

Dream Charter School



**Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)
and Reports Required by *Government
Auditing Standards***

Years Ended June 30, 2024 and 2023

DREAM CHARTER SCHOOL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)
and
Reports Required by *Government Auditing Standards*

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Dream Charter School
New York, NY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dream Charter School (the "School"), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2024 and 2023, 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 School'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 School'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 18-19, for the year ended June 30, 2024, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 2024 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CBIZ CPAs P.C.¹

New York, NY
October 30, 2024

**DREAM CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023**

	2024	2023
ASSETS		
Cash and cash equivalents (Notes 2C and 12B)	\$ 5,843,455	\$ 6,794,052
Investments (Notes 2G and 6)	7,391,318	2,439,941
Government grants receivable (Note 2F)	2,217,222	932,456
Contributions receivable (Notes 2D, 2F and 5)	616,592	298,039
Prepaid expenses and other assets	375,608	257,389
Restricted cash (Note 4)	175,000	175,000
Operating lease right-of-use asset (Note 9)	172,193,901	174,887,182
Property and equipment, net (Notes 2H and 7)	4,411,173	1,562,080
TOTAL ASSETS	\$ 193,224,269	\$ 187,346,139
LIABILITIES		
Accounts payable and accrued expenses	\$ 932,781	\$ 761,254
Due to institutional partner (Note 8)	2,219,939	748,839
Program related investment payable (Note 14)	1,700,000	200,000
Lease liability (Note 9)	182,577,072	179,518,240
TOTAL LIABILITIES	187,429,792	181,228,333
COMMITMENTS AND CONTINGENCIES (Note 10)		
NET ASSETS (Note 2B)		
Without donor restrictions:		
Available for operations	11,434,460	9,088,745
Net investment in property and equipment and operating leases	(5,971,998)	(3,068,978)
Total without donor restrictions	5,462,462	6,019,767
With donor restrictions (Note 11)	332,015	98,039
TOTAL NET ASSETS	5,794,477	6,117,806
TOTAL LIABILITIES AND NET ASSETS	\$ 193,224,269	\$ 187,346,139

**DREAM CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	For the Year Ended June 30, 2024			For the Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total 2024	Without Donor Restrictions	With Donor Restrictions	Total 2023
OPERATING PUBLIC SUPPORT AND REVENUE:						
Public school district: (Notes 2E and 12A)						
Tuition - general enrollment	\$ 31,316,903	\$ -	\$ 31,316,903	\$ 23,438,524	\$ -	\$ 23,438,524
Tuition - students with disabilities	6,813,501	-	6,813,501	5,582,023	-	5,582,023
Subtotal public school district revenue	<u>38,130,404</u>	<u>-</u>	<u>38,130,404</u>	<u>29,020,547</u>	<u>-</u>	<u>29,020,547</u>
Government grants (Note 2E)	12,033,570	-	12,033,570	9,969,453	-	9,969,453
Contributions (Notes 2D and 2F)	70,462	2,086,928	2,157,390	3,026,028	-	3,026,028
Donated services and facilities (Notes 2J and 8)	2,326,200	-	2,326,200	2,093,580	-	2,093,580
Interest and dividends (Notes 2G and 6)	372,416	-	372,416	138,110	-	138,110
Unrealized gain (loss) on investments (Notes 2G and 6)	73,280	-	73,280	(45,684)	-	(45,684)
Other	440,674	-	440,674	51,587	-	51,587
Net assets released from restrictions (Note 11)	<u>1,852,952</u>	<u>(1,852,952)</u>	<u>-</u>	<u>400,000</u>	<u>(400,000)</u>	<u>-</u>
TOTAL OPERATING PUBLIC SUPPORT AND REVENUE	<u>55,299,958</u>	<u>233,976</u>	<u>55,533,934</u>	<u>44,653,621</u>	<u>(400,000)</u>	<u>44,253,621</u>
OPERATING EXPENSES (Note 2I):						
Program services:						
General education	29,146,948	-	29,146,948	24,865,485	-	24,865,485
Special education	10,460,400	-	10,460,400	8,836,556	-	8,836,556
Total program services	<u>39,607,348</u>	<u>-</u>	<u>39,607,348</u>	<u>33,702,041</u>	<u>-</u>	<u>33,702,041</u>
Supporting services:						
Management and general	9,517,920	-	9,517,920	7,958,929	-	7,958,929
Fundraising	979,882	-	979,882	888,881	-	888,881
Total supporting services	<u>10,497,802</u>	<u>-</u>	<u>10,497,802</u>	<u>8,847,810</u>	<u>-</u>	<u>8,847,810</u>
TOTAL OPERATING EXPENSES	<u>50,105,150</u>	<u>-</u>	<u>50,105,150</u>	<u>42,549,851</u>	<u>-</u>	<u>42,549,851</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>5,194,808</u>	<u>233,976</u>	<u>5,428,784</u>	<u>2,103,770</u>	<u>(400,000)</u>	<u>1,703,770</u>
NON-OPERATING ACTIVITIES:						
Lease expense in excess of cash payments on leases (Note 9)	<u>(5,752,113)</u>	<u>-</u>	<u>(5,752,113)</u>	<u>(4,631,057)</u>	<u>-</u>	<u>(4,631,057)</u>
TOTAL NON-OPERATING ACTIVITIES	<u>(5,752,113)</u>	<u>-</u>	<u>(5,752,113)</u>	<u>(4,631,057)</u>	<u>-</u>	<u>(4,631,057)</u>
CHANGE IN NET ASSETS	(557,305)	233,976	(323,329)	(2,527,287)	(400,000)	(2,927,287)
Net Assets - Beginning of Year	<u>6,019,767</u>	<u>98,039</u>	<u>6,117,806</u>	<u>8,547,054</u>	<u>498,039</u>	<u>9,045,093</u>
NET ASSETS - END OF YEAR	<u>\$ 5,462,462</u>	<u>\$ 332,015</u>	<u>\$ 5,794,477</u>	<u>\$ 6,019,767</u>	<u>\$ 98,039</u>	<u>\$ 6,117,806</u>

