# Supplemental Financial Statements

## DREAM Charter School

### Part I  Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

<table>
<thead>
<tr>
<th></th>
<th>(a) Donor advised funds</th>
<th>(b) Funds and other accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total number at end of year</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Aggregate value of contributions to (during year)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Aggregate value of grants from (during year)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Aggregate value at end of year</td>
<td></td>
</tr>
</tbody>
</table>

Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization’s property, subject to the organization’s exclusive legal control?  
- Yes  
- No

Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  
- Yes  
- No

### Part II  Conservation Easements.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

<table>
<thead>
<tr>
<th></th>
<th>Held at the End of the Tax Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Purpose(s) of conservation easements held by the organization (check all that apply).</td>
</tr>
<tr>
<td></td>
<td>Preservation of land for public use (e.g., recreation or education)</td>
</tr>
<tr>
<td></td>
<td>Preservation of a historically important land area</td>
</tr>
<tr>
<td></td>
<td>Protection of natural habitat</td>
</tr>
<tr>
<td></td>
<td>Preservation of a certified historic structure</td>
</tr>
<tr>
<td></td>
<td>Preservation of open space</td>
</tr>
<tr>
<td>2</td>
<td>Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.</td>
</tr>
<tr>
<td>3a</td>
<td>Total number of conservation easements.</td>
</tr>
<tr>
<td>3b</td>
<td>Total acreage restricted by conservation easements.</td>
</tr>
<tr>
<td>3c</td>
<td>Number of conservation easements on a certified historic structure included in (a).</td>
</tr>
<tr>
<td>3d</td>
<td>Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register.</td>
</tr>
<tr>
<td>3e</td>
<td>Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year.</td>
</tr>
</tbody>
</table>

### Part III  Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
   
   (i) Revenue included in Form 990, Part VIII, line 1.  
   (ii) Assets included in Form 990, Part X. 

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

   a Revenue included in Form 990, Part VIII, line 1. 
   b Assets included in Form 990, Part X. 

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TUEA3801L 10/28/14  Schedule D (Form 990) 2014
Part III. Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3. Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
   a. Public exhibition
   b. Scholarly research
   c. Preservation for future generations
   d. Loan or exchange programs
   e. Other

4. Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5. During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV. Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1. a. Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
   b. If 'Yes,' explain the arrangement in Part XIII and complete the following table:

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
</tr>
<tr>
<td>1b</td>
</tr>
<tr>
<td>1c</td>
</tr>
<tr>
<td>1d</td>
</tr>
<tr>
<td>1e</td>
</tr>
<tr>
<td>1f</td>
</tr>
</tbody>
</table>

2. a. Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
   b. If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII.

Part V. Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

1. a. Beginning of year balance.
   b. Contributions.
   c. Net investment earnings, gains, and losses.
   d. Grants or scholarships.
   e. Other expenditures for facilities and programs.
   f. Administrative expenses.
   g. End of year balance.

2. Provide the estimated percentage of the current year-end balance (line 1g, column (a)) held as:
   a. Board designated or quasi-endowment
   b. Permanent endowment
   c. Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%.

3. a. Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
   (i) unrelated organizations
   (ii) related organizations.
   b. If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R? 3a Yes No

4. Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI. Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

<table>
<thead>
<tr>
<th>Description of property</th>
<th>(a) Cost or other basis (investment)</th>
<th>(b) Cost or other basis (other)</th>
<th>(c) Accumulated depreciation</th>
<th>(d) Book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1b Buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1c Leasehold improvements</td>
<td></td>
<td>99,642.</td>
<td>80,388.</td>
<td>19,254.</td>
</tr>
<tr>
<td>1d Equipment</td>
<td></td>
<td>344,577.</td>
<td>245,203.</td>
<td>99,374.</td>
</tr>
<tr>
<td>1e Other</td>
<td></td>
<td>177,862.</td>
<td>128,832.</td>
<td>49,030.</td>
</tr>
</tbody>
</table>

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 167,658.

BAA

Schedule D (Form 990) 2014

TEEA3302L 08/25/14
### Part VII Investments — Other Securities

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

<table>
<thead>
<tr>
<th>Description of security or category (including name of security)</th>
<th>Book value</th>
<th>Method of valuation: Cost or end-of-year market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial derivatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closely-held equity interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total. (Column (b) must equal Form 990, Part X, column (b) line 12.)

### Part VIII Investments — Program Related

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

<table>
<thead>
<tr>
<th>Description of investment type</th>
<th>Book value</th>
<th>Method of valuation: Cost or end-of-year market value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total. (Column (b) must equal Form 990, Part X, column (b) line 13.)

### Part IX Other Assets

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

<table>
<thead>
<tr>
<th>Description</th>
<th>Book value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total. (Column (b) must equal Form 990, Part X, column (b), line 15.)

