

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Financial Statements**  
**December 31, 2021**

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## Independent Auditor's Report

To the Board of Directors of  
Design Trust for Public Space, Inc.  
(a Not-for-Profit Corporation)

### **Opinion**

We have audited the accompanying financial statements of Design Trust for Public Space, Inc. (a Not-for-Profit Corporation) which comprise the Statement of Financial Position as of December 31, 2021, and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended, and the related notes to the financial statements.

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. (a Not-for-Profit Corporation) as of December 31, 2021, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Design Trust for Public Space, Inc. (a Not-for-Profit Corporation) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Design Trust for Public Space, Inc. (a Not-for-Profit Corporation)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit 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 Design Trust for Public Space, Inc. (a Not-for-Profit Corporation)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Design Trust for Public Space, Inc. (a Not-for-Profit Corporation)'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

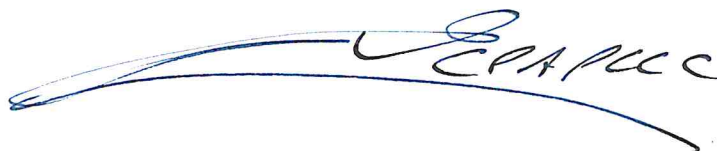
#### **Report on Summarized Comparative Information**

We have previously audited Design Trust for Public Space, Inc. (a Not-for-Profit Corporation)'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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 7, 2022



**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Statement of Financial Position**  
**December 31, 2021**  
**(With Summarized Financial Information for 2020)**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 1,199,258	\$ 285,553
Prepaid expenses	104,653	34,022
Pledges and grants receivable	1,100,778	245,491
Total Current Assets	2,404,689	565,066
Other Assets		
Property and equipment, net	2,889	6,455
Security deposits	8,766	8,750
Total Other Assets	11,655	15,205
Total Assets	\$ 2,416,344	\$ 580,271
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 49,400	\$ 19,693
Deferred revenue	2,500	-
Advance on conditional contribution - Payroll Protection Plan	-	101,075
Total Current Liabilities	51,900	120,768
<b>Net Assets</b>		
Without donor restrictions	346,268	251,782
With donor restrictions	2,018,176	207,721
Total Net Assets	2,364,444	459,503
Total Liabilities and Net Assets	\$ 2,416,344	\$ 580,271

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

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**  
**(With Summarized Financial Information for 2020)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>2020</u>
<b>Support and Revenue</b>				
Contributions and grants	\$ 702,051	\$ 2,225,000	\$ 2,927,051	\$ 606,341
Government agencies	-	163,000	163,000	209,000
	<u>702,051</u>	<u>2,388,000</u>	<u>3,090,051</u>	<u>815,341</u>
Special event income	163,138	-	163,138	98,470
Less: Direct costs of special event	(23,097)	-	(23,097)	(5,118)
	<u>140,041</u>	<u>-</u>	<u>140,041</u>	<u>93,352</u>
Publication and program income	7,541	-	7,541	2,295
Investment and interest income	506	-	506	-
Releases from restrictions	577,545	(577,545)	-	-
Total Support and Revenue	<u>1,427,684</u>	<u>1,810,455</u>	<u>3,238,139</u>	<u>910,988</u>
<b>Expenses</b>				
Program services	948,880	-	948,880	597,696
Supporting services:				
General and administrative	182,618	-	182,618	104,858
Fund-raising	201,700	-	201,700	153,720
Total Supporting Services	<u>384,318</u>	<u>-</u>	<u>384,318</u>	<u>258,578</u>
Total Expenses	<u>1,333,198</u>	<u>-</u>	<u>1,333,198</u>	<u>856,274</u>
Change in Net Assets	94,486	1,810,455	1,904,941	54,714
Beginning Net Assets	251,782	207,721	459,503	404,789
Ending Net Assets	<u>\$ 346,268</u>	<u>\$ 2,018,176</u>	<u>\$ 2,364,444</u>	<u>\$ 459,503</u>

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

Design Trust for Public Space, Inc.  
(a Not-for-Profit Corporation)  
Statement of Functional Expenses  
Year Ended December 31, 2021  
(With Summarized Financial Information for 2020)

