

Harlem RBI, Inc. d/b/a DREAM and Affiliates



**Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2024 and 2023

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2024 AND 2023

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5-6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-16
Supplementary Information	
Consolidating Schedule of Financial Position as of June 30, 2024	17
Consolidating Schedule of Activities for the Year Ended June 30, 2024	18



INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Harlem RBI, Inc. d/b/a DREAM and Affiliates
New York, NY

Opinion

We have audited the consolidated financial statements of Harlem RBI, Inc. d/b/a DREAM (“DREAM”) and Affiliates (collectively, the “Organization”), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization 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”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 17-18, as of and for the year ended June 30, 2024, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the 2024 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

CBIZ CPAs P.C.¹

New York, NY
November 25, 2024

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents (Notes 2D and 11)	\$ 4,563,890	\$ 5,366,026
Investments (Notes 2F and 4)	1,012,150	-
Contributions receivable, net (Notes 2G and 5)	6,936,944	14,005,935
Government grants receivable (Notes 2G and 2J)	122,790	279,842
Due from institutional partners (Notes 2K and 8)	2,228,695	749,614
Prepaid expenses and other assets	955,275	1,107,917
Works of art (Note 2O)	1,434,960	1,434,960
Operating right-of-use asset (Note 9)	191,627,319	192,286,354
Property and equipment, net (Notes 2H and 6)	56,763,023	56,117,060
TOTAL ASSETS	\$ 265,645,046	\$ 271,347,708
LIABILITIES		
Accounts payable and accrued expenses	\$ 2,718,683	\$ 2,048,323
Deferred revenue	196,393	336,998
Operating lease liability (Note 9)	178,075,338	178,582,570
Loans payable, net (Note 7)	31,569,145	25,475,415
TOTAL LIABILITIES	212,559,559	206,443,306
COMMITMENTS AND CONTINGENCIES (Note 10)		
NET ASSETS (Note 2C)		
Without donor restrictions:		
Operating	10,093,683	14,848,095
Net investment in property and equipment	38,745,859	43,269,917
Total without donor restrictions	48,839,542	58,118,012
With donor restrictions (Note 12)	4,245,945	6,786,390
TOTAL NET ASSETS	53,085,487	64,904,402
TOTAL LIABILITIES AND NET ASSETS	\$ 265,645,046	\$ 271,347,708

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

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
CONSOLIDATED 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 REVENUE AND SUPPORT:						
Contributions (Notes 2I and 11)	\$ 4,832,422	\$ 2,008,481	\$ 6,840,903	\$ 12,617,823	\$ 1,924,410	\$ 14,542,233
Government grants (Note 2J)	499,410	-	499,410	2,574,066	-	2,574,066
Special events revenue (net of direct expenses of \$604,679 and \$438,044, respectively) (Note 2I)	5,274,032	-	5,274,032	4,350,334	-	4,350,334
Contractual services (Notes 2K and 8)	9,932,544	-	9,932,544	9,775,870	-	9,775,870
In-kind contributions (Notes 2L and 2O)	1,224,268	-	1,224,268	804,432	-	804,432
Investment activity (Notes 2F and 4)	132,134	-	132,134	50,406	-	50,406
Lease income (Note 8)	5,810,000	-	5,810,000	4,475,000	-	4,475,000
Other income	531,654	-	531,654	114,946	-	114,946
Net assets released from restrictions (Note 12)	4,548,926	(4,548,926)	-	5,368,274	(5,368,274)	-
TOTAL OPERATING REVENUE AND SUPPORT	<u>32,785,390</u>	<u>(2,540,445)</u>	<u>30,244,945</u>	<u>40,131,151</u>	<u>(3,443,864)</u>	<u>36,687,287</u>
OPERATING EXPENSES (Note 2M):						
Program Services	<u>27,404,026</u>	<u>-</u>	<u>27,404,026</u>	<u>24,086,318</u>	<u>-</u>	<u>24,086,318</u>
Supporting Services:						
Management and general	5,697,349	-	5,697,349	5,007,953	-	5,007,953
Fundraising	3,055,989	-	3,055,989	2,216,368	-	2,216,368
Total Supporting Services	<u>8,753,338</u>	<u>-</u>	<u>8,753,338</u>	<u>7,224,321</u>	<u>-</u>	<u>7,224,321</u>
TOTAL OPERATING EXPENSES	<u>36,157,364</u>	<u>-</u>	<u>36,157,364</u>	<u>31,310,639</u>	<u>-</u>	<u>31,310,639</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(3,371,974)</u>	<u>(2,540,445)</u>	<u>(5,912,419)</u>	<u>8,820,512</u>	<u>(3,443,864)</u>	<u>5,376,648</u>
NON-OPERATING ACTIVITY						
Lease expense in excess of cash payments on leases (Note 9)	(5,906,496)	-	(5,906,496)	(4,296,215)	-	(4,296,215)
TOTAL NON-OPERATING ACTIVITY	<u>(5,906,496)</u>	<u>-</u>	<u>(5,906,496)</u>	<u>(4,296,215)</u>	<u>-</u>	<u>(4,296,215)</u>
CHANGE IN TOTAL NET ASSETS	(9,278,470)	(2,540,445)	(11,818,915)	4,524,297	(3,443,864)	1,080,433
Net assets - beginning of year	<u>58,118,012</u>	<u>6,786,390</u>	<u>64,904,402</u>	<u>53,593,715</u>	<u>10,230,254</u>	<u>63,823,969</u>
NET ASSETS - END OF YEAR	<u>\$ 48,839,542</u>	<u>\$ 4,245,945</u>	<u>\$ 53,085,487</u>	<u>\$ 58,118,012</u>	<u>\$ 6,786,390</u>	<u>\$ 64,904,402</u>