The accompanying notes are an integral part of these financial statements.

**DREAM CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)**

	For the Year Ended June 30, 2024							
	Program Services			Supporting Services				
	General Education	Special Education	Total Program Services	Management and General	Fundraising	Supporting Services	Total 2024	Total 2023
Salaries and wages	\$ 13,637,010	\$ 4,928,529	\$ 18,565,539	\$ 2,758,486	\$ -	\$ 2,758,486	\$ 21,324,025	\$ 17,603,333
Fringe benefits and payroll taxes (Note 13)	2,811,263	1,050,196	3,861,459	594,781	-	594,781	4,456,240	3,822,128
Total Salaries and Related Costs	16,448,273	5,978,725	22,426,998	3,353,267	-	3,353,267	25,780,265	21,425,461
Instructors and tutors	72,104	25,706	97,810	-	-	-	97,810	187,190
Classroom supplies	658,337	238,847	897,184	-	-	-	897,184	521,095
Program food and events	730,504	245,549	976,053	-	-	-	976,053	233,883
Other student expenses	884,578	315,991	1,200,569	-	-	-	1,200,569	669,306
Contractual services (Note 9)	2,414,000	986,000	3,400,000	5,552,662	979,882	6,532,544	9,932,544	9,775,871
Consulting and professional	760,937	292,350	1,053,287	69,252	-	69,252	1,122,539	1,682,575
Telephone and internet	-	-	-	1,243	-	1,243	1,243	3,134
Communication and outreach	-	-	-	293,593	-	293,593	293,593	250,391
Professional development	231,257	87,424	318,681	40,633	-	40,633	359,314	251,686
Office and administration	466,168	173,060	639,228	94,183	-	94,183	733,411	727,267
Insurance	112,695	46,030	158,725	24,984	-	24,984	183,709	163,033
Repairs and maintenance	4,799	1,664	6,463	-	-	-	6,463	8,699
Dues and publications	56,972	21,538	78,510	8,486	-	8,486	86,996	86,511
Donated facilities (Notes 2J and 8)	1,651,602	674,598	2,326,200	-	-	-	2,326,200	2,093,580
Bad debt expense	-	-	-	30,984	-	30,984	30,984	22,556
Depreciation and amortization (Note 7)	150,470	56,996	207,466	20,519	-	20,519	227,985	5,379
Occupancy (Note 9)	8,704,323	2,857,790	11,562,113	-	-	-	11,562,113	9,059,721
Miscellaneous	7,732	2,442	10,174	28,114	-	28,114	38,288	13,570
	<u>33,354,751</u>	<u>12,004,710</u>	<u>45,359,461</u>	<u>9,517,920</u>	<u>979,882</u>	<u>10,497,802</u>	<u>55,857,263</u>	<u>47,180,908</u>
Less: Lease expense in excess of cash payments on leases	<u>(4,207,803)</u>	<u>(1,544,310)</u>	<u>(5,752,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,752,113)</u>	<u>(4,631,057)</u>
Total Expenses	\$ 29,146,948	\$ 10,460,400	\$ 39,607,348	\$ 9,517,920	\$ 979,882	\$ 10,497,802	\$ 50,105,150	\$ 42,549,851

The accompanying notes are an integral part of these financial statements.

