

**Design Trust for Public Space, Inc.
Financial Statements
December 31, 2019**

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Independent Auditor's Report

To the Board of Directors of
Design Trust for Public Space

We have audited the accompanying financial statements of Design Trust for Public Space, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expense 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.

Auditor's 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 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 Design Trust for Public Space, Inc. as of December 31, 2019, 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 Design Trust for Public Space, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 15, 2019. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Disclaimer of Opinion on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of program expenses on page 12, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

November 12, 2020



A handwritten signature in blue ink, appearing to read "E. J. CAPRICE", is written over the typed name "E. J. CAPRICE".

Design Trust for Public Space, Inc.
Statement of Financial Position
December 31, 2019
(With Summarized Financial Information for 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash	\$ 314,518	\$ 190,000
Prepaid expenses	4,696	7,302
Account receivable	3,561	12,175
Pledges and grants receivable	98,028	156,522
Total Current Assets	420,803	365,999
Other Assets		
Property and equipment, net	10,890	13,349
Security deposits	8,733	8,733
Total Other Assets	19,623	22,082
Total Assets	\$ 440,426	\$ 388,081
 Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable	\$ 35,637	\$ 40,765
Total Current Liabilities	35,637	40,765
Net Assets		
Without donor restrictions	276,004	204,284
With donor restrictions	128,785	143,032
Total Net Assets	404,789	347,316
Total Liabilities and Net Assets	\$ 440,426	\$ 388,081

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

Design Trust for Public Space, Inc.
Statement of Activities
For the Year Ended December 31, 2019
(With Summarized Financial Information for 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2019</u>	<u>2018</u>
Support and Revenue				
Contributions and grants	\$ 560,829	\$ 7,500	\$ 568,329	\$ 524,579
Government agencies	-	67,000	67,000	95,125
Other income	-	-	-	162
	<hr/> 560,829	<hr/> 74,500	<hr/> 635,329	<hr/> 619,866
Special event income	365,766	-	365,766	364,248
Less: Direct costs of special event	(100,332)	-	(100,332)	(76,520)
	<hr/> 265,434	<hr/> -	<hr/> 265,434	<hr/> 287,728
Publication and program income	2,863	-	2,863	20,534
Investment and interest income	17	-	17	17
Net assets released from restrictions	88,747	(88,747)	-	-
Total Support and Revenue	<hr/> 917,890	<hr/> (14,247)	<hr/> 903,643	<hr/> 928,145
Expenses				
Program services	581,417	-	581,417	703,566
Supporting services:				
General and administrative	85,980	-	85,980	124,644
Fund-raising	178,773	-	178,773	249,759
Total Supporting Services	<hr/> 264,753	<hr/> -	<hr/> 264,753	<hr/> 374,403
Total Expenses	<hr/> 846,170	<hr/> -	<hr/> 846,170	<hr/> 1,077,969
Change in Net Assets	71,720	(14,247)	57,473	(149,824)
Beginning Net Assets	204,284	143,032	347,316	497,140
Ending Net Assets	<hr/> <u>\$ 276,004</u>	<hr/> <u>\$ 128,785</u>	<hr/> <u>\$ 404,789</u>	<hr/> <u>\$ 347,316</u>

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

Design Trust for Public Space, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019
(With Summarized Financial Information for 2018)

	Program Services	Supporting Services			Total 2019	2018
		General and Administrative	Fund-raising	Direct Costs of Special Event		
Salaries and wages	\$ 318,814	\$ 62,225	\$ 83,278	\$ -	\$ 464,317	\$ 587,340
Payroll taxes and HR service fees	45,448	8,767	3,520	-	57,735	72,139
Employee benefits	22,663	2,594	11,802	-	37,059	60,009
Professional fees	137,612	6,371	16,570	5,545	166,098	115,017
Event and exhibit expenses	(670)	2	2,085	77,343	78,760	136,784
Occupancy expenses	36,499	4,689	26,211	-	67,399	64,082
Office supplies and other expenses	3,678	416	16,539	593	21,226	23,267
Communication expenses	100	-	12,150	6,300	18,550	9,858
Fellowship and honoraria awards	8,000	-	-	-	8,000	42,377
Registration, processing fees and other	1,812	215	1,627	3,535	7,189	15,985
Travel, meetings and meals	3,731	111	2,413	75	6,330	10,589
Printing and production	100	-	397	5,029	5,526	9,860
Depreciation expenses	3,229	564	1,333	-	5,126	5,720
Hospitality and gifts	401	26	317	1,912	2,656	778
Advertising	-	-	531	-	531	686
	<u>581,417</u>	<u>85,980</u>	<u>178,773</u>	<u>100,332</u>	<u>946,502</u>	<u>1,154,489</u>
Less: Direct costs of special event	-	-	-	(100,332)	(100,332)	(76,520)
Total Expenses	<u>\$ 581,417</u>	<u>\$ 85,980</u>	<u>\$ 178,773</u>	<u>\$ -</u>	<u>\$ 846,170</u>	<u>\$ 1,077,969</u>