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(With Summarized Comparative Totals for the Year Ended June 30, 2023)

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total 2024</u>	<u>Total 2023</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>			
Salaries	\$ 10,459,930	\$ 2,176,597	\$ 1,522,846	\$ 3,699,443	\$ 14,159,373	\$ 13,243,902
Payroll taxes and employee benefits (Note 13)	<u>1,821,068</u>	<u>464,967</u>	<u>298,582</u>	<u>763,549</u>	<u>2,584,617</u>	<u>2,373,668</u>
Total salaries and related costs	12,280,998	2,641,564	1,821,428	4,462,992	16,743,990	15,617,570
Instructors and tutors	50,515	-	-	-	50,515	58,775
Scholarships and stipends	400,107	-	-	-	400,107	764,448
Baseball, umpires, equipment and fees	337,631	-	-	-	337,631	99,937
Youth program food and events	970,824	-	604,679	604,679	1,575,503	1,525,160
Occupancy (Note 9)	9,851,503	1,158,114	579,057	1,737,171	11,588,674	8,424,530
Telephone and utilities	1,170,347	137,247	68,617	205,864	1,376,211	1,292,373
Office cleaning and maintenance	1,389,763	158,225	79,113	237,338	1,627,101	1,323,519
Information technology	468,272	55,091	27,545	82,636	550,908	347,608
Professional fees (Note 2L)	1,310,207	1,518,570	406,625	1,925,195	3,235,402	2,427,201
Insurance	784,400	91,742	45,871	137,613	922,013	676,511
Communication and outreach	269,940	27,072	15,603	42,675	312,615	263,657
Dues and subscriptions	283,503	43,094	42,202	85,296	368,799	237,216
Interest, bank and credit card fees (Note 7)	340,141	1,113	34,889	36,002	376,143	264,981
Grants	47,969	-	-	-	47,969	38,000
Travel and entertainment	106,206	83,091	23,825	106,916	213,122	181,173
Bad debt expenses (Note 2G)	-	116,414	-	116,414	116,414	2,612
Depreciation and amortization (Note 6)	1,328,839	17,062	-	17,062	1,345,901	1,119,673
Other	<u>1,033,377</u>	<u>239,603</u>	<u>206,541</u>	<u>446,144</u>	<u>1,479,521</u>	<u>1,379,954</u>
	32,424,542	6,288,002	3,955,995	10,243,997	42,668,539	36,044,898
Less: Direct costs of special events	-	-	(604,679)	(604,679)	(604,679)	(438,044)
Lease expense in excess of cash payments on leases	<u>(5,020,516)</u>	<u>(590,653)</u>	<u>(295,327)</u>	<u>(885,980)</u>	<u>(5,906,496)</u>	<u>(4,296,215)</u>
TOTAL OPERATING EXPENSES	<u>\$ 27,404,026</u>	<u>\$ 5,697,349</u>	<u>\$ 3,055,989</u>	<u>\$ 8,753,338</u>	<u>\$ 36,157,364</u>	<u>\$ 31,310,639</u>

