

DreamYard

THE DREAMYARD PROJECT, INC.

FINANCIAL STATEMENTS

June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The DreamYard Project, Inc.
Bronx, New York

We have audited the accompanying financial statements of The DreamYard Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, 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 DreamYard Project, Inc. as of June 30, 2020 and 2019, 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.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, The DreamYard Project, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2018-08, *Not-For Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of July 1, 2019. Our opinion is not modified with respect to this matter.

Wegner CPAs LLP

Wegner CPAs, LLP
New York, New York
May 10, 2021

THE DREAMYARD PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 3,081,543	\$ 570,446
Unconditional promises to give, net	2,314,003	2,534,309
Accounts receivable	125,835	472,329
Prepaid expenses	40,694	23,374
Fixed assets, net	140,626	161,053
Total assets	\$ 5,702,701	\$ 3,761,511
LIABILITIES		
Accounts payable	\$ 65,286	\$ 66,453
Accrued expenses	133,713	804
Deferred rent	9,987	-
Deferred revenue	-	15,075
Line of credit	-	26,142
Notes payable	1,201,457	-
Total liabilities	1,410,443	108,474
NET ASSETS		
Without donor restrictions	912,454	1,153,224
With donor restrictions	3,379,804	2,499,813
Total net assets	4,292,258	3,653,037
Total liabilities and net assets	\$ 5,702,701	\$ 3,761,511

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 2,010,951	\$ 3,306,563	\$ 5,317,514
Virtual special event revenue	686,478	-	686,478
In-kind contributions	299,059	-	299,059
Program service revenue	777,143	-	777,143
Other income	9,990	-	9,990
Net assets released from restrictions			
Satisfaction of purpose restrictions	2,034,072	(2,034,072)	-
Expiration of time restrictions	392,500	(392,500)	-
Total revenues	6,210,193	879,991	7,090,184
EXPENSES AND LOSSES			
Program services			
In School Programs	2,705,256	-	2,705,256
Creative Career Pathways	927,105	-	927,105
Art Center	1,377,144	-	1,377,144
DreamYard Prep	178,034	-	178,034
Fiscal Sponsorships	280,522	-	280,522
Community Arts	58,760	-	58,760
Total program services	5,526,821	-	5,526,821
Supporting activities			
Management and general	632,477	-	632,477
Fundraising	291,665	-	291,665
Total expenses	6,450,963	-	6,450,963
Change in net assets	(240,770)	879,991	639,221
Net assets at beginning of year	1,153,224	2,499,813	3,653,037
Net assets at end of year	<u>\$ 912,454</u>	<u>\$ 3,379,804</u>	<u>\$ 4,292,258</u>

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 439,711	\$ 3,957,132	\$ 4,396,843
In-kind contributions	165,803	-	165,803
Program service revenue	1,458,007	-	1,458,007
Special event revenue	828,221	-	828,221
Less costs of direct benefits to donors	(108,572)	-	(108,572)
Other income	20,557	-	20,557
Net assets released from restrictions			
Satisfaction of purpose restrictions	2,721,610	(2,721,610)	-
Expiration of time restrictions	325,000	(325,000)	-
Total revenues	5,850,337	910,522	6,760,859
EXPENSES			
Program services			
In School Programs	2,006,608	-	2,006,608
Creative Career Pathways	1,143,725	-	1,143,725
Art Center	1,178,214	-	1,178,214
DreamYard Prep	328,395	-	328,395
Fiscal Sponsorships	348,077	-	348,077
Community Arts	92,681	-	92,681
Total program services	5,097,700	-	5,097,700
Supporting activities			
Management and general	493,124	-	493,124
Fundraising	295,737	-	295,737
Total expenses	5,886,561	-	5,886,561
Change in net assets	(36,224)	910,522	874,298
Net assets at beginning of year	1,189,448	1,589,291	2,778,739
Net assets at end of year	\$ 1,153,224	\$ 2,499,813	\$ 3,653,037