**DREAM CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services			Supporting Services			Total
	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 11,818,953	\$ 4,199,923	\$ 16,018,876	\$ 1,584,457	\$ -	\$ 1,584,457	\$ 17,603,333
Fringe benefits and payroll taxes (Note 13)	<u>2,571,945</u>	<u>894,462</u>	<u>3,466,407</u>	<u>355,721</u>	<u>-</u>	<u>355,721</u>	<u>3,822,128</u>
Total Salaries and Related Costs	14,390,898	5,094,385	19,485,283	1,940,178	-	1,940,178	21,425,461
Instructors and tutors	136,649	50,541	187,190	-	-	-	187,190
Classroom supplies	383,776	137,319	521,095	-	-	-	521,095
Program food and events	171,535	62,348	233,883	-	-	-	233,883
Other student expenses	492,400	176,906	669,306	-	-	-	669,306
Contractual services (Note 9)	2,810,500	1,039,500	3,850,000	5,036,990	888,881	5,925,871	9,775,871
Consulting and professional	1,198,080	430,584	1,628,664	53,911	-	53,911	1,682,575
Telephone and internet	2,298	836	3,134	-	-	-	3,134
Communication and outreach	-	-	-	250,391	-	250,391	250,391
Professional development	168,747	60,149	228,896	22,790	-	22,790	251,686
Office and administration	483,759	164,953	648,712	78,555	-	78,555	727,267
Insurance	90,439	33,450	123,889	39,144	-	39,144	163,033
Repairs and maintenance	5,828	2,088	7,916	783	-	783	8,699
Dues and publications	58,013	20,641	78,654	7,857	-	7,857	86,511
Donated facilities (Notes 2J and 8)	1,402,699	502,459	1,905,158	188,422	-	188,422	2,093,580
Bad debt expense	-	-	-	22,556	-	22,556	22,556
Depreciation and amortization (Note 7)	3,604	1,291	4,895	484	-	484	5,379
Occupancy (Note 9)	6,272,651	2,166,614	8,439,265	620,456	-	620,456	9,059,721
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,570</u>	<u>-</u>	<u>13,570</u>	<u>13,570</u>
	<u>28,071,876</u>	<u>9,944,064</u>	<u>38,015,940</u>	<u>8,276,087</u>	<u>888,881</u>	<u>9,164,968</u>	<u>47,180,908</u>
Less: Lease expense in excess of cash payments on leases	<u>(3,206,391)</u>	<u>(1,107,508)</u>	<u>(4,313,899)</u>	<u>(317,158)</u>	<u>-</u>	<u>(317,158)</u>	<u>(4,631,057)</u>
Total Expenses	<u>\$ 24,865,485</u>	<u>\$ 8,836,556</u>	<u>\$ 33,702,041</u>	<u>\$ 7,958,929</u>	<u>\$ 888,881</u>	<u>\$ 8,847,810</u>	<u>\$ 42,549,851</u>

The accompanying notes are an integral part of these financial statements.

**DREAM CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (323,329)	\$ (2,927,287)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	(73,280)	45,684
Non-cash lease expense	2,693,281	2,182,440
Bad debt expense	30,984	22,556
Depreciation and amortization	<u>227,985</u>	<u>5,379</u>
	2,555,641	(671,228)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	(1,284,766)	84,584
Contributions receivable	(349,537)	178,644
Prepaid expenses and other assets	(118,219)	23,917
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	171,527	606,882
Due to institutional partner	1,471,100	260,938
Deferred rent	-	(47,250)
Change in operating lease liability	<u>3,058,832</u>	<u>2,448,618</u>
Net Cash Provided by Operating Activities	<u>5,504,578</u>	<u>2,885,105</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(4,878,097)	(2,485,625)
Purchase of property and equipment	<u>(3,077,078)</u>	<u>(1,546,327)</u>
Net Cash Used in Investing Activities	<u>(7,955,175)</u>	<u>(4,031,952)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from program related investment payable	<u>1,500,000</u>	<u>200,000</u>
Net Cash Provided by Financing Activities	<u>1,500,000</u>	<u>200,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(950,597)	(946,847)
Cash and cash equivalents and restricted cash - beginning of year	<u>6,969,052</u>	<u>7,915,899</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 6,018,455</u>	<u>\$ 6,969,052</u>
The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the statements of financial position:		
Cash and cash equivalents	\$ 5,843,455	\$ 6,794,052
Restricted cash	<u>175,000</u>	<u>175,000</u>
	<u>\$ 6,018,455</u>	<u>\$ 6,969,052</u>

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

DREAM Charter School (the “School”) is a charter school operating in New York City. The School's mission is to prepare students for high-performing high schools, colleges and beyond through a rigorous academic program that develops critical thinkers who demonstrate a love of learning, strong character and a commitment to wellness and active citizenship. The School inspires all students to recognize their potential and realize their dreams. The School hopes to achieve these overarching goals through its pioneering, experiential-based educational program. This educational program is based on four foundations: (1) an innovative curriculum emphasizing integration across subject areas and learning through experimentation; (2) an extended day and year model, to maximize instructional hours; (3) a co-teaching model that reduces the teacher-to-student ratio and integrates special needs students into the general population and (4) active family engagement as a cornerstone of the School's overall culture and philosophy. This program is designed to set high standards for achievement and prepare students for high-performing high schools and colleges.

The School opened in September 2008 with 50 kindergarteners and 50 first graders. It currently serves 1,728 youth in PreK-12th grade and serves youth in East Harlem and the South Bronx. Distinguishing features of the School include an inclusion method of co-teaching teams within each classroom and a Coordinated School Health Program as a fundamental component of the overall curriculum, culture and educational philosophy of the School. The ultimate goal of the School is to create a successful community-based education program for the youth of East Harlem and the South Bronx.

The School is supported by its institutional partner, Harlem RBI d/b/a DREAM (“DREAM”), a youth development organization located in East Harlem, New York. DREAM brings the expertise of its Board of Directors, executive leadership and its development, finance and operations teams to bear on the School's needs. Three members of DREAM's Board of Directors serve on the School's Board of Trustees.

