

**Design Trust for Public Space, Inc.**  
**Financial Statements**  
**December 31, 2014**

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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, 2014, and the related Statements of Activities, Cash Flows, and 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, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

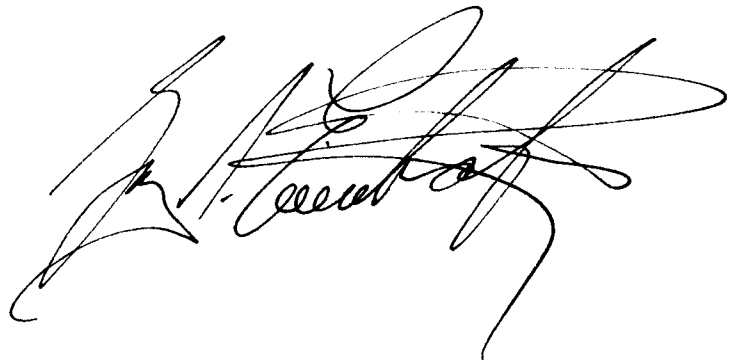
**Report on Summarized Comparative Information**

I have previously audited the Design Trust for Public Space, Inc.'s, 2013 financial statements and in my report dated June 26, 2014, I expressed an unmodified opinion on those financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, 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 financial statements as a whole. The supplementary schedule of program expenses on page 7, which is the responsibility of management, 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 financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

June 24, 2015

A large, stylized handwritten signature in black ink, appearing to be 'A. P. ...', is written over the right side of the page.

**Design Trust for Public Space, Inc.**  
**Statement of Financial Position**  
**December 31, 2014**  
**(With Summarized Financial Information for 2013)**

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 404,160	\$ 298,801
Marketable securities	27,270	15,355
Prepaid expenses and other receivables	1,274	4,627
Pledges and grants receivable	82,301	160,020
Total Current Assets	515,005	478,803
Other Assets		
Property and equipment, net	18,762	14,562
Security deposit	8,683	8,683
Total Other Assets	27,445	23,245
Total Assets	\$ 542,450	\$ 502,048
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 15,495	\$ 10,834
Total current liabilities	15,495	10,834
Net Assets		
Unrestricted	514,480	331,915
Temporarily restricted	12,475	159,299
Total Net Assets	526,955	491,214
Total Liabilities and Net Assets	\$ 542,450	\$ 502,048

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, 2014**  
**(With Summarized Financial Information for 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>	<u>2013</u>
<b>Support and Revenue</b>				
Contributions and grants	\$ 428,422	\$ 84,666	\$ 513,088	\$ 481,568
Government agencies	6,435	102,000	108,435	127,625
Contributed services	15,500	-	15,500	-
	<u>450,357</u>	<u>186,666</u>	<u>637,023</u>	<u>609,193</u>
Special event income	297,679	-	297,679	263,308
Less: Direct costs of special event	(77,319)	-	(77,319)	(68,883)
	<u>220,360</u>	<u>-</u>	<u>220,360</u>	<u>194,425</u>
Publication and program fee income	19,649	-	19,649	5,816
Investment and interest income (loss)	(248)	-	(248)	1,093
Net assets released from restrictions:				
Satisfaction of program restrictions	333,490	(333,490)	-	-
Total Support and Revenue	<u>1,023,608</u>	<u>(146,824)</u>	<u>876,784</u>	<u>810,527</u>
<b>Expenses</b>				
Program services	<u>560,768</u>	<u>-</u>	<u>560,768</u>	<u>544,663</u>
Supporting services:				
General and administrative	62,007	-	62,007	67,099
Fund-raising	218,268	-	218,268	189,731
Total supporting services	<u>280,275</u>	<u>-</u>	<u>280,275</u>	<u>256,830</u>
Total Expenses	<u>841,043</u>	<u>-</u>	<u>841,043</u>	<u>801,493</u>
Change in Net Assets	182,565	(146,824)	35,741	9,034
Beginning Net Assets	331,915	159,299	491,214	482,180
Ending Net Assets	<u>\$ 514,480</u>	<u>\$ 12,475</u>	<u>\$ 526,955</u>	<u>\$ 491,214</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, 2014**  
**(With Summarized Financial Information for 2013)**

	<u>2014</u>	<u>2013</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 35,741	\$ 9,034
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,498	6,957
Unrealized loss on investments	1,141	-
Donation of stock	(13,056)	(15,355)
(Increase) decrease in operating assets:		
Prepaid expenses and other receivables	3,353	3,666
Pledges and grants receivable	77,719	(114,158)
Increase (decrease) in operating liabilities:		
Accounts payable	4,661	(4,143)
Net cash provided by (used in) operating activities	116,057	(113,999)
<b>Cash Flows from Investing Activities</b>		
Purchase of equipment	(10,698)	-
Proceeds from sale of gifted stock	-	5,211
Net cash provided by (used in) investing activities	(10,698)	5,211
Increase (decrease) in Cash	105,359	(108,788)
Beginning Cash	298,801	407,589
Ending Cash	\$ 404,160	\$ 298,801

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, 2014**  
**(With Summarized Financial Information for 2013)**

	<u>Supporting Services</u>			<u>Direct</u>	<u>Total</u>
<u>Program Services</u>	<u>General</u>	<u>Administrative</u>	<u>Fund-raising</u>	<u>Special</u>	<u>Event</u>
Salaries and wages	\$ 237,348	\$ 37,948	\$ 127,918	\$ -	\$ 403,214
Payroll taxes and HR service fees	26,185	5,319	15,441	-	46,945
Event and exhibit expenses	38,565	-	3,736	56,161	98,462
Communication expenses	50,469	454	10,803	4,180	65,906
Fellowship and honoraria awards	63,829	-	-	-	63,829
Occupancy expenses	30,117	6,012	17,541	8	53,678
Professional fees	34,715	3,472	10,568	3,980	52,735
Employee benefits	27,325	5,551	16,120	-	48,996
Printing and production	20,712	106	4,441	6,664	31,923
Office supplies	12,882	1,784	5,741	160	20,567
Registration, processing fees and other	5,398	454	2,454	5,435	13,741
Travel, meeting and meals	9,117	98	879	447	10,541
Depreciation expenses	3,626	736	2,136	-	6,498
Hospitality and gifts	480	73	490	284	1,327
	560,768	62,007	218,268	77,319	918,362
Less: Direct costs of special event	-	-	-	(77,319)	(77,319)
<b>Total Expenses</b>	<b>\$ 560,768</b>	<b>\$ 62,007</b>	<b>\$ 218,268</b>	<b>\$ -</b>	<b>\$ 841,043</b>
					<b>\$ 801,493</b>

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, 2014  
 (with Summarized Financial Information for 2013)

	Program Services										Total 2014	2013
	General Program	Under the Elevated	Five Borough Farm Ph.III	Energetic City RFP	New DT Website	The World's Park	Photo Urbanism 2013-14	Laying the Groundwork	Five Borough Farm Ph.II	Future Culture		
Salaries and wages	\$ 92,188	\$ 39,051	\$ 14,531	\$ 34,631	\$ 9,063	\$ 13,811	\$ 6,079	\$ 12,537	\$ 7,268	\$ 4,343	\$ 3,846	\$ 219,878
Fellowship and honoraria awards	(199)	7,750	37,900	150	-	6,000	3,000	4,000	5,228	-	-	77,831
Communication expenses	2,131	805	15,371	12,963	15,143	152	2,567	150	1,116	41	30	68,790
Event and exhibit expenses	47	21,654	6,105	8,670	-	341	-	142	1,606	-	-	5,463
Professional fees	17,892	3,185	1,296	6,588	2,365	1,165	512	1,146	-	313	233	71,645
Occupancy expenses	11,491	5,415	2,294	3,515	1,454	2,046	886	2,014	58	541	403	29,801
Employee benefits	10,632	4,491	1,671	3,983	1,042	1,588	699	1,442	836	499	442	23,283
Payroll taxes and HR service fees	10,218	4,296	1,596	3,809	997	1,519	669	1,379	799	478	423	23,522
Printing and production	1,482	94	3,529	5,025	24	36	9,165	35	1,305	10	7	2,404
Office supplies	4,977	2,271	1,020	2,083	403	598	343	685	221	161	120	7,185
Travel, meetings and meals	6,098	1,171	1,069	181	284	92	54	152	-	9	7	5,338
Registration, processing fees and other	3,414	532	563	263	103	152	75	150	75	41	30	5,224
Depreciation expenses	1,397	648	275	426	166	247	109	243	-	66	49	4,028
Hospitality and gifts	138	64	27	42	118	24	11	24	20	7	5	271
<b>Total Program Expenses</b>	<b>\$ 161,906</b>	<b>\$ 91,427</b>	<b>\$ 87,249</b>	<b>\$ 82,329</b>	<b>\$ 31,162</b>	<b>\$ 27,771</b>	<b>\$ 24,169</b>	<b>\$ 24,099</b>	<b>\$ 18,532</b>	<b>\$ 6,509</b>	<b>\$ 5,595</b>	<b>\$ 560,768</b>

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



**Design Trust for Public Space, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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

Nature of Activities

Founded in 1995, the Design Trust for Public Space, Inc. 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 for Public Space, Inc. 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, 2014 there were \$12,475 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, 2014 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.

See independent auditor's report.

**Design Trust for Public Space, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**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.

Income is recognized on an accrual basis when earned.

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, 2014 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 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.

Reclassifications

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

See independent auditor's report.

**Design Trust for Public Space, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**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, 2014, there was no interest and penalties expense recorded and no accrued interest and penalties.

The Organization's Federal Forms 990 are open for examination for the years ended December 31, 2011 and thereafter.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs 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 24% of Design Trust's contributions were provided by one individual and foundation controlled by them during the year ended December 31, 2014.

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 24, 2015, the date the financial statements were available to be issued.

See independent auditor's report.

**Design Trust for Public Space, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 2 – Marketable Securities**

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.

Securities held of the following at market value:

Level 1 Securities:

Stock	<u>\$ 27,270</u>
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**Note 3 - Property and Equipment**

Property and equipment consists of:

Computers and equipment	\$ 21,953
Furniture and fixtures	29,369
Total property and equipment at cost	<u>51,322</u>
Less: accumulated depreciation	<u>(32,560)</u>
Property and equipment, net	<u>\$ 18,762</u>

Depreciation was \$6,498 for the year ended December 31, 2014.

**Note 4 - 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 \$5,053 to the plan during the year ended December 31, 2014.

**Note 5 - Commitment**

On June 9, 2011, Design Trust for Public Space, Inc., entered into a ten year lease term for premises. The lease began September 1, 2011 and expires August 30, 2021. Future minimum rental payments as of December 31, 2014, under the lease terms are as follows:

For the year ending December 31,	2015	\$ 36,349
	2016	37,258
	2017	38,190
	2018	39,144
	2019	40,123
	Thereafter	<u>83,280</u>
		<u>\$ 274,344</u>

See independent auditor's report.

**Design Trust for Public Space, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

**Note 5 – (continued)**

Rent expense for the year ended December 31, 2014 was \$35,463

**Note 6 - Financial Ratios**

Expenses as a percentage of the total were as follows:

Program services	67%
General and administrative	7
Fundraising	<u>26</u>
	<u>100%</u>

**Note 7 - Temporarily Restricted Net Assets**

Temporarily restricted net assets by revenue source and changes therein for the year ended December 31, 2014, were as follows:

	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Releases From Restrictions</u>	<u>Balance December 31, 2014</u>
<b>Restricted as to purpose:</b>				
Photo Urbanism 2013-14	\$ 11,887	\$ -	\$ 11,887	\$ -
Five Borough Farm: Phase II and Phase III	72,334	62,435	134,769	-
Under the Elevated	70,270	22,231	80,424	12,077
Design Trust Website Redesign	4,808	-	4,808	-
Laying the Groundwork	-	20,000	20,000	-
The World's Park	-	30,000	29,602	398
The Energetic City	-	52,000	52,000	-
	<u>\$ 159,299</u>	<u>\$ 186,666</u>	<u>\$ 333,490</u>	<u>\$ 12,475</u>

**Note 8 – Contributed services**

Contributed Services consists of a contribution of design construction services.

See independent auditor's report.