

**CONGRESS FOR THE  
NEW URBANISM**

FINANCIAL STATEMENTS  
(Modified cash basis)

YEARS ENDED DECEMBER 31, 2022 AND 2021

# **CONGRESS FOR THE NEW URBANISM**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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## **Independent Auditors' Report**

Board of Directors  
Congress for the New Urbanism

### **Opinion**

We have audited the accompanying financial statements of Congress for the New Urbanism (a nonprofit organization), which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2022 and 2021, and the related statements of support, revenue, expenses and changes in net assets – modified cash basis, and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Congress for the New Urbanism as of December 31, 2022 and 2021, and its support, revenue, expenses and changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 2.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Congress for the New Urbanism and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Congress for the New Urbanism's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Congress for the New Urbanism's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Ostrow Reisin Berk & Abrams, Ltd.*

August 31, 2023

# CONGRESS FOR THE NEW URBANISM

## STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS (Modified cash basis)

| December 31,  | 2022              | 2021              |
|---|-------------------|-------------------|
| <b>ASSETS</b>   |                   |                   |
| Cash  | \$ 665,502        | \$ 560,157        |
| Equipment, net of accumulated depreciation<br>of \$5,221 and \$4,442 at December 31,<br>2022 and 2021, respectively | 272               | 1,051             |
| <b>Total assets</b>   | <b>\$ 665,774</b> | <b>\$ 561,208</b> |
| <b>LIABILITIES AND NET ASSETS</b>   |                   |                   |
| <b>Liabilities:</b>   |                   |                   |
| Due to affiliates   | \$ 36,182         | \$ 31,826         |
| Due to PLACE Initiative   | 43,000            |                   |
| <b>Total liabilities</b>  | <b>79,182</b>     | <b>31,826</b>     |
| <b>Net assets:</b>  |                   |                   |
| Without donor restrictions  | 521,735           | 464,525           |
| With donor restrictions   | 64,857            | 64,857            |
| <b>Total net assets</b>   | <b>586,592</b>    | <b>529,382</b>    |
| <b>Total liabilities and net assets</b>   | <b>\$ 665,774</b> | <b>\$ 561,208</b> |

See notes to financial statements.

**CONGRESS FOR THE NEW URBANISM**

**STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
(Modified cash basis)

| Years ended December 31,         | 2022                       |                         |                  | 2021                       |                         |                  |
|----------------------------------|----------------------------|-------------------------|------------------|----------------------------|-------------------------|------------------|
|                                  | Without donor restrictions | With donor restrictions | Total            | Without donor restrictions | With donor restrictions | Total            |
| Support and revenue:             |                            |                         |                  |                            |                         |                  |
| Contributions and grants         | \$ 737,405                 |                         | \$ 737,405       | \$ 884,846                 |                         | \$ 884,846       |
| Event fees                       | 303,634                    |                         | 303,634          | 142,652                    |                         | 142,652          |
| Membership dues                  | 214,349                    |                         | 214,349          | 229,447                    |                         | 229,447          |
| Program service fees             | 18,357                     |                         | 18,357           | 49,530                     |                         | 49,530           |
| Miscellaneous                    | 3,751                      |                         | 3,751            | 4,264                      |                         | 4,264            |
| <b>Total support and revenue</b> | <b>1,277,496</b>           |                         | <b>1,277,496</b> | <b>1,310,739</b>           |                         | <b>1,310,739</b> |
| Expenses:                        |                            |                         |                  |                            |                         |                  |
| Program services                 | 1,049,611                  |                         | 1,049,611        | 879,328                    |                         | 879,328          |
| Management and general           | 170,675                    |                         | 170,675          | 98,762                     |                         | 98,762           |
| <b>Total expenses</b>            | <b>1,220,286</b>           |                         | <b>1,220,286</b> | <b>978,090</b>             |                         | <b>978,090</b>   |
| Change in net assets             | 57,210                     |                         | 57,210           | 332,649                    |                         | 332,649          |
| Net assets:                      |                            |                         |                  |                            |                         |                  |
| Beginning of year                | 464,525                    | \$ 64,857               | 529,382          | 131,876                    | \$ 64,857               | 196,733          |
| End of year                      | \$ 521,735                 | \$ 64,857               | \$ 586,592       | \$ 464,525                 | \$ 64,857               | \$ 529,382       |

