

**PROJECT FOR  
PUBLIC SPACES, INC.**

**Financial Statements  
for the year ended  
December 31, 2022**

## **Independent Auditor's Report**

To the Board of Directors  
Project for Public Spaces, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Project for Public Spaces, Inc. ("PPS"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the years 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 PPS as of December 31, 2022, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits 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 PPS, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 PPS'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 judgment 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 PPS' 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 PPS' 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 PPS' 2021 financial statements, and our report dated October 19, 2022 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Condon O'Meara McGinty + Donnelly LLP*

June 20, 2023

**PROJECT FOR PUBLIC SPACES, INC.**

**Statement of Financial Position**

**Assets**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 1,566,997	\$ 672,542
Contracts receivable, net	61,217	312,780
Prepaid expenses and other	-	509
<b>Total assets</b>	<b>\$ 1,628,214</b>	<b>\$ 985,831</b>

**Liabilities and Net Assets**

Accounts payable	\$ 86,356	\$ 148,119
Accrued expenses	8,449	-
<b>Total liabilities</b>	94,805	148,119
<b>Net assets</b>		
Without donor restrictions	444,973	20,956
With donor restrictions	1,088,436	816,756
Total net assets	1,533,409	837,712
<b>Total liabilities and net assets</b>	<b>\$ 1,628,214</b>	<b>\$ 985,831</b>

See notes to financial statements.

**PROJECT FOR PUBLIC SPACES, INC.**

**Statement of Activities**  
**For the year ended December 31, 2022**  
**(with Summarized Comparative Totals for the Year Ended December 31, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>Public support and revenue</b>				
Grants	\$ 891,730	\$ 981,066	\$ 1,872,796	\$ 1,141,437
Government Grant – PPP Loan	-	-	-	455,125
Contributions	2,724	-	2,724	661,146
Contract services	808,294	-	808,294	624,638
Investment return	101	-	101	13,090
Other	94,938	-	94,938	-
Net assets released from restrictions	<u>709,386</u>	<u>(709,386)</u>	<u>-</u>	<u>-</u>
<b>Total public support     and revenue</b>	<u>2,507,173</u>	<u>271,680</u>	<u>2,778,853</u>	<u>2,895,436</u>
<b>Expenses</b>				
Program services	1,716,986	-	1,716,986	1,577,909
Supporting activities		-		
Management and general	209,986	-	209,986	573,671
Fundraising	<u>156,184</u>	<u>-</u>	<u>156,184</u>	<u>56,454</u>
<b>Total expenses</b>	<u>2,083,156</u>	<u>-</u>	<u>2,083,156</u>	<u>2,208,034</u>
<b>Increase in net assets</b>	<b>424,017</b>	<b>271,680</b>	<b>695,697</b>	<b>687,402</b>
<b>Net assets, beginning of year</b>	<u>20,956</u>	<u>816,756</u>	<u>837,712</u>	<u>150,310</u>
<b>Net assets, end of year</b>	<u>\$ 444,973</u>	<u>\$ 1,088,436</u>	<u>\$ 1,533,409</u>	<u>\$ 837,712</u>

See notes to financial statements.

**PROJECT FOR PUBLIC SPACES, INC.**

**Statement of Functional Expenses  
For the year ended December 31, 2022  
(with Summarized Comparative Totals for the Year Ended December 31, 2021)**

	2022			2021		
	Program Services	Supporting Activities		Fund- Raising	Total	Total
		Management and General	General			
Salaries and wages	\$ 715,979	\$ 90,630	\$ 99,693	\$ 906,302	\$ 1,129,219	
Payroll taxes and employee benefits	190,252	24,083	26,491	240,826	282,126	
Total payroll and related expenses	906,231	114,713	126,184	1,147,128	1,411,345	
Bank fees	5,739	219	-	5,958	4,706	
Consultants	413,651	-	30,000	443,651	529,556	
Conference and training	-	-	-	-	29,097	
Depreciation and amortization	-	-	-	-	90,700	
Equipment rental	-	178	-	178	7,944	
Grants awarded	330,000	-	-	330,000	-	
Insurance	-	14,344	-	14,344	15,130	
Interest	-	-	-	-	411	
Occupancy	836	16,256	-	17,092	3,187	
Office supplies	321	137	-	458	7,926	
Other	1,665	2,129	-	3,794	20,501	
Postage	94	823	-	917	719	
Printing and graphics	5,278	-	-	5,278	2,967	
Professional fees	-	45,204	-	45,204	54,526	
Telephone	-	454	-	454	1,787	
Travel and related	44,596	2,144	-	46,740	3,078	
Uncollectible receivables	-	-	-	-	24,454	
Utilities	8,575	13,385	-	21,960	-	
<b>Total expenses</b>	<b>\$ 1,716,986</b>	<b>\$ 209,986</b>	<b>\$ 156,184</b>	<b>\$ 2,083,156</b>	<b>\$ 2,208,034</b>	

