

**VIRGINIA CHAPTER OF THE
AMERICAN PLANNING ASSOCIATION**

Richmond, Virginia

FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 (Reviewed)
and 2019 (Audited)

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

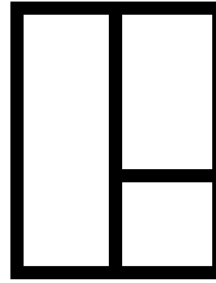
For the Years Ended September 30, 2020 (Reviewed) and 2019 (Audited)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of the Virginia Chapter of the American Planning Association (a nonprofit organization) as of September 30, 2020, and the related statements of activities, cash flows, and functional expenses 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 Chapter 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 the 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.

Accountants' Responsibility for the Financial Statements

Our responsibility is to conduct the review 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 report.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Report on 2019 Financial Statements

The 2019 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated December 31, 2019. We have not performed any auditing procedures since that date.

Rame & Associates, P.C.

Certified Public Accountants
Richmond, Virginia
December 17, 2020

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

September 30, 2020 (Reviewed) and 2019 (Audited)

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 167,407	\$ 187,802
Certificate of deposit	30,106	-
Accounts receivable	22,055	28,678
Prepaid expenses	21,733	12,960
Total current assets	\$ 241,301	\$ 229,440

LIABILITIES AND NET ASSETS

	2020	2019
Current liabilities		
Accounts payable	\$ 2,900	\$ 6,507
Deferred revenue	61,718	39,997
Total current liabilities	64,618	46,504
Net assets		
Net assets without donor restrictions	176,683	182,936
Total liabilities and net assets	\$ 241,301	\$ 229,440

SEE ACCOMPANYING NOTES

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2020 (Reviewed) and 2019 (Audited)

	<u>2020</u>	<u>2019</u>
Revenues and other support without donor restrictions		
Membership dues	\$ 106,555	\$ 102,352
Conference and meetings	4,530	164,919
Sponsorship	2,625	4,375
Contributions	290	-
Interest income	434	392
Other income	4,984	2,843
Total revenues and other support without donor restrictions	<u>\$ 119,418</u>	<u>\$ 274,881</u>
Expenses		
Programs		
Conferences and meetings	34,948	141,689
Advocacy and outreach	24,629	24,344
Member service	12,968	35,065
Total program expenses	<u>72,545</u>	<u>201,098</u>
Administrative expenses	<u>53,126</u>	<u>54,863</u>
Total expenses	<u>125,671</u>	<u>255,961</u>
Change in net assets without donor restrictions	(6,253)	18,920
Net assets at beginning of period	<u>182,936</u>	<u>164,016</u>
Net assets at end of year	<u><u>\$ 176,683</u></u>	<u><u>\$ 182,936</u></u>

SEE ACCOMPANYING NOTES

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2020 (Reviewed) and 2019 (Audited)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (6,253)	\$ 18,920
(Increase) decrease in operating assets		
Accounts receivable	6,623	(7,841)
Prepaid expenses	(8,773)	(6,060)
Increase (decrease) in operating liabilities		
Accounts payable	(3,607)	6,507
Deferred revenue	21,721	5,423
Net cash used by operating activities	15,964	(1,971)
Cash flows from investing activities:		
Purchase of investments	(30,106)	-
Net increase (decrease) in cash and cash equivalents	(20,395)	16,949
Cash and cash equivalents at beginning of the year	187,802	170,853
Cash and cash equivalents at end of the year	\$ 167,407	\$ 187,802

Supplemental cash flow information:

No cash paid for interest or income taxes during 2020 or 2019.

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

For the Year Ended September 30, 2020 (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 and administrative	\$ -	\$ -	\$ -	\$ -	\$ 6,315	\$ 6,315
Bank and processing fees	727	-	-	727	8,281	9,008
Professional fees	21,088	24,264	6,326	51,678	35,321	86,999
Marketing and advertising	-	-	100	100	-	100
Travel	1,650	-	-	1,650	3,209	4,859
Facility expenses	5,255	-	-	5,255	-	5,255
Food and beverage	6,228	-	-	6,228	-	6,228
Donations	-	-	2,000	2,000	-	2,000
Education and accreditation	-	365	2,592	2,957	-	2,957
Conference registration	-	-	1,691	1,691	-	1,691
Other expenses	-	-	259	259	-	259
Total expenses	<u>\$ 34,948</u>	<u>\$ 24,629</u>	<u>\$ 12,968</u>	<u>\$ 72,545</u>	<u>\$ 53,126</u>	<u>\$ 125,671</u>

