

**Design Trust for Public Space, Inc.
Financial Statements
December 31, 2020**

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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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2020. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2019, 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 13, 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, 2021



Design Trust for Public Space, Inc.
Statement of Financial Position
December 31, 2020
(With Summarized Financial Information for 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash	\$ 286,422	\$ 314,518
Prepaid expenses	33,153	4,696
Account receivable	-	3,561
Pledges and grants receivable	245,491	98,028
Total Current Assets	565,066	420,803
Other Assets		
Property and equipment, net	6,455	10,890
Security deposits	8,750	8,733
Total Other Assets	15,205	19,623
Total Assets	\$ 580,271	\$ 440,426
 Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable	\$ 19,693	\$ 35,637
Advance on conditional contribution - Payroll Protection Plan	101,075	-
Total Current Liabilities	120,768	35,637
 Net Assets		
Without donor restrictions	251,782	276,004
With donor restrictions	207,721	128,785
Total Net Assets	459,503	404,789
Total Liabilities and Net Assets	\$ 580,271	\$ 440,426

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, 2020
(With Summarized Financial Information for 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>	<u>2019</u>
Support and Revenue				
Contributions and grants	\$ 538,291	\$ 68,050	\$ 606,341	\$ 568,329
Government agencies	5,000	204,000	209,000	67,000
	<u>543,291</u>	<u>272,050</u>	<u>815,341</u>	<u>635,329</u>
Special event income	98,470	-	98,470	365,766
Less: Direct costs of special event	(5,118)	-	(5,118)	(100,332)
	<u>93,352</u>	<u>-</u>	<u>93,352</u>	<u>265,434</u>
Publication and program income	2,295	-	2,295	2,863
Investment and interest income	-	-	-	17
Net assets released from restrictions	193,114	(193,114)	-	-
Total Support and Revenue	<u>832,052</u>	<u>78,936</u>	<u>910,988</u>	<u>903,643</u>
Expenses				
Program services	597,696	-	597,696	581,417
Supporting services:				
General and administrative	104,858	-	104,858	85,980
Fund-raising	153,720	-	153,720	178,773
Total Supporting Services	<u>258,578</u>	<u>-</u>	<u>258,578</u>	<u>264,753</u>
Total Expenses	<u>856,274</u>	<u>-</u>	<u>856,274</u>	<u>846,170</u>
Change in Net Assets	(24,222)	78,936	54,714	57,473
Beginning Net Assets	276,004	128,785	404,789	347,316
Ending Net Assets	<u>\$ 251,782</u>	<u>\$ 207,721</u>	<u>\$ 459,503</u>	<u>\$ 404,789</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, 2020
(With Summarized Financial Information for 2019)

	Supporting Services				Total 2020	2019
	Program Services	General and Administrative	Fund-raising	Direct Costs of Special Event		
Salaries and wages	\$ 350,378	\$ 47,997	\$ 81,595	\$ -	\$ 479,970	\$ 464,317
Payroll taxes and HR service fees	36,685	5,317	11,164	-	53,166	57,735
Employee benefits	34,590	5,115	10,635	-	50,340	37,059
Professional fees	106,325	11,652	27,674	-	145,651	166,098
Occupancy expenses	45,321	6,702	13,935	-	65,958	67,601
Office supplies and other expenses	2,677	19,630	-	-	22,307	21,024
Event and exhibit expenses	7,955	-	-	4,653	12,608	78,760
Printing and production	-	-	5,750	-	5,750	5,526
Fellowship and honoraria awards	5,450	-	-	-	5,450	8,000
Travel, meetings and meals	4,760	-	147	-	4,907	6,330
Depreciation expenses	3,047	451	937	-	4,435	5,126
Registration, processing fees and other	178	2,226	564	465	3,433	7,189
Bad debt expense	-	3,000	-	-	3,000	-
Communication expenses	-	846	1,076	-	1,922	18,550
Advertising	330	1,165	243	-	1,738	531
Hospitality and gifts	-	757	-	-	757	2,656
	<u>597,696</u>	<u>104,858</u>	<u>153,720</u>	<u>5,118</u>	<u>861,392</u>	<u>946,502</u>
Less: Direct costs of special event	-	-	-	(5,118)	(5,118)	(100,332)
Total Expenses	<u>\$ 597,696</u>	<u>\$ 104,858</u>	<u>\$ 153,720</u>	<u>\$ -</u>	<u>\$ 856,274</u>	<u>\$ 846,170</u>

Design Trust for Public Space, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2020
(With Summarized Financial Information for 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 54,714	\$ 57,473
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,435	5,126
(Increase) decrease in operating assets:		
Account receivables	3,561	8,614
Prepaid expenses	(28,457)	2,606
Pledges and grants receivable	(147,463)	58,494
Security deposits	(17)	-
Decrease in operating liabilities:		
Accounts payable	(15,944)	(5,128)
Advance on conditional contribution - Payroll Protection Plan	101,075	-
Net cash provided by operating activities	(28,096)	127,185
Cash Flows from Investing Activities		
Purchase of equipment	-	(2,667)
Net cash used in investing activities	-	(2,667)
Increase (decrease) in Cash	(28,096)	124,518
Beginning Cash	314,518	190,000
Ending Cash	\$ 286,422	\$ 314,518

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

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2020

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, 2020

Note 1 - (Continued)

Revenue Recognition

Grant and Contribution Revenue

Grants and 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.

