

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: June 8, 2017

Memorandum To: Charlottesville Tomorrow Board of Directors

From: Robinson, Farmer, Cox Associates

Regarding: Audit for Year Ended December 31, 2016

In planning and performing our audit of the financial statements of Charlottesville Tomorrow (the "Organization"), for the year ended December 31, 2016, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements but not to provide assurance on internal control. This memorandum does not affect our report dated June 8, 2017, on the financial statements of the Organization. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

During our audit, we noted no matters involving the internal control structure and related operational matters that we believe should be reported to you.

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Communication with Those Charged with Governance

To the Board of Directors
Charlottesville Tomorrow

We have audited the financial statements of Charlottesville Tomorrow for the year ended December 31, 2016 and have issued our report thereon dated June 8, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Charlottesville Tomorrow are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by Charlottesville Tomorrow during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of fixed assets and the functional allocation of expenses based on established guidelines and experience. We evaluated the key factors and assumptions used to develop the useful lives of fixed assets and the functional allocation of expenses in determining that the criteria used for those items are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 8, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

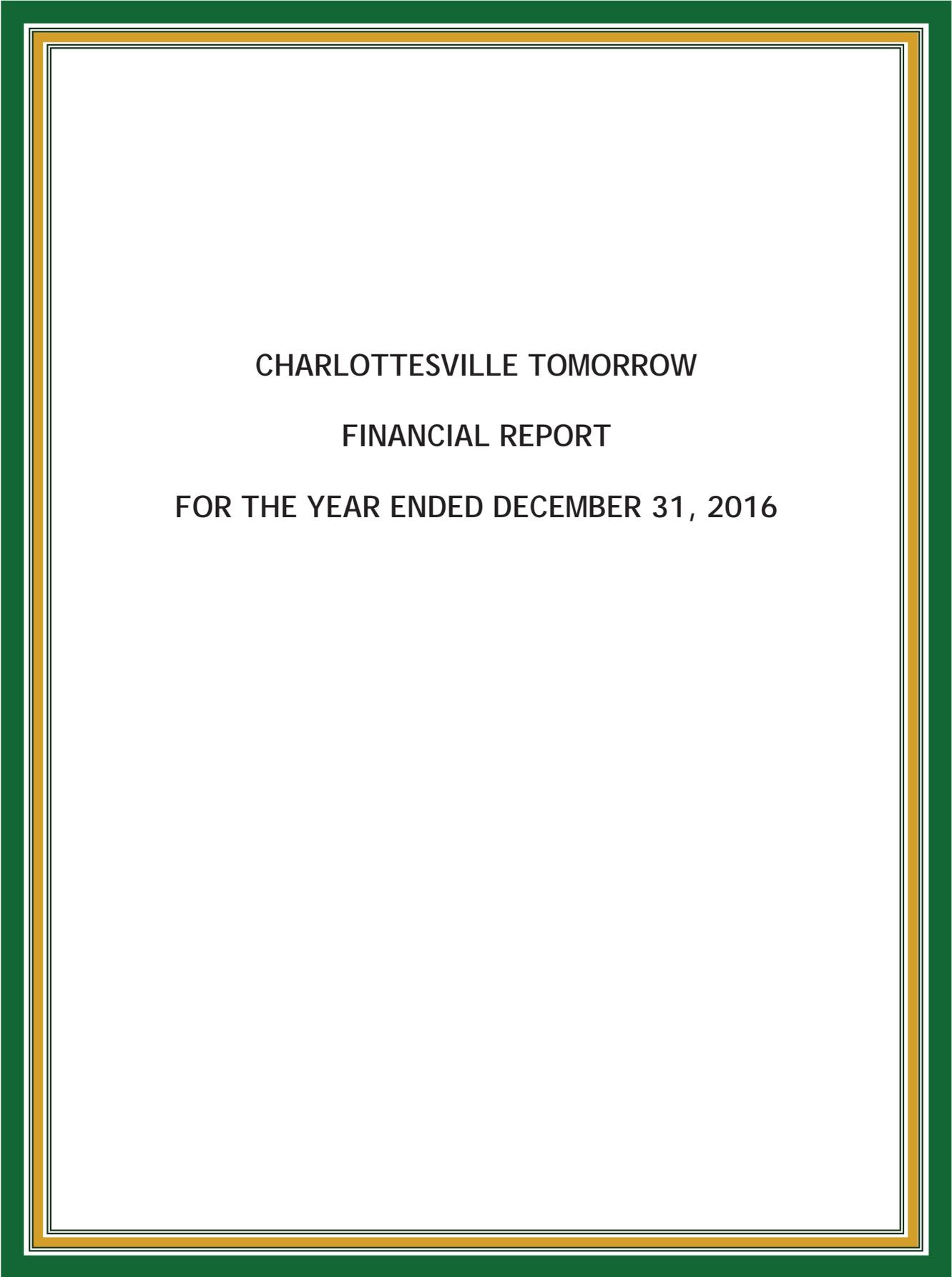
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

