

Design Trust for Public Space, Inc.
Financial Statements
December 31, 2013

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Independent Auditor's Report

To the Board of Trustees
of Design Trust for Public Space, Inc.

I have audited the accompanying financial statements of Design Trust for Public Space, Inc., which comprise the Statement of Financial Position as of December 31, 2013, and the related Statements of Activities, Cash Flows, 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 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

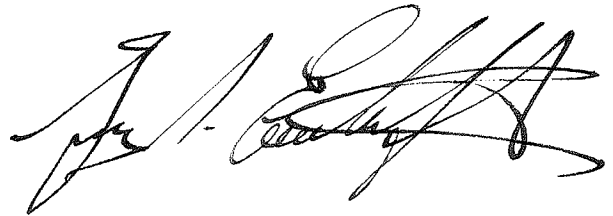
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Design Trust for Public Space, Inc., as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

I have previously audited the Design Trust for Public Space, Inc.'s, 2012 financial statements, and my report dated July 8, 2013, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplemental Information

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of program expenses on page 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion about it. This supplemental information is the responsibility of the Organization's management.

A handwritten signature in black ink, appearing to be "J. A. [unclear]", written in a cursive style.

June 26, 2014

Design Trust for Public Space, Inc.
Statements of Financial Position
December 31, 2013
(With Summarized Financial Information for 2012)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2013</u>	<u>2012</u>
Assets				
Current Assets				
Cash	\$ 236,627	\$ 62,174	\$ 298,801	\$ 407,589
Short-term investment	15,355	-	15,355	5,211
Prepaid expenses	-	-	-	1,432
Other receivables	4,627	-	4,627	6,861
Pledges and grants receivable	62,895	97,125	160,020	45,862
Total Current Assets	<u>319,504</u>	<u>159,299</u>	<u>478,803</u>	<u>466,955</u>
Property and equipment, net	14,562	-	14,562	21,519
Other Assets				
Security deposit	8,683	-	8,683	8,683
Total Other Assets	<u>8,683</u>	<u>-</u>	<u>8,683</u>	<u>8,683</u>
Total Assets	<u>\$ 342,749</u>	<u>\$ 159,299</u>	<u>\$ 502,048</u>	<u>\$ 497,157</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 10,834	\$ -	\$ 10,834	\$ 14,977
Total Liabilities	<u>10,834</u>	<u>-</u>	<u>10,834</u>	<u>14,977</u>
Net Assets				
Unrestricted	331,915	-	331,915	338,253
Temporarily restricted	-	159,299	159,299	143,927
Total Net Assets	<u>331,915</u>	<u>159,299</u>	<u>491,214</u>	<u>482,180</u>
Total Liabilities and Net Assets	<u>\$ 342,749</u>	<u>\$ 159,299</u>	<u>\$ 502,048</u>	<u>\$ 497,157</u>

See independent auditor's report and accompanying notes to the financial statements.

Design Trust for Public Space, Inc.
Statements of Activities
For the Year Ended December 31, 2013
(With Summarized Financial Information for 2012)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2013</u>	<u>2012</u>
Support and Revenue				
Contributions and grants	\$ 428,935	\$ 52,633	\$ 481,568	\$ 495,551
Government agencies	-	127,625	127,625	62,825
	<u>428,935</u>	<u>180,258</u>	<u>609,193</u>	<u>558,376</u>
Special event income	263,308	-	263,308	314,267
Less: Direct costs of special event	(68,883)	-	(68,883)	(71,412)
	<u>194,425</u>	<u>-</u>	<u>194,425</u>	<u>242,855</u>
Publication and program fees income	5,816	-	5,816	8,824
Investment and interest income	1,093	-	1,093	1,371
Net Assets released from restrictions:				
Satisfaction of program restrictions	164,886	(164,886)	-	-
Total Support and Revenue	<u>795,155</u>	<u>15,372</u>	<u>810,527</u>	<u>811,426</u>
Expenses				
Program services	<u>544,663</u>	<u>-</u>	<u>544,663</u>	<u>505,268</u>
Supporting services:				
General and administrative	67,099	-	67,099	60,623
Fund-raising	189,731	-	189,731	175,388
Total Supporting services	<u>256,830</u>	<u>-</u>	<u>256,830</u>	<u>236,011</u>
Total expenses	<u>801,493</u>	<u>-</u>	<u>801,493</u>	<u>741,279</u>
Change in net assets	(6,338)	15,372	9,034	70,147
Beginning net assets	338,253	143,927	482,180	412,033
Ending net assets	<u>\$ 331,915</u>	<u>\$ 159,299</u>	<u>\$ 491,214</u>	<u>\$ 482,180</u>

See independent auditor's report and accompanying notes to the financial statements.

