PROJECT FOR PUBLIC SPACES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Project for Public Spaces, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 Project for Public Spaces, Inc. as of December 31, 2025 and 2024, and the changes in its net assets 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project for Public Spaces, Inc. 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.

Emphasis of Matter

As discussed in Note 8, Project for Public Spaces, Inc. experienced a significant decrease in net assets and negative cash flows from operating activities during the year ended December 31, 2025. Management's evaluation of the events and conditions and management's plans regarding these matters is also described in Note 8. Our opinion is not modified with respect to this matter.

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.

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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 Project for Public Spaces, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Project for Public Spaces, Inc.'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 Project for Public Spaces, Inc.'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.

Lutz + Carr, LLP

New York, New York
August 4, 2026

PROJECT FOR PUBLIC SPACES, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 302,030	$1,656,477
Certificate of deposit	100,000	-
Grants receivable	91,108	91,393
Contracts receivable	52,433	121,244
Prepaid expenses and other assets	25,477	24,670
Total Assets	$ 571,048	$1,893,784
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 85,111	$ 66,852
Grants payable	-	600,000
Deferred revenue	39,130	927
Total Liabilities	124,241	667,779
Net Assets (Deficit)		
Without donor restrictions	(938,657)	(557,313)
With donor restrictions	1,385,464	1,783,318
Total Net Assets	446,807	1,226,005
Total Liabilities and Net Assets	$ 571,048	$1,893,784

See notes to financial statements.

PROJECT FOR PUBLIC SPACES, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Revenue and Support						
Grants	$ 24,572	$ 725,928	$ 750,500	$ 322,209	$ 1,605,936	$1,928,145
Contributions	92,895	-	92,895	120,325	-	120,325
In-kind contributions	10,713	-	10,713	44,921	-	44,921
Events	174,721	-	174,721	329,912	-	329,912
Contract services	428,987	-	428,987	428,825	-	428,825
Memberships	80,300	-	80,300	38,140	-	38,140
Interest income	4,782	-	4,782	7,558	-	7,558
Other income	15,531	-	15,531	16,854	-	16,854
Net assets released from restrictions	1,123,782	(1,123,782)	-	1,084,674	(1,084,674)	-
Total Revenue and Support	1,956,283	(397,854)	1,558,429	2,393,418	521,262	2,914,680
Expenses						
Program Services	1,616,207	-	1,616,207	2,116,875	-	2,116,875
Supporting Services						
Management and general	611,453	-	611,453	507,318	-	507,318
Fundraising	109,967	-	109,967	119,448	-	119,448
Total Supporting Services	721,420	-	721,420	626,766	-	626,766
Total Expenses	2,337,627	-	2,337,627	2,743,641	-	2,743,641
Increase (decrease) in net assets	(381,344)	(397,854)	(779,198)	(350,223)	521,262	171,039
Net assets (deficit), beginning of year	(557,313)	1,783,318	1,226,005	(207,090)	1,262,056	1,054,966
Net Assets (Deficit), End of Year	$ (938,657)	$ 1,385,464	$ 446,807	$ (557,313)	$ 1,783,318	$1,226,005

See notes to financial statements.

PROJECT FOR PUBLIC SPACES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
		Supporting Services				Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Salaries	$ 655,851	$ 395,772	$ 79,154	$1,130,777	$ 689,862	$ 301,814	$ 86,233	$1,077,909
Payroll taxes and employee benefits	156,323	94,332	18,867	269,522	184,943	80,912	23,118	288,973
Total Payroll and Related Expenses	812,174	490,104	98,021	1,400,299	874,805	382,726	109,351	1,366,882
Grants awarded	306,000	-	-	306,000	740,000	-	-	740,000
Consultants	338,058	16,396	-	354,454	212,473	14,500	-	226,973
Professional fees	-	26,030	-	26,030	-	28,694	-	28,694
Travel and related	74,093	4,070	-	78,163	127,350	5,621	-	132,971
Conference and training	295	1,010	-	1,305	424	1,335	-	1,759
Occupancy	31,191	42,538	-	73,729	80,407	38,996	-	119,403
Utilities	14,815	9,637	4,889	29,341	12,492	17,847	2,500	32,839
Office supplies	170	679	-	849	9,869	575	-	10,444
Postage	-	164	-	164	30	110	-	140
Printing and advertising	15,601	332	58	15,991	21,756	2,026	-	23,782
Telephone	-	494	-	494	-	1,002	-	1,002
Insurance	11,608	11,609	-	23,217	9,803	7,254	-	17,057
Bank fees	11,997	10	49	12,056	21,344	80	232	21,656
Other	205	8,380	6,950	15,535	6,122	6,552	7,365	20,039
Total Expenses	$1,616,207	$ 611,453	$ 109,967	$2,337,627	$2,116,875	$ 507,318	$ 119,448	$2,743,641