### Part X Other Liabilities

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

<table>
<thead>
<tr>
<th>Description of liability</th>
<th>Book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Federal income taxes</td>
<td></td>
</tr>
<tr>
<td>(2) Due to Institutional Partner</td>
<td>112,229.</td>
</tr>
<tr>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td>(8)</td>
<td></td>
</tr>
<tr>
<td>(9)</td>
<td></td>
</tr>
<tr>
<td>(10)</td>
<td></td>
</tr>
<tr>
<td>(11)</td>
<td></td>
</tr>
</tbody>
</table>

Total. (Column (b) must equal Form 990, Part X, column (b) line 25.)

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII.
### Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1. Total revenue, gains, and other support per audited financial statements ............................................. 1 7,765,145.
2. Amounts included on line 1 but not on Form 990, Part VIII, line 12:
   a. Net unrealized gains (losses) on investments ......................................................... 2a
   b. Donated services and use of facilities ........................................................................ 2b 294,873.
   c. Recoveries of prior year grants ................................................................................ 2c
   d. Other (Describe in Part XIII.) .................................................................................. 2d
   e. Add lines 2a through 2d ......................................................................................... 2e 294,873.
3. Subtract line 2e from line 1 ......................................................................................... 3 7,470,272.
4. Amounts included on Form 990, Part VIII, line 12, but not on line 1:
   a. Investment expenses not included on Form 990, Part VIII, line 7b ......................... 4a
   b. Other (Describe in Part XIII.) .................................................................................. 4b
   c. Add lines 4a and 4b ......................................................................................... 4c
5. Total revenue, Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) ............. 5 7,470,272.

### Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1. Total expenses and losses per audited financial statements ............................................. 1 7,989,274.
2. Amounts included on line 1 but not on Form 990, Part IX, line 25:
   a. Donated services and use of facilities ........................................................................ 2a 294,873.
   b. Prior year adjustments ............................................................................................. 2b
   c. Other losses ............................................................................................................. 2c
   d. Other (Describe in Part XIII.) .................................................................................. 2d
   e. Add lines 2a through 2d ......................................................................................... 2e 294,873.
3. Subtract line 2e from line 1 ......................................................................................... 3 7,694,401.
4. Amounts included on Form 990, Part IX, line 25, but not on line 1:
   a. Investment expenses not included on Form 990, Part VIII, line 7b ......................... 4a
   b. Other (Describe in Part XIII.) .................................................................................. 4b
   c. Add lines 4a and 4b ......................................................................................... 4c
5. Total expenses, Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) .......... 5 7,694,401.

### Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part X - FIN 48 Footnote**

The School does not believe its financial statements include any material, uncertain tax positions. Tax returns for periods ending June 30, 2012 and later are subject to examination by applicable taxing authorities.
DREAM Charter School

Part I

1. Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?
   - YES NO
   - 1 X

2. Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?
   - YES NO
   - 2 X

3. Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe. If 'No,' please explain. If you need more space, use Part II.
   - The School has a nondiscriminatory policy that is published in recruitment literature, flyers in public places, as well as print and electronic media. A copy of the policy is made available upon request.

4. Does the organization maintain the following?
   a. Records indicating the racial composition of the student body, faculty, and administrative staff?
   - YES NO
   - 4a X

   b. Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
   - YES NO
   - 4b X

   c. Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
   - YES NO
   - 4c X

   d. Copies of all material used by the organization or on its behalf to solicit contributions?
   - YES NO
   - 4d X

   If you answered 'No' to any of the above, please explain. If you need more space, use Part II.

5. Does the organization discriminate by race in any way with respect to:
   a. Students' rights or privileges?
   - YES NO
   - 5a X

   b. Admissions policies?
   - YES NO
   - 5b X

   c. Employment of faculty or administrative staff?
   - YES NO
   - 5c X

   d. Scholarships or other financial assistance?
   - YES NO
   - 5d X

   e. Educational policies?
   - YES NO
   - 5e X

   f. Use of facilities?
   - YES NO
   - 5f X

   g. Athletic programs?
   - YES NO
   - 5g X

   h. Other extracurricular activities?
   - YES NO
   - 5h X

   If you answered 'Yes' to any of the above, please explain. If you need more space, use Part II.

6. Does the organization receive any financial aid or assistance from a governmental agency?
   - YES NO
   - 6a X

   b. Has the organization's right to such aid ever been revoked or suspended?
   - YES NO
   - 6b X

   If you answered 'Yes' to either line 6a or line 6b, explain on Part II.

7. Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' explain on Part II.
   - YES NO
   - 7 X

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Part II. Supplemental Information. Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also provide any other additional information (see instructions).
### Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- Complete if the organization answered 'Yes' on Form 990, Part IV, line 23.
- Attach to Form 990.

Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

#### 2014

**DREAM Charter School**

**Part I Questions Regarding Compensation**

- **1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
  - [ ] First-class or charter travel
  - [ ] Travel for companions
  - [ ] Tax indemnification and gross-up payments
  - [ ] Discretionary spending account
  - [ ] Housing allowance or residence for personal use
  - [ ] Payments for business use of personal residence
  - [ ] Health or social club dues or initiation fees
  - [ ] Personal services (e.g., maid, chauffeur, chef)

  If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain.

  - 1b

- **2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

- **3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.
  - [ ] Compensation committee
  - [ ] Written employment contract
  - [x] Compensation survey or study
  - [x] Approval by the board or compensation committee

- **4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:
  - a Receive a severance payment or change-of-control payment?
  - b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
  - c Participate in, or receive payment from, an equity-based compensation arrangement?

If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

- 4a [x]
- 4b [x]
- 4c [x]

Only section 501(c)(3) 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

- **5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
  - a The organization?
  - b Any related organization?

If 'Yes' to line 5a or 5b, describe in Part III.

- 5a [x]
- 5b [x]

- **6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:
  - a The organization?
  - b Any related organization?

If 'Yes' to line 6a or 6b, describe in Part III.

- 6a [x]
- 6b [x]

- **7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III.

- 7 [x]

- **8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)?

If 'Yes,' describe in Part III.

- 8 [x]

- **9** If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

- 9

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule J (Form 990) 2014
### Part II | Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

<table>
<thead>
<tr>
<th>(A) Name and Title</th>
<th>(B) Breakdown of W-2 and/or 1099-MISC compensation</th>
<th>(C) Retirement and other deferred compensation</th>
<th>(D) Nontaxable benefits</th>
<th>(E) Total of columns (B)(i)-(D)</th>
<th>(F) Compensation in column (D) reported as deferred in prior Form 990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eve Colavito</td>
<td>163,079.</td>
<td>0.</td>
<td>0.</td>
<td>17,560.</td>
<td>180,639.</td>
</tr>
<tr>
<td>Principal</td>
<td>0.</td>
<td>0.</td>
<td>0.</td>
<td>0.</td>
<td>0.</td>
</tr>
<tr>
<td>Richard Berlin</td>
<td>0.</td>
<td>0.</td>
<td>0.</td>
<td>0.</td>
<td>0.</td>
</tr>
<tr>
<td>Chairman</td>
<td>288,363.</td>
<td>0.</td>
<td>0.</td>
<td>25,865.</td>
<td>314,228.</td>
</tr>
</tbody>
</table>

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BAA
Form 990, Part III, Line 1 - Organization Mission

DREAM Charter School's mission is to prepare students for high-performing high schools, colleges and beyond. A rigorous academic program develops critical thinkers who demonstrate a love of learning, strong character and a commitment to wellness and active citizenship. DREAM Charter School inspires all students to recognize their potential and realize their dreams.

Form 990, Part VI, Line 3 - Description of Delegated Duties to Management Company

DREAM Charter School has an institutional partnership agreement with the Harlem RBI, Inc. As part of the agreement Harlem RBI provides executive management and back office services. The Chairman of Dream Charter School, Richard Berlin, is the Executive Director of Harlem RBI. Please see Part VII, Section A for information regarding compensation.

Form 990, Part VI, Line 11b - Form 990 Review Process

Management reviewed a draft of the form 990 with the audit/finance committee and provided edits to the tax preparer. After this process was performed, the form 990 was sent to the full board of directors prior to being filed with the IRS.

Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts

The organization's board has adopted a conflict of interest policy that covers all directors, officers and key employees. Under this policy, prior to initial election, appointment or hiring of any director, officer or key employee, and annually thereafter, the Secretary shall distribute to each such person a copy of the policy together with a written disclosure statement. The disclosure statement shall require confirmation that such person has read the Policy and agrees to be bound by it, and identify any potential covered arrangements. Each such person shall complete, sign and submit such disclosure statement promptly and shall update his or her disclosure statement as necessary to keep it accurate during the course
Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts (continued)

of the following year. The Chair of the Audit Committee and the Board Chair will review all potential covered arrangements for determination of whether a conflict exists. The Audit Committee (or the Board in certain circumstances), is responsible for the review and approval of such transactions. Persons with a conflict must refrain from participating in, being physically present during, or attempting to influence, the consideration or determination by the Audit Committee or Board of the covered arrangement.

Form 990, Part VI, Line 15a - Compensation Review & Approval Process - CEO & Top Management

Each year, the executive committee reviews comparable salaries based on a recognized study and reviews the performance of the Principal to determine if the existing salary falls within these ranges. After a deliberation of this matter, a new proposed salary and benefit package is voted on. The minutes of the board of directors reflect the nature of this process.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

These documents are available upon request.