DREAM is authorized by SUNY Charter Schools Institute to operate three schools under three charters. DREAM's East Harlem and Mott Haven charters received a maximum five-year renewal in 2024 through June 30, 2029, with DREAM's Highbridge charter effective through 2027.

The School is organized under the Not-For-Profit Corporation Law of the State of New York and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of Accounting*** – The School prepares its financial statements using the accrual basis of accounting. The School adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).

B. ***Basis of Presentation*** – The School reports information regarding its financial position and activities in two classes of net assets:

Without donor restrictions – Net assets that can be spent at the discretion of the School and have no associated donor-imposed stipulations.

With donor restrictions – Net assets that are restricted by the donor for a specific time period or purpose. The School did not have any net assets with donor restrictions to be held in perpetuity as of June 30, 2024 and 2023.

C. ***Cash and Cash Equivalents*** – Cash equivalents include all highly liquid instruments acquired with maturities of 90 days or less.

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D. ***Contributions and Grants*** – Contributions and grants received, including unconditional promises to give, are recognized as revenues in the appropriate category of net assets in the period received. Conditional promises to give are recognized when they become unconditional, that is, when the conditions are substantially met. All contributions and grants receivable are expected to be collected within one year.

Government grants and contracts are nonexchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return/release from obligation.

- E. ***Government Support and Tuition Revenue*** – State and local per pupil revenue resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement.

Performance obligations are determined based on the nature of the services provided by the School in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The School measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

The School's performance obligations are primarily satisfied over time during the course of an academic year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2024 and 2023. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The School determines the transaction price based on the established per pupil reimbursement rate.

Revenue from federal, state and local government grants and contracts is recorded by the School when qualifying expenditures are incurred and billable. Funds received in advance for which expenditures have not been incurred are reflected as refundable advances, if applicable, in the accompanying statements of financial position. Governmental grants are recognized as revenue when barriers within the contract are overcome and there is no longer a right of return. As of June 30, 2024 and 2023, the School received conditional grants and contracts from government agencies in the aggregate amounts of approximately \$238,000 and \$534,000, respectively, that have not been recorded in the accompanying financial statements as they have not been earned. These grants and contracts require the School to provide certain services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the School may be required to return the funds already remitted. Government grants amounted to \$12,033,570 and \$9,969,453 for the years ended June 30, 2024 and 2023, respectively.

- F. ***Grants and Contributions Receivable*** – Grants and contributions receivable are stated at the amount management expects to collect from outstanding balances. The School may provide an allowance for doubtful accounts for receivables. This estimate is based on management's assessment of the aged basis of its government funding sources, current economic conditions and creditworthiness of its donors and grantors. The School determined that no allowance for doubtful accounts was necessary as of June 30, 2024 and 2023.

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- G. **Investments and Fair Value Measurements** - Investments are stated at fair value. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and interest and dividends are recognized as revenue in the period earned. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 6.
- H. **Property and Equipment** – The School capitalizes property and equipment having a cost of \$1,000 or more and a useful life of at least one year. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of their useful lives or the applicable lease term.
- I. **Functional Allocation of Expenses** – The School allocates expenses on a functional basis among its programs and supporting services. Expenses that can be identified as belonging to a specific program and/or support service are allocated directly according to their natural expense classification. Salaries and fringe benefits and payroll taxes are allocated based on estimates of time and effort. Other expenses are directly allocated.
- J. **Donated Services and Facilities** – Donated services are recognized at fair value if they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind.

Donated facilities for the year ended June 30, 2024 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Rent	\$ 2,326,200	Program and General and Administrative	No associated donor restriction	Based on market price

Donated facilities for the year ended June 30, 2023 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Rent	\$ 2,093,580	Program and General and Administrative	No associated donor restriction	Based on market price

- K. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.
- L. **Operating Activities** – The School's operating activities include all revenue and expenses of the School with the exception of lease expense in excess of cash payments on leases which is presented as non-operating activities on the accompanying consolidated financial statements of activities.

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. **Recent Accounting Pronouncements** – In 2024, the School adopted ASU No. 2016-13, *Current Expected Credit Losses* (“CECL”), which requires entities to estimate and recognize expected credit losses on financial assets, including receivables, over the life of the asset. The School elected to apply the new standard using the modified retrospective approach, which did not require the restatement of prior periods. The School has determined that there is no impact to the School’s financial position or results of operations due to the adoption of this statement as of June 30, 2024.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES TO MEET GENERAL EXPENDITURES

Financial assets as of June 30, 2024 and 2023, available for general expenditure, within one year of the statements of financial position dates, without donor or other restrictions limiting their use, were as follows:

	2024	2023
Cash and cash equivalents	\$ 5,843,455	\$ 6,794,052
Investments	7,391,318	2,439,941
Government grants receivable	2,217,222	932,456
Contributions receivable	616,592	298,039
Total financial assets	\$ 16,068,587	\$ 10,464,488

The School’s management monitors levels of available financial assets to anticipate cash requirements for general expenditures as obligations becomes due. As part of the School’s liquidity management plan, the School invests cash in excess of daily requirements in short-term money market accounts.

