

**VIRGINIA CHAPTER OF THE
AMERICAN PLANNING ASSOCIATION**
Richmond, Virginia

FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 (Audited)
and 2018 (Reviewed)

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

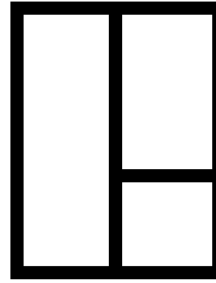
September 30, 2019 (Audited) and 2018 (Reviewed)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' 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

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INDEPENDENT AUDITORS' REPORT

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

We have audited 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, 2019 and the related statements of activities, cash flows and functional expenses for the year 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 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.

Auditor's Responsibility for the Financial Statements

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 of 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 the financial statements 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 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 the Virginia Chapter of the American Planning Association as of September 30, 2019 and 2018, 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.

Prior Period Financial Statements

The 2018 financial statements were reviewed by us and our report thereon, dated December 14, 2018, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Rame G Associates, P.C.

Certified Public Accountants
Richmond, Virginia
December 31, 2019

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

September 30, 2019 (Audited) and 2018 (Reviewed)

ASSETS

	2019	2018
Current assets		
Cash and cash equivalents	\$ 187,802	\$ 170,853
Accounts receivable	28,678	20,837
Prepaid expenses	12,960	6,901
Total current assets	\$ 229,440	\$ 198,591

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities		
Accounts payable	\$ 6,507	\$ -
Deferred revenue	39,997	34,574
Total current liabilities	46,504	34,574
Net assets		
Net assets without donor restrictions	182,936	164,017
Total liabilities and net assets	\$ 229,440	\$ 198,591

SEE ACCOMPANYING NOTES

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2019 (Audited) and 2018 (Reviewed)

	<u>2019</u>	<u>2018</u>
Revenues and other support without donor restrictions		
Membership dues	\$ 102,352	\$ 105,601
Conference and meetings	164,919	116,160
Grants	-	3,800
Sponsorship	4,375	8,625
Other income	3,235	1,600
Total revenues and other support without donor restrictions	<u>\$ 274,881</u>	<u>\$ 235,786</u>
Expenses		
Programs		
Annual conference	141,689	103,691
Advocacy and outreach	24,344	39,381
Member service	35,065	25,745
Total program expenses	<u>201,098</u>	<u>168,817</u>
Administrative expenses	<u>54,863</u>	<u>36,930</u>
Total expenses	<u>255,961</u>	<u>205,747</u>
Change in net assets without donor restrictions	18,920	30,039
Net assets at beginning of period	<u>164,016</u>	<u>133,977</u>
Net assets at end of year	<u>\$ 182,936</u>	<u>\$ 164,016</u>

SEE ACCOMPANYING NOTES

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2019 (Audited) and 2018 (Reviewed)

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 18,920	\$ 30,040
(Increase) decrease in operating assets		
Accounts receivable	(7,841)	1,023
Prepaid expenses	(6,060)	1,787
Increase (decrease) in operating liabilities		
Accounts payable	6,507	(141)
Deferred revenue	5,423	(3,975)
Net cash used by operating activities	(1,971)	(1,306)
Net increase in cash and cash equivalents	16,949	28,734
Cash and cash equivalents at beginning of the year	170,853	142,119
Cash and cash equivalents at end of the year	\$ 187,802	\$ 170,853

Supplemental cash flow information:

No cash paid for interest or income taxes during the year.

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

For the Year Ended September 30, 2019 (Audited)

	<u>Annual Conference</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
STATEMENTS OF FUNCTIONAL EXPENSES, CONTINUED**

For the Year Ended September 30, 2018 (Reviewed)

	<u>Annual Conference</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	\$ 405	\$ -	\$ 98	\$ 503	\$ 2,570	\$ 3,073
Bank and processing fees	5,154	-	-	5,154	5,390	10,544
Professional fees	7,295	39,026	1,216	47,537	26,712	74,249
Marketing and advertising	-	-	1,621	1,621	-	1,621
Travel	4,066	-	12,094	16,160	391	16,551
Facility expenses	15,391	-	-	15,391	561	15,952
Food and beverage	51,510	-	609	52,119	477	52,596
Supplies	7,363	-	-	7,363	153	7,516
Small equipment and software	7,073	-	-	7,073	-	7,073
Other meeting expenses	5,434	-	63	5,497	-	5,497
Donations	-	-	1,500	1,500	50	1,550
Education and accreditation	-	355	2,472	2,827	-	2,827
Conference registration	-	-	4,945	4,945	-	4,945
Other expenses	-	-	1,127	1,127	625	1,752
Total expenses	<u>\$ 103,691</u>	<u>\$ 39,381</u>	<u>\$ 25,745</u>	<u>\$ 168,816</u>	<u>\$ 36,930</u>	<u>\$ 205,746</u>

SEE ACCOMPANYING NOTES

VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2019

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.

- 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. **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-

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

For the year ended September 30, 2019

off method is not materially different from the amount that would have been obtained under the allowance method.

- E. **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.
- F. **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.
- G. **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.
- H. **Reclassifications:** Certain reclassifications have been made to the 2018 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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.

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:

Cash and cash equivalents	\$ 187,802
Accounts receivable	<u>28,678</u>
Total financial assets	<u>\$ 216,480</u>

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

For the year ended September 30, 2019

4. CASH AND CASH EQUIVALENTS

Cash balances as of September 30, 2019 consisted of:

Checking accounts at bank	\$ 53,919
Savings account at bank	130,569
Paypal account	<u>3,314</u>
Total cash and cash equivalents	<u>\$ 187,802</u>

Cash balances as of September 30, 2018 consisted of:

Checking accounts at bank	\$ 82,101
Savings account at bank	76,612
Paypal account	<u>9,140</u>
Total cash and cash equivalents	<u>\$ 170,853</u>

Deposits at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2019, and 2018 the Chapter's balances in bank deposits did not exceed FDIC limits.

5. CONCENTRATION OF REVENUE AND RECEIVABLES

For the year ending September 30, 2019, 59% of total revenue was received from registration fees and sponsorships from the annual conference and 48% for the year ending September 30, 2018. 95% and 100% of accounts receivable was due from one customer as of September 30, 2019 and 2018 respectively.

6. NEW ACCOUNTING STANDARD

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* for organizations with fiscal years beginning after December 15, 2017. The Chapter has adjusted the presentation of its consolidated financial statements accordingly, by applying the changes to the period presented. The new standards change the following aspects of the Chapter's consolidated financial statements:

A statement of functional expenses has been presented.

The unrestricted net asset class has been renamed net assets without donor restrictions.

The financial statements include a new disclosure about liquidity and availability of resources (Note 3).

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

For the year ended September 30, 2019

7. SUBSEQUENT EVENTS

The Chapter has evaluated subsequent events through December 31, 2019, the date which the financial statements were available to be issued.

