

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

**FINANCIAL STATEMENTS**  
For the Years Ended September 30, 2017 (Audited)  
and 2016 (Reviewed)

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

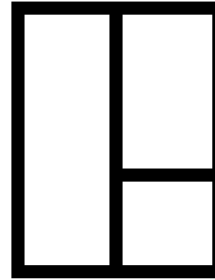
September 30, 2017 (Audited) and 2016 (Reviewed)

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## INDEPENDENT AUDITOR'S REPORT

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 not-for-profit organization) which comprise the statements of financial position as of September 30, 2017 and the related statements of activities, cash flows, and functional expenses 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.

### Auditor's 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 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, 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.

## Prior Period Financial Statements

The 2016 financial statements were reviewed by us and our report thereon dated December 6, 2016, 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 & Associates, P.C.*

Certified Public Accountants  
Richmond, Virginia  
December 11, 2017

**VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**

September 30, 2017 (Audited) and 2016 (Reviewed)

**ASSETS**

	2017	2016
Current assets		
Cash and cash equivalents	\$ 142,119	\$ 126,256
Accounts receivable	21,860	8,120
Prepaid expenses	8,688	-
Total current assets	\$ 172,667	\$ 134,376

**LIABILITIES AND NET ASSETS**

	2017	2016
Current liabilities		
Accounts payable	\$ 141	\$ 851
Deferred revenue	38,549	32,607
Total current liabilities	38,690	33,458
Net assets		
Unrestricted	133,977	120,395
Total unrestricted net assets	133,977	120,395
Total liabilities and net assets	\$ 172,667	\$ 153,853

SEE ACCOMPANYING NOTES

**VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION**  
**STATEMENT OF ACTIVITIES**

For the Years Ended September 30, 2017 (Audited) and 2016 (Reviewed)

	<u>2017</u>	<u>2016</u>
Unrestricted revenues and other support		
Membership dues	\$ 102,685	\$ 74,951
Conference and meetings	135,022	82,917
Sponsorship	10,675	21,300
Other income	<u>1,724</u>	<u>16</u>
Total unrestricted revenues and other support	<u>\$ 250,106</u>	<u>\$ 179,184</u>
Expenses		
Programs		
Annual conference	128,236	83,551
Advocacy and outreach	40,949	35,609
Other programs	<u>27,449</u>	<u>26,052</u>
Total program expenses	196,634	145,212
Administrative expenses	<u>39,890</u>	<u>11,762</u>
Total expenses	<u>236,524</u>	<u>156,974</u>
Change in unrestricted net assets	13,582	22,210
Net assets at beginning of period	<u>120,395</u>	<u>98,185</u>
Unrestricted net assets at end of year	<u><u>\$ 133,977</u></u>	<u><u>\$ 120,395</u></u>

SEE ACCOMPANYING NOTES

**VIRGINIA CHAPTER OF THE AMERICAN PLANNING ASSOCIATION**  
**STATEMENT OF CASH FLOWS**

For the Years Ended September 30, 2017 (Audited) and 2016 (Reviewed)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 13,582	\$ 22,210
(Increase) decrease in operating assets		
Accounts receivable	5,737	(27,597)
Prepaid expenses	(8,688)	-
Increase (decrease) in operating liabilities		
Accounts payable	(710)	851
Deferred revenue	5,942	32,607
Net cash provided by operating activities	2,281	5,861
Net increase in cash and cash equivalents	15,863	28,071
Cash and cash equivalents at beginning of the year	126,256	98,185
Cash and cash equivalents at end of the year	\$ 142,119	\$ 126,256