Revenue from Contracts with Customers

The Organization creates design guidelines, conduct feasibility studies, test ideas and designs, and creates temporary installations. The Organization also develops public policy recommendations and organizes public panels, discussions and tours. The publications related to these activities are sold.

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services.

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, 2020 the allowance for doubtful accounts was \$3,000.

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, 2020 the allowance for doubtful accounts was \$3,000.

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

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.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2020

Note 1 - (Continued)

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.

Advertising Costs

The Organization expenses advertising costs as incurred. For the year ended December 31, 2020, advertising expense was \$1,738.

Concentrations

Approximately 28% of total support and revenue was from one donor during year ended December 31, 2020.

Approximately 54% of pledges and grants receivable were from two organizations during year ended December 31, 2020

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, 2020, there was no interest and penalties expense recorded and no accrued interest and penalties.

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, 2020.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2020

Note 1 - (Continued)

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 Payroll Protection Plan loan (advance on conditional contribution) was forgiven on April 22, 2021.

COVID-19

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.

Note 2 - Property and Equipment

Property and equipment consists of:

Computers and equipment	\$ 25,870
Furniture and fixtures	34,870
Property and equipment, total	<u>60,740</u>
Less: accumulated depreciation	<u>(54,285)</u>
Property and equipment, net	<u>\$ 6,455</u>

Depreciation expense was \$4,435 for the year ended December 31, 2020.

Note 3 - Commitment

On June 9, 2011, Design Trust entered into a ten year lease for premises. The lease began September 1, 2011 and expired August 30, 2021. Future minimum rental payments as of December 31, 2020, under the lease are as follows:

Year ending December 31, 2021	\$ 42,154
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Rent expense for the year ended December 31, 2020 was \$41,126 and is included in occupancy expenses in the Statement of Functional Expenses.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2020

Note 4 - Net Assets with Donor Restrictions

Temporarily restricted net assets by revenue source and changes therein for the year ended December 31, 2020, were as follows:

	Balance December 31, 2019	Additions	Release From Restrictions	Balance December 31, 2020
Restricted as to purpose:				
New Project – Plaza Stewards	14,600	35,000	40,000	9,600
Trust by Design	30,000	-	30,000	-
Restorative City	-	35,000	-	35,000
Photo Urbanism	-	21,500	-	21,500
Under the Elevated II	-	5,000	5,000	-
Opening the Edge	52,185	12,550	36,177	28,558
Restricted as to time:				
Year Ending December 31, 2020 and 2021	32,000	99,250	81,937	49,313
Restricted as to time and purpose:				
Professional development Year Ending December 31, 2021	-	5,000	-	5,000
Workforce Training and Development March 2022	-	58,750	-	58,750
	<u>\$ 128,785</u>	<u>\$ 272,050</u>	<u>\$ 193,114</u>	<u>\$ 207,721</u>

Note 5 - Financial Ratios

Expenses as a percentage of the total were as follows:

Program services	70 %
General and administrative	12
Fundraising	18
	<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.

See independent auditor's report.

Design Trust for Public Space, Inc.
Notes to Financial Statements
December 31, 2020

Note 6 - 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 \$3,973 to the plan and it is included in the statements of functional expenses in employee benefits for year ended December 31, 2020.

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	\$ 286,422
Pledges and grants receivable	<u>245,491</u>
	531,913
Less: net assets with donor restrictions as to purpose	<u>(94,658)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 437,255</u>

Design Trust for Public Space, Inc.
Supplemental Schedule of Program Expenses
For the Year Ended December 31, 2020
(With Summarized Financial Information for 2019)

Program Services									
	General Program	EPSF Project	Fellows Forum	Opening the Edge	Trust by Design	Neighborhood Commons	Under the Elevated Ph II	Total 2020	2019
Salaries and wages	\$ 210,891	\$ 49,487	\$ -	\$ 20,000	\$ 30,000	\$ 40,000	\$ -	\$ 350,378	\$ 318,814
Payroll taxes and HR service fees	22,922	4,883	-	1,973	2,960	3,947	-	36,685	45,448
Employee benefits	21,004	4,820	-	1,948	2,922	3,896	-	34,590	22,663
Professional fees	96,180	-	-	10,145	-	-	-	106,325	137,612
Occupancy expenses	45,321	-	-	-	-	-	-	45,321	36,499
Event and exhibit expenses	-	106	-	402	5,647	-	1,800	7,955	(670)
Fellowship and honoraria awards	-	450	-	5,000	-	-	-	5,450	8,000
Travel, meetings and meals	3,339	-	187	437	-	-	797	4,760	3,731
Depreciation expenses	3,047	-	-	-	-	-	-	3,047	3,299
Office supplies and other expenses	2,484	-	-	193	-	-	-	2,677	3,678
Advertising	330	-	-	-	-	-	-	330	-
Registration, processing fees and other	178	-	-	-	-	-	-	178	1,812
Hospitality and gifts	-	-	-	-	-	-	-	-	401
Printing and production	-	-	-	-	-	-	-	-	100
Communication expenses	-	-	-	-	-	-	-	-	100
Total Program Expenses	\$ 405,696	\$ 59,746	\$ 187	40,098	\$ 41,529	\$ 47,843	\$ 2,597	\$ 597,696	\$ 581,487

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