SEE ACCOMPANYING NOTES

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

For the Year Ended September 30, 2019 (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 and administrative	\$ 1,720	\$ 99	\$ 329	\$ 2,148	\$ 2,977	\$ 5,125
Bank and processing fees	3,155	-	-	3,155	8,354	11,509
Professional fees	19,800	23,880	10,278	53,958	33,935	87,893
Marketing and advertising	-	-	215	215	-	215
Travel	15,242	-	12,342	27,584	7,388	34,972
Facility expenses	22,157	-	-	22,157	-	22,157
Food and beverage	59,594	-	4,527	64,121	890	65,011
Supplies	10,766	-	640	11,406	1,319	12,725
Small equipment and software	7,005	-	-	7,005	-	7,005
Other meeting expenses	2,250	-	-	2,250	-	2,250
Donations	-	-	1,500	1,500	-	1,500
Education and accreditation	-	365	2,209	2,574	-	2,574
Conference registration	-	-	2,470	2,470	-	2,470
Other expenses	-	-	555	555	-	555
Total expenses	<u>\$ 141,689</u>	<u>\$ 24,344</u>	<u>\$ 35,065</u>	<u>\$ 201,098</u>	<u>\$ 54,863</u>	<u>\$ 255,961</u>

SEE ACCOMPANYING NOTES

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 (Reviewed) and 2019 (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

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 (Reviewed) and 2019 (Audited)

are measured at cost. 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. **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.
- F. **Revenue Recognition and Deferred Revenue:** In September 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers*. This new 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 as the "goods and services" are transferred at a point in time. Membership dues are recognized ratably over the membership period because the benefits to the Chapter are consistent throughout the year. Any membership dues received in advance are deferred to the applicable period. Membership dues are lower for retired individuals, lifetime members, faculty, and free for current students. Regular memberships are based on salary levels. Therefore, the Chapter's average membership rate could be somewhat variable based on the number of members and other economic factors.
- G. **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, 2020 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

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 (Reviewed) and 2019 (Audited)

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.

- H. **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.
- I. **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.
- J. **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.

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 date for general expenditures without donor or other restrictions limiting their use:

	<u>9/30/20</u>	<u>9/30/19</u>
Cash and cash equivalents	\$ 167,407	\$ 187,802
Short term investments	30,106	0
Accounts receivable	<u>22,055</u>	<u>28,678</u>
Total financial assets available for use within one year	<u>\$ 212,568</u>	<u>\$ 216,480</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.

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 (Reviewed) and 2019 (Audited)

4. CASH AND CASH EQUIVALENTS

Cash balances as of September 30, 2020 and 2019 consisted of:

	<u>9/30/20</u>	<u>9/30/19</u>
Checking accounts at bank	\$ 64,779	\$ 53,919
Savings accounts at bank	101,062	130,569
Paypal account	<u>1,566</u>	<u>3,314</u>
Total	<u>\$ 167,407</u>	<u>\$ 187,802</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, 2020, and 2019 the Chapter's balances did not exceed FDIC limits.

5. INVESTMENTS

Investments are made up of a certificate of deposit maintained at a bank. Certificate of deposit valued at cost was \$30,106 as of December 31, 2020.

6. CONCENTRATION OF REVENUE AND RECEIVABLES

For the year ended September 30, 2020, 6% of total revenue was received from meeting registration fees and sponsorships and 59% for the year ended September 30, 2019. 100% and 95% of accounts receivable was due from one customer as of September 30, 2020 and 2019, respectively.

7. 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.

The Chapter's operations are heavily dependent on membership dues and fees from meetings and conferences. As a result of the pandemic, the Chapter postponed its annual conference until it could be held virtually in October 2020. As a result of postponing the conference, total revenue decreased by approximately 57% for the year ended September 30, 2020. The outbreak of COVID 19 may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation may also impact events during the next fiscal year. As a result, this may hinder our ability to advance our mission and our financial condition and liquidity may be negatively impacted in the future.

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Management is actively monitoring the effects of the pandemic on its financial condition, liquidity, operations, and industry. Given the daily evolution of the COVID-19 outbreak, the Chapter is not able to estimate the full effects on future financial results.

8. SUBSEQUENT EVENTS

The Chapter has evaluated subsequent events through December 17, 2020, the date which the financial statements were available to be issued.