work Walk Initiative		\$ 748
Highways to Boulevards Initiative		19,216
Designing Walkable Urban Thoroughfares	\$ 15,464	
City as a Platform		15,000
Website management	9,996	65,004
Other miscellaneous projects		25,265
Time restrictions:		
Pledges receivable	151,367	50,000
Total net assets released from restrictions	\$ 176,827	\$ 175,233

9. Subsequent events

Management of CNU has reviewed and evaluated subsequent events from December 31, 2017, the financial statement date, through July 12, 2018, the date the financial statements were available to be issued.