

CUMBERLAND REGION TOMORROW
FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

CUMBERLAND REGION TOMORROW

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Independent Auditor's Report

To the Board of Directors
Cumberland Region Tomorrow
Nashville, Tennessee

We have audited the accompanying financial statements of Cumberland Region Tomorrow, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows 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 audits 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.



To the Board of Directors
Cumberland Region Tomorrow

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cumberland Region Tomorrow as of December 31, 2015 and 2014, 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.

Crosslin & Associates, PLLC

Nashville, Tennessee
July 18, 2016

CUMBERLAND REGION TOMORROW
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2015	2014
Cash	\$ 111,057	\$ 210,273
Contributions and grants receivable (Note B)	6,375	13,050
Prepaid insurance	1,406	284
Equipment, net	1,999	3,246
	<hr/>	<hr/>
Total assets	\$ 120,837	\$ 226,853
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LIABILITIES

Accounts payable and accrued expenses	\$ 19,400	\$ 8,417
	<hr/>	<hr/>

NET ASSETS

Unrestricted	101,437	205,386
Temporarily restricted (Note E)	-	13,050
	<hr/>	<hr/>
Total net assets	101,437	218,436
	<hr/>	<hr/>
Total liabilities and net assets	\$ 120,837	\$ 226,853
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See notes to financial statements.

CUMBERLAND REGION TOMORROW
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2015		
	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions and grants	\$ 151,597	\$ -	\$ 151,597
Interest and other income	111	-	111
Net assets released from restrictions	13,050	(13,050)	-
Total support and revenue	164,758	(13,050)	151,708
Expenses:			
Program services:			
Quality Growth Tool Box	18,378	-	18,378
Regional Communications and Outreach	61,260	-	61,260
POWER OF TEN Regional Summit	31,573	-	31,573
Rural Issues	24,504	-	24,504
Tennessee Regions' Roundtable	18,378	-	18,378
Total program services	154,093	-	154,093
Supporting services:			
Administrative expenses	114,614	-	114,614
Total expenses	268,707	-	268,707
Net decrease in net assets	(103,949)	(13,050)	(116,999)
Net assets at beginning of year	205,386	13,050	218,436
Net assets at end of year	\$ 101,437	\$ -	\$ 101,437

Year Ended December 31, 2014		
Unrestricted	Temporarily Restricted	Total
\$ 120,845	\$ -	\$ 120,845
255	-	255
88,500	(88,500)	-
209,600	(88,500)	121,100
14,391	-	14,391
58,610	-	58,610
28,783	-	28,783
21,587	-	21,587
51,479	-	51,479
174,850	-	174,850
93,541	-	93,541
268,391	-	268,391
(58,791)	(88,500)	(147,291)
264,177	101,550	365,727
<u>\$ 205,386</u>	<u>\$ 13,050</u>	<u>\$ 218,436</u>

See notes to financial statements.

CUMBERLAND REGION TOMORROW
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2015	2014
Cash flows from operating activities:		
Decrease in net assets	\$ (116,999)	\$ (147,291)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	1,247	1,213
Loss on disposal of equipment	-	45
Direct write-off of uncollectible contributions and grants receivable	550	-
Decrease in contributions and grants receivable	6,125	88,252
Increase in prepaid insurance	(1,122)	-
Increase (decrease) in accounts payable and accrued expenses	10,983	(1,885)
Net cash used in operating activities	(99,216)	(59,666)
Cash flows from investing activities		
Purchases of equipment	-	(2,725)
Net cash used in investing activities	-	(2,725)
Net decrease in cash	(99,216)	(62,391)
Cash, beginning of year	210,273	272,664
Cash, end of year	\$ 111,057	\$ 210,273

See notes to financial statements.

CUMBERLAND REGION TOMORROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Cumberland Region Tomorrow (“CRT”) is a private sector non-profit organization founded in 2000, working with the Greater Nashville Regional Council and others in the public and private sectors. CRT’s goal is to support and encourage growth planning and implementation with emphasis in land use, transportation planning, along with preservation of open space and the distinctive character of the region’s communities. CRT seeks to bring together diverse interests; enhance the quality of decision making through education, research, and discussion; foster regional thinking and planning; and encourage citizens to become involved in growth planning for the future of the region. CRT is supported primarily through donor contributions.

In support of the Middle Tennessee regional issue of Land Use and Quality Growth, CRT continued to provide local Quality Growth Toolbox training and technical assistance services to enhance the quality of planning and development of decision making through updated local and regional comprehensive planning through its Quality Growth Toolbox education tools, and technical assistance program efforts. In support of the Middle Tennessee regional issues of Economic Competitiveness and Open Space Conservation, CRT continued to provide local Sustainable Tourism project technical assistance services to support local tourism development, along with rural economic and community development, in support of effective rural economic development and open space conservation through its’ GIS Greenprint Tools for Quality Growth, grant assistance, tools and technical assistance program efforts. In support of their efforts toward successful Regionalism and Collaborative Action, CRT facilitates the leading Middle Tennessee Annual Summit that, in 2015, brought together nearly 700 Middle Tennessee Regional leaders and thinkers that support shared regional and its’ organizational goals of education, communication, and collaboration on Middle Tennessee’s Six Issues of Regional Importance. CRT also began working with the Regional Transportation Authority of Middle Tennessee (“RTA”) in a fee-for-service contract to engage the 9 surrounding counties in transportation/transit community conversations. The contract will continue through 2016. This RTA contract continues CRT’s efforts to educate local leaders and partners on Land Use and Quality Growth, Transportation, and Infrastructure issues. In support of state-wide quality growth implementation efforts, CRT continued to organize a new state-wide Tennessee Regions’ Roundtable Network through Surdna Foundation grant funding that is creating the only integrated capacity building and leadership development, resource sharing, policy and funding alignment, and implementation incentives for use in Middle Tennessee and across four other Tennessee Partner regions in support of successful state-wide Quality Growth implementation. In support of each level of programming and implementation services, CRT creates and maintains three brands: Cumberland Region Tomorrow, POWER OF TEN, and Tennessee Regions’ Roundtable Network. For each brand and accompanying programming, CRT maintains separate websites: cumberlandregiontomorrow.org, 10power.org and tnregionsroundtable.org. These websites produce accompanying regional outreach, education and, communications products through e-newsletters. There are accompanying social media accounts in an integrated communications platform.