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

Design Trust for Public Space, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2019
(With Summarized Financial Information for 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 57,473	\$ (149,824)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,126	5,720
(Increase) decrease in operating assets:		
Account receivables	8,614	90,267
Prepaid expenses	2,606	(2,213)
Pledges and grants receivable	58,494	71,819
Security deposits	-	(17)
Increase (decrease) in operating liabilities:		
Accounts payable	(5,128)	2,971
Net cash provided by operating activities	127,185	18,723
Cash Flows from Investing Activities		
Purchase of equipment	(2,667)	(1,751)
Net cash used in investing activities	(2,667)	(1,751)
Increase in Cash	124,518	16,972
Beginning Cash	190,000	173,028
Ending Cash	\$ 314,518	\$ 190,000

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

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2019

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

Nature of Activities

Founded in 1995, the Design Trust for Public Space, Inc. (Design Trust) is a not - for - profit organization dedicated to the future of public space in New York City. Their 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, Design Trust is a nationally recognized incubator that transforms and evolves the city's landscape with city agencies and community collaborators. Their works 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 two classes of net assets: without donor restrictions and donor restricted net assets.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Donor restricted contributions that are expended for their restricted purpose in the same reporting period as received may be recorded as without donor restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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 a major financial institution and may at times exceed the insurable amount. Management believes it mitigates its risk by depositing cash in a major financial institution that is U.S. Federal government insured. Recoverability of investments is dependent upon the performance of the issuer.

Cash Equivalents

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

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2019

Note 1 - (Continued)

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.

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. Certain expenses have been classified based on direct expenditures, other cost were allocated based on estimates made by management such as time spent, quantities of items consumed and the proportion of physical space used.

Revenue Recognition

Contribution revenue is 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 net assets without donor restrictions if the restriction expires in the same reporting period in which the Contribution revenue is recognized. All other donor restricted contributions are reported as increases in donor restricted net assets. When a restriction expires donor restricted net assets are reclassified to net assets without donor restrictions.

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.

Pledges and Grants Receivable

Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Pledges and grants receivable are stated at the amount management expects to collect from outstanding balances. 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, 2019 the allowance for doubtful accounts was \$0.

All pledges and grants receivable are expected to be received within the current operating cycle of one year.

Accounts Receivable

Accounts receivable consists of amounts due from customers for publications and consulting services. 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, 2019 the allowance for doubtful accounts was \$0.

All accounts receivable are expected to be received within the current operating cycle of one year.

Advertising Costs

The Organization expenses advertising costs as incurred. For the year ended December 31, 2019, advertising expense was \$531.

See independent auditor's report.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2019

Note 1 - (Continued)

Concentrations

Approximately 24% of total support and revenue was from one donor during year ended December 31, 2019.

Approximately 56% of pledges and grants receivable were from two organizations during year ended December 31, 2019

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.

Income Taxes

The Organization 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.

The Organization's policy is to record interest expense and penalties in operating expenses. As of December 31, 2019, there was no interest and penalties expense recorded and no accrued interest and penalties.

Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 12, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. The COVID-19 outbreak is also disrupting supply chains and affecting production and sales across a wide range of industries. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter may negatively impact its operating results. The extent of the impact of COVID-19 on the Companies operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's donors and customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition of the Organization or results of operations is uncertain.

Fair Value Measurements and Disclosures

Carrying values of financial instruments, including cash and cash equivalents, prepaid expenses, and accrued expenses, approximated their fair values due to the short term nature of these financial instruments. There were no changes in methods or assumptions during the year ending December 31, 2019.

See independent auditor's report.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2019

Note 2 - Property and Equipment

Property and equipment consists of:

Computers and equipment	\$ 25,870
Furniture and fixtures	<u>34,870</u>
Property and equipment, total	60,740
Less: accumulated depreciation	<u>(49,850)</u>
 Property and equipment, net	 <u>\$ 10,890</u>

Depreciation expense was \$5,126 for the year ended December 31, 2019.

