

**I Have a Dream<sup>®</sup> Foundation**  
**of Boulder County, Inc.**

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**Financial Statements and Report**  
**of**  
**Independent Certified Public Accountants**

**December 31, 2014 and 2013**

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**Haynie &  
Company**

**Certified Public Accountants** (a professional corporation)

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## **Report of Independent Certified Public Accountants**

Board of Directors

I Have a Dream® Foundation of Boulder County, Inc.

We have audited the accompanying financial statements of I Have a Dream Foundation of Boulder County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of I Have a Dream Foundation of Boulder County, Inc. as of December 31, 2014 and 2013, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Littleton, Colorado  
August 12, 2015

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Statements of Financial Position**  
**As of December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current Assets		
Cash (Note 2)	\$ 1,430,494	\$ 1,062,922
Accounts receivable (Note 3)	17,340	38,975
Prepaid expenses	29,092	14,089
Security deposits	4,342	4,342
Unconditional promise to give (Note 3)	<u>40,575</u>	<u>17,383</u>
Total Current Assets	<u>1,521,843</u>	<u>1,137,711</u>
Scholarship investments (Note 2)	2,370,271	2,185,348
Temporarily restricted program investments	1,584,353	1,411,657
Temporarily restricted certificates of deposit	152,793	139,332
Property and Equipment—Net (Note 4)	<u>52,494</u>	<u>68,438</u>
Total Assets	<u>\$ 5,681,754</u>	<u>\$ 4,942,486</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 25,520	\$ 19,034
Tenant deposit - sublease	2,650	2,650
Accrued compensated absences & payroll liabilities	<u>12,341</u>	<u>12,329</u>
Total Current Liabilities	<u>40,511</u>	<u>34,013</u>
Net Assets		
Unrestricted — undesignated	2,331,883	1,375,717
— designated (Note 8)	274,702	285,300
Temporarily restricted (Note 7)	<u>3,034,658</u>	<u>3,247,456</u>
Total Net Assets	<u>5,641,243</u>	<u>4,908,473</u>
Total Liabilities and Net Assets	<u>\$ 5,681,754</u>	<u>\$ 4,942,486</u>

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

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Statements of Activities**  
**For the Years Ended December 31, 2014 and 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>	<u>Total 2013</u>
<b>Support</b>				
Special events (net of \$60,621 in expenses)	\$ 173,035	162,013	\$ 335,048	\$ 142,509
Cash/grant contributions (Note 2)	1,115,660	731,850	1,847,510	1,549,730
In-kind contributions (Note 5)	297,735	-	297,735	277,622
Investment income (Note 9)	-	115,519	115,519	227,724
Miscellaneous income	25,894	-	25,894	21,514
Release from restrictions (Note 7)	<u>1,222,180</u>	<u>(1,222,180)</u>	<u>-</u>	<u>-</u>
Total Support	<u>2,834,504</u>	<u>(212,798)</u>	<u>2,621,706</u>	<u>2,219,099</u>
<b>Expenses</b>				
Program services	1,638,634	-	1,638,634	1,531,900
Supporting services	<u>250,302</u>	<u>-</u>	<u>250,302</u>	<u>224,046</u>
Total Expenses	<u>1,888,936</u>	<u>-</u>	<u>1,888,936</u>	<u>1,755,946</u>
<b>Increase (Decrease) in Net Assets</b>	945,568	(212,798)	732,770	463,153
<b>Net Assets—Beginning of Year</b>	<u>1,661,017</u>	<u>3,247,456</u>	<u>4,908,473</u>	<u>4,445,320</u>
<b>Net Assets—End of Year</b>	<u>\$2,606,585</u>	<u>\$3,034,658</u>	<u>\$5,641,243</u>	<u>\$4,908,473</u>