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

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total 2023</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries	\$ 9,802,105	\$ 2,218,934	\$ 1,222,863	\$ 3,441,797	\$ 13,243,902
Payroll taxes and employee benefits (Note 13)	1,742,809	382,002	248,857	630,859	2,373,668
Total salaries and related costs	11,544,914	2,600,936	1,471,720	4,072,656	15,617,570
Instructors and tutors	58,775	-	-	-	58,775
Scholarships and stipends	764,448	-	-	-	764,448
Baseball, umpires, equipment and fees	99,937	-	-	-	99,937
Youth program food and events	1,087,116	-	438,044	438,044	1,525,160
Occupancy (Note 9)	7,178,610	830,613	415,307	1,245,920	8,424,530
Telephone and utilities	1,098,784	129,112	64,477	193,589	1,292,373
Office cleaning and maintenance	1,120,093	137,936	65,490	203,426	1,323,519
Information technology	295,467	34,761	17,380	52,141	347,608
Professional fees (Note 2L)	1,060,539	1,246,634	120,028	1,366,662	2,427,201
Insurance	575,097	67,609	33,805	101,414	676,511
Communication and outreach	216,285	36,475	10,897	47,372	263,657
Dues and subscriptions	186,915	23,183	27,118	50,301	237,216
Interest, bank and credit card fees (Note 7)	222,385	2,793	39,803	42,596	264,981
Grants	1,500	36,500	-	36,500	38,000
Travel and entertainment	92,090	71,686	17,397	89,083	181,173
Bad debt expense (Note 2G)	-	2,612	-	2,612	2,612
Depreciation and amortization (Note 6)	1,101,005	18,668	-	18,668	1,119,673
Other	1,034,140	198,057	147,757	345,814	1,379,954
	<u>27,738,100</u>	<u>5,437,575</u>	<u>2,869,223</u>	<u>8,306,798</u>	<u>36,044,898</u>
Less: Direct costs of special events	-	-	(438,044)	(438,044)	(438,044)
Lease expense in excess of cash payments on leases	<u>(3,651,782)</u>	<u>(429,622)</u>	<u>(214,811)</u>	<u>(644,433)</u>	<u>(4,296,215)</u>
TOTAL OPERATING EXPENSES	<u>\$ 24,086,318</u>	<u>\$ 5,007,953</u>	<u>\$ 2,216,368</u>	<u>\$ 7,224,321</u>	<u>\$ 31,310,639</u>

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

**HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (11,818,915)	\$ 1,080,433
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized/unrealized gain on investments	(18,347)	(2,250)
Non cash lease expense	5,906,496	2,221,577
Non cash interest expense	18,826	18,826
Bad debt expense	116,414	2,612
Depreciation and amortization	1,345,901	1,119,673
Subtotal	(4,449,625)	4,440,871
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Contributions receivable	6,952,577	(3,164,040)
Government grants receivable	157,052	(110,851)
Due from institutional partners	(1,479,081)	(245,201)
Prepaid expenses and other assets	152,642	(2,394,930)
Change in lease liability	(5,754,693)	2,074,639
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	670,360	626,109
Deferred revenue	(140,605)	(743,701)
Net Cash (Used in) Provided by Operating Activities	(3,891,373)	482,896
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	2,051,116	1,189,421
Purchase of investments	(3,044,919)	-
Purchases of property and equipment	(1,991,864)	(3,949,168)
Net Cash Used in Investing Activities	(2,985,667)	(2,759,747)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable	6,133,231	-
Payments on loans payable	(58,327)	-
Net Cash Provided by Financing Activities	6,074,904	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(802,136)	(2,276,851)
Cash and cash equivalents - beginning of year	5,366,026	7,642,877
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,563,890	\$ 5,366,026
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 311,855	\$ 118,326

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

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Harlem RBI, Inc. d/b/a DREAM (“DREAM”) provides youth with opportunities to play, learn and grow. Harlem RBI, Inc. d/b/a DREAM and Affiliates’ (collectively, the “Organization”) mission is to level the field by empowering all children to recognize their potential and realize their dreams.

DREAM is a 501(c)(3), community-based organization headquartered in East Harlem, New York that provides comprehensive academic, enrichment, social-emotional and health and wellness programming to more than 2,500 youth (pre-K through college) during after-school and summer hours in East Harlem and the South Bronx. DREAM’s activities consist of a series of age-appropriate, team-based programs that adapt over time as participants grow and enable youth to achieve positive outcomes such as academic achievement, healthy social-emotional development, high school graduation, college matriculation or alternative career pathways and avoidance of risk behaviors.

DREAM’s history dates back to 1991 when an abandoned lot had potential for a community that sought improvement on East 100th Street. Called the “worst block in New York City,” the neighborhood struggled against the harsh realities of drug use and crime, which adversely impacted the lives of the community’s children. That year, a group of volunteers undertook an effort to turn the lot into a baseball diamond, a Field of Dreams, for the children of the neighborhood. It was then that Harlem RBI (now DREAM) was founded.

Today, DREAM’s programs integrate social-emotional learning, athletics and academics to supplement school-day instruction. DREAM is dedicated to serving low-income youth, providing quality educational and enrichment supports, and exposing them to the college and career options that have allowed their higher-income peers to thrive.

DREAM completed development of a new site in 2016 for DREAM Charter School (the “School”) and DREAM’s administrative offices. In connection with this project, two entities have been established, Harlem RBI Home Base LLC (“HRHB”) and HRBI DREAM Partners LLC (“HRDP”). DREAM is the sole member of each. HRHB and HRDP are considered to be Qualified Active Low-Income Community Businesses, and acted as borrowers as part of a New Market Tax Credit transaction which was used to finance a portion of the project. See Note 6B for additional information.

In December 2017, DREAM created DREAM on 125 LLC (“DREAM on 125”) for the purpose of receiving donated property. See Note 8, third paragraph. DREAM is the sole member of DREAM on 125.

In May 2019, DREAM created DREAM 2020 LLC (“DREAM 2020”) for the purpose of entering real estate transactions to lease a building. DREAM is the sole member of DREAM 2020 LLC. See Note 6C for additional information.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Consolidation** - The consolidated financial statements include the activities of DREAM, HRHB, HRDP, DREAM on 125 and DREAM 2020 (collectively referred to as the “Organization”). Upon consolidation, all significant intercompany balances and transactions are eliminated.
- B. **Basis of Presentation** - The Organization’s consolidated financial statements have been prepared on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- C. **Net Assets** - The Organization reports information regarding its consolidated financial position and activities in two classes of net assets:
- Without donor restrictions – Net assets that can be spent at the discretion of the Organization 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 Organization did not have any net assets with donor restrictions to be held in perpetuity as of June 30, 2024 and 2023.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D. **Cash and Cash Equivalents** - The Organization considers all highly liquid instruments with maturities of three months or less when acquired to be cash equivalents.
- E. **Restricted Cash** - Restricted cash consists of reserves required for loans and cash reserves as part of capital projects.
- F. **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 4.
- G. **Contributions Receivable and Government Grants Receivable** - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. If material to the consolidated financial statements, the discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

The Organization has not established a reserve for uncollectible receivables because they deem all receivables to be fully collectable based on analysis and historical experience. Bad debt expense was \$116,414 and \$2,612 for the years ended June 30, 2024 and 2023, respectively.

- H. **Property and Equipment** - Property and equipment are stated at cost less accumulated depreciation and amortization. These amounts are not intended to represent replacement or realizable values. Furniture and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the lesser of their useful life or the term of the lease. The Organization capitalizes property and equipment having a cost of \$3,000 or more and a useful life of at least one year.
- I. **Contributions** - The Organization reports contributions of cash and other assets as without donor restrictions unless they are received with donor stipulations that limit the use of the donated assets in which case they are reported as with donor restrictions. Contributions, including cash and in-kind contributions, are recorded as revenue in the period in which the unconditional promise is received. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.
- J. **Grants and Contracts** - Government grants and contracts are nonexchange transactions and are 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. There are instances when the Organization receives advances from the governmental funding sources. Such advances are recorded as refundable advances from governmental agencies in the accompanying consolidated statements of financial position, when applicable.

As of June 30, 2023, the Organization received conditional grants and contracts from government agencies in the aggregate amount \$252,000. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted. There were no such amounts received as of June 30, 2024

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- K. **Contractual Services** - Revenue earned in connection with an institutional partnership agreement with the School (see Note 8) is classified as contractual services on the accompanying consolidated statements of activities and is recognized as services are performed.

Due from institutional partner is presented net of an allowance for credit losses. The Organization determined that no allowance was necessary as of June 30, 2024 and 2023. This estimate is based on management's assessment of reasonable and supportable forecasts, and current economic conditions and the creditworthiness of the School.

- L. **In-Kind Contributions** - Donated services are recognized in the accompanying consolidated financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation.

In-kind contributions 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>
Legal Services	<u>\$ 1,224,268</u>	Management and General	No associated donor restriction	Based on calculation of hours and rate for legal services provided

In-kind contributions 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>
Legal Services	<u>\$ 804,432</u>	Management and General	No associated donor restriction	Based on calculation of hours and rate for legal services provided

- M. **Functional Allocation of Expenses** - The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and fringe benefits, payroll taxes and other select expenses are directly applied when possible and allocated based on estimates of time and effort. Facilities costs are allocated based on square footage estimates.
- N. **Use of Estimates** - The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- O. **Works of Art** - Works of art are recorded at fair value, based on appraisals at the date of the donation, less impairment.
- P. **Operating vs. Non-Operating Activities** – The Organization defines its operating measure to the revenues and expenses directly related to the primary mission and activities of the Organization. The Organization considers lease expense in excess of cash payments non-operating activity.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Q. **Recent Accounting Pronouncements** - In 2024, the Organization 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 Organization elected to apply the new standard using the modified retrospective approach, which did not require the restatement of prior periods. The Organization has determined that there is no impact to the its consolidated financial position or results of operations due to the adoption of this statement as of June 30, 2024.
- R. **Reclassification** - Certain line items in the June 30, 2023 consolidated financial statements have been reclassified to conform to the June 30, 2024 presentation.

