

**VIRGINIA CHAPTER OF THE
AMERICAN PLANNING ASSOCIATION**

Richmond, Virginia

FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 (Reviewed)
and 2021 (Audited)

**VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
FINANCIAL STATEMENTS**

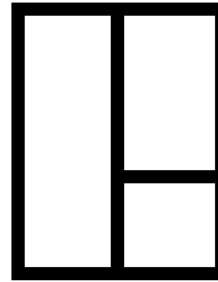
For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expense	6
NOTES TO FINANCIAL STATEMENTS	8

Lane & Associates, P.C.

Certified Public Accountants and
Management Consultants
2839 Hathaway Road
Richmond, Virginia 23225
(804) 272-7421 • FAX (804) 330-7004



Members • American
Institute of Certified Public
Accountants • Virginia
Society of Certified Public
Accountants

Meda S. Lane, CPA
Christopher English, CPA CGMA
Troy C. Schofield, CPA
Martha E. Cloe, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Virginia Chapter of the American Planning Association
Richmond, Virginia

We have reviewed the accompanying financial statements of the Virginia Chapter of the American Planning Association (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Virginia Chapter of the American Planning Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Prior Period Financial Statements

The 2021 financial statements were audited by us, and our report thereon, dated January 3, 2022, were audited by us and we expressed an unmodified opinion on them in our report. We have not performed any auditing procedures since that date.

Rane G Associates, P.C.

Certified Public Accountants
Richmond, Virginia
February 5, 2023

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

September 30, 2022 (Reviewed) and 2021 (Audited)

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 276,005	\$ 200,081
Certificate of deposit	-	30,109
Accounts receivable	23,497	22,093
Prepaid expenses	<u>7,314</u>	<u>12,506</u>
Total current assets	<u>306,816</u>	<u>264,789</u>
Investments	<u>27,246</u>	<u>-</u>
Total assets	<u><u>\$ 334,062</u></u>	<u><u>\$ 264,789</u></u>

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Current liabilities		
Accounts payable	\$ 33	\$ 5,015
Deferred revenue	37,192	55,878
Due to Federal Planning Division, APA	<u>96,357</u>	<u>-</u>
Total current liabilities	<u>133,582</u>	<u>60,893</u>
Total liabilities	<u>133,582</u>	<u>60,893</u>
Net assets		
Net assets without donor restrictions	<u>200,480</u>	<u>203,896</u>
Total liabilities and net assets	<u><u>\$ 334,062</u></u>	<u><u>\$ 264,789</u></u>

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

	<u>2022</u>	<u>2021</u>
Revenues and other support without donor restrictions		
Membership dues	\$ 101,519	\$ 105,311
Conference and meetings	189,956	69,898
Sponsorship	2,000	2,000
Net investment return	(2,023)	14
Other income	5,279	6,376
Total revenues and other support without donor restrictions	<u>296,731</u>	<u>183,599</u>
Expenses		
Programs		
Conferences and meetings	206,552	46,869
Advocacy and outreach	30,713	29,792
Member service	19,140	27,357
Total program expenses	<u>256,405</u>	<u>104,018</u>
Administrative expenses	<u>43,742</u>	<u>52,368</u>
Total expenses	<u>300,147</u>	<u>156,386</u>
Change in net assets without donor restrictions	(3,416)	27,213
Net assets without donor restrictions at beginning of year	<u>203,896</u>	<u>176,683</u>
Net assets without donor restrictions at end of year	<u><u>\$ 200,480</u></u>	<u><u>\$ 203,896</u></u>

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (3,416)	\$ 27,213
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Reinvested interest on certificate of deposit	30,109	(3)
Unrealized loss (gain) on investments	2,385	-
(Increase) decrease in operating assets		
Accounts receivable	(1,404)	(38)
Prepaid expenses	5,192	9,227
Increase (decrease) in operating liabilities		
Accounts payable	(4,982)	2,115
Deferred revenue	(18,686)	(5,840)
Due to Federal Planning Division, APA	96,357	-
Net cash provided by operating activities	105,555	32,674
Cash flows from investing activities:		
Purchase of investments	(29,631)	-
Net increase (decrease) in cash and cash equivalents	75,924	32,674
Cash and cash equivalents at beginning of the year	200,081	167,407
Cash and cash equivalents at end of the year	\$ 276,005	\$ 200,081

Supplemental cash flow information:

No cash paid for interest or income taxes during 2022 or 2021.

**VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended September 30, 2022 (Reviewed)

	<u>Conference & Meetings</u>	<u>Advocacy and Outreach</u>	<u>Member Service</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Office expenses	\$ -	\$ 413	\$ 2,387	\$ 2,800	\$ 5,595	\$ 8,395
Bank and processing fees	-	-	-	-	(936)	(936)
Professional fees	23,440	28,800	7,032	59,272	39,028	98,300
Facility expenses	38,908	-	-	38,908	-	38,908
Food and beverage	110,985	-	3,492	114,477	-	114,477
Supplies	20,244	-	6,229	26,473	55	26,528
Donations	-	1,500	-	1,500	-	1,500
Other expenses	12,975	-	-	12,975	-	12,975
Total expenses	<u>\$ 206,552</u>	<u>\$ 30,713</u>	<u>\$ 19,140</u>	<u>\$ 256,405</u>	<u>\$ 43,742</u>	<u>\$ 300,147</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES, CONTINUED**

For the Year Ended September 30, 2021 (Audited)

	<u>Conference & Meetings</u>	<u>Advocacy and Outreach</u>	<u>Member Service</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Office expenses	\$ -	\$ -	\$ 451	\$ 451	\$ 2,380	\$ 2,831
Bank and processing fees	-	-	-	-	10,236	10,236
Professional fees	19,966	24,792	19,966	64,724	38,707	103,431
Travel	-	-	-	-	-	-
Facility expenses	10,828	-	-	10,828	-	10,828
Food and beverage	86	-	-	86	-	86
Donations	-	5,000	2,500	7,500	-	7,500
Education and accreditation	-	-	1,404	1,404	-	1,404
Conference registration	-	-	-	-	-	-
Other expenses	125	-	-	125	1,045	1,170
Total expenses	<u>\$ 46,869</u>	<u>\$ 29,792</u>	<u>\$ 27,357</u>	<u>\$ 104,018</u>	<u>\$ 52,368</u>	<u>\$ 156,386</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

1. NATURE OF ACTIVITIES

The Virginia Chapter of the American Planning Association (the "Chapter") is a non-profit, 501 (c)(3) association that provides leadership in the development of vital communities by advocating excellence in planning, promoting education and citizen empowerment, and providing its members with the tools and support necessary to meet the challenges of growth and change. The Chapter is supported through membership dues, meeting registration fees, sponsorships and job posting commissions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting:** The financial statements of the Chapter have been prepared in accordance with generally accepted accounting principles. This basis of accounting involves the application of accrual accounting; consequently, revenues are recognized when earned and expenses are recognized when incurred.
- B. **Net assets, revenues, gains, and losses** are classified based on the existence or absence of donor or donor imposed restrictions. The Chapter classifies its net assets as follows:

Net assets without donor restrictions- Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions- Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

All of the Chapter's revenues and net assets are without donor restrictions as to their use.

- C. **Cash and Cash Equivalents:** The Chapter considers all highly liquid investments with a maturity of three months or less when purchased to be "cash equivalents."
- D. **Certificates of Deposit:** Certificates of deposit held for investment that are not debt securities are included in investments and are measured at cost.

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

Certificates of deposit held for investment that are debt securities are included in investments and are recorded at fair market value. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as “short-term investments.” Certificates of deposit with remaining maturities greater than one year are classified as “long-term investments.”

- E. Fair Value Measurements: The Chapter has adopted FASB ASC 820 *Fair Value Measurements and Disclosures* which defines fair value as the price that would be received to sell an asset or paid to transfer a liability on the measurement date in an orderly transaction between market participants in the principal or most advantageous market for the transaction. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair values. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

- F. Receivables: Accounts receivable are stated at unpaid balances. The Chapter has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the amount that would have been obtained under the allowance method.
- G. Revenue Recognition and Deferred Revenue: In September 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*. This standard requires revenue to be recognized under a contractual model when a pre-identified performance obligation has been satisfied. The Chapter recognizes revenue from meetings and seminars when the seminar, course or meeting occurs. Membership dues and annual sponsorships are recognized ratably over the membership or sponsorship period, typically the Chapter’s fiscal year. Any membership dues received in advance of the membership period are deferred to the applicable period. Membership dues are lower for retired individuals, lifetime members, faculty, and free for current

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

students. Regular memberships are based on salary levels. All other transaction amounts are determined before services are provided, and they are not variable.

- H. Contributions and Support: All contributions are considered available for the Chapter's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as assets with donor restrictions and increase the respective class of net assets. Contributions received with donor restrictions that are met in the same reporting period are reported as unrestricted support and increase net assets without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of September 30, 2022 the Chapter does not have any conditional promises to give.