CUMBERLAND REGION TOMORROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accrual Basis and Financial Statement Presentation

CRT has presented its financial statements on the accrual basis of accounting.

CRT classifies its support, revenue, expenses, gains and losses into three classes of net assets based on the existence or absence of donor-imposed restrictions. Net assets of CRT and changes therein are classified as follows:

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of CRT and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations require that the assets be maintained permanently by CRT. Generally, the donors of these assets permit CRT to use all or part of the income earned on related investments for general or specific purposes.

The amount for each of these classes of net assets is displayed in the statements of financial position and the amount of change in each class of net assets is displayed in the statements of activities. There were no permanently restricted net assets at December 31, 2015 and 2014.

Contributions

CRT reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributions Receivable

Contributions receivable are recorded at their estimated fair value and reflect discounts for payment terms greater than one year. Contributions receivable are considered to be either conditional or unconditional promises to give. A conditional contribution is one which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the pledge is received.

CUMBERLAND REGION TOMORROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Equipment

Equipment is stated in the accompanying statements of financial position at cost, or if contributed, at fair market value at the date of the gift. Depreciation is calculated using the straight-line basis over the estimated useful life of the various assets, ranging from 3 to 5 years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the financial statements and disclosures. The most significant area includes the collectibility of contributions and grants receivable. Accordingly, actual results could differ from those estimates.

Financial Instruments

CRT's financial instruments consist of contributions and grants receivable, accounts payable, and accrued expenses and approximate their fair values based on their short-term nature.

Income Taxes

Cumberland Region Tomorrow is exempt from income taxes under Internal Revenue Code Section 501(c)(3); accordingly, no provision for taxes has been made in the financial statements.

CRT accounts for the effect of any uncertain tax positions based on a *more likely than not* threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a *cumulative probability assessment* that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for CRT include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, CRT has determined that such tax positions do not result in an uncertainty requiring recognition.

Donated Rent

For 2015 and 2014, Cumberland Region Tomorrow used office space donated by members of the Board of Directors. The fair value of donated rent is \$6,097 and \$6,782 for 2015 and 2014, respectively, and has been included in contribution revenue and general and administrative expense in the statements of activities.

CUMBERLAND REGION TOMORROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

B. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable at December 31, 2015 and 2014, totaled \$6,395 and \$13,050, respectively. The outstanding balance at December 31, 2015, is expected to be collected in 2016. Management did not consider an allowance for uncollectible contributions receivable necessary at December 31, 2015 or 2014. During 2015 and 2014, \$550 and \$-0-, respectively, of contributions and grants receivable were written-off as uncollectible. There were no conditional promises to give as of December 31, 2015 or 2014.

C. EQUIPMENT

Equipment at December 31, 2015 and 2014, consisted of the following:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 11,595	\$ 11,595
Less accumulated depreciation	<u>(9,596)</u>	<u>(8,349)</u>
Equipment, net	<u>\$ 1,999</u>	<u>\$ 3,246</u>

Depreciation expense for the years ended December 31, 2015 and 2014, was \$1,247 and \$1,213, respectively.

D. GRANTS

During July 2013, CRT was awarded a grant totaling \$275,000 to be used in 2013 and 2014. The grant funds were to be distributed over the two-year project period. The purpose of the grant was to support a long-term organizational development strategy for CRT and continued build out of the Tennessee Regions' Roundtable Network. All grants funds related to this grant were used during 2013 and 2014. No additional grant funds were received during 2015.

E. NET ASSETS AND NET ASSETS RELEASED FROM DONOR
RESTRICTIONS

Temporarily restricted net assets at December 31, 2015 and 2014, consisted of the following:

	<u>2015</u>	<u>2014</u>
Contributions and grants for operations in future periods	<u>\$ -</u>	<u>\$13,050</u>

Net assets of \$13,050 in 2015 and \$88,500 in 2014 were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time restriction.

CUMBERLAND REGION TOMORROW
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

F. CONCENTRATIONS OF RISK

Cash Balances

Cumberland Region Tomorrow maintains its cash in financial institutions at balances, which at times, may exceed federally insured limits. Cumberland Region Tomorrow has not experienced any losses in such accounts and believes it is not exposed to any significant concentration risk on cash.

Contributions from Major Donors

For the year ended December 31, 2015, contributions from one major donor comprised approximately 33% of CRT's total support and revenue. In addition, amounts due from one organization comprised approximately 98% of CRT's total contributions and grants receivable.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 18, 2016, which is the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.