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

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,563,890	\$ 5,366,026
Investments	1,012,150	-
Contributions receivable, net	6,936,944	14,005,935
Government grants receivable	122,790	279,842
Due from institutional partners	<u>2,228,695</u>	<u>749,614</u>
	14,864,469	20,401,417
Less: net assets with donor restrictions	<u>(4,245,945)</u>	<u>(6,786,390)</u>
	<u>\$ 10,618,524</u>	<u>\$ 13,615,027</u>

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

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments as of June 30, 2024 consists of U.S. treasury bills, which amounted to \$1,012,150.

Investment activity consisted of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and other income	\$ 113,787	\$ 48,156
Realized and unrealized gain	<u>18,347</u>	<u>2,250</u>
	<u>\$ 132,134</u>	<u>\$ 50,406</u>

Investments are subject to market volatility that could substantially change their 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 to no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

In determining fair value, the Organization 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 quoted prices in active markets and are valued at Level 1.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended June 30, 2024 and 2023, there were no transfers.

Investments carried at fair value as of June 30, 2024 are classified in the table as follows:

ASSETS CARRIED AT FAIR VALUE:	<u>Level 1</u>	<u>Total</u>
Investments:		
U.S. Treasury bills	\$ 1,012,150	\$ 1,012,150
TOTAL ASSETS AT FAIR VALUE	<u>\$ 1,012,150</u>	<u>\$ 1,012,150</u>

There were no investments carried at fair value as of June 30, 2023.

NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Amounts due in less than one year	\$ 5,919,696	\$ 11,231,501
Amounts due in one to five years	<u>1,063,333</u>	<u>2,996,414</u>
	6,983,029	14,227,915
Less: discount to present value at 2-6%	<u>(46,085)</u>	<u>(221,980)</u>
	<u>\$ 6,936,944</u>	<u>\$ 14,005,935</u>

NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

	<u>2024</u>	<u>2023</u>	<u>Useful Life</u>
Land	\$ 2,000,000	\$ 2,000,000	
Leasehold improvements	3,490,448	3,328,248	5-7 years
Equipment	1,223,859	930,640	3–5 years
Furniture	232,477	232,477	7 years
Field costs (A)	805,413	805,413	7 years
Blake Hobbs Park	2,487,000	2,487,000	20 years
Patterson Park	1,016,157	1,016,157	20 years
Leasehold improvements - School (B)	48,370,485	47,177,952	50 years
Leasehold improvements – Bruckner Boulevard (C)	11,335,129	-	50 years
Construction in progress (C)	<u>-</u>	<u>10,991,217</u>	
	70,960,968	68,969,104	
Less: accumulated depreciation and amortization	<u>(14,197,945)</u>	<u>(12,852,044)</u>	
	<u>\$ 56,763,023</u>	<u>\$ 56,117,060</u>	

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 – PROPERTY AND EQUIPMENT, NET (Continued)

Depreciation and amortization expense amounted to \$1,345,901 and \$1,119,673 for the years ended June 30, 2024 and 2023, respectively.

(A) The Organization rebuilt its Field of Dreams in 2005. The Organization licensed the property from the City of New York Department of Parks and Recreation for an initial term of five years. The license has been renewed for a subsequent terms, with the current agreement ending in February 2025. Field costs include all design and construction costs incurred for the project. The Organization is obligated to maintain the field during the duration of the agreement. The Organization has initiated conversations with the City of New York Parks Department to renew the Field of Dreams license agreement.

(B) As indicated in Note 1, the Organization developed a new site for the School and DREAM's administrative offices at 1991 Second Avenue in Manhattan. Under a funding agreement that the Organization entered into with the New York City School Construction Authority ("SCA"), a portion of the cost was reimbursed by SCA. Pursuant to the terms of the funding agreement with SCA, during the year ended June 30, 2018, title of the School Unit transferred to SCA who transferred the assets to the New York City Department of Education (the "DOE"), and the DOE leased the building back to the School through a series of subleases. The lease term is 99 years at \$1 per year.

(C) During the year ended June 30, 2019, the Organization entered into a lease for a building at 20 Bruckner Boulevard in the Bronx, with the intention of expanding the School. "Construction in progress" above relates to the build-out of this building, which was completed in August 2023.