NOTE 4 – RESTRICTED CASH

The New York City Department of Education (the “NYCDOE”) requires the School to maintain funds in a separate cash account to have funds available to ensure an orderly liquidation, dissolution or transition process if the School’s charter were to be terminated or the School was closed for other reasons. Restricted cash amounted to \$175,000 as of both June 30, 2024 and 2023.

NOTE 5 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of June 30:

	2024	2023
Due within 1 year	\$ 616,592	\$ 298,039
Due within 1 to 5 years	-	-
	\$ 616,592	\$ 298,039

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consisted of the following as of June 30, 2024:

U.S. Treasury bills	\$ 7,391,318
	<u>\$ 7,391,318</u>

Investments consisted of the following as of June 30, 2023:

U.S. Treasury bills	\$ 2,439,941
	<u>\$ 2,439,941</u>

Investment activity consisted of the following for the years ended:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 372,416	\$ 138,110
Unrealized gain (loss) on investments	<u>73,280</u>	<u>(45,684)</u>
	<u>\$ 445,696</u>	<u>\$ 92,426</u>

Investments are subject to market volatility, which could substantially change the carrying value in the near term.

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market value data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the School utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Investments in treasury bills are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Financial assets carried at fair value at June 30, 2024, are classified within the hierarchy as follows:

ASSETS CARRIED AT FAIR VALUE:	<u>Level 1</u>	<u>Total</u>
Investments:		
U.S. Treasury bills	<u>\$ 7,391,318</u>	<u>\$ 7,391,318</u>
TOTAL ASSETS AT FAIR VALUE	<u>\$ 7,391,318</u>	<u>\$ 7,391,318</u>

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value at June 30, 2023, are classified within the hierarchy as follows:

ASSETS CARRIED AT FAIR VALUE:	<u>Level 1</u>	<u>Total</u>
Investments:		
U.S. Treasury bills	\$ 2,439,941	\$ 2,439,941
TOTAL ASSETS AT FAIR VALUE	<u>\$ 2,439,941</u>	<u>\$ 2,439,941</u>

NOTE 7 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Equipment and computers	\$ 567,316	\$ 382,595	3 years
Leasehold improvements	30,145	30,145	
Furniture and fixtures	3,193,584	1,722,759	7 years
Construction in progress	<u>1,421,532</u>	<u>-</u>	
	5,212,577	2,135,499	
Less: accumulated depreciation and amortization	<u>(801,404)</u>	<u>(573,419)</u>	
Total	<u>\$ 4,411,173</u>	<u>\$ 1,562,080</u>	

Depreciation and amortization expense amounted to \$227,985 and \$5,379 for the years ended June 30, 2024 and 2023, respectively.

During the year ended June 30, 2024, DREAM held leases for buildings at 20 Bruckner Boulevard and 1162 River Avenue in the Bronx to be the permanent homes for DREAM Mott Haven and DREAM Highbridge, respectively. "Construction in progress" above relates to the School's portion of the build-out of these buildings.

NOTE 8 – RELATED-PARTY TRANSACTIONS

The School has an Institutional Partnership Agreement (the "Agreement") with DREAM, which has common management. The Agreement serves as the foundation of the governance relationship between the School and DREAM and describes the exact nature and costs of DREAM's executive management and back office services to the School. Both the School's Board of Trustees and DREAM's Board of Directors have the option of severing the relationship between the two entities with agreed-upon notice, though the spirit of the partnership is unending. The Agreement is renewed annually by the Board of each entity. During the years ended June 30, 2024 and 2023, services provided and recognized as expense by the School under the Agreement amounted to \$9,932,544 and \$9,775,871, respectively.

As of June 30, 2024 and 2023, amounts due to DREAM from the School amounted to \$2,219,939 and \$748,839, respectively.

The School received the use of facilities without charge from DREAM, which was valued at \$2,326,200 and \$2,093,580 for the years ended June 30, 2024 and 2023, respectively.

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 9 – LEASES

The School leases certain facilities, vehicles and equipment under long-term non-cancelable operating lease and finance lease agreements. The School assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement change. For the current year, there were no new leases or amendments to existing leases that needed to be considered under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 842.

DREAM holds a portfolio of temporary and long-term leases and has entered into a sublease agreement to lease the spaces to Dream Charter School. During January 2023, DREAM commenced a lease agreement with a private landlord and subsequently entered into a sublease agreement to lease the same space to the School for use as a new K-12. Total rent expense amounted to \$11,562,113 and \$9,059,721 for the years ended June 30, 2024 and 2023, respectively.

The weighted-average discount rate is based on the implicit interest rate of 5% included in the sublease.

