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# **OPEN PLANS, INC.**

Audited Financial Statements

December 31, 2020

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## **Independent Auditors' Report**

To the Board of Directors of  
Open Plans, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Open Plans, Inc., (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

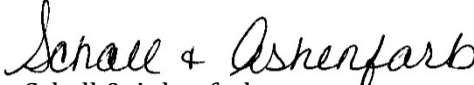
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

  
Schall & Ashenfarb  
Certified Public Accountants, LLC

October 11, 2022

**OPEN PLANS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2020**

**Assets**

Cash and cash equivalents	\$437,338
Investments (Note 3)	6,975
Fixed assets (Note 4)	3,225
Investment in privately held company (Note 3)	<u>2,708,837</u>
Total assets	<u><u>\$3,156,375</u></u>

**Liabilities and Net Assets**

Liabilities:

Accounts payable and accrued expenses	<u>\$57,314</u>
Total liabilities	<u>57,314</u>

Net assets:

Without donor restrictions	3,049,061
With donor restrictions (Note 5)	50,000
Total net assets	<u><u>3,099,061</u></u>

Total liabilities and net assets	<u><u>\$3,156,375</u></u>
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*The attached notes and auditors' report are an integral part of these financial statements.*

**OPEN PLANS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains and other support:			
Contributions	\$1,219,151	\$50,000	\$1,269,151
Consulting fees	20,000		20,000
Other revenue	458		458
Investment return (Note 3)	624,798		624,798
Net assets released from restriction	195,000	(195,000)	0
Total revenue, gains and other support	<u>2,059,407</u>	<u>(145,000)</u>	<u>1,914,407</u>
Expenses:			
Program services	<u>993,645</u>		<u>993,645</u>
Supporting services:			
Management and general	103,848		103,848
Fundraising	<u>67,277</u>		<u>67,277</u>
Total supporting services	<u>171,125</u>	<u>0</u>	<u>171,125</u>
Total expenses	<u>1,164,770</u>	<u>0</u>	<u>1,164,770</u>
Change in net assets	894,637	(145,000)	749,637
Net assets - beginning of year	<u>2,154,424</u>	<u>195,000</u>	<u>2,349,424</u>
Net assets - end of year	<u><u>\$3,049,061</u></u>	<u><u>\$50,000</u></u>	<u><u>\$3,099,061</u></u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**OPEN PLANS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Salaries	\$684,730	\$31,875	\$30,953	\$62,828	\$747,558
Payroll taxes and benefits	162,530	7,566	7,348	14,914	177,444
Total personnel expenses	847,260	39,441	38,301	77,742	925,002
Professional fees	88,527	53,118	27,561	80,679	169,206
Insurance	6,382	277	277	554	6,936
Telecommunications	19,944	867	867	1,734	21,678
Program expenses	10,000			0	10,000
Marketing	1,804	300		300	2,104
Occupancy	4,968	433	216	649	5,617
Office expenses	1,446	108	55	163	1,609
Fees and dues	8,073	1,759		1,759	9,832
Travel	2,323			0	2,323
Depreciation		1,075		1,075	1,075
Other expenses	2,918	6,470		6,470	9,388
Total expenses	\$993,645	\$103,848	\$67,277	\$171,125	\$1,164,770

*The attached notes and auditors' report are an integral part of these financial statements.*

**OPEN PLANS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities:	
Change in net assets	\$749,637
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,075
Unrealized gain on investments	(624,492)
Changes in assets and liabilities:	
Pledges receivable	175,000
Accounts payable and accrued expenses	14,621
Total adjustments	<u>(433,796)</u>
Net cash flows provided by operating activities	<u>315,841</u>
Cash flows from investing activities:	
Purchase of investments	(236)
Purchase of fixed assets	0
Net cash flows used for investing activities	<u>(236)</u>
Net increase in cash and cash equivalents	315,605
Cash and cash equivalents - beginning of year	<u>121,733</u>
Cash and cash equivalents - end of year	<u><u>\$437,338</u></u>
Supplemental information:	
Interest paid	<u>\$0</u>
Taxes paid	<u>\$0</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**OPEN PLANS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 1 - Organization**

Open Plans, Inc. (the "Organization") is a non-profit organization dedicated to transforming the streets of New York City to be truly livable for the residents of this city. Open Plans uses tactical urbanism, grassroots advocacy, policy and targeted journalism to promote structural reforms within city government that support livable streets, neighborhoods and the city-at-large.

The Organization has been notified by the Internal Revenue Services that they are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization has not been designated as a private foundation.