See notes to financial statements.

**PROJECT FOR PUBLIC SPACES, INC.**

**Statement of Cash Flows**

	<b>For the year ended</b>	
	<b>December 31</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 695,697	\$ 687,402
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	-	90,700
Forgiveness of SBA PPP loan	-	(455,125)
(Increase) decrease in current assets		
Contracts receivables, net	251,563	(236,567)
Prepaid expenses and other	509	14,985
Security deposit	-	100,700
Increase (decrease) in current liabilities		
Accounts payable	(61,763)	(72,213)
Accrued expenses	8,449	(58,554)
(Decrease) in deferred rent	<u>-</u>	<u>(219,653)</u>
Net cash provided by (used in) operating activities	894,455	(148,325)
<b>Cash flows from financing activities</b>		
Proceeds from SBA PPP loan	<u>-</u>	<u>455,125</u>
<b>Net increase in cash and cash equivalents</b>	<b>894,455</b>	<b>306,800</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>672,542</u></b>	<b><u>365,742</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$1,566,997</u></b>	<b><u>\$ 672,542</u></b>

See notes to financial statements.

## PROJECT FOR PUBLIC SPACES, INC.

### Notes to Financial Statements December 31, 2022

#### **Note 1 – Nature of organization and summary of significant accounting policies**

##### Nature of organization and purpose

Project for Public Spaces, Inc. (“PPS”) was incorporated in 1975 under the Not-for-Profit Corporation Law of the State of New York. PPS specializes in the planning, design and management of public spaces. Its mission is dedicated to helping people create and sustain public spaces that build stronger communities.

##### Financial reporting

PPS recognizes all unconditional grants and contributions as support on the statement of activities. Grants or contributions without restrictions are recognized as net assets without donor restrictions. Grants or contributions that are restricted for a particular purpose or relate to future periods are reflected as net assets with donor restrictions.

PPS maintains its net assets in two classes as follows:

##### Without donor restrictions

Net assets without restrictions are used to account for the general activity of PPS.

##### With donor restrictions

##### Temporary donor restrictions

Contributions are reported as an increase in net assets without donor restrictions if the restrictions are satisfied within the same year the contributions are received. Net assets with temporary donor restrictions represent expendable gifts and grants, which are restricted by the donor or relate to future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The net assets that were released from donor restrictions during 2022 were used to fund the programs as described in the nature of organization and purpose paragraph above.

##### Contributed nonfinancial assets

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. PPS receives donated services from an external organization. These services do not meet the criteria to be recorded and have not been included in the financial statements.

##### Contract services

PPS receives revenues under contracts with governmental and other agencies. As determined by provisions of each contract, revenue from contracts is recognized as costs are incurred. Any significant reduction in the level of this support could have an effect on PPS’s programs.

**PROJECT FOR PUBLIC SPACES, INC.****Notes to Financial Statements (continued)  
December 31, 2022****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Cash equivalents

PPS considers highly liquid assets with original maturities of ninety days or less to be cash equivalents.

Allowance for doubtful accounts

As of December 31, 2022, PPS has not provided for an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions. As of December 31, 2021, PPS had an allowance for doubtful accounts of approximately \$12,000.

Allocation of expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. The statement of functional expenses represents the national classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

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 amounts reported in the financial statements. Actual results could differ from these estimates.

Concentration of credit risk

PPS's financial instruments that are exposed to concentration of credit risk consist primarily of cash, cash equivalents and receivables. PPS places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, cash balances exceeded the FDIC insurance limit; however, PPS has not experienced losses on these cash and cash equivalents accounts. PPS routinely assesses the financial strength of its financial institutions. The receivables consist primarily from grants and various program contracts with other organizations. PPS monitors the collectability of its receivables on an ongoing basis. PPS believes no significant risk of loss is likely as a result of credit risk concentrations with respect to its cash, cash equivalents and receivables.