NOTE 7 – LOANS PAYABLE, NET

Loans payable, net, consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>	<u>Interest Rate</u>
Due to Home Run Project	\$ 26,210,000	\$ 26,210,000	0.6956%
Due to Equitable Facilities Fund	6,311,677	-	4.2500%
Less: deferred financing costs	<u>(952,528)</u>	<u>(734,585)</u>	
	<u>\$ 31,569,149</u>	<u>\$ 25,475,415</u>	

In September 2013, DREAM entered into various agreements for the purpose of participating in the federal New Markets Tax Credit program ("NMTC"). In connection with this transaction, DREAM made three grants without restrictions totaling \$18,342,282 to Home Run Projects, Inc. ("Home Run"). As the leveraged lender, Home Run used the restricted grants to provide a loan to an NMTC investor. The NMTC investor used the loan to leverage its equity investment and made a loan to four of its subsidiaries, each of which is considered a Community Development Entity ("CDE"). Each of the four CDEs then made loans to Harlem Dream Partners LLC.

The NMTC loans are due September 16, 2053. The terms of the loans called for interest-only payments to be made for the first seven years, beginning December 10, 2013. After the seven-year period, the loans were to amortize over 33 years.

In November 2020, the CDE consolidated and assigned the outstanding notes to Home Run. The terms and conditions of the consolidated loan are the same as in the first loan with an adjustment to the annual interest rate of 0.6956% per annum.

On December 2023, DREAM obtained a loan of \$6,370,000 from an unrelated nonprofit organization to finance leasehold improvements and incurred closing costs of \$236,769. The loan is due in 2053 and bears interest at 4.25%.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 – LOANS PAYABLE, NET (Continued)

Interest expense amounted to \$330,681 and \$209,894 for the years ended June 30, 2024 and 2023, respectively. Amortization of deferred financing costs amounted to \$18,826 for the each of the years ended June 30, 2024 and 2023 and is included in interest, bank and credit card fees on the accompanying consolidated statements of functional expenses.

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

2025	\$	109,602
2026		114,352
2027		119,307
2028		124,478
2029		129,872
Thereafter		<u>31,924,066</u>
		<u>\$ 32,521,677</u>

NOTE 8 – RELATED-PARTY TRANSACTIONS

The Organization has an Institutional Partnership Agreement (the “Agreement”) with the School, which has common management. The Agreement serves as the foundation of the governance relationship between the Organization and the School and describes the nature and costs of the Organization’s executive management, real estate and back office services to the School. Both the Organization’s Board of Directors and the School’s Board of Trustees 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 revenue by the Organization under the Agreement amounted to \$9,932,544 and \$9,775,870, respectively.

As of June 30, 2024 and 2023, amounts due to the Organization from the School amounted to \$2,219,939 and \$748,839, respectively. As of June 30, 2024 and 2023, amounts due to the Organization from Home Run amounted to \$8,756 and \$775, respectively.

The School received the use of facilities without charge from the Organization, which was valued at approximately \$2,326,200 and \$2,094,000 for the years ended June 30, 2024 and 2023, respectively.

The Organization holds a portfolio of temporary and long-term leases and has entered into a sublease agreement to lease the spaces to School. During January 2023, the Organization 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. During the year ended June 30 2024, the School paid rental revenue of approximately \$5,810,000 to the Organization.

During April 2017, the Organization entered into a lease agreement with a landlord for a building located at 443 East 115th St. in Manhattan and subsequently entered into a sublease agreement to lease the same space to the School for use as a new high school. The sublease with the School was extended effective July 1, 2018 and both expired on August 31, 2023 and not renewed during the year. For the year ended June 2023, the School paid rental revenue of approximately \$4,475,000 to the Organization.

During the year ended June 30, 2019, the Organization signed a lease for a building located at 20 Bruckner Boulevard in the Bronx with the intention of expanding the School. The lease commenced in January 2023 with a term of 43 years. As part of the agreement, the Organization prepaid rent of \$1,000,000. The Organization also agreed to contribute land and buildings on 125th Street in Manhattan with a net book value of \$15,000,000 to the landlord for an equal amount in rent concessions. During the year ended June 30, 2021, the Organization transferred the land and buildings to the landlord. Because the lease for the 20 Bruckner Boulevard building did not commence during the same year as the transfer of the land and buildings on 125th Street, the Organization recognized the value of the land and building on 125th Street as prepaid rent as of June 30, 2022. Upon the adoption of FASB Accounting Standards Codification (“ASC”) Topic 842, the prepaid rent was offset against the recognition of the right-of-use asset. For the current year, there were no new leases or amendments to existing leases that needed to be considered under FASB ASC Topic 842.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 – LEASES

The Organization 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 for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 11,452,616	\$ 5,805,078
Short-term lease cost	136,058	2,619,452
Total operating lease costs, presented as occupancy	<u>\$ 11,588,674</u>	<u>\$ 8,424,530</u>

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	\$ 22,094,365	\$ 1,508,862

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	42
Weighted average discount rate	5%	5%

As of June 30, 2024 and 2023, the right-of-use (“ROU”) asset balance totaled \$191,627,319 and \$192,286,354, respectively, and lease liabilities totaled \$178,075,338 and \$178,582,570, respectively, as shown on the accompanying consolidated statements 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	\$ 7,861,023
2026	6,777,426
2027	7,671,282
2028	8,448,258
2029	8,613,648
Thereafter	<u>416,554,870</u>
Total lease payments	455,926,507
Less: present value discount	<u>(277,851,169)</u>
Present value of lease liabilities	<u>\$ 178,075,338</u>

NOTE 10 – COMMITMENTS AND CONTINGENCIES

- A. The Organization 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. Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period in which the Organization was notified.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 11 – CONCENTRATIONS

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that may exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2024 and 2023, cash and cash equivalents held in three and two banks, respectively, exceeded FDIC limits by approximately \$3.6 million and \$4.9 million, respectively. In December 2023, the Organization opened a brokerage account to invest \$3 million in short-duration United States Treasury Notes and withdrew this amount from its bank accounts.

For the years ended June 30, 2024 and 2023, 29% of total contributions were from four donors and 34% of total contributions were from one donor, respectively.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Capital Campaign	\$ 439,033	\$ 1,075,512
Real Kids Summer	-	40,000
Legends	16,000	175,000
Time Restricted	3,790,912	5,495,878
	\$ 4,245,945	\$ 6,786,390

Net assets were released from donor restrictions from the passage of time or by incurring expenses in the amounts of \$4,548,926 and \$5,368,274 for the years ended June 30, 2024 and 2023, respectively.

NOTE 13 – PENSION PLAN

The Organization maintains a tax deferred 403(b) retirement plan covering its employees. The Organization matches employee contributions up to 4% of the employee’s salary. The Organization contributed approximately \$236,000 and \$221,000 to the plan for the years ended June 30, 2024 and 2023, respectively.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through November 25, 2024 the date the consolidated financial statements were available to be issued.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2024

	<u>DREAM</u>	<u>HRBI DREAM Partners LLC</u>	<u>HRBI Home Base LLC</u>	<u>Dream on 125 LLC</u>	<u>Dream 2020 LLC</u>	<u>Eliminations</u>	<u>Total 2024</u>
ASSETS							
Cash and cash equivalents	\$ 4,563,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,563,890
Investments	1,012,150	-	-	-	-	-	1,012,150
Contributions receivable, net	5,797,911	-	-	-	1,139,033	-	6,936,944
Government grants receivable	122,790	-	-	-	-	-	122,790
Due from institutional partner	2,228,695	-	-	-	-	-	2,228,695
Prepaid expenses and other assets	955,233	42	-	-	-	-	955,275
Investment in subsidiary	24,058,942	-	-	-	-	(24,058,942)	-
Works of art	1,434,960	-	-	-	-	-	1,434,960
Operating right-of-use asset	191,627,319	-	-	-	-	-	191,627,319
Property and equipment, net	<u>2,182,443</u>	<u>37,724,740</u>	<u>2,336,887</u>	<u>3,349,363</u>	<u>11,169,590</u>	<u>-</u>	<u>56,763,023</u>
TOTAL ASSETS	<u>\$ 233,984,333</u>	<u>\$ 37,724,782</u>	<u>\$ 2,336,887</u>	<u>\$ 3,349,363</u>	<u>\$ 12,308,623</u>	<u>\$ (24,058,942)</u>	<u>\$ 265,645,046</u>
LIABILITIES							
Accounts payable and accrued expenses	\$ 2,627,115	\$ 91,568	\$ -	\$ -	\$ -	\$ -	\$ 2,718,683
Deferred revenue	196,393	-	-	-	-	-	196,393
Operating lease liability	178,075,338	-	-	-	-	-	178,075,338
Loans payable, net	<u>-</u>	<u>25,494,241</u>	<u>-</u>	<u>6,074,904</u>	<u>-</u>	<u>-</u>	<u>31,569,145</u>
TOTAL LIABILITIES	<u>180,898,846</u>	<u>25,585,809</u>	<u>-</u>	<u>6,074,904</u>	<u>-</u>	<u>-</u>	<u>212,559,559</u>
NET ASSETS							
Without donor restrictions	48,839,542	12,138,973	2,336,887	(2,725,541)	12,308,623	(24,058,942)	48,839,542
With donor restrictions	<u>4,245,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,245,945</u>
TOTAL NET ASSETS	<u>53,085,487</u>	<u>12,138,973</u>	<u>2,336,887</u>	<u>(2,725,541)</u>	<u>12,308,623</u>	<u>(24,058,942)</u>	<u>53,085,487</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 233,984,333</u>	<u>\$ 37,724,782</u>	<u>\$ 2,336,887</u>	<u>\$ 3,349,363</u>	<u>\$ 12,308,623</u>	<u>\$ (24,058,942)</u>	<u>\$ 265,645,046</u>

See independent auditors' report.