**Note 2 - Significant Accounting Policies**

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use. They are reflected on the financial statements as without donor restrictions.
- *Net Assets With Donor Restrictions* – relates to contributions of cash or other assets with donor stipulations that make clear the assets' restriction, either due to a program nature or by the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

The Organization follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-606 for recognizing revenue from contracts with customers. Consulting fee revenue falls under FASB ASC 958-606. Each different source of revenue is analyzed to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the services are performed. Revenue that has been earned but not paid at year end is recognized as a related receivable. Cash that has been received but not earned at year end is recognized as deferred revenue.



The Organization follows FASB ASC 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

Management assesses the collectability of grants and contributions receivable based upon historical trends and experience with donors and grantors. Based on that review, management has concluded that all receivables are expected to be collected within one year. As such, no allowance for uncollectible accounts was deemed necessary at December 31, 2020.

d. Cash and Cash Equivalents

The Organization considers all liquid investments that have an initial maturity of three months or less to be cash and cash equivalents.

e. Investments

Investments are recorded at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses and investment fees are included in income on the statement of activities.

f. Fixed Assets

Purchases of computer equipment that exceed predetermined levels are capitalized at cost or at fair value, if donated. Depreciation is computed using the straight-line method over the estimated useful life of the respective asset, or for leasehold improvements over the life of the lease.

g. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to a concentration of credit risk consist of various cash accounts which have been placed with financial institutions that management deems to be creditworthy. At times and at year end, balances may exceed federally insured limits; however, the Organization has not experienced any losses due to bank failure.

h. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following expenses were allocated using time and effort as the basis:

- Salaries
- Payroll taxes and benefits
- Insurance
- Telecommunications
- Occupancy
- Office expenses

All other expenses have been charged directly to the applicable program or supporting service.

j. Advertising Costs

Advertising costs are expensed as incurred.

k. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2017 and later are subject to examination by applicable taxing authorities.

l. New Accounting Pronouncements

FASB issued Accounting Standards Update (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future financial statements.

### Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments consist of:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$1,529	\$0	\$1,529
Equities	5,446	0	5,446
Privately held company	<u>0</u>	<u>2,708,837</u>	<u>2,708,837</u>
Total	<u>\$6,975</u>	<u>\$2,708,837</u>	<u>\$2,715,812</u>

Level 1 securities – consists of cash and equities which are valued at the closing price reported on the active market that they are traded on.

Level 3 investments - in prior years, the Organization invested in a privately held company. This initial company was acquired by a separate private company, which resulted in the Organization obtaining shares of the acquiring company, Planet Labs. The value at December 31, 2020 is based on a 409a valuation, which is an independent appraisal of the fair market value of a private company's common stock. The valuation from section 409a of the IRS IRC determines the cost to purchase a share. Subsequent to year-end, on December 8, 2021, Planet Labs began trading publicly. Furthermore, in 2022, the Organization sold all of its shares for a total of approximately \$2,014,000.

Changes in level 3 investments are as follows:

Beginning of year	\$2,085,535
Unrealized gain	<u>623,302</u>
End of year	<u>\$2,708,837</u>

Investment return consists of:

Interest and dividends	\$306
Unrealized gain – equities	1,190
Unrealized gain – privately held company	<u>623,302</u>
Total	<u>\$624,798</u>

**Note 4 - Fixed Assets**

Fixed assets consist of the following:

Computer hardware – 5 year life	\$7,638
Less: accumulated depreciation	<u>(4,413)</u>
Total fixed assets, net	<u>\$3,225</u>

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

Net assets with donor restrictions can be summarized as follows at December 31, 2020:

	Balance <u>1/1/20</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/20</u>
Program Restrictions:				
Park 103 project	\$20,000	\$50,000	(\$20,000)	\$50,000
Time	<u>175,000</u>	<u>0</u>	<u>(175,000)</u>	<u>0</u>
Total	<u>\$195,000</u>	<u>\$50,000</u>	<u>(\$195,000)</u>	<u>\$50,000</u>

**Note 6 - Availability and Liquidity**

The following reflects the Organization’s financial assets at December 31, 2020 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:

Cash and cash equivalents	\$437,338
Investments	<u>6,975</u>

Total financial assets \$444,313

Less amounts not available for general expenditures:

Donor contributions restricted to specific purposes	<u>(50,000)</u>
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Financial assets available to meet cash needs for  
general expenditures within one year \$394,313

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities.

**Note 7 - Significant Concentrations**

Contributions from two donors amounted to 91% of the Organization’s total support and revenue for the years ended December 31, 2020, excluding investment return.

**Note 8 - Other Matters**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.

**Note 9 - Subsequent Events**

Subsequent events have been evaluated through October 11, 2022, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.