*See notes to financial statements.*

**CONGRESS FOR THE NEW URBANISM**

**STATEMENTS OF FUNCTIONAL EXPENSES  
(Modified cash basis)**

| Year ended December 31, 2022    | Program services     |                   |                   |                           |                     | Management<br>and general | Total               |
|---------------------------------|----------------------|-------------------|-------------------|---------------------------|---------------------|---------------------------|---------------------|
|                                 | Member<br>engagement | Congress          | Charter<br>awards | Education<br>and training | Total               |                           |                     |
| Salaries and personnel expenses | \$ 279,069           | \$ 174,251        | \$ 28,903         | \$ 67,153                 | \$ 549,376          | \$ 94,658                 | \$ 644,034          |
| Bank and credit card fees       | 5,763                | 9,835             | 220               | 363                       | 16,181              | 9,530                     | 25,711              |
| Contract services               | 85,086               | 145,170           | 3,242             | 5,357                     | 238,855             | 40,579                    | 279,434             |
| Depreciation and amortization   | 178                  | 304               | 7                 | 11                        | 500                 | 279                       | 779                 |
| Facilities and catering         | 54,973               | 93,792            | 2,095             | 3,461                     | 154,321             | 1,410                     | 155,731             |
| Insurance                       | 1,477                | 2,521             | 56                | 93                        | 4,147               | 2,315                     | 6,462               |
| Professional fees               |                      |                   |                   |                           |                     | 10,825                    | 10,825              |
| Telephone and software          | 10,724               | 18,296            | 408               | 675                       | 30,103              | 7,400                     | 37,503              |
| Travel and lodging              | 19,994               | 34,113            | 762               | 1,259                     | 56,128              | 3,679                     | 59,807              |
| <b>Total expenses</b>           | <b>\$ 457,264</b>    | <b>\$ 478,282</b> | <b>\$ 35,693</b>  | <b>\$ 78,372</b>          | <b>\$ 1,049,611</b> | <b>\$ 170,675</b>         | <b>\$ 1,220,286</b> |

*See notes to financial statements.*

**CONGRESS FOR THE NEW URBANISM**

**STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**  
**(Modified cash basis)**

| Year ended December 31, 2021    | Program services     |                   |                   |                           |                   | Management<br>and general | Total             |
|---------------------------------|----------------------|-------------------|-------------------|---------------------------|-------------------|---------------------------|-------------------|
|                                 | Member<br>engagement | Congress          | Charter<br>awards | Education<br>and training | Total             |                           |                   |
| Salaries and personnel expenses | \$ 436,746           | \$ 112,411        | \$ 17,373         | \$ 31,298                 | \$ 597,828        | \$ 61,578                 | \$ 659,406        |
| Bank and credit card fees       | 7,067                | 5,570             | 70                | 125                       | 12,832            | 6,169                     | 19,001            |
| Contract services               | 130,257              | 102,668           | 1,294             | 2,302                     | 236,521           | 12,728                    | 249,249           |
| Depreciation and amortization   | 440                  | 348               | 4                 | 8                         | 800               | 386                       | 1,186             |
| Facilities and catering         | 2,105                | 1,659             | 21                | 37                        | 3,822             |                           | 3,822             |
| Insurance                       | 1,878                | 1,480             | 19                | 33                        | 3,410             | 1,645                     | 5,055             |
| Professional fees               |                      |                   |                   |                           |                   | 13,359                    | 13,359            |
| Telephone and software          | 10,033               | 7,908             | 100               | 177                       | 18,218            | 1,005                     | 19,223            |
| Travel and lodging              | 3,248                | 2,560             | 32                | 57                        | 5,897             | 1,892                     | 7,789             |
| <b>Total expenses</b>           | <b>\$ 591,774</b>    | <b>\$ 234,604</b> | <b>\$ 18,913</b>  | <b>\$ 34,037</b>          | <b>\$ 879,328</b> | <b>\$ 98,762</b>          | <b>\$ 978,090</b> |

*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. CNU operates through four main programs. The first is member engagement where they engage members on a variety of initiatives – transportation, housing, climate, codes and design – in support of their mission. The Congress is an annual event where CNU spreads awareness and knowledge regarding its mission and principles. Charter awards consist of recognizing projects across the world that best embody and advance the principles of the charter of the new urbanism. CNU provides education and training opportunities for professionals and local governments through their municipal membership and CNU Accreditation programs.

### **2. Summary of significant accounting policies**

The significant accounting policies of CNU are summarized below:

#### **Basis of accounting:**

The accompanying financial statements have been prepared on the modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from accounting principles generally accepted in the United States of America primarily because CNU recognizes revenue when the money is received rather than when earned and expenses are recognized when paid rather than incurred. Additionally, receivables from donors, members and customers, accounts payable to vendors, and in-kind contributions are not recorded.