HARLEM RBI, INC. d/b/a DREAM AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	DREAM		HRBI DREAM Partners LLC Without Donor Restrictions	HRBI Home Base LLC Without Donor Restrictions	Dream on 125 LLC Without Donor Restrictions	Dream 2020 LLC Without Donor Restrictions	Eliminations	Consolidated Total			
	Without Donor Restrictions	With Donor Restrictions						Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT:											
Contributions	\$ 4,410,153	\$ 2,008,481	\$ 6,418,634	\$ -	\$ -	\$ 30,000	\$ 392,269	\$ -	\$ 4,832,422	\$ 2,008,481	\$ 6,840,903
Government grants	499,410	-	499,410	-	-	-	-	-	499,410	-	499,410
Special event revenue, net of direct expenses	5,274,032	-	5,274,032	-	-	-	-	-	5,274,032	-	5,274,032
Contractual services	9,932,544	-	9,932,544	-	-	-	-	-	9,932,544	-	9,932,544
In-kind contributions	1,224,268	-	1,224,268	-	-	-	-	-	1,224,268	-	1,224,268
Investment activity	131,062	-	131,062	-	-	-	1,072	-	132,134	-	132,134
Gain from subsidiaries	(27,565,191)	-	(27,565,191)	-	-	-	-	27,565,191	-	-	-
Lease income	5,810,000	-	5,810,000	-	-	-	-	-	5,810,000	-	5,810,000
Other income	531,654	-	531,654	-	-	-	-	-	531,654	-	531,654
Net assets released from restrictions	4,548,926	(4,548,926)	-	-	-	-	-	-	4,548,926	(4,548,926)	-
TOTAL OPERATING REVENUE AND SUPPORT	4,796,858	(2,540,445)	2,256,413	-	-	30,000	393,341	27,565,191	32,785,390	(2,540,445)	30,244,945
OPERATING EXPENSES											
Program Services	25,936,970	-	25,936,970	888,751	54,175	157,446	366,684	-	27,404,026	-	27,404,026
Supporting Services:											
Management and general	5,697,349	-	5,697,349	-	-	-	-	-	5,697,349	-	5,697,349
Fundraising	3,055,989	-	3,055,989	-	-	-	-	-	3,055,989	-	3,055,989
Total Supporting Services	8,753,338	-	8,753,338	-	-	-	-	-	8,753,338	-	8,753,338
TOTAL OPERATING EXPENSES	34,690,308	-	34,690,308	888,751	54,175	157,446	366,684	-	36,157,364	-	36,157,364
CHANGE IN NET ASSETS FROM OPERATIONS	(29,893,450)	(2,540,445)	(32,433,895)	(888,751)	(54,175)	(127,446)	26,657	27,565,191	(3,371,974)	(2,540,445)	(5,912,419)
NON-OPERATING ACTIVITIES											
Lease expense in excess of cash payments on leases	(5,906,496)	-	(5,906,496)	-	-	-	-	-	(5,906,496)	-	(5,906,496)
Transfers to (from) affiliates	26,521,476	-	26,521,476	418,800	(1,265)	(4,499,460)	(22,439,551)	-	-	-	-
TOTAL NON-OPERATING ACTIVITIES	20,614,980	-	20,614,980	418,800	(1,265)	(4,499,460)	(22,439,551)	-	(5,906,496)	-	(5,906,496)
CHANGE IN TOTAL NET ASSETS	(9,278,470)	(2,540,445)	(11,818,915)	(469,951)	(55,440)	(4,626,906)	(22,412,894)	27,565,191	(9,278,470)	(2,540,445)	(11,818,915)
Net assets - beginning of year	58,118,012	6,786,390	64,904,402	12,608,924	2,392,327	1,901,365	34,721,517	(51,624,133)	58,118,012	6,786,390	64,904,402
NET ASSETS - END OF YEAR	\$ 48,839,542	\$ 4,245,945	\$ 53,085,487	\$ 12,138,973	\$ 2,336,887	\$ (2,725,541)	\$ 12,308,623	\$ (24,058,942)	\$ 48,839,542	\$ 4,245,945	\$ 53,085,487