Design Trust for Public Space, Inc.
Statements of Cash Flows
For the Year Ended December 31, 2013
(With Summarized Financial Information for 2012)

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 9,034	\$ 70,147
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,957	8,494
Gifted stock	(15,355)	(19,820)
Unrealized gain on investments	(277)	(469)
(Increase) decrease in operating assets:		
Prepaid expenses	1,432	1,673
Other receivables	2,234	(3,825)
Pledges and grants receivable	(114,158)	29,993
Security deposit	-	(56)
Increase (decrease) in operating liabilities:		
Accounts payable	(4,143)	(30,117)
Net cash provided by (used in) operating activities	(114,276)	56,020
Cash Flows from Investing Activities		
Purchase of equipment	-	(2,505)
Proceeds from sale of gifted stock	5,488	21,078
Net cash provided by investing activities	5,488	18,573
Increase (decrease) in Cash	(108,788)	74,593
Beginning Cash	407,589	332,996
Ending Cash	\$ 298,801	\$ 407,589

See independent auditor's report and accompanying notes to the financial statements.

Design Trust for Public Space, Inc.
Statements of Functional Expenses
Year Ended December 31, 2013
(With Summarized Financial Information for 2012)

	<u>Program Services</u>		<u>Supporting Services</u>			<u>Total</u>	<u>2012</u>
		General and Administrative	Fund-raising	Direct Costs of Special Event	<u>2013</u>		
Salaries and wages	\$ 219,878	\$ 45,951	\$ 113,926	\$ -	\$ 379,755	\$ 353,133	
Professional fees	71,645	2,626	11,911	10,000	96,182	64,062	
Communication expenses	68,790	275	2,631	7,912	79,608	49,592	
Fellowship and honoraria awards	77,831	-	-	-	77,831	48,850	
Event and exhibit expenses	5,463	29	8,289	41,313	55,094	60,376	
Occupancy expenses	29,801	6,203	15,383	8	51,395	43,432	
Payroll taxes and HR service fees	23,522	4,916	12,188	-	40,626	40,956	
Employee benefits	23,283	4,866	12,064	-	40,213	37,702	
Registration, processing fees and other	5,224	416	4,500	3,461	13,601	20,233	
Office supplies	7,185	619	2,499	339	10,642	20,703	
Printing and production	2,404	170	3,054	4,839	10,467	53,758	
Travel, meeting and meals	5,338	165	1,102	494	7,099	7,761	
Depreciation expenses	4,028	842	2,087	-	6,957	8,494	
Hospitality and gifts	271	21	97	517	906	3,639	
	544,663	67,099	189,731	68,883	870,376	812,691	
Less: direct costs of special event	-	-	-	(68,883)	(68,883)	(71,412)	
Total Expenses	\$ 544,663	\$ 67,099	\$ 189,731	\$ -	\$ 801,493	\$ 741,279	

See independent auditor's report and accompanying notes to the financial statements.

Design Trust for Public Space, Inc.
Supplemental Schedule of Program Expenses
Year Ended December 31, 2013
(with Summarized Financial Information for 2012)

	Program Services								Total 2013	2012
	General Program	Photo Urbanism 2013-2014	Photo Urbanism 2011-2012	Public Space Potlucks	Five Borough Farm Ph II	Taxi of Tomorrow	Under the Elevated	New DT Website		
Salaries and wages	\$ 71,773	\$ 7,595	\$ -	\$ 3,798	\$ 72,153	\$ 3,798	\$ 60,761	\$ -	\$ 219,878	\$ 227,772
Fellowship and honoraria awards	-	2,000	1,000	-	46,581	-	28,250	-	77,831	47,800
Professional fees	4,102	434	-	217	5,808	50,217	7,002	3,865	71,645	26,327
Communication expenses	1,899	185	-	23	20,608	23	363	45,689	68,790	40,823
Occupancy expenses	9,697	1,025	-	513	9,771	513	8,256	26	29,801	27,993
Payroll taxes and HR service fees	7,678	813	-	406	7,719	406	6,500	-	23,522	26,416
Employee benefits	7,600	803	-	402	7,641	402	6,435	-	23,283	24,317
Office supplies	2,228	239	37	120	3,609	71	834	47	7,185	14,843
Event and exhibit expenses	1,731	5	-	525	2,729	3	470	-	5,463	8,116
Travel, meetings and meals	2,560	27	197	30	1,167	28	774	555	5,338	4,023
Registration, processing fees and other	3,644	69	-	34	893	34	550	-	5,224	4,665
Depreciation expenses	1,314	139	-	70	1,322	70	1,113	-	4,028	5,480
Printing and production	365	498	-	14	765	14	748	-	2,404	45,712
Hospitality and gifts	67	3	-	2	157	2	28	12	271	981
Total Program Expenses	\$ 114,658	\$ 13,835	\$ 1,234	\$ 6,154	\$ 180,923	\$ 55,581	\$ 122,084	\$ 50,194	\$ 544,663	\$ 505,268

Gary S. Eisenkraft
Certified Public Accountant

See independent auditor's report and accompanying notes to the financial statements.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2013

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Founded in 1995, the Design Trust for Public Space is a nonprofit organization dedicated to the future of public space in New York City. Our projects bring together city agencies, community groups and private sector experts to make a lasting impact—through design—on how New Yorkers live, work and play.

Today we are a nationally-recognized incubator that transforms and evolves the city's landscape with city agencies and community collaborators. Our work can be seen, felt and experienced throughout all five boroughs—from parks and plazas to streets and public buildings.

Design Trust was incorporated in the State of New York in 1995.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Financial Statement Presentation

The Organization 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.

Unrestricted net assets represent revenues and expenses related to the operations and management of the Organization's primary programs and supporting services. If funds are raised and set aside by the Board for future use, these are considered unrestricted. Temporarily restricted contributions that are expended for their restricted purpose in the same reporting period as received may be recorded as unrestricted.

Temporarily restricted net assets represent resources available for use, but expendable only for the purpose specifically stated by the donor. As of December 31, 2013 there was \$159,299 of temporarily restricted net assets.

Permanently restricted net assets are assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on only related investments for general or specific purpose. As of December 31, 2013 there were no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

Cash consists of demand deposit accounts held at major financial institutions and may at times exceed the insurable amount. Management believes it mitigates its risk by investing in a major financial institution and in funds that are currently U.S. federal government insured. Recoverability of investments is dependent upon the performance of the issuer.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2013

Note 1 - (Continued)

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with original maturities of three months or less when purchased to be cash equivalents.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and / or nature of any donor restrictions. Design Trust has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Accounts and Pledges Receivable

Accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. For the year ended December 31, 2013 the allowance for doubtful accounts was \$0.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the approximate fair value at the date of donation. Depreciation is provided on the straight line method over the estimated useful lives of the assets as follow:

Equipment	5 years
Furniture and fixtures	5 years

It is the policy of Design Trust to capitalize items with a value greater than \$1,000.

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the assets, are capitalized.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2013

Note 1 - (Continued)

Promises to Give

Unconditional promises to give are recognized in the period received both as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Income Taxes

Design Trust is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been provided for in the accompanying financial statements.

Tax Uncertainties

The Organization's policy is to record interest expense and penalties in operating expenses. For the year ended December 31, 2013, there was no interest and penalties expense recorded and no accrued interest and penalties.

The Organization's federal form 990 is open for examination for the years ended December 31, 2010, on.

Functional Allocation of Expenses

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

Concentrations

The Organization maintains cash balances in one financial institution, which at times exceeds federally insured limits. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk.

Approximately 22% of Design Trust's contributions were provided by one individual and a foundation controlled by them during the year ended December 31, 2013.

Donated Services

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide various services that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Subsequent Events

In preparing these financial statements, Design Trust has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 26, 2014, the date the financial statements were available to be issued.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2013

Note 2 - Short-term investment

Design Trust's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by U.S. generally accepted accounting principles.

Level 1 assets have observable market prices.

Level 2 assets do not have observable prices, but have inputs that are based on observable prices.

Level 3 assets have inputs that do not have observable prices.

Investments consist of the following at market value:

Level 1 Securities:

Stock	<u>\$15,355</u>
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Note 3 - Grants and Pledges Receivable

Grants and pledges receivable are recorded as support when pledged unless the pledge and grant is conditional and the conditions have not yet been met. At December 31, 2013, all grants and pledges receivable are expected to be collected; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2013.

Note 4 - Property and Equipment

Property and equipment consists of:

Computers and equipment	\$ 17,015
Furniture and fixtures	<u>23,609</u>
Total property and equipment at cost	40,624
Less: accumulated depreciation	<u>(26,062)</u>
Net Property and Equipment	<u>\$ 14,562</u>

Depreciation was \$6,957 for the year ended December 31, 2013.

Note 5 - Employee benefits

Design Trust maintains a 401(k) retirement plan. Design Trust matches 25% of eligible employee contributions up to a maximum of 3% of compensation.

Design Trust contributed \$4,781 to the plan during fiscal year ended December 31, 2013.

**Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2013**

Note 6 - Commitment

On June 9, 2011, Design Trust for Public Space, Inc., entered into a ten year lease term for premises that began September 1, 2011 and expires August 30, 2021.

Future minimum rental payments as of December 31, 2013, under the lease terms are as follows:

Year ending December 31, 2014	\$ 35,463
2015	36,349
2016	37,258
2017	38,190
2018	39,144
Thereafter	<u>123,403</u>
	<u>\$ 309,807</u>

Rent expense for the year ended December 31, 2013 was \$34,526.

Note 7 - Financial Ratios

Expenses as a percentage of the total were as follows:

Program services	68%
General and administrative	8
Fund-raising	<u>24</u>
	<u>100%</u>

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets by revenue source and changes therein for the year ended December 31, 2013, were as follows:

	Balance December 31, <u>2012</u>	<u>Additions</u>	Releases From <u>Restrictions</u>	Balance December 31, <u>2013</u>
Restricted as to time and purpose:				
Photo Urbanism	\$ -	\$ 14,633	\$ 2,746	\$ 11,887
Five Borough Farm: Phase II	131,250	17,000	75,916	72,334
Taxi of Tomorrow	2,677	-	2,677	-
Under the Elevated	-	103,625	33,355	70,270
Design Trust website redesign	10,000	45,000	50,192	4,808
	<u>\$ 143,927</u>	<u>\$ 180,258</u>	<u>\$ 164,886</u>	<u>\$ 159,299</u>

See independent auditor's report.