See notes to financial statements.

PROJECT FOR PUBLIC SPACES, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$ (779,198)	$ 171,039
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in:		
Grants receivable	285	(91,393)
Contracts receivable	68,811	(118,784)
Prepaid expenses and other assets	(807)	(17,390)
Increase (decrease) in:		
Accounts payable and accrued expenses	18,259	(11,107)
Grants payable	(600,000)	360,000
Deferred revenue	38,203	(11,371)
Net Cash Provided (Used) By Operating Activities	(1,254,447)	280,994
Cash Flows From Investing Activities		
Redemption of certificate of deposit	-	300,000
Purchase of certificate of deposit	(100,000)	-
Net Cash Provided (Used) By Investing Activities	(100,000)	300,000
Net increase (decrease) in cash and cash equivalents	(1,354,447)	580,994
Cash and cash equivalents, beginning of year	1,656,477	1,075,483
Cash and Cash Equivalents, End of Year	$ 302,030	$1,656,477

See notes to financial statements.

PROJECT FOR PUBLIC SPACES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization
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.

b - Cash and Cash Equivalents
For purposes of the statement of cash flows, PPS considers all highly liquid debt instruments, purchased with a maturity of three months of less, to be cash equivalents.

c - Fair Value Measurements
Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of PPS. Unobservable inputs reflect PPS' assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that PPS has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

d - Certificate of Deposit
Certificate of deposit are reported at fair value in the statement of financial position. The value of certificate of deposit is based on quoted market prices in active markets and are, therefore, classified within Level 1 of the fair value hierarchy.

PROJECT FOR PUBLIC SPACES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Allowance for Credit Losses
As of December 31, 2025 and 2024, PPS has determined that no allowance for credit losses was necessary for contracts receivable. This determination is based on management's evaluation of historical collection experience, the aging of the receivables, subsequent receipts and current economic conditions.

f - Contributions
Contributions are recognized when the donor makes a promise to give to PPS, that is, in substance, unconditional. Conditional promises to give, with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

g - Grants Payable
Grants are accrued at the time an unconditional award is authorized. At December 31, 2025 and 2024, all grants payable are due to be paid within one year.

h - In-Kind Donations
PPS recognizes in-kind donations for contributed services if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

i - Revenue Recognition
PPS' earned revenues accounted for as exchange transactions include events, contract services, and memberships. Revenue from events is recognized when the event takes place. Contract services revenue is recognized upon the incurrence of billable expenses under the contract. Revenues received in advanced of events taking place of contract services being performed is deferred.

PPS has various categories of memberships that last for a one-year term. Membership benefits consist primarily of networking opportunities. In addition, one membership category includes a complimentary event registration. Memberships are billed and collected at the beginning of the membership period and recognized as contribution revenue, except for any portion related to complimentary event registration, which is recognized upon the event taking place.

PROJECT FOR PUBLIC SPACES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

j - Financial Statement Presentation

The financial statements of PPS have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require PPS to report information regarding its financial position and activities according to the following net asset classifications:

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 PPS. These net assets may be used at the discretion of PPS’ management and Board of Directors.

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 PPS or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

k - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs, where applicable, or allocated on a reasonable and consistent basis. Expenses that are allocated include salaries, payroll taxes and employee benefits, which are allocated based on employees’ time and effort.

l - Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

m - Tax Status

Project for Public Spaces, Inc. is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

n - Subsequent Events

PPS has evaluated subsequent events through August 4, 2026, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

PPS operates with a balanced budget for each year based on the revenues expected to be available to fund anticipated expenses. A substantial amount of annual revenue is comprised of grants and contributions raised during the current year, and revenues earned for contract services. PPS considers general expenditures to consist of all expenses related to ongoing program activities, and the expenses related to management and general and fundraising activities undertaken to support these services.