	Program Services		Supporting Services		Direct Costs of Special Event	Total 2021	2020
			General and Administrative	Fund-raising			
Salaries and wages	\$ 488,167	\$ 59,372	\$ 112,146	\$ -	\$ -	\$ 659,685	\$ 479,970
Payroll taxes and HR service fees	61,894	7,528	14,218	-	-	83,640	53,166
Employee benefits	79,361	9,652	18,231	-	-	107,244	50,340
Professional fees	79,271	72,525	16,866	4,473	-	173,135	145,651
Fellowship and honoraria awards	127,604	-	-	-	-	127,604	5,450
Occupancy expenses	47,993	7,542	13,026	280	-	68,841	65,958
Communication expenses	33,600	1,581	4,348	3,500	-	43,029	1,922
Event and exhibit expenses	7,473	4,645	8,079	13,235	-	33,432	12,608
Office supplies and other expenses	13,062	8,164	11,430	220	-	32,876	22,307
Travel, meetings and meals	3,310	6,132	292	92	-	9,826	4,907
Registration, processing fees and other	3,285	3,032	2,106	1,297	-	9,720	3,433
Depreciation expenses	2,497	392	677	-	-	3,566	4,435
Hospitality and gifts	487	1,674	281	-	-	2,442	757
Printing and production	876	-	-	-	-	876	5,750
Advertising	-	379	-	-	-	379	1,738
Bad debt expense	-	-	-	-	-	-	3,000
	948,880	182,618	201,700	23,097	1,356,295	861,392	
Less: Direct costs of special event	-	-	-	(23,097)	(23,097)	(23,097)	(5,118)
Total Expenses	\$ 948,880	\$ 182,618	\$ 201,700	\$ -	\$ 1,333,198	\$ 856,274	

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

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**  
**(With Summarized Financial Information for 2020)**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 1,904,941	\$ 54,714
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,566	4,435
(Increase) decrease in operating assets:		
Account receivables	-	3,561
Prepaid expenses	(70,631)	(28,457)
Pledges and grants receivable	(855,287)	(147,463)
Security deposits	(16)	(17)
Increase (decrease) in operating liabilities:		
Accounts payable	29,707	(15,944)
Deferred revenue	2,500	-
Advance on conditional contribution - Payroll Protection Plan	(101,075)	101,075
Net cash provided by (used in) operating activities	913,705	(28,096)
 Increase (decrease) in Cash	 913,705	 (28,096)
Beginning Cash	285,553	313,649
Ending Cash	\$ 1,199,258	\$ 285,553

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

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2021**

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

Nature of Activities

Founded in 1995, the Design Trust for Public Space, Inc. (a Not-for-Profit Corporation) (the Organization) is 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, the Organization is a nationally recognized incubator that transforms and evolves the city's landscape with city agencies and community collaborators. The Organization's works can be seen, felt and experienced throughout all five boroughs, from parks and plazas to streets and public buildings.

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

See independent auditor's report.

**Design Trust for Public Space, Inc.**  
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**Notes to Financial Statements**  
**December 31, 2021**

**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, conducts feasibility studies, tests 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 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, 2021 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.

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.

Advertising Costs

The Organization expenses advertising costs as incurred. For the year ended December 31, 2021, advertising expense was \$379.

See independent auditor's report.

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 1 - (Continued)**

Concentrations

Approximately 61% of total support and revenue was from one donor during year ended December 31, 2021. (FY21 funding increase made possible by a \$2 million grant from the Andrew W. Mellon Foundation for a special project, Turnout NYC. The grant's funds will be spent on project expenses over a two year period.)

Approximately 71% of pledges and grants receivable were from one organization on December 31, 2021

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 the Organization 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, 2021, 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, 2021.

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 7, 2022, the date the financial statements were available to be issued.

COVID-19

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, the Organization suspended some of its activities at the direction of state and local governmental authorities, while other activities have been converted to virtual platforms. Management continues to monitor the potential impact of the outbreak on its operations, but believes it has sufficient resources to maintain operations and activities throughout this national emergency.

See independent auditor's report.

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 2 - Property and Equipment**

Property and equipment consists of:

Computers and equipment	\$ 13,346
Furniture and fixtures	<u>8,827</u>
Property and equipment, total	22,173
Less: accumulated depreciation	<u>(19,284)</u>
 Property and equipment, net	 <u>\$ 2,889</u>

Depreciation expense was \$3,566 for the year ended December 31, 2021.