This information is intended solely for the use of the Board of Directors and management of Charlottesville Tomorrow and is not intended to be, and should not be, used by anyone other than these specified parties.

Robinson, Farmer, Co. Associates

Charlottesville, Virginia
June 8, 2017



CHARLOTTESVILLE TOMORROW
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

CHARLOTTESVILLE TOMORROW
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Charlottesville Tomorrow
Charlottesville, Virginia**

We have audited the accompanying financial statements of Charlottesville Tomorrow (a nonprofit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from 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 auditors' 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 Charlottesville Tomorrow as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Charlottesville Tomorrow's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Robinson, Farmer, Co. Associates
Charlottesville, Virginia
June 8, 2017

- Financial Statements -

CHARLOTTESVILLE TOMORROW

Statement of Financial Position
As of December 31, 2016
(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 48,966	\$ 5,041
Employee advance	10	-
Total current assets	<u>\$ 48,976</u>	<u>\$ 5,041</u>
Property and equipment:		
Office equipment	\$ 39,780	\$ 39,253
Furnishings	15,322	15,322
Accumulated depreciation	<u>(52,055)</u>	<u>(49,047)</u>
Net property and equipment	<u>\$ 3,047</u>	<u>\$ 5,528</u>
Other assets:		
Security deposits	<u>\$ 1,680</u>	<u>\$ 1,680</u>
Total other assets	<u>\$ 1,680</u>	<u>\$ 1,680</u>
Total assets	<u><u>\$ 53,703</u></u>	<u><u>\$ 12,249</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Payroll payable	\$ 7,953	\$ 5,974
Capital leases payable, current	<u>429</u>	<u>687</u>
Total current liabilities	<u>\$ 8,382</u>	<u>\$ 6,661</u>
Noncurrent liabilities:		
Capital leases payable, noncurrent	<u>\$ -</u>	<u>\$ 63</u>
Total noncurrent liabilities	<u>\$ -</u>	<u>\$ 63</u>
Total liabilities	<u>\$ 8,382</u>	<u>\$ 6,724</u>
Net assets:		
Unrestricted	\$ 45,321	\$ (5,569)
Temporarily restricted	<u>-</u>	<u>11,094</u>
Total net assets	<u>\$ 45,321</u>	<u>\$ 5,525</u>
Total liabilities and net assets	<u><u>\$ 53,703</u></u>	<u><u>\$ 12,249</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

CHARLOTTESVILLE TOMORROW

Statement of Activities
 For the Year Ended December 31, 2016
 (With Comparative Totals for 2015)