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services						Supporting Activities		Total Expenses	
	In School Programs	Creative Career Pathways	Art Center	DreamYard Prep	Fiscal Sponsorships	Community Arts	Total Program Services	Management and General		Fundraising
Salaries and wages	\$ 2,099,760	\$ 685,636	\$ 899,897	\$ 128,557	\$ -	\$ 42,852	\$ 3,856,702	\$ 214,261	\$ 214,261	\$ 4,285,224
Payroll taxes and benefits	299,493	97,794	128,353	18,336	-	6,112	550,088	30,561	30,561	611,210
Grants and scholarships	-	180	32,321	10	217,256	-	249,767	-	-	249,767
Professional fees	72,188	43,062	13,260	14,830	22,634	3,064	169,038	178,224	1,493	348,755
Donated legal services	-	-	-	-	-	-	-	164,191	800	164,991
Student supplies and meals	80,981	8,573	53,988	11,053	1,860	1,845	158,300	3,055	9,983	171,338
Occupancy and utilities	32,995	44,018	118,086	-	35,760	-	230,859	3,473	3,473	237,805
Travel and lodging	23,461	4,770	20,546	915	182	2,001	51,875	1,368	1,952	55,195
Event space and catering	7,675	685	1,198	128	-	43	9,729	2,014	3,559	15,302
Facilities repair and maintenance	23,373	17,421	73,271	1,070	450	668	116,253	4,779	2,278	123,310
Office expenses	14,962	4,599	8,655	863	627	393	30,099	13,015	5,205	48,319
Depreciation	19,715	9,254	7,242	-	-	805	37,016	1,609	1,609	40,234
Insurance	20,036	6,543	8,586	1,227	151	409	36,952	1,894	2,045	40,891
Information technology	5,175	3,616	2,598	918	1,102	170	13,579	3,579	14,065	31,223
Conferences and meetings	3,241	233	3,955	39	500	369	8,337	2,065	241	10,643
Subscriptions and license fees	2,201	721	5,188	88	-	29	8,227	-	140	8,367
Credit card and bank fees	-	-	-	-	-	-	-	7,462	-	7,462
Interest	-	-	-	-	-	-	-	927	-	927
Total expenses	\$ 2,705,256	\$ 927,105	\$ 1,377,144	\$ 178,034	\$ 280,522	\$ 58,760	\$ 5,526,821	\$ 632,477	\$ 291,665	\$ 6,450,963

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services						Supporting Activities		Costs of Direct Benefits to Donors	Total Expenses	
	In School Programs	Creative Career Pathways	Art Center	DreamYard Prep	Fiscal Sponsorships	Community Arts	Total Program Services	Management and General			Fundraising
Salaries and wages	\$ 1,438,196	\$ 793,600	\$ 737,509	\$ 237,274	\$ -	\$ 51,358	\$ 3,257,937	\$ 149,662	\$ 190,149	\$ -	\$ 3,597,748
Payroll taxes and benefits	215,759	119,056	110,642	35,596	-	7,705	488,758	22,452	28,526	-	539,736
Grants and scholarships	300	-	38,279	40	206,135	722	245,476	-	-	-	245,476
Professional fees	53,850	93,584	24,752	15,442	41,181	18,951	247,760	234,987	5,851	-	488,598
Donated legal services	-	-	-	-	-	-	-	43,294	-	-	43,294
Student supplies and meals	103,899	34,723	90,645	24,573	2,105	5,036	260,981	10,236	16,815	-	288,032
Occupancy and utilities	65,285	30,667	41,418	-	85,558	2,450	225,378	5,454	5,454	-	236,286
Travel and lodging	25,982	33,547	51,337	3,698	3,686	185	118,435	364	3,003	-	121,802
Event space and catering	14,175	-	773	4,163	-	2,124	21,235	1,500	7,924	108,572	139,231
Facilities repair and maintenance	32,883	13,538	43,825	1,271	988	2,226	94,731	7,172	6,396	-	108,299
Office expenses	17,302	7,641	13,411	3,485	4,501	522	46,862	4,749	14,408	-	66,019
Depreciation	19,610	9,205	7,204	-	-	800	36,819	1,601	1,601	-	40,021
Insurance	10,085	5,565	5,173	1,664	2,282	360	25,129	1,049	1,333	-	27,511
Information technology	3,524	1,455	3,247	1,025	1,116	206	10,573	1,843	8,806	-	21,222
Conferences and meetings	4,165	838	6,815	73	-	16	11,907	1,910	465	-	14,282
Subscriptions and license fees	1,593	306	3,184	91	525	20	5,719	4,315	73	-	10,107
Credit card and bank fees	-	-	-	-	-	-	-	1,388	4,933	-	6,321
Interest	-	-	-	-	-	-	-	1,148	-	-	1,148
Total expenses	\$ 2,006,608	\$ 1,143,725	\$ 1,178,214	\$ 328,395	\$ 348,077	\$ 92,681	\$ 5,097,700	\$ 493,124	\$ 295,737	\$ 108,572	\$ 5,995,133
Less costs of direct benefits to donors included in revenues on the statement of activities	-	-	-	-	-	-	-	-	-	(108,572)	(108,572)
Total expenses included in the expenses section of the statement of activities	\$ 2,006,608	\$ 1,143,725	\$ 1,178,214	\$ 328,395	\$ 348,077	\$ 92,681	\$ 5,097,700	\$ 493,124	\$ 295,737	\$ -	\$ 5,886,561

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 639,221	\$ 874,298
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	40,234	40,021
Bad debt expense	9,000	-
Discount on long term promises to give	42,034	72,406
(Increase) decrease in assets		
Unconditional promises to give	169,272	(1,402,756)
Accounts receivable	346,494	(100,687)
Prepaid expenses	(17,320)	(13,814)
Increase (decrease) in liabilities		
Accounts payable	(1,167)	(37,937)
Accrued expenses	132,909	804
Deferred rent	9,987	-
Deferred revenue	(15,075)	10,625
Net cash flows from operating activities	1,355,589	(557,040)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(19,807)	(27,692)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	-	370,221
Payments on line of credit	(26,142)	(344,079)
Proceeds from notes payable	1,201,457	-
Net cash flows from financing activities	1,175,315	26,142
Net change in cash	2,511,097	(558,590)
Cash at beginning of year	570,446	1,129,036
Cash at end of year	<u>\$ 3,081,543</u>	<u>\$ 570,446</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 927	\$ 1,148

See accompanying notes.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The DreamYard Project, Inc. (DreamYard) collaborates with Bronx youth, families, and schools to build pathways to equity and opportunity through education, the arts, and technology. DreamYard's programs nurture young people's desire to make change and cultivate the skills necessary to reach positive goals. By committing to social justice pedagogy along an educational pathway, we support young people as they work toward higher learning, meaningful careers, and social action. Our programs include:

In-School Programs – 200 residencies and after school programs at 50 public schools throughout the Bronx serving more than 8,500 students annually. Combining NYS Standards-based arts instruction with social justice principles to inspire students to develop their artistic voice and create change.

Creative Career Pathway Programs – Introduce and connect young people to careers in the creative sector that directly correlate to the work they are doing in their DreamYard classes. By providing the opportunity to explore the wealth of options available to them and revealing a clear pathway to a career rooted in their artistry through interest-driven, work-based learning programs, we are building a collaborative network of youth, educators, and employers to create systemic and sustainable change in the Bronx. As DreamYard continues to expand creative career exploration operations, the spaces in which these programs are happening will also grow in number and scale. The latest iteration of our physical expansion has taken root in a new brick-and-mortar space located in the Longwood section of the Bronx: BX Start, home to DreamYard's gaming and entrepreneurship programs, will serve as a space where the power of video games and digital media can be used to promote economic opportunity, intergenerational community building, and social justice.

Art Center – Nationally-recognized classes for over 300 young people annually in 14 different arts disciplines. High-quality arts workshops, leadership development and academic and social supports through programs that run after school, on weekends, and throughout the summer.

DreamYard Preparatory High School – Founded in 2006, DreamYard Preparatory High School offers a rigorous arts-integrated curriculum as well as opportunities after school and throughout the summer for students to develop their artistic skills and hone in on their creative passions. DreamYard Prep has a 10% higher graduation rate than the average Bronx high school.

Community Arts – DreamYard sparks community involvement through engaging community art events and installations that combine community activism and creative placemaking by taking the learning of DreamYard students outside the four walls of the classroom. By creating opportunities for community members across the public and private sectors to work alongside young artists, our community art programs are helping to transform the physical landscape of the Bronx, strengthening and beautifying the places and spaces we call home.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give receivable in more than one year are reported at the present value of their net realizable value, using the risk-adjusted interest rate applicable to the years in which the promises to give are to be received.

Accounts Receivable

DreamYard considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

Fixed Assets

Purchases of fixed assets are capitalized at cost or, if donated, at their estimated fair value on the date of donation and are considered unrestricted unless the donor has restricted the donated asset for a specific purpose. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets.

Deferred Revenue

Program service revenue is recognized based on contract delivery dates. Revenue received prior to the contract dates to which it applies is recorded as deferred revenue.

Contributions

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction expires or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by DreamYard.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Grants

DreamYard's programs are funded in part by grants and contracts from government agencies that are conditioned upon DreamYard incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by DreamYard, both a promise to give from the grantor agency and revenue are recorded. Grants, whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported in increases in net assets without donor restrictions.

Costs are allocated to these grants in accordance with established procedures and are subject to audit by the various government agencies. No determination has been made regarding the effect, if any, such audits could have on the financial statements. At June 30, 2020, DreamYard received \$396,885 of promises to give conditioned upon incurring qualifying expenses under the grant agreements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

On June 21, 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions or contributions. The ASU also assists entities in determining whether a contribution is conditional. DreamYard adopted the requirements of the ASU as of July 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes applied to agreements that are either not completed as of July 1, 2019 or entered into after that date.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes and benefits, and office expenses, which are allocated on the basis of estimates of time and effort and occupancy and utilities, facilities repair and maintenance, and depreciation, which are allocated on the basis of estimates of asset and space usage. All other expenses are directly charged based upon the types of services performed and expenses incurred.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

DreamYard is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management’s Review

Management has evaluated subsequent events through May 10, 2021, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

DreamYard maintains its cash balances at one financial institution located in Bronx, New York. Balances at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2020 and 2019, DreamYard’s uninsured cash balances were approximately \$2,832,000 and \$350,000, respectively.

At June 30, 2020, 64% of total unconditional promises to give were receivable from two donors.

During the year ended June 30, 2019, 91% of total program service revenue was earned from two New York government agencies and 59% of total contributions was derived from two donors. At June 30, 2019, 75% of total unconditional promises to give were receivable from two donors.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give consisted of the following:

	2020	2019
Receivable in less than one year	\$ 1,154,537	\$ 869,676
Receivable in more than one year	1,201,500	1,740,000
Unconditional promises to give	2,356,037	2,609,676
Less discount to net present value	(42,034)	(75,367)
Unconditional promises to give, net	\$ 2,314,003	\$ 2,534,309

Unconditional promises to give due in more than one year at June 30, 2020 and 2019 are discounted at an effective interest rate of 0.73% and 2.07%, respectively.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 4 – FIXED ASSETS

Fixed assets consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 83,159	\$ 83,159
Equipment	518,435	505,928
Leasehold improvements	<u>172,448</u>	<u>165,148</u>
Fixed assets	774,042	754,235
Less accumulated depreciation	<u>(633,416)</u>	<u>(593,182)</u>
Fixed assets, net	<u>\$ 140,626</u>	<u>\$ 161,053</u>

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
In School Programs	\$ 113,000	\$ 210,978
Creative Career Pathways & Art Center	1,323,750	698,735
Bronx Relief Fund	486,966	-
Fiscal Sponsorships	55,621	24,687
Subsequent period activities	<u>1,400,467</u>	<u>1,565,413</u>
Net assets with donor restrictions	<u>\$ 3,379,804</u>	<u>\$ 2,499,813</u>

NOTE 6 – NOTES PAYABLE

In April 2020, DreamYard was awarded a \$851,457 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan accrues interest at 1%, but payments are deferred until a determination of the amount of forgiveness is made. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by DreamYard during the covered period. Eligible expenses include payroll costs, rent, and utilities. Any unforgiven portion is payable over two years. In May 2021, DreamYard applied for forgiveness and is awaiting final decision from its lender.

Additionally, in April 2020, DreamYard received a \$350,000 zero-interest loan from the NYC COVID-19 Response & Impact Fund administered by the Nonprofit Finance Fund. The loan is due in one lump sum payment on its maturity date in April 2021.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 7 – LINE OF CREDIT

In February 2020, DreamYard renewed its existing \$200,000 revolving line of credit. Outstanding balances accrue interest at the bank’s prime rate plus 3.52% and the line expires in February 2022. There was no outstanding balance as of June 30, 2020. At June 30, 2019, the line had an outstanding balance of \$26,142.

NOTE 8 – LIQUIDITY AND AVAILABILITY

The following represents DreamYard's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general expenditures within one year due to contractual or donor-imposed restrictions. General expenditures are defined as all budgeted programmatic and operational expenses for the following year.

	2020	2019
Cash	\$ 3,081,543	\$ 570,446
Unconditional promises to give, net	2,314,003	2,534,309
Accounts receivable	125,835	472,329
Financial assets at year-end	5,521,381	3,577,084
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor imposed restrictions:		
Restricted by donor with time and purpose restrictions	(3,379,804)	(2,499,813)
Add back amounts available within one year	198,967	265,413
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,340,544	\$ 1,342,684

DreamYard has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As a not-for-profit, donor-funded organization, DreamYard regularly receives contributions from donors that are available to meet annual cash needs for general operating expenditures.

NOTE 9 – RISKS AND UNCERTAINTIES

The COVID-19 pandemic has impacted and could further impact DreamYard's operations and their donors. The extent to which the COVID-19 pandemic impacts DreamYard's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on DreamYard's donors and revenues and to what extent normal economic and operating conditions can resume. Therefore, DreamYard cannot reasonably estimate the impact at this time.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 10 – LEASING ARRANGEMENTS

DreamYard leases its office and program facilities pursuant to an operating lease that expired on August 31, 2020 and continues to lease the space on a month to month basis. During the years ended June 30, 2020 and 2019, the lessor waived all monthly lease payments. The estimated fair value of the donated facilities was \$134,068 and \$122,509 for the years ending June 30, 2020 and 2019, respectively, and is included in occupancy on the statements of functional expenses. Additionally, DreamYard leases program space with payments that vary from month to month.

On January 1, 2020, DreamYard entered into an operating lease for community facility space requiring monthly rent payments of \$4,000 with annual increases in of 3% per annum and expires on December 31, 2034.

Future minimum lease payments for the years ending June 30 are as follows:

2021	\$	60,907
2022		48,720
2023		50,184
2024		51,690
2025		53,238
Thereafter		<u>592,308</u>
	\$	<u><u>857,047</u></u>