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

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Change in Cash</b>		
Net Cash from Operating Activities:		
Cash received from donors	\$2,257,491	\$ 1,723,758
Cash paid to suppliers, employees and program expenses	<u>(1,580,382)</u>	<u>(1,469,025)</u>
Net Cash from Operating Activities	<u>677,109</u>	<u>254,733</u>
Cash Flows from Investing Activities		
Net sale (purchase) of investments	(306,157)	98,038
Purchase of fixed assets	<u>(3,380)</u>	<u>(51,418)</u>
Net Cash from Investing Activities	<u>(309,537)</u>	<u>46,620</u>
Net Change in Cash	367,572	301,353
Cash—Beginning of Year	<u>1,062,922</u>	<u>761,569</u>
Cash—End of Year	<u><u>\$1,430,494</u></u>	<u><u>\$ 1,062,922</u></u>
<b>Reconciliation of Change in Net Assets to</b>		
<b>Net Cash from Operating Activities:</b>		
Operating income	<u>\$ 732,770</u>	<u>\$ 463,153</u>
Adjustments to reconcile operating income to net cash used for operating activities:		
Depreciation	19,324	10,500
Unrealized (gain) on investments	(64,923)	(182,191)
Net changes in assets and liabilities:		
Accounts receivable	(1,557)	(35,528)
Other assets	-	-
Prepaid expenses	(15,003)	(2,000)
Accounts payable	6,486	8,467
Accrued compensated absences/payroll liabilities	<u>12</u>	<u>(7,668)</u>
Total Adjustments	<u>(55,661)</u>	<u>(208,420)</u>
<b>Net Cash from Operating Activities</b>	<u><u>\$ 677,109</u></u>	<u><u>\$ 254,733</u></u>

Noncash items of \$297,735 (2014) and \$277,622 (2013) for in-kind transactions have been eliminated from the above activity.

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

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Statements of Functional Expenses**  
**For the Year Ended December 31, 2014**

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
<b>Programming expenses</b>			
Academic/enrichment activities	\$ 173,447	\$ -	\$ 173,447
AmeriCorps expenses	368,122	-	368,122
Computer lab	8,242	-	8,242
Depreciation	14,493	4,831	19,324
Dues, fees and memberships	11,446	1,805	13,251
Insurance	19,805	2,488	22,293
Meetings, trainings and workshops	5,603	6,549	12,152
Miscellaneous	8,255	20,198	28,453
Occupancy	26,714	26,369	53,083
Office supplies	10,375	7,555	17,930
Postage	1,205	1,148	2,353
Professional services	1,613	8,298	9,911
Program education & recruitment	1,914	-	1,914
Salaries and related costs	664,963	167,674	832,637
Social/cultural activities	22,511	-	22,511
Telephone	7,053	1,769	8,822
Transportation and travel	<u>26,613</u>	<u>1,618</u>	<u>28,231</u>
Programming expenses total	1,372,374	250,302	1,622,676
<b>Scholarship expenses</b>			
I Have A Dream scholarships	220,162	-	220,162
Other scholarships	32,961	-	32,961
Investment management fees	<u>13,137</u>	<u>-</u>	<u>13,137</u>
Scholarship expenses total	266,260	-	266,260
Total Expenses	<u>\$ 1,638,634</u>	<u>\$ 250,302</u>	<u>\$ 1,888,936</u>