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
Revenues, gains and other support:				
Contributions	\$ 278,919	\$ -	\$ 278,919	\$ 279,625
Grant revenue	105,000	-	105,000	94,500
Advertisement income	26,239	-	26,239	31,535
Miscellaneous income	9	-	9	-
Net assets released from restrictions:				
Satisfaction of program restrictions	11,094	(11,094)	-	-
Total revenues, gains and other support	\$ 421,261	\$ (11,094)	\$ 410,167	\$ 405,660
Expenses:				
Program services	\$ 273,145	\$ -	\$ 273,145	\$ 298,253
Support services				
Management and general	45,442	-	45,442	49,992
Fundraising	51,784	-	51,784	43,664
Total expenses	\$ 370,371	\$ -	\$ 370,371	\$ 391,909
Change in net assets	\$ 50,890	\$ (11,094)	\$ 39,796	\$ 13,751
Net assets, beginning of year	(5,569)	11,094	5,525	(8,226)
Net assets, end of year	\$ 45,321	\$ -	\$ 45,321	\$ 5,525

The accompanying notes to the financial statements are an integral part of this statement.

CHARLOTTESVILLE TOMORROW

Statement of Functional Expenses
For the Year Ended December 31, 2016
(With Comparative Totals for 2015)

	Support Services				Total	
	Program Services	Management and General	Fundraising	Total Support Services	Total	
					2016	2015
Salaries	\$ 189,824	\$ 21,750	\$ 32,625	\$ 54,375	\$ 244,199	\$ 221,743
Employee benefits	24,584	4,594	4,594	9,188	33,772	32,426
Payroll taxes	14,245	1,598	2,444	4,042	18,287	18,036
Total salaries and related expenses	\$ 228,653	\$ 27,942	\$ 39,663	\$ 67,605	\$ 296,258	\$ 272,205
Accounting	-	4,622	-	4,622	4,622	4,984
Advertising	8,505	-	-	-	8,505	13,962
Bank fees	-	83	1,296	1,379	1,379	809
Books, subscriptions, reference	2,374	-	-	-	2,374	1,707
Conferences and meetings	1,070	-	-	-	1,070	15,757
Depreciation	-	3,008	-	3,008	3,008	4,538
Fundraising costs	-	-	7,714	7,714	7,714	10,187
Insurance	-	1,275	-	1,275	1,275	1,275
Interest	-	305	-	305	305	673
Legal	-	289	-	289	289	-
Miscellaneous	-	25	-	25	25	95
Rent	7,778	4,666	3,111	7,777	15,555	16,525
Office expense	3,227	3,227	-	3,227	6,454	24,044
Professional services	19,563	-	-	-	19,563	24,891
Travel and entertainment	1,975	-	-	-	1,975	257
Total expenses	\$ 273,145	\$ 45,442	\$ 51,784	\$ 97,226	\$ 370,371	\$ 391,909

The accompanying notes to the financial statements are an integral part of this statement.

CHARLOTTESVILLE TOMORROW

Statement of Cash Flows
For the Year Ended December 31, 2016
(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 39,796	\$ 13,751
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	3,008	4,538
(Increase) decrease in assets:		
Employee advance	(10)	15
Increase (decrease) in liabilities:		
Payroll payable	<u>1,979</u>	<u>(1,227)</u>
Net cash provided by (used for) operating activities	<u>\$ 44,773</u>	<u>\$ 17,077</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>\$ (527)</u>	<u>\$ (2,982)</u>
Net cash provided by (used for) investing activities	<u>\$ (527)</u>	<u>\$ (2,982)</u>
Cash flows from financing activities:		
Line of credit draws (repayments)	\$ -	\$ (35,000)
Capital lease principal payments	<u>(321)</u>	<u>(670)</u>
Net cash provided by (used for) financing activities	<u>\$ (321)</u>	<u>\$ (35,670)</u>
Net increase (decrease) in cash and cash equivalents	\$ 43,925	\$ (21,575)
Cash and cash equivalents, beginning of year	<u>5,041</u>	<u>26,616</u>
Cash and cash equivalents, end of year	<u>\$ 48,966</u>	<u>\$ 5,041</u>
Interest paid during the year	<u>\$ 305</u>	<u>\$ 673</u>

The accompanying notes to the financial statements are an integral part of this statement.