The School has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

Total lease costs consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Operating lease cost, included in occupancy	\$ 11,562,113	\$ 5,781,059

The following summarizes cash flow information related to leases as of June 30:

	<u>2024</u>	<u>2023</u>
Operating cash flow from operating leases	\$ 5,810,004	\$ 1,150,002

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for operating lease as of June 30:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term in years:	41.5	42.5
Weighted average discount rate	5%	5%

As of June 30, 2024 and 2023, the right-of-use (“ROU”) asset balance totaled \$172,193,901 and \$174,887,182, respectively, and lease liabilities totaled \$182,577,072 and \$179,518,240, respectively, as shown on the accompanying statement of financial position. Future minimum payments for non-cancelable leases for the remaining five years ending after June 30, 2024 and thereafter are as follows:

	<u>Operating Leases</u>
2025	\$ 6,860,004
2026	7,560,000
2027	8,070,000
2028	8,229,996
2029	8,400,000
Thereafter	<u>445,309,968</u>
Total lease payments	484,429,968
Less: present value discount	<u>(301,852,896)</u>
Present value of lease liabilities	<u>\$ 182,577,072</u>

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 10 – COMMITMENTS AND CONTINGENCIES

- A. The School believes it had no uncertain tax positions as of June 30, 2024 and 2023, in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowances of costs submitted for reimbursement by the School. Management is of the opinion that such disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of June 30:

	<u>2024</u>	<u>2023</u>
Time restricted	<u>\$ 332,015</u>	<u>98,039</u>

During the years ended June 30, 2024 and 2023, the School met donor restrictions and released net assets with donor restrictions of \$1,852,952 and \$400,000, respectively.

NOTE 12 – CONCENTRATIONS

- A. The School receives a majority of its revenues from the New York State Department of Education ("NYCDOE") through the NYCDOE Office of Schools. The NYCDOE provides general operating support to the School based upon the location and the number of students enrolled. Funding from the NYCDOE amounted to approximately 69% and 66% of total revenue for the years ended June 30, 2024 and 2023, respectively. The School is dependent upon this level of funding in order to continue its operations.
- B. Cash accounts that potentially subject the School to a concentration of credit risk include cash accounts with two banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2024 and 2023, there was approximately \$5,290,000 and \$8,660,000, respectively, of cash and cash equivalents held by two banks that exceeded FDIC limits.

NOTE 13 – PENSION PLAN

The School has a tax deferred 403(b) retirement plan. All employees may participate by designating a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. During each of the years ended June 30, 2024 and 2023, the School contributed a 4% match for qualified participating staff members with one or more years of service. Employer contributions totaled \$166,495 and \$182,688 for the years ended June 30, 2024 and 2023, respectively.

NOTE 14 – PROGRAM RELATED INVESTMENT PAYABLE

On July 27, 2022, the School obtained a program related investment in the amount of \$200,000 from the Charter School Growth Fund. This amount bears interest at 1% and is payable back in the Charter School Growth Fund in 2027.

On December 8, 2023, the School obtained a program related investment in the amount of \$1,500,000 from the Charter School Growth Fund. This amount bears interest at 2.75% and is payable back in the Charter School Growth Fund through 2028.

**DREAM CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 14 – PROGRAM RELATED INVESTMENT PAYABLE (Continued)

Future annual principal payments are as follows for the four fiscal years ending after June 30, 2024:

2025	\$	375,000
2026		375,000
2027		575,000
2028		<u>375,000</u>
	\$	<u>1,700,000</u>

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through October 30, 2024, the date the financial statements were available to be issued.

On December 8, 2023, the School entered into a 35-year sublease agreement with a private landlord, who already had a lease in place with DREAM dating back to December 5, 2022, for the property at 1184 River Avenue in the Bronx. Both leases will commence on July 1, 2024, and will be subject to ASC Topic 842. The annual rent expense for the School is \$2,100,000, which includes both base rent and variable costs. This amount is expected to gradually increase each year.