# **CONGRESS FOR THE NEW URBANISM**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **2. Summary of significant accounting policies (continued)**

#### **Contributions:**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions upon receipt. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of support, revenue, expenses and changes in net assets as net assets released from restrictions. CNU's policy is to record donations with donor restrictions for which the restrictions have been fulfilled in the same fiscal year as an increase in net assets without donor restrictions.

#### **Equipment and related depreciation:**

CNU capitalizes all acquisitions of property and equipment in excess of \$1,000. Purchased property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

#### **Use of estimates:**

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Functional allocation of expenses:**

The costs of providing the programs and activities have been summarized on a functional basis in the statements of support, revenue, expenses and changes in net assets. Program expenses are those associated with each specific program. Management and general expenses are those not directly related to a program and provide overall support for CNU's operations. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and personnel expenses and insurance, which are allocated on the basis of estimates of time and effort. All other costs are charged to specific programs and management and general expenses based on direct expenditures incurred.

# CONGRESS FOR THE NEW URBANISM

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2. Summary of significant accounting policies (continued)

#### 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.

#### Subsequent events:

Management of CNU has reviewed and evaluated subsequent events through August 31, 2023, the date the financial statements were available to be issued.

### 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. The uninsured balance was approximately \$360,000 and \$306,000 at December 31, 2022 and 2021, respectively.

### 4. Liquidity and availability of financial assets

CNU regularly monitors liquidity to meet operating needs and other commitments, and to maintain a sufficient level of liquid reserves to provide reasonable assurance that these needs and commitments can continue to be met. CNU operates with a balanced budget and reviews bank statements, financial statements and a comparison of actual results to the budget on a monthly basis.

| December 31,   | 2022       | 2021       |
|--|------------|------------|
| Financial asset at year-end:   |            |            |
| Cash   | \$ 665,502 | \$ 560,157 |
| Less amount not available to be used<br>within one year:                   |            |            |
| Purpose restricted net assets  | 64,857     | 64,857     |
| Financial assets available to meet general<br>expenditures within one year | \$ 600,645 | \$ 495,300 |

# **CONGRESS FOR THE NEW URBANISM**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **5. Paycheck Protection Program (PPP)**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the CARES Act, was signed into law. One component of the CARES Act was the Paycheck Protection Program (PPP), which provides businesses with funding to maintain their payroll and cover applicable overhead. The PPP was implemented by the Small Business Administration (SBA) with support from the Department of the Treasury. PPP funds can be used for payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. CNU applied for and received \$143,114 of PPP funds on February 10, 2021. CNU was notified on September 24, 2021 that \$143,114 of the PPP loan was approved for forgiveness by the lender and the SBA. CNU recognized \$143,114 as contributions and grants revenue during the year ended December 31, 2021 upon receipt of the cash.

### **6. Defined-contribution plan**

CNU has a 401(k) retirement plan covering all eligible employees who are at least 21 years of age. CNU makes a fully vested safe harbor non-elective contribution for all eligible participants equal to 3% of the individual participant's compensation subject to statutory limitations. Employer contributions for the years ended December 31, 2022 and 2021 were \$17,018 and \$17,418, respectively.

### **7. Due to affiliates**

At times, CNU receives contributions on behalf of affiliated local chapters. Amounts not yet remitted to the chapters totaling \$36,182 and \$31,826 as of December 31, 2022 and 2021, respectively, are reflected in due to affiliates.

### **8. Due to PLACE Initiative**

CNU received a grant on behalf of PLACE Initiative where they are acting as an agent. The amount not yet remitted to PLACE Initiative totaled \$43,000 as of December 31, 2022 and is reflected in due to PLACE Initiative.

### **9. Significant concentrations**

Two donors accounted for 36% of support and revenue for the year ended December 31, 2022. There was no concentration of support and revenue for the year ended December 31, 2021.

# CONGRESS FOR THE NEW URBANISM

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 10. Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes:

| December 31,                                  | 2022      | 2021      |
|---|-----------|-----------|
| Subject to expenditure for specified purpose: |           |           |
| Live Work Walk Initiative                     | \$ 48,308 | \$ 48,308 |
| Designing Walkable Urban Thoroughfares        | 16,549    | 16,549    |
| Total net assets with donor restrictions      | \$ 64,857 | \$ 64,857 |

During the years ended December 31, 2022 and 2021, no net assets were released from donor restrictions by incurring expenses satisfying purpose or time restrictions specified by the donors.