**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, 2017 (Audited)

	<u>Annual Conference</u>	<u>Advocacy and Outreach</u>	<u>Other Programs</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Office and administrative	\$ 5,741	\$ 1,297	\$ 1,390	\$ 8,428	\$ 9,260	\$ 17,688
Professional fees	7,747	39,346	1,291	48,384	24,928	73,312
Travel	9,411	-	12,755	22,166	2,936	25,102
Facility expenses	4,952	-	-	4,952	-	4,952
Food and beverage	79,292	-	1,934	81,226	2,766	83,992
Other meeting expenses	21,093	-	762	21,855	-	21,855
Education and accreditation	-	306	4,042	4,348	-	4,348
Partnerships	-	-	3,850	3,850	-	3,850
Other expenses	-	-	1,425	1,425	-	1,425
Total expenses	<u>\$ 128,236</u>	<u>\$ 40,949</u>	<u>\$ 27,449</u>	<u>\$ 196,634</u>	<u>\$ 39,890</u>	<u>\$ 236,524</u>

For the Year Ended September 30, 2016 (Reviewed)

	<u>Annual Conference</u>	<u>Advocacy and Outreach</u>	<u>Other Programs</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Total Expense</u>
Office and administrative	\$ 2,362	\$ 259	\$ 281	\$ 2,902	\$ 1,981	\$ 4,883
Professional fees	14,500	35,050	1,450	51,000	9,000	60,000
Travel	6,086	-	9,481	15,567	109	15,676
Facility expenses	8,299	-	-	8,299	-	8,299
Food and beverage	42,917	-	1,560	44,477	672	45,149
Other meeting expenses	9,387	-	7,519	16,906	-	16,906
Education and accreditation	-	300	2,613	2,913	-	2,913
Partnerships	-	-	1,500	1,500	-	1,500
Other expenses	-	-	1,648	1,648	-	1,648
Total expenses	<u>\$ 83,551</u>	<u>\$ 35,609</u>	<u>\$ 26,052</u>	<u>\$ 145,212</u>	<u>\$ 11,762</u>	<u>\$ 156,974</u>

SEE ACCOMPANYING NOTES



## 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, and sponsorships at its annual conference.

## 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:** The Chapter reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets of the Chapter are classified as follows:

Unrestricted net assets are net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets are net assets subject to donor imposed stipulations that may or will be met, either by actions of the Chapter and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When the restriction is met in the same period the contribution is received then the contribution is recorded as unrestricted for financial statement purposes.

Permanently restricted net assets are subject to donor imposed stipulations that they be maintained permanently by the Chapter to use all or part of the income earned from any related investments for general or specific purposes.

- 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-

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. 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. CASH AND CASH EQUIVALENTS

Cash balances as of September 30, 2017 consisted of:

Checking accounts at bank	\$ 61,899
Savings account at bank	79,598
Paypal account	<u>622</u>
Total cash and cash equivalents	<u>\$ 142,119</u>

Cash balances as of September 30, 2016 consisted of:

Checking accounts at bank	\$ 71,672
Savings account at bank	<u>54,584</u>
Total cash and cash equivalents	<u>\$ 126,256</u>

Deposits at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2017 and 2016 the Chapter's balances in bank deposits did not exceed FDIC limits.

### 4. CONCENTRATION OF REVENUE

For the year ending September 30, 2017, 53% of total revenue was received from registration fees and sponsorships from the annual conference and 54.2% for the year ending September 30, 2016. 97% and 64.5% of accounts receivable was due from one customer as of September 30, 2017 and 2016 respectively.

### 5. PRIOR PERIOD ADJUSTMENT

The Chapter receives membership dues from the National Chapter on a rolling, quarterly basis net of transaction fees and merchant service fees. During 2017, the Chapter determined that these dues were being recorded on the cash basis as opposed to the accrual basis. In addition, dues received in advance of being earned were recognized as revenue and not deferred to the correct accounting

period. Accordingly, the Chapter restated its financial statements for the year ended September 30, 2016. The effect of the restatement in unrestricted net assets and financial position for the year ended September 30, 2016 are as follows:

	<u>As previously reported</u>	<u>Restated</u>
Membership dues	\$ 88,081	\$ 74,951
Change in net assets	35,340	22,210
Deferred revenue	\$ 0	\$ 32,607
Net assets	133,525	120,395

## 6. SUBSEQUENT EVENTS

The Chapter has evaluated subsequent events through December 11, 2017, the date which the financial statements were available to be issued.