Contributions of donated non-cash assets are recorded at their estimated fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

- I. Income Taxes: The Chapter is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Chapter could be subject to taxation on unrelated business income from activities not directly related to its tax-exempt purpose. There was no unrelated business income for the tax years ending September 30, 2022, and 2021.
- J. Functional Expenses: The costs of program and administrative activities have been summarized on a functional basis in the statement of activities. The statement of functional expense presents the natural classification detail of expenses by function. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Administrative management fees are allocated on the basis of estimates of time and effort. All other costs are separately identified and reported accordingly.
- K. Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual result could differ from those estimates.

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Chapter has the following financial assets available within one year of the date of the statement of position for general expenditures without donor or other restrictions limiting their use:

	<u>9/30/22</u>	<u>9/30/21</u>
Cash and cash equivalents	\$ 276,005	\$ 200,081
Short-term investments	0	30,109
Accounts receivable	<u>23,497</u>	<u>22,093</u>
Total financial assets available for use within one year	<u>\$ 299,502</u>	<u>\$ 252,283</u>

As part of the Chapter's cash management policy, funds in excess of general operating expenses are invested through responsible investing practices maximizing investment returns while minimizing risk and expenses.

4. CASH AND CASH EQUIVALENTS

Cash balances as of September 30, 2022 and 2021 consisted of:

	<u>9/30/22</u>	<u>9/30/21</u>
Checking accounts at bank	\$ 139,648	\$ 94,137
Cash account with investment account	717	0
Savings accounts at bank	135,640	135,351
Paypal account	<u>0</u>	<u>701</u>
Total	<u>\$ 276,005</u>	<u>\$ 230,1089</u>

Deposits, including certificates of deposit (see Investments note 5 below) at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2022, and 2021 the Chapter's balances did not exceed FDIC limits.

5. INVESTMENTS

In the current year the Chapter closed out its certificate of deposit and transferred the funds to an investment account that has purchased a fixed-income mutual fund. The investment had a fair market value as of September 30, 2022 of \$27,246, a cost basis of \$29,631, and unrealized loss of \$2,385. The investment is Level 1 in the Fair Value hierarchy.

Investments in the prior year consisted of a certificate of deposit maintained at a bank. Certificate of deposit valued at cost was \$30,109 as of September 30, 2021.

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

Net investment return in year ended September 30, 2021 consisted of interest income of \$14, dividend income of \$348, and an unrealized loss of \$2,385.

6. CONTRACT BALANCES – REVENUE RECOGNITION

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and deferred revenue on the Statement of Financial Position. Revenue recognized prior to the receipt of payment results in accounts receivable and payments received in advance of revenue recognition results in deferred revenue.

The beginning and ending contract balances were as follows:

	September 30		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 23,497	\$ 22,093	\$ 22,055
Contract liabilities: deferred revenue	\$ 37,192	\$ 55,878	\$ 61,718

Revenue recognized for the years ending September 30, 2022 and 2021 that was included in the contract liability balance at the beginning of the year was \$55,878 and \$61,718, respectively.

7. CONCENTRATION OF REVENUE AND RECEIVABLES

For the year ended September 30, 2022, 65% of total revenue was received from meeting registration fees and sponsorships and 38% for the year ended September 30, 2021. 100% of accounts receivable was due from one customer as of September 30, 2022, and 2021, respectively.

8. COST ALLOCATION

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Management fees are allocated on the basis of estimates of time and effort. All other costs are separately identified and reported accordingly.

9. FUNDS HELD FOR OTHERS

During the year, the chapter held and disbursed funds of the Federal Planning Division of the American Planning Association to aid them in staging a conference. These are not funds of the Chapter and do not affect the statement of activities, and the Chapter is not receiving revenue in connection with holding the funds. Funds yet

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 (Reviewed) and 2021 (Audited)

to be expended at year end appear as a liability in the Statement of Position. (This is not an agency transaction as there is no third-party beneficiary.)

10. COVID-19 PANDEMIC

On January 30, 2020 the World Health Organization announced a global health emergency due to a new strain of coronavirus and the risks to the international community. The full impact of the COVID-19 emergency continues to evolve as of the date of this report. Although revenue improved in 2021 due to a slight increase in membership dues and the ability to resume in-person meetings, it is still uncertain as to the full magnitude that the pandemic will continue to have. Management continues to monitor the situation on its financial condition, liquidity, operations, industry, and workforce.

11. NEW ACCOUNTING PRONOUNCEMENTS

In September 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The Chapter adopted the standard on October 1, 2021 using the retrospective method. There are no changes to net assets as a result of the adoption of this new standard.

12. SUBSEQUENT EVENTS

The Chapter has evaluated subsequent events through February 5, 2023, the date which the financial statements were available to be issued.