PPS' financial assets as of December 31, 2025 and 2024 available to meet cash needs for general expenditures within one year are summarized as follows:

	2025	2024
Financial Assets at Year End:		
Cash and cash equivalents	$ 302,030	$1,656,477
Certificate of deposit	100,000	-
Grants receivable	91,108	91,393
Contracts receivable	52,433	121,244
Total Financial Assets	545,571	1,869,114
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(1,385,464)	(1,783,318)
Plus: Net assets with donor restrictions expected to be met in less than one year	1,344,536	1,587,854
Financial Assets Available to Meet General Expenditures within One Year	$ 504,643	$1,673,650

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2025 and 2024 are restricted for the Community Placemaking Grant program.

Note 4 - Grants Receivable

Grants receivable at December 31, 2025 and 2024 are due within one year. Uncollectible amounts are expected to be insignificant.

PROJECT FOR PUBLIC SPACES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 5 - Concentrations

a - Concentration of Credit Risk
PPS maintains its cash and cash equivalents on deposit with one high credit quality financial institution that, at times, may exceed federally insured limits. PPS has not experienced, nor does it anticipate, any losses with respect to such accounts.

b - Grant and Contribution Revenue
For the year ended December 31, 2025, approximately 48% of PPS' grant and contribution revenue was received from one foundation. For the year ended December 31, 2024, approximately 65% of PPS' grant and contribution revenue was received from three foundations.

Note 6 - Retirement Plan

PPS maintains a 401(k) plan for which all employees are eligible to participate in upon hire. A discretionary annual employer matching contribution may be made by PPS. Total expense under this plan for the year ended December 31, 2024 was $9,000. For the year ended December 31, 2025, PPS did not make an employer matching contribution.

Note 7 - In-Kind Contributions

During the years ended December 31, 2025 and 2024, PPS received the following in-kind contributions:

	2025	2024
Venue rental fees	$ 5,626	$ 39,600
Music and audio equipment	5,087	-
Event sponsorship/advertising	-	5,321
Total	$10,713	$44,921

The in-kind contributions were utilized by PPS in connection with its program service activities. The fair value of in-kind contributions is detrermined based on current market rates charged.

Note 8 - Management's Plans

PPS experienced significant operating losses and negative cash flows from operating activities during the year ended December 31, 2025, resulting in a deficit in net assets without donor restrictions of $938,657 as of year-end. Management attributes these conditions primarily to a decline in grant revenue, a concentration of funding in restricted grants designated for specific placemaking activities, and operating costs that exceeded current unrestricted revenue sources.

To address these conditions, management has implemented and continues to implement several initiatives intended to improve liquidity and support ongoing operations. Management has worked with existing major funders to transition certain grant arrangements to multi-year funding commitments that include broader operational and capacity-building support. In connection with these efforts, PPS was approved for a multi-year grant expected to provide approximately $3.1 million of support over a three-year period, including funding intended to support operational capacity and ongoing programs.

In addition, PPS has shifted development efforts toward securing additional unrestricted and general operating support rather than project-specific restricted funding. Management has also focused programmatic activities on initiatives expected to generate stronger recurring revenue, including expanded training and partnership opportunities, increased sponsorship activity related to conferences and events, growth in membership engagement, and continued consulting relationships with existing clients.

Management has also implemented cost containment measures and continues to closely monitor staffing and operational expenditures. Certain discretionary spending reductions implemented during 2025 remain in effect, and management has indicated that additional expenditures and staffing increases will only be implemented as funding becomes available and sustainable.

Management, in conjunction with the Board of Directors, has prepared forward-looking cash flow projections covering at least one year from the expected issuance date of the financial statements, which incorporate the assumptions and initiatives described above. Based on the anticipated funding commitments and management's plans currently in progress, management believes the conditions that previously raised substantial doubt about PPS's ability to continue as a going concern have been alleviated. Accordingly, the financial statements have been prepared under the assumption that PPS will continue as a going concern.