CHARLOTTESVILLE TOMORROW

Notes to Financial Statements
As of December 31, 2016

NOTE 1-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Charlottesville Tomorrow (the Organization) is a nonprofit, non-stock corporation organized under the provisions of Chapter 2 of Title 13.1 of the Code of Virginia. Charlottesville Tomorrow's Mission is to inform and engage the public by providing clear, non-partisan information on land use, transportation and community design and public education issues with the confidence that an informed Public will make decisions that will protect and build upon the distinctive character of the Charlottesville-Albemarle area. Charlottesville Tomorrow is organized and operates exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954.

Basis of Accounting

The Organization uses the accrual basis of accounting. Under the accrual basis, revenues are recognized in the period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Use of 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 results could differ from those estimates.

Property and Equipment

Equipment is recorded at cost or if donated, at the estimated fair market value at the date of the gift. Depreciation is provided over the estimated useful lives of the equipment, from 3-7 years, on a 200% double-declining basis. Depreciation expense was \$3,008 for the year ended December 31, 2016.

Basis of Presentation

Revenues expenses, gains, and losses are classified based on existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations. At December 31, 2016 the Organization had unrestricted net assets of \$45,321.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. At December 31, 2016 the Organization had no temporarily restricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed or other legal restrictions requiring that all principal be maintained permanently by the Organization. At December 31, 2016, the Organization had no permanently restricted net assets.

CHARLOTTESVILLE TOMORROW

Notes to Financial Statements
As of December 31, 2016 (Continued)

NOTE 1–NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Organization is exempt from federal tax under Section 501 (c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509 (a)(2).

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less from the date of acquisition to be cash equivalents.

Concentration of Credit Risk

The Organization maintains cash balances at one financial institution located in Charlottesville, Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2016, the Organization had no uninsured bank balances.

Functional Allocation of Expenses

The costs providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Comparative Totals

Comparative totals are presented for informational purposes only. Amounts for the prior year were derived from the prior year financial statements. Prior year amounts have been reclassified to the current year presentation.

CHARLOTTESVILLE TOMORROW

Notes to Financial Statements
As of December 31, 2016 (Continued)

NOTE 2-TEMPORARILY RESTRICTED NET ASSETS:

Net assets were released from grantor restrictions by incurring expenditures satisfying the following restricted purposes:

	<u>2016</u>
Batten Family Fund - Education Reporter	<u>11,094</u>
	<u>\$ 11,094</u>

NOTE 3-OPERATING LEASE COMMITMENT:

In December 2012, the Organization entered into a three year lease agreement for facilities beginning February 2013. Subsequent to year end, the Organization entered into a new one year lease to follow the previous agreement, and also entered into a new lease for additional office space. Both new leases run March 2017 to March 2018. Rent expense was \$15,555 for the year ended December 31, 2016. The future minimum lease payments are as follows:

	<u>December 31,</u>
2017	\$ 12,690
2018	<u>2,227</u>
	<u>\$ 14,917</u>

NOTE 4-CAPITAL LEASES PAYABLE:

The Organization entered into two \$750 interest free capital leases payable with Sprint for two cellphones on January 22, 2015 and September 28, 2016. Twenty-four monthly principal installment payments of \$31.25 will be made to pay off the cellphones by February 2017 and October 2018, respectively. Payments of \$847 were made for the year ended December 31, 2016. The future lease payments are as follows:

	<u>December 31,</u>
2017	\$ <u>429</u>
	<u>\$ 429</u>

CHARLOTTESVILLE TOMORROW

Notes to Financial Statements
As of December 31, 2016 (Continued)

NOTE 5—RETIREMENT PLAN:

The Organization has an organization-sponsored simple IRA retirement plan. All full-time employees are eligible to participate in the plan on the first day of their second year of employment. Discretionary contributions of \$5,370 were made by the Organization on behalf of its participating employees for the year ended December 31, 2016.

NOTE 6—LINE OF CREDIT:

The Organization established a \$35,000 line of credit with Virginia National Bank on November 25, 2014. At year ended December 31, 2016, the line of credit balance was \$0.

The Organization paid a \$200 annual fee associated with this line of credit.

NOTE 7—SUBSEQUENT EVENTS:

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through June 8, 2017, the date the financial statements were available to be issued.