Note 3 - 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 \$5,456 to the plan and it is included in the statements of functional expenses in employee benefits for year ended December 31, 2019.

Note 4 - Commitment

On June 9, 2011, Design Trust entered into a ten year lease for premises. The lease began September 1, 2011 and expires August 30, 2021. Future minimum rental payments as of December 31, 2019, under the lease are as follows:

Year ending December 31, 2020	\$ 41,126
2021	<u>42,154</u>
	 <u>\$ 83,280</u>

Rent expense for the year ended December 31, 2019 was \$40,123 and is included in occupancy expenses in the Statement of Functional Expenses.

Note 5 - Financial Ratios

Expenses as a percentage of the total were as follows:

Program services	69 %
General and administrative	10
Fundraising	<u>21</u>
	 <u>100 %</u>

Percentages were computed by dividing the total expenses by function on the statement of functional expenses by the total expenses on the statement.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2019

Note 6 - Net Assets with Donor Restrictions

Temporarily restricted net assets by revenue source and changes therein for the year ended December 31, 2019, were as follows:

	Balance December 31, 2018	Additions	Release From Restrictions	Balance December 31, 2019
Restricted as to purpose:				
New Project – Plaza Stewards	2,120	12,500	20	14,600
Trust by Design	-	30,000	-	30,000
Opening the Edge	73,912	-	21,727	52,185
Restricted as to time:				
Year Ending December 31, 2018, 2019 and 2020	67,000	32,000	67,000	32,000
	\$ 143,032	\$ 74,500	\$ 88,747	\$ 128,785

Note 7 –Liquidity and Availability of Financial Assets

The Organization’s working capital and cash flows have seasonal variations during the year attributable to the timing of program and fundraising activities. Monthly cash outflows vary each year based on the specific requirements of the program activities. To manage liquidity the Organization budgets cash flow and conducts fundraising activities that are timed to fulfill anticipated funding requirements.

The following reflects the Organization’s financial assets as of the balance sheet date:

Cash	\$ 314,518
Accounts receivable	3,561
Pledges and grants receivable	98,028
	416,107
Less: net assets with donor restrictions as to purpose	(96,785)
Financial assets available to meet cash needs for general expenditures within one year	\$ 319,322

Design Trust for Public Space, Inc.
Supplemental Schedule of Program Expenses
For the Year Ended December 31, 2019
(With Summarized Financial Information for 2018)

	Program Services									
	General Program	Advisory Services	Future Culture	Fellows Forum	Opening the Edge	Power in Place	Plaza Stewards	Under the Elevated Ph II	Total 2019	2018
Salaries and wages	\$ 222,652	1,162	\$ 4,076	\$ 7,709	\$ 26,738	\$ 9,352	\$ 13,369	\$ 33,756	\$ 318,814	\$ 371,602
Payroll taxes and HR service fees	36,092	113	397	750	2,601	910	1,301	3,284	45,448	45,448
Employee benefits	16,627	73	256	484	1,678	587	839	2,119	22,663	37,806
Professional fees	104,865	-	6,538	2,000	16,709	-	-	7,500	137,612	85,578
Occupancy expenses	36,271	-	33	10	112	36	20	17	36,499	38,250
Fellowship and honoraria awards	-	-	-	-	10,000	-	-	(2,000)	8,000	42,377
Travel, meetings and meals	2,811	-	3	355	391	85	-	86	3,731	6,233
Office supplies and other expenses	3,606	-	-	-	17	-	-	55	3,678	7,845
Depreciation expenses	3,229	-	-	-	-	-	-	-	3,229	3,446
Registration, processing fees and other	1,812	-	-	-	-	-	-	-	1,812	5,825
Hospitality and gifts	368	-	-	33	-	-	-	-	401	-
Printing and production	100	-	-	-	-	-	-	-	100	-
Communication expenses	-	-	-	-	100	-	-	-	100	374
Event and exhibit expenses	158	-	104	365	523	-	-	(1,820)	(670)	58,677
Advertising	-	-	-	-	-	-	-	-	-	105
Total Program Expenses	\$ 428,591	1,348	\$ 11,407	\$ 11,706	58,869	\$ 10,970	\$ 15,529	\$ 42,997	\$ 581,417	\$ 703,566

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