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

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended 2013**

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
<b>Programming expenses</b>			
Academic/enrichment activities	\$ 117,419	\$ -	\$ 117,419
AmeriCorps expenses	339,149	-	339,149
Computer lab	7,521	-	7,521
Depreciation	7,875	2,625	10,500
Dues, fees and memberships	12,852	784	13,636
Insurance	15,187	2,200	17,387
Meetings, trainings and workshops	8,981	4,191	13,172
Miscellaneous	2,886	6,359	9,245
Occupancy	34,184	26,136	60,320
Office supplies	8,258	9,317	17,575
Postage	720	1,124	1,844
Professional services	6,195	15,902	22,097
Program recruitment	2,213	-	2,213
Salaries and related costs	594,130	147,373	741,503
Social/cultural activities	14,258	-	14,258
Telephone	7,236	2,432	9,668
Transportation and travel	<u>17,269</u>	<u>5,603</u>	<u>22,872</u>
Programming expenses total	1,196,333	224,046	1,420,379
<b>Scholarship expenses</b>			
I Have A Dream scholarships	267,011	-	267,011
Other scholarships	57,045	-	57,045
Investment management fees	<u>11,511</u>	<u>-</u>	<u>11,511</u>
Scholarship expenses total	335,567	-	335,567
Total	<u>\$ 1,531,900</u>	<u>\$ 224,046</u>	<u>\$1,755,946</u>

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



# I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.

## Notes to Financial Statements

### December 31, 2014 and 2013

#### 1. Organization

##### Organization

I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc. (the “Organization”) was formed in 1990 to facilitate and promote life-long learning, school success, and self-sufficiency through extensive educational and support services. Low-income, at-risk youth are selected to receive post-secondary school scholarships and the long-term support needed to stay in school and achieve their personal academic and vocational goals.

#### 2. Summary of Significant Accounting Policies

##### Cash and Cash Equivalents

The Organization considers all highly liquid unrestricted investments with an initial maturity of three months or less to be cash equivalents

Cash deposits are held in several institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Details of cash deposits as of December 31, 2014, are as follows:

	<b>Carrying Value</b>	<b>Bank Balance</b>	<b>Insured</b>
Institution 1	\$ 516,440	\$ 216,996	\$ 216,996
Institution 2	235,557	243,815	243,815
Institution 3	184,670	184,670	184,670
Institution 4	240,962	240,962	240,962
Institution 5	132,834	132,834	132,834
Institution 6	52,354	52,354	52,354
Institution 7	23,150	23,150	23,150
Institution 8	41,970	41,970	41,970
Institution 9	2,500	2,500	2,500
Petty cash	<u>57</u>	<u>57</u>	<u>-</u>
Total	<u>\$ 1,430,494</u>	<u>\$ 1,139,308</u>	<u>\$ 1,139,251</u>

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**2. Summary of Significant Accounting Policies (continued)**

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Details of cash deposits as of December 31, 2013, are as follows:

	<b>Carrying Value</b>	<b>Bank Balance</b>	<b>Insured</b>
Institution 1	\$ 291,681	\$ 150,589	\$ 150,589
Institution 2	226,150	233,505	233,505
Institution 3	184,211	184,211	184,211
Institution 4	100,800	100,800	100,800
Institution 5	132,474	132,474	132,474
Institution 6	52,141	52,141	52,141
Institution 7	11,058	11,058	11,058
Institution 8	53,067	53,067	53,067
Institution 9	11,263	11,263	11,263
Petty cash	<u>77</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,062,922</u>	<u>\$ 929,108</u>	<u>\$ 929,108</u>

**Investments**

Accounting standards for investments provide a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**2. Summary of Significant Accounting Policies (continued)**

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Investments are composed of various types of investments, and are carried at fair value as of December 31, 2014 and 2013, respectively, as follows:

	<b>2014</b>	<b>2013</b>
<b><u>Level 1</u></b>		
Mutual Funds	\$3,954,624	\$3,584,003
Certificates of Deposit	152,793	139,332
Money Market	<u>13,054</u>	<u>13,002</u>
 Total Investments	 <u>\$4,120,471</u>	 <u>\$3,736,337</u>

**Accounts Receivable**

Accounts receivable are stated at unpaid balances, less any allowances for doubtful accounts. Allowances are based on experience and other circumstances that may affect the ability of donors to meet obligations. As of December 31, 2014 and 2013, management has determined that no allowance is necessary.

**Property and Equipment**

Property and equipment are stated at cost for purchased items over \$1,000 and at fair market value at date of gift for donated items, net of accumulated depreciation

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis using the following estimated useful lives:

	<b>Life in Years</b>
Vehicles	5
Computers and Equipment	5

**Grants**

Most grant income is immediately recorded as temporarily restricted income and released as expenditures can be matched. In some cases, grants are promised based on an after the fact submission of actual expenses. In these cases, income is not recognized until it can be matched against the specific expenditures which are to be submitted for reimbursement.

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**2. Summary of Significant Accounting Policies (continued)**

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**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. During 2014 and 2013, the Organization had no unrelated business activities and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal tax returns (Form 990) for 2014 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

**Use of Estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Prior Year Presentation**

Certain 2013 balances have been reclassified in order to conform with current year presentation.

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**3. Unconditional Promise to Give and Accounts Receivable**

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On the statement of financial position, unconditional promise to give from various sponsors, as of December 31, 2014 and 2013 were \$40,575 and \$17,383, respectively. All amounts are receivable within one year.

On the statement of financial position, accounts receivable as of December 31, 2014 and 2013 were \$17,340 and \$38,975, respectively. All amounts are receivable within one year.

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**4. Property and Equipment**

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Property and equipment consists of the following items at December 31, 2014 and 2013:

	<b>2014</b>	<b>2013</b>
Computers and equipment	\$ 102,488	\$ 99,108
Vehicles	171,435	171,435
Less accumulated depreciation	<u>(221,429)</u>	<u>(202,105)</u>
Net property and equipment	<u>\$ 52,494</u>	<u>\$ 68,438</u>

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**5. In-Kind Contributions**

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The Organization receives equipment and services in substantial amounts in furtherance of various programs. These items are recorded in the financial records as they relate to ongoing activities and if an objective value can be assigned. The following amounts have been recorded in the financial statements for the years ended December 31, 2014 and 2013:

	<b>2014</b>	<b>2013</b>
AmeriCorps Volunteers	\$ 250,235	\$ 236,662
America Reads	47,500	40,000
Miscellaneous	<u>-</u>	<u>1,000</u>
Total in-kind contributions	<u>\$ 297,735</u>	<u>\$ 277,622</u>

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**6. Related Party Transactions**

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During 2014 and 2013, board members made cash contributions of \$193,872 and \$143,288, respectively.

The owner of the current leased office space is a Board member. Management has determined that the leased space is in line with competitive market rates.

The Chairman of the Board of the Organization is the Market President at Guaranty Bank and Trust, where the Organization secured financing to purchase a building subsequent to year end. The Organization went through the loan application process with various banks, and entered into the financing through an arms-length transaction.

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**7. Temporarily Restricted Net Assets**

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Temporarily restricted net assets, consisting of contributions designated for future use for scholarships and long-term program operating, for the years ended December 31, 2014 and 2013 are listed below by class:

	<b>2014</b>	<b>2013</b>
Iris scholarships	\$ 255,975	\$ 183,484
Casa scholarships	125,814	154,394
Pioneer scholarships	-	59,676
Sanchez scholarships	109,961	163,472
Columbine scholarships	197,928	252,696
Phoenix scholarships	364,183	344,542
Eagle scholarships	318,324	301,157
Ryan scholarships	318,325	301,157
Reserve scholarships	13,054	13,002
Dakota scholarships	8,671	8,663
Aspen scholarships	283,478	267,994
Rocky Mountain scholarships	258,076	-
Programs and operations	<u>1,853,628</u>	<u>1,686,100</u>
Total	<u>\$ 4,107,417</u>	<u>\$ 3,736,337</u>

Net assets in the amount of \$1,222,180 and \$1,602,663 were released from restrictions during 2014 and 2013, respectively, by incurring expenses satisfying the purpose or time restrictions specified by donors.

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**8. Board Designated Funds**

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The Board designated amounts reflect the Board requirement of 3 months of budgeted cash program expenses, excluding in-kind and depreciation expenses, as a cash operating reserve. The undesