

DreamYard

THE DREAMYARD PROJECT, INC.

FINANCIAL STATEMENTS

June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The DreamYard Project, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The DreamYard Project, Inc. as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 The DreamYard Project, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, The DreamYard Project, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as of July 1, 2021. 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.

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 The DreamYard Project, Inc.'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 GAAS 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 GAAS, 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 The DreamYard Project, 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 The DreamYard Project, 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.

Report on Summarized Comparative Information

We have previously audited The DreamYard Project, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Wegner CPAs, LLP
New York, New York
April 15, 2023

THE DREAMYARD PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2022 with comparative totals for June 30, 2021

	2022	2021
ASSETS		
Cash	\$ 1,642,493	\$ 2,202,136
Unconditional promises to give, net	1,441,827	1,904,488
Accounts receivable	540,335	227,196
Prepaid expenses	5,373	34,935
Fixed assets, net	113,400	105,625
Total assets	\$ 3,743,428	\$ 4,474,380
LIABILITIES		
Accounts payable	\$ 184,536	\$ 99,529
Accrued expenses	-	55,976
Deferred rent	37,680	18,005
Deferred revenue	6,595	-
Notes payable	183,333	350,000
Total liabilities	412,144	523,510
NET ASSETS		
Without donor restrictions	1,962,090	2,153,953
With donor restrictions	1,369,194	1,796,917
Total net assets	3,331,284	3,950,870
Total liabilities and net assets	\$ 3,743,428	\$ 4,474,380

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENT OF ACTIVITIES
Year ended June 30, 2022 with comparative totals for June 30, 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES				
Contributions	\$ 636,655	\$ 1,883,771	\$ 2,520,426	\$ 3,426,444
Paycheck Protection Program loan forgiveness	-	-	-	860,334
Special event revenue	627,074	-	627,074	784,666
Less costs of direct benefits to donors	(85,417)	-	(85,417)	-
In-kind contributions	275,745	-	275,745	222,034
Program service revenue	1,587,565	-	1,587,565	409,240
Government grants	773,791	239,650	1,013,441	-
Other income	6,252	-	6,252	18,256
Net assets released from restrictions				
Satisfaction of purpose restrictions	2,094,144	(2,094,144)	-	-
Expiration of time restrictions	457,000	(457,000)	-	-
	6,372,809	(427,723)	5,945,086	5,720,974
EXPENSES				
Program services				
Community Programs	1,841,408	-	1,841,408	1,721,201
In-School Programs	2,835,290	-	2,835,290	2,117,871
Work-Based Learning	662,392	-	662,392	691,433
Fiscal Sponsorships	-	-	-	616,192
	5,339,090	-	5,339,090	5,146,697
Supporting activities				
Management and general	901,537	-	901,537	612,376
Fundraising	324,045	-	324,045	303,289
	6,564,672	-	6,564,672	6,062,362
Change in net assets	(191,863)	(427,723)	(619,586)	(341,388)
Net assets at beginning of year	2,153,953	1,796,917	3,950,870	4,292,258
Net assets at end of year	\$ 1,962,090	\$ 1,369,194	\$ 3,331,284	\$ 3,950,870

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022 with comparative totals for June 30, 2021

	Program Services				Supporting Activities		Costs of Direct Benefits to Donors	2022 Total	2021 Total
	Community Programs	In-School Programs	Work-Based Learning	Total Program Services	Management and General	Fundraising			
Salaries and wages	\$ 1,096,767	\$ 2,067,766	\$ 438,751	\$ 3,603,284	\$ 387,697	\$ 231,948	\$ -	\$ 4,222,929	\$ 3,239,090
Payroll taxes and benefits	167,174	315,179	66,877	549,230	59,095	35,354	-	643,679	524,718
Grants and scholarships	112,891	13,542	10,096	136,529	-	-	-	136,529	1,214,628
Professional fees	24,056	158,689	69,087	251,832	243,036	6,607	4,900	506,375	349,064
Occupancy and utilities	190,453	42,623	17,437	250,513	5,812	5,812	-	262,137	233,650
Student supplies and meals	71,525	134,387	10,534	216,446	2,457	11,144	-	230,047	170,856
Facilities repair and maintenance	112,093	31,741	30,074	173,908	8,572	6,327	-	188,807	100,027
Donated legal services	-	-	-	-	133,783	-	-	133,783	43,903
Office expenses	23,509	35,133	8,914	67,556	3,726	16,704	-	87,986	28,999
Event space and catering	726	486	-	1,212	-	1,312	80,517	83,041	13,215
Information technology	10,812	8,628	1,049	20,489	9,339	5,809	-	35,637	43,481
Insurance	60	-	-	60	38,534	-	-	38,594	37,602
Depreciation	16,791	9,126	7,666	33,583	1,460	1,460	-	36,503	35,001
Travel and lodging	11,644	15,026	42	26,712	11	1,326	-	28,049	5,247
Interest	-	-	-	-	500	-	-	500	9,419
Credit card and bank fees	-	-	-	-	6,603	50	-	6,653	5,775
Subscriptions and license fees	2,519	2,552	1,275	6,346	912	192	-	7,450	4,416
Conferences and meetings	388	412	590	1,390	-	-	-	1,390	3,271
Total expenses	\$ 1,841,408	\$ 2,835,290	\$ 662,392	\$ 5,339,090	\$ 901,537	\$ 324,045	\$ 85,417	\$ 6,650,089	\$ 6,062,362
Less costs of direct benefits to donors included in revenue on the statement of activities	-	-	-	-	-	-	(85,417)	(85,417)	-
Total expenses included in the expenses and losses section of the statement of activities	\$ 1,841,408	\$ 2,835,290	\$ 662,392	\$ -	\$ -	\$ 324,045	\$ -	\$ 6,564,672	\$ 6,062,362

See accompanying notes.

THE DREAMYARD PROJECT, INC.
STATEMENT OF CASH FLOWS
Year ended June 30, 2022 with comparative totals for June 30, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (619,586)	\$ (341,388)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	36,503	35,001
Discount on long term promises to give	-	21,745
Forgiveness of Paycheck Protection Program loan	-	(851,457)
(Increase) decrease in assets		
Unconditional promises to give, net	462,661	387,770
Accounts receivable	(313,139)	(101,361)
Prepaid expenses	29,562	5,759
Increase (decrease) in liabilities		
Accounts payable	85,007	34,243
Accrued expenses	(55,976)	(77,737)
Deferred rent	19,675	8,018
Deferred revenue	6,595	-
Net cash flows from operating activities	(348,698)	(879,407)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(44,278)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(166,667)	-
Net change in cash	(559,643)	(879,407)
Cash at beginning of year	2,202,136	3,081,543
Cash at end of year	<u>\$ 1,642,493</u>	<u>\$ 2,202,136</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 500	\$ 541

See accompanying notes.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

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. Primary sources of revenues are contributions, government grants, and earned income. Our programs include:

Community Programs – The DreamYard Community Art Center has become an important cultural and educational space in the South Bronx - addressing a real need for high-quality programming for youth and families. Art Center programs run during after school hours (4 PM-6 PM), Saturdays (10 AM-3 PM), and throughout the summer (10 AM-4 PM) for a total of 1500 hours of programming each year. Over 300 students take part in a variety of arts classes such as fashion, visual art, theater, digital learning, music and audio recording, poetry, arts and social activism, and dance. Furthermore, all of our students have access to leadership development opportunities and academic support such as college advisory, community building, internships, and social work services. Kicking off virtually last year is the Art Center's newest program, COSI (Community Outreach and Special Initiatives), which includes our monthly BX Farm to Table events and bi-weekly Parent Advocacy Groups. DreamYard's Community Organizing team offers a hybrid (virtual & in-person) of bi-lingual programming for our parents and caregivers to reflect on family and community needs and determine how best to respond to those needs. Each program is meant to build supportive relationships among participants and their families to reimagine our world, implement new or remixed ideas, and practice collaboration within our community.

In-School Programs – Combines NY State-Standards-based arts instruction with social justice pedagogy principles to inspire students to develop character, scholarship, and an artistic voice to create change. Our year-long program model offers both in-school and after-school arts residencies; one and two 90-minute sessions per week respectively plus weekly collaborative planning and reflection time. The following art programs are available: dance, journalism, design, maker, music, poetry, theater, and visual art plus leadership development, digital arts, and internships. Each DreamYard teaching artist receives over 50 hours of professional development each year. Additionally, this year partnering schools also received free racial equity professional development training supported by the DreamYard Racial Equity and Arts Liaison (REAL) team. The REAL teams work 1 on 1 with school faculty in an individualized coaching model that supports the naming and addressing of ways in which racial injustice lives within our schools and communities. REAL Team members guided our school's faculty in identifying choice points of action and transformation inclusive of answering questions such as: How do I create change in my community? and what is one thing that I need to shift in my role that will move us closer to racial justice? These activities lead to steps that each school can take to move towards racial equity goals in their procedures, policies, and practices.

Work-Based Learning – Through our Creative Career Pathway program, DreamYard is increasing the percentage of high school and post-secondary students of the Bronx, NY who are placed in paid internships, employment, and entrepreneurial experiences. A critical function of this program

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

is our annual Work-Based Learning six-week internships. The experience is co-led by a DreamYard Teaching Artist and City University of New York (CUNY) college mentor. Together they lead a career readiness curriculum and foster connections between the student and partnering businesses. Each of our 19 creative career paths is paired with a local creative industry, business, collective, or Community-Based Organization that serves as the guiding employer - creating projects and assignments for students to work on and providing continuous feedback on student work and presentations. The six-week experience kicks off with 16 hours of college & career readiness training for each participant, followed by hands-on artistic practice working alongside a partnering business and supported by a DreamYard Teaching Artist. Concluding the experience is a student sharing where our young people present their work to an audience of peers and professional mentors. Each participant graduates with a CUNY recognized digital portfolio of their work and professional references that they can call upon when they need. In the Summer of 2020, DreamYard hosted its first-ever fully virtual Creative Career Pathways internship program. The initiative was so successful that the NYC Dept of Youth and Community Development (DYCD) selected DreamYard's program as the blueprint for career readiness and youth development programs across the city.

Fiscal Sponsorships – DreamYard supports other organizations that serve the Bronx community through fiscal sponsorship arrangements.

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.

Fixed Assets

Purchases of fixed assets costing \$5,000 or more 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.

Revenue Recognition

DreamYard is a contracted vendor of the Department of Education, NYC Department of Youth and Community Development, Department of Cultural Affairs, and other nonprofits to provide arts instruction to school-age children and professional development to classroom teachers across the borough of the Bronx. Program service revenue consists of performance obligations that are satisfied over time within the designated contract period.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable primarily consists of program revenue due from service recipients. 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.

Accounts receivable from contracts for June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Beginning of year	\$ 227,196	\$ 125,835
End of year	540,335	227,196

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.

In-Kind Contributions

DreamYard receives various forms of in-kind contributions including rent, legal services and supplies. In-kind contributions are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized. In-kind contributions are valued at estimated fair market or wholesale values.

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. As of June 30, 2022 and 2021, DreamYard has received \$1,143,985 and \$1,545,983, respectively, 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.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Adoption of New Accounting Pronouncement

On September 17, 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intent of this Update is to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. The Update requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The Update also requires enhanced disclosures about the valuation of contributed nonfinancial assets and their use in programs and other activities, including any donor-imposed restrictions on such use. The DreamYard Project, Inc. adopted the requirements of this Update effective July 1, 2021. The changes required by this Update have been applied retrospectively to all periods presented.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with DreamYard's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

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 April 15, 2023, the date which the financial statements were available to be issued.

NOTE 2 – LINE OF CREDIT

DreamYard has a \$200,000 and \$500,000 revolving line of credit. The \$200,000 line of credit expires in 2023. The \$500,000 lien of credit does not have an expiration date. Outstanding balances accrue interest at the bank's prime rate plus 4% and 3.52%. There were no outstanding balances as of June 30, 2022 and 2021.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

NOTE 3 – 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, 2022 and 2021, DreamYard’s uninsured cash balances were approximately \$1,392,000 and \$1,952,000, respectively.

At June 30, 2021, 34% of total unconditional promises to give were receivable from one donor.

NOTE 4 – PROMISES TO GIVE

Unconditional promises to give consisted of the following:

	2022	2021
Receivable in less than one year	\$ 1,059,373	\$ 1,146,234
Receivable in more than one year	400,000	780,000
	1,459,373	1,926,234
Unconditional promises to give	1,459,373	1,926,234
Less discount to net present value	(17,546)	(21,746)
	\$ 1,441,827	\$ 1,904,488
Unconditional promises to give, net		

Unconditional promises to give due in more than one year at June 30, 2022 and 2021 are discounted at an effective interest between 1.52% and 2.07% depending on the year of the pledge origination.

NOTE 5 – FIXED ASSETS

Fixed assets consisted of the following:

	2022	2021
Furniture and fixtures	\$ 83,159	\$ 83,159
Equipment	562,713	518,435
Leasehold improvements	172,448	172,448
	818,320	774,042
Fixed assets	818,320	774,042
Less accumulated depreciation	(704,920)	(668,417)
	\$ 113,400	\$ 105,625
Fixed assets, net		

NOTE 6 – NOTES PAYABLE

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 was due in one lump sum payment on its maturity date in April 2021; however, on December 5, 2022, the loan maturity date was extended to June 1, 2023. The remaining loan balance is to be paid in two payments, one which was paid on December 1, 2022 for \$66,667 and one to be paid on June 1, 2023 for the remaining balance of \$116,666. In March 2023, Dreamyard received a \$400,000 cash flow loan to cover operating expenses pending expected receipt of funds from grants. This loan is due June 15, 2023.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Creative Career Pathways & Art Center	\$ 335,740	\$ 1,308,750
In-School Programs	100,000	144,715
Work-Based Learning	50,000	100,000
Fiscal Sponsorships	-	55,067
Bronx Relief Fund	-	25,879
Subsequent period activities	<u>883,454</u>	<u>162,506</u>
Net assets with donor restrictions	<u>\$ 1,369,194</u>	<u>\$ 1,796,917</u>

NOTE 8 – PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, DreamYard received a \$851,457 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower’s forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by DreamYard during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years. On May 19, 2021, the SBA preliminarily approved forgiveness of the loan and the \$8,877 of accrued interest.

DreamYard must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review DreamYard’s good-faith certification concerning the necessity of its loan request, whether DreamYard calculated the loan amount correctly, whether DreamYard used loan proceeds for the allowable uses specified in the CARES Act, and whether DreamYard is entitled to loan forgiveness in the amount claimed on its application. If SBA determines DreamYard was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

NOTE 9 – LIQUIDITY AND AVAILABILITY

The following represents DreamYard's financial assets as of June 30, 2022 and 2021, 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.

	2022	2021
Cash	\$ 1,642,493	\$ 2,202,136
Unconditional promises to give, net	1,441,827	1,904,488
Accounts receivable	540,335	227,196
Financial assets at year-end	3,624,655	4,333,820
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor imposed restrictions:		
Restricted by donor with time and purpose restrictions	(1,369,194)	(1,796,917)
Add back amounts available within one year	465,908	162,506
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,721,369	\$ 2,699,409

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 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, 2022 and 2021, the lessor waived all monthly lease payments. The estimated fair value of the donated facilities was \$135,867 and \$167,434 for the years ended June 30, 2022 and 2021, respectively, and is included in occupancy on the statement 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.

THE DREAMYARD PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 with comparative totals for June 30, 2021

NOTE 11 – LEASING ARRANGEMENTS (continued)

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

	2023	50,184
	2024	51,690
	2025	53,238
	2026	54,834
	Thereafter	502,230
		\$ 712,176

NOTE 12 – IN-KIND CONTRIBUTIONS

In-kind contributions recognized within the statement of activities for the years ended June 30, 2022 and 2021 include:

	2022	2021
Rent	\$ 135,867	\$ 167,434
Legal services	133,783	43,903
Supplies	6,096	10,697
	\$ 275,746	\$ 222,034

The fair value of the contributed rent was estimated on the basis of comparable prices in the Bronx, New York, rental market. The fair value of the legal services was estimated based on current rates for similar legal services. The supplies were valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. None of the in-kind contributions received contained donor restrictions. DreamYard does not sell any of the donated supplies received.