**Note 3 - Commitment**

On March 2, 2022, the Organization entered into a ten year lease for premises. The lease began March 1, 2022 and expires June 30, 2032. Future minimum rental payments as of December 31, 2021, under the lease are as follows:

Year ending December 31, 2022	\$ 84,630
2023	94,536
2024	96,427
2025	98,355
2026	100,322
Thereafter	<u>616,096</u>
	<u>\$ 1,090,366</u>

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

**Note 4 - 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	\$ 1,199,258
Pledges and grants receivable	<u>1,100,778</u>
	2,300,036
 Less: net assets with donor restrictions as to purpose	 <u>(1,854,970)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 445,066</u>

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 5 - Net Assets with Donor Restrictions**

Temporarily restricted net assets by revenue source and changes therein for the year ended December 31, 2021, were as follows:

	Balance December 31, 2020	Additions	Release From Restrictions	Balance December 31, 2021
<b>Restricted as to purpose:</b>				
New Project – Plaza Stewards	\$ 9,600	\$ 124,000	\$ 100,437	\$ 33,163
Restorative City	35,000	-	35,000	-
Photo Urbanism	21,500	-	21,500	-
Opening the Edge	28,558	200,000	98,515	130,043
<b>Restricted as to time:</b>				
Year Ending December 31, 2020, 2021 and 2022	49,313	64,000	70,300	43,013
<b>Restricted as to time and purpose:</b>				
Professional development Year Ending December 31, 2021	5,000	-	5,000	-
Workforce Training and Development March 2022	58,750	-	58,750	-
Outdoor staging in public space August 2023	-	2,000,000	188,043	1,811,957
	<u>\$ 207,721</u>	<u>\$ 2,388,000</u>	<u>\$ 577,545</u>	<u>\$ 2,018,176</u>

**Note 6 - Financial Ratios**

Expenses as a percentage of the total were as follows:

Program services	71 %
General and administrative	14
Fundraising	15
	<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.**  
**(a Not-for-Profit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 7 - Employee benefits**

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

The Organization contributed \$5,042 to the plan and it is included in the statements of functional expenses in employee benefits for year ended December 31, 2021.

**Design Trust for Public Space, Inc.**  
**(a Not-for-Profit Corporation)**  
**Supplemental Schedule of Program Expenses**  
**For the Year Ended December 31, 2021**  
**(With Summarized Financial Information for 2020)**

<u>Program Services</u>												
	<u>General Program</u>	<u>RFP</u>	<u>EPSF Project</u>	<u>Fellows Forum</u>	<u>Opening the Edge</u>	<u>Turnout NYC</u>	<u>Open Streets / El Frescos</u>	<u>Trust by Design</u>	<u>Neighborhood Commons</u>	<u>Photo Urbanism</u>	<u>Total 2021</u>	<u>2020</u>
Salaries and wages	\$ 320,457	\$ 48,980	\$ -	\$ 550	\$ 15,185	\$ 19,351	31,990	\$ -	\$ 51,654	\$ -	\$ 488,167	\$ 350,378
Payroll taxes and HR service fees	42,895	5,549	-	62	1,720	2,192	3,624	-	5,852	-	61,894	36,685
Employee benefits	55,243	7,044	-	79	2,184	2,783	4,600	-	7,428	-	79,361	34,590
Professional fees	44,165	4,397	-	-	15,297	15,000	99	-	313	-	79,271	106,325
Fellowship and honoraria awards	-	1,750	-	4,667	38,537	-	-	-	60,150	22,500	127,604	5,450
Occupancy expenses	31,749	4,744	-	53	1,471	1,874	3,099	-	5,003	-	47,993	45,321
Communication expenses	1,372	22,488	3,000	-	-	-	-	-	-	6,740	33,600	-
Event and exhibit expenses	159	1,985	-	-	2,523	181	-	-	2,500	125	7,473	7,955
Office supplies and other expenses	7,459	1,569	-	-	838	514	850	460	1,372	-	13,062	2,677
Travel, meetings and meals	2,086	-	300	-	50	362	-	-	-	512	3,310	4,760
Registration, processing fees and other	3,285	-	-	-	-	-	-	-	-	-	3,285	178
Depreciation expenses	2,497	-	-	-	-	-	-	-	-	-	2,497	3,047
Hospitality and gifts	142	-	-	-	145	-	-	-	200	-	487	-
Printing and production	-	416	-	-	460	-	-	-	-	-	876	-
Advertising	-	-	-	-	-	-	-	-	-	-	-	330
<b>Total Program Expenses</b>	<b>\$ 511,509</b>	<b>\$ 98,922</b>	<b>\$ 3,300</b>	<b>\$ 5,411</b>	<b>\$ 78,410</b>	<b>\$ 42,257</b>	<b>\$ 44,262</b>	<b>\$ 460</b>	<b>\$ 134,472</b>	<b>\$ 29,877</b>	<b>\$ 948,880</b>	<b>\$ 597,696</b>

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