



CHARLOTTESVILLE TOMORROW  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017

**CHARLOTTESVILLE TOMORROW**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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## INDEPENDENT AUDITORS' REPORT

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**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, 2017, 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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 8, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Robinson, Farmer, Co. Associates*

Charlottesville, Virginia

June 15, 2018

- Financial Statements -

CHARLOTTESVILLE TOMORROW

Statement of Financial Position  
As of December 31, 2017  
(With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 105,701	\$ 48,966
Employee advance	10	10
Total current assets	<u>\$ 105,711</u>	<u>\$ 48,976</u>
Property and equipment:		
Office equipment	\$ 39,780	\$ 39,780
Furnishings	17,822	15,322
Accumulated depreciation	<u>(53,523)</u>	<u>(52,055)</u>
Net property and equipment	<u>\$ 4,079</u>	<u>\$ 3,047</u>
Other assets:		
Security deposits	\$ 2,016	\$ 1,680
Total other assets	<u>\$ 2,016</u>	<u>\$ 1,680</u>
Total assets	<u><u>\$ 111,806</u></u>	<u><u>\$ 53,703</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities:		
Payroll payable	\$ 3,866	\$ 7,953
Accrued liabilities	943	-
Capital leases payable	<u>167</u>	<u>429</u>
Total current liabilities	<u>\$ 4,976</u>	<u>\$ 8,382</u>
Total liabilities	<u>\$ 4,976</u>	<u>\$ 8,382</u>
Net assets:		
Unrestricted	<u>\$ 106,830</u>	<u>\$ 45,321</u>
Total net assets	<u>\$ 106,830</u>	<u>\$ 45,321</u>
Total liabilities and net assets	<u><u>\$ 111,806</u></u>	<u><u>\$ 53,703</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, 2017  
 (With Comparative Totals for 2016)

	Unrestricted	Total	
		2017	2016
Revenues, gains and other support:			
Contributions	\$ 293,618	\$ 293,618	\$ 278,919
Grant revenue	126,000	126,000	105,000
Advertisement income	38,935	38,935	26,239
Miscellaneous income	31	31	9
Rental income	1,050	1,050	-
Total revenues, gains and other support	\$ 459,634	\$ 459,634	\$ 410,167
Expenses:			
Program services			
Informing the public	\$ 285,178	\$ 285,178	\$ 273,145
Support services			
Management and general	48,775	48,775	45,442
Fundraising	64,172	64,172	51,784
Total expenses	\$ 398,125	\$ 398,125	\$ 370,371
Change in net assets	\$ 61,509	\$ 61,509	\$ 39,796
Net assets, beginning of year	45,321	45,321	5,525
Net assets, end of year	\$ 106,830	\$ 106,830	\$ 45,321

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, 2017  
(With Comparative Totals for 2016)

	Support Services			Total Support Services	Total	
	Program Services	Management and General	Fundraising		2017	2016
Salaries	\$ 209,451	\$ 23,000	\$ 39,175	\$ 62,175	\$ 271,626	\$ 244,199
Employee benefits	20,592	3,849	3,849	7,698	28,290	33,772
Payroll taxes	16,330	1,598	2,444	4,042	20,372	18,287
Total salaries and related expenses	\$ 246,373	\$ 28,447	\$ 45,468	\$ 73,915	\$ 320,288	\$ 296,258
Accounting	-	5,300	-	5,300	5,300	4,622
Advertising	153	-	-	-	153	8,505
Bank fees	-	92	1,487	1,579	1,579	1,379
Books, subscriptions, reference	2,889	-	-	-	2,889	2,374
Conferences and meetings	2,003	-	-	-	2,003	1,070
Depreciation	-	1,468	-	1,468	1,468	3,008
Fundraising costs	-	-	13,060	13,060	13,060	7,714
Insurance	-	475	-	475	475	1,275
Legal	-	25	-	25	25	289
Line of credit fee	-	231	-	231	231	305
Miscellaneous	-	80	-	80	80	25
Rent	10,392	6,236	4,157	10,393	20,785	15,555
Office expense	6,421	6,421	-	6,421	12,842	6,454
Professional development	271	-	-	-	271	-
Professional services	15,041	-	-	-	15,041	19,563
Travel and entertainment	1,635	-	-	-	1,635	1,975
Total expenses	\$ 285,178	\$ 48,775	\$ 64,172	\$ 112,947	\$ 398,125	\$ 370,371

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, 2017  
(With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 61,509	\$ 39,796
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	1,468	3,008
(Increase) decrease in assets:		
Employee advance	-	(10)
Security deposit	(336)	-
Increase (decrease) in liabilities:		
Accrued liabilities	943	-
Payroll payable	(4,087)	1,979
Net cash provided by (used for) operating activities	<u>\$ 59,497</u>	<u>\$ 44,773</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>\$ (2,500)</u>	<u>\$ (527)</u>
Net cash provided by (used for) investing activities	<u>\$ (2,500)</u>	<u>\$ (527)</u>
Cash flows from financing activities:		
Capital lease principal payments	<u>\$ (262)</u>	<u>\$ (321)</u>
Net cash provided by (used for) financing activities	<u>\$ (262)</u>	<u>\$ (321)</u>
Net increase (decrease) in cash and cash equivalents	\$ 56,735	\$ 43,925
Cash and cash equivalents, beginning of year	<u>48,966</u>	<u>5,041</u>
Cash and cash equivalents, end of year	<u><u>\$ 105,701</u></u>	<u><u>\$ 48,966</u></u>
Interest paid during the year	<u><u>\$ -</u></u>	<u><u>\$ 305</u></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, 2017

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## 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 \$1,468 for the year ended December 31, 2017.

### 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, 2017 the Organization had unrestricted net assets of \$106,830.

*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, 2017 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, 2017, the Organization had no permanently restricted net assets.

## CHARLOTTESVILLE TOMORROW

Notes to Financial Statements  
As of December 31, 2017 (Continued)

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### 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, 2017, 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, 2017 (Continued)

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### **NOTE 2-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 2018 to March 2019. Rent expense was \$20,785 for the year ended December 31, 2017. The future minimum lease payments are as follows:

	<u>December 31,</u>
2018	\$ 13,362
2019	<u>2,227</u>
	<u>\$ 15,589</u>

### **NOTE 3-CAPITAL LEASES PAYABLE:**

The Organization entered into a \$750 interest free capital lease payable with Sprint for one cellphone on September 28, 2016. Twenty-four monthly principal installment payments of \$31.25 will be made to pay off the cellphones by October 2018. Payments of \$262 were made for the year ended December 31, 2017. The future lease payments are as follows:

	<u>December 31,</u>
2018	\$ <u>167</u>
	<u>\$ 167</u>

### **NOTE 4-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, 2017.

### **NOTE 5-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, 2017, the line of credit balance was \$0.

The Organization paid a \$231 annual fee associated with this line of credit.

### **NOTE 6-SUBSEQUENT EVENTS:**

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through June 15, 2018, the date the financial statements were available to be issued.