**PROJECT FOR PUBLIC SPACES, INC.**

**Notes to Financial Statements (continued)  
December 31, 2022**

**Note 1 – Nature of organization and summary of significant accounting policies (continued)**

Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with PPS's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Subsequent events

PPS has evaluated events and transactions for potential recognition or disclosure through June 20, 2023, which is the date the financial statements were available to be issued.

**Note 2– Liquidity and availability of financial assets**

PPS's working capital and cash flows vary due to timing of payments received for grants and contracts.

As of December 31, 2022 and Decemebr 31, 2021, financial assets and liquidity resources available within one year of the statement of financial position date for general expenditures were as follows:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 1,566,997	\$ 672,542
Contracts receivables, net	<u>61,217</u>	<u>312,780</u>
Total	<u>\$ 1,628,214</u>	<u>\$ 985,322</u>

**Note 3 – Commitments**

During April 2021, due to COVID-19, PPS vacated and surrendered its office space in New York City. In addition, in connection with the surrender agreement, PPS has surrendered its security deposit and certain specified personal property, as outlined in a termination agreement.

PPS has an agreement for storage space payable on a month-to-month basis.

**Note 4 – Retirement plans**

PPS provided a 403(b)-retirement saving plan to all employees. Employees made pre-tax salary deferrals effective immediately upon employment. PPS did not make any matching contributions to their plan for 2022 or 2021. During November 2022, the 403(b)-retirement saving plan was terminated and replaced with a 401(k) plan starting in 2022 operated by a PEO (see note 6).

**PROJECT FOR PUBLIC SPACES, INC.**

**Notes to Financial Statements (continued)  
December 31, 2022**

**Note 5 – Net assets with donor restrictions**

Temporary donor restrictions

The activities in the net assets with temporary donor restrictions consist of the following as of and for the year ended December 31, 2022:

	Balance at December 31 <u>2021</u>	<u>Grants</u>	Net Assets Released From <u>Restrictions</u>	Balance at December 31 <u>2022</u>
Atlanta Fulton County Library	\$ -	\$ 10,188	\$ (10,188)	\$ -
Duuo	-	2,500	-	2,500
GAF 2021-2022 regranting	107,411	81,378	(188,789)	-
Claritin 2022 regranting	300,000	-	(250,000)	50,000
Claritin 2022 labor	51,667	-	(49,600)	2,067
GM 2022 labor	140,000	-	(31,071)	108,929
GM 2022 regranting	120,000	-	(80,000)	40,000
GM 2022	-	362,000	-	362,000
The Port Authority	15,000	-	(15,000)	-
Jesse Ball Dupont	5,500	-	(2,750)	2,750
Niantic	-	125,000	(4,810)	120,190
Mass Mutual	73,238	-	(73,238)	-
McKing Consulting	2,000	-	(2,000)	-
Walton Family Foundation	-	400,000	-	400,000
Federal Highway Admin.	<u>1,940</u>	<u>-</u>	<u>(1,940)</u>	<u>-</u>
Total	<u>\$ 816,756</u>	<u>\$ 981,066</u>	<u>\$ (709,386)</u>	<u>\$ 1,088,436</u>

**Note 6 – Employment management agreement**

PPS has an employment management agreement with a Certified Professional Employer Organization that provides a comprehensive personnel management system encompassing a broad range of services, including benefits and payroll administration, health, worker's compensation insurance programs, 401 (k) retirement plan, personnel records management, employer liability management, etc.

**Note 7 – Paycheck Protection Program Loan**

During April 2021, PPS received loan proceeds in the amount of \$455,125 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides loans to qualifying organizations and it was forgivable if PPS met certain guidelines as defined in the PPP loan documents. During October 2021, PPS was notified that the PPP loan was forgiven and it was recorded in the 2021 statement of activities.

**PROJECT FOR PUBLIC SPACES, INC.**

**Notes to Financial Statements (continued)  
December 31, 2022**

**Note 8 – Tax status**

PPS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”). PPS has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation under the meaning of Sections 509(a)(1) and 170(b)(A)(vii) of the Code. PPS qualifies for the maximum charitable contribution deduction for donors.