**DREAM CHARTER SCHOOL
STATEMENT OF ACTIVITIES - BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024**

	Mott Haven School			East Harlem School			Highbridge School			Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING PUBLIC SUPPORT AND REVENUE:												
Public school district:												
Tuition - general enrollment	\$ 18,398,288	\$ -	\$ 18,398,288	\$ 11,140,567	\$ -	\$ 11,140,567	\$ 1,778,048	\$ -	\$ 1,778,048	\$ 31,316,903	\$ -	\$ 31,316,903
Tuition - students with disabilities	3,734,409	-	3,734,409	2,838,556	-	2,838,556	240,536	-	240,536	6,813,501	-	6,813,501
Subtotal public school district revenue	22,132,697	-	22,132,697	13,979,123	-	13,979,123	2,018,584	-	2,018,584	38,130,404	-	38,130,404
Government grants	6,600,732	-	6,600,732	5,321,112	-	5,321,112	111,726	-	111,726	12,033,570	-	12,033,570
Contributions	-	50,000	50,000	70,462	2,036,928	2,107,390	-	-	-	70,462	2,086,928	2,157,390
Donated services and facilities	-	-	-	2,326,200	-	2,326,200	-	-	-	2,326,200	-	2,326,200
Interest and dividends	-	-	-	372,416	-	372,416	-	-	-	372,416	-	372,416
Unrealized gain on investments	-	-	-	73,280	-	73,280	-	-	-	73,280	-	73,280
Other	7,184	-	7,184	433,490	-	433,490	-	-	-	440,674	-	440,674
Net assets released from restrictions	50,000	(50,000)	-	1,802,952	(1,802,952)	-	-	-	-	1,852,952	(1,852,952)	-
TOTAL OPERATING PUBLIC SUPPORT AND REVENUE	28,790,613	-	28,790,613	24,379,035	233,976	24,613,011	2,130,310	-	2,130,310	55,299,958	233,976	55,533,934
EXPENSES:												
Program services:												
General education	13,438,030	-	13,438,030	14,297,855	-	14,297,855	1,288,494	-	1,288,494	29,024,379	-	29,024,379
Special education	4,661,523	-	4,661,523	5,527,209	-	5,527,209	394,237	-	394,237	10,582,969	-	10,582,969
Total program services	18,099,553	-	18,099,553	19,825,064	-	19,825,064	1,682,731	-	1,682,731	39,607,348	-	39,607,348
Supporting services:												
Management and general	2,087,906	-	2,087,906	7,010,950	-	7,010,950	419,064	-	419,064	9,517,920	-	9,517,920
Fundraising	-	-	-	979,882	-	979,882	-	-	-	979,882	-	979,882
Total supporting services	2,087,906	-	2,087,906	7,990,832	-	7,990,832	419,064	-	419,064	10,497,802	-	10,497,802
TOTAL OPERATING EXPENSES	20,187,459	-	20,187,459	27,815,896	-	27,815,896	2,101,795	-	2,101,795	50,105,150	-	50,105,150
CHANGE IN NET ASSETS FROM OPERATIONS	8,603,154	-	8,603,154	(3,436,861)	233,976	(3,202,885)	28,515	-	28,515	5,194,808	233,976	5,428,784
NON-OPERATING ACTIVITIES:												
Lease expense in excess of cash payments on leases	(4,927,437)	-	(4,927,437)	(824,676)	-	(824,676)	-	-	-	(5,752,113)	-	(5,752,113)
CHANGE IN NET ASSETS	3,675,717 #	- #	3,675,717 #	(4,261,537) #	233,976 #	(4,027,561) #	28,515 #	- #	28,515 #	(557,305) #	233,976 #	(323,329) #
Net Assets - Beginning of Year	4,957,847	-	4,957,847	722,453	98,039	820,492	339,467	-	339,467	6,019,767	98,039	6,117,806
NET ASSETS - END OF YEAR	\$ 8,633,564	\$ -	\$ 8,633,564	\$ (3,539,084)	\$ 332,015	\$ (3,207,069)	\$ 367,982	\$ -	\$ 367,982	\$ 5,462,462	\$ 332,015	\$ 5,794,477

**DREAM CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES - BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024**

	Mott Haven School							East Harlem School						
	Program Services			Supporting Services				Program Services			Supporting Services			
	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and wages	\$ 6,646,407	\$ 2,420,291	\$ 9,066,698	\$ 1,665,844	\$ -	\$ 1,665,844	\$ 10,732,542	\$ 6,052,416	\$ 2,215,390	\$ 8,267,806	\$ 768,724	\$ -	\$ 768,724	\$ 9,036,530
Fringe benefits and payroll taxes	1,342,159	506,060	1,848,219	352,042	-	352,042	2,200,261	1,270,587	481,272	1,751,859	173,258	-	173,258	1,925,117
Total Salaries and Related Costs	7,988,566	2,926,351	10,914,917	2,017,886	-	2,017,886	12,932,803	7,323,003	2,696,662	10,019,665	941,982	-	941,982	10,961,647
Instructors and tutors	40,413	12,762	53,175	-	-	-	53,175	31,691	12,944	44,635	-	-	-	44,635
Classroom supplies	282,651	89,258	371,909	-	-	-	371,909	355,251	145,103	500,354	-	-	-	500,354
Program food and events	534,938	168,928	703,866	-	-	-	703,866	178,324	72,836	251,160	-	-	-	251,160
Other student expenses	367,157	115,944	483,101	-	-	-	483,101	457,640	186,924	644,564	-	-	-	644,564
Contractual services	-	-	-	-	-	-	-	2,414,000	986,000	3,400,000	5,552,662	979,882	6,532,544	9,932,544
Consulting and professional	199,164	62,894	262,058	-	-	-	262,058	561,773	229,456	791,229	69,252	-	69,252	860,481
Telephone and internet	-	-	-	-	-	-	-	-	-	-	1,243	-	1,243	1,243
Communication and outreach	-	-	-	-	-	-	-	-	-	-	292,379	-	292,379	292,379
Professional development	70,891	26,730	97,621	18,594	-	18,594	116,215	159,566	60,441	220,007	21,759	-	21,759	241,766
Office and administration	157,544	59,402	216,946	41,323	-	41,323	258,269	256,387	97,116	353,503	34,577	-	34,577	388,080
Insurance	-	-	-	-	-	-	-	112,695	46,030	158,725	24,984	-	24,984	183,709
Repairs and maintenance	1,652	522	2,174	-	-	-	2,174	2,389	976	3,365	-	-	-	3,365
Dues and publications	4,784	1,804	6,588	1,255	-	1,255	7,843	51,651	19,564	71,215	7,043	-	7,043	78,258
Donated facilities	-	-	-	-	-	-	-	1,651,602	674,598	2,326,200	-	-	-	2,326,200
Bad debt expense	-	-	-	-	-	-	-	-	-	-	30,984	-	30,984	30,984
Depreciation	-	-	-	-	-	-	-	150,470	56,996	207,466	20,519	-	20,519	227,985
Occupancy	7,527,390	2,377,071	9,904,461	-	-	-	9,904,461	1,176,933	480,719	1,657,652	-	-	-	1,657,652
Miscellaneous	7,732	2,442	10,174	8,848	-	8,848	19,022	-	-	-	13,566	-	13,566	13,566
	<u>17,182,882</u>	<u>5,844,108</u>	<u>23,026,990</u>	<u>2,087,906</u>	<u>-</u>	<u>2,087,906</u>	<u>25,114,896</u>	<u>14,883,375</u>	<u>5,766,365</u>	<u>20,649,740</u>	<u>7,010,950</u>	<u>979,882</u>	<u>7,990,832</u>	<u>28,640,572</u>
Less: Lease expense in excess of cash payments on leases	(3,744,852)	(1,182,585)	(4,927,437)	-	-	-	(4,927,437)	(585,520)	(239,156)	(824,676)	-	-	-	(824,676)
Total Expenses	\$ 13,438,030	\$ 4,661,523	\$ 18,099,553	\$ 2,087,906	\$ -	\$ 2,087,906	\$ 20,187,459	\$ 14,297,855	\$ 5,527,209	\$ 19,825,064	\$ 7,010,950	\$ 979,882	\$ 7,990,832	\$ 27,815,896

**DREAM CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES - BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024**

Highbridge School							Total						
Program Services			Supporting Services				Program Services			Supporting Services			
General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
\$ 938,187	\$ 292,848	\$ 1,231,035	\$ 323,918	\$ -	\$ 323,918	\$ 1,554,953	\$ 13,637,010	\$ 4,928,529	\$ 18,565,539	\$ 2,758,486	\$ -	\$ 2,758,486	\$ 21,324,025
198,517	62,864	261,381	69,481	-	69,481	330,862	2,811,263	1,050,196	3,861,459	594,781	-	594,781	4,456,240
1,136,704	355,712	1,492,416	393,399	-	393,399	1,885,815	16,448,273	5,978,725	22,426,998	3,353,267	-	3,353,267	25,780,265
-	-	-	-	-	-	-	72,104	25,706	97,810	-	-	-	97,810
20,435	4,486	24,921	-	-	-	24,921	658,337	238,847	897,184	-	-	-	897,184
17,242	3,785	21,027	-	-	-	21,027	730,504	245,549	976,053	-	-	-	976,053
59,781	13,123	72,904	-	-	-	72,904	884,578	315,991	1,200,569	-	-	-	1,200,569
-	-	-	-	-	-	-	2,414,000	986,000	3,400,000	5,552,662	979,882	6,532,544	9,932,544
-	-	-	-	-	-	-	760,937	292,350	1,053,287	69,252	-	69,252	1,122,539
-	-	-	-	-	-	-	-	-	-	1,243	-	1,243	1,243
-	-	-	1,214	-	1,214	1,214	-	-	-	293,593	-	293,593	293,593
800	253	1,053	280	-	280	1,333	231,257	87,424	318,681	40,633	-	40,633	359,314
52,237	16,542	68,779	18,283	-	18,283	87,062	466,168	173,060	639,228	94,183	-	94,183	733,411
-	-	-	-	-	-	-	112,695	46,030	158,725	24,984	-	24,984	183,709
758	166	924	-	-	-	924	4,799	1,664	6,463	-	-	-	6,463
537	170	707	188	-	188	895	56,972	21,538	78,510	8,486	-	8,486	86,996
-	-	-	-	-	-	-	1,651,602	674,598	2,326,200	-	-	-	2,326,200
-	-	-	-	-	-	-	-	-	-	30,984	-	30,984	30,984
-	-	-	-	-	-	-	150,470	56,996	207,466	20,519	-	20,519	227,985
-	-	-	-	-	-	-	8,704,323	2,857,790	11,562,113	-	-	-	11,562,113
-	-	-	5,700	-	5,700	5,700	7,732	2,442	10,174	28,114	-	28,114	38,288
<u>1,288,494</u>	<u>394,237</u>	<u>1,682,731</u>	<u>419,064</u>	<u>-</u>	<u>419,064</u>	<u>2,101,795</u>	<u>33,354,751</u>	<u>12,004,710</u>	<u>45,359,461</u>	<u>9,517,920</u>	<u>979,882</u>	<u>10,497,802</u>	<u>55,857,263</u>
-	-	-	-	-	-	-	(4,330,372)	(1,421,741)	(5,752,113)	(5,752,113)	-	-	(5,752,113)
<u>\$ 1,288,494</u>	<u>\$ 394,237</u>	<u>\$ 1,682,731</u>	<u>\$ 419,064</u>	<u>\$ -</u>	<u>\$ 419,064</u>	<u>\$ 2,101,795</u>	<u>\$ 29,024,379</u>	<u>\$ 10,582,969</u>	<u>\$ 39,607,348</u>	<u>\$ 3,765,807</u>	<u>\$ 979,882</u>	<u>\$ 10,497,802</u>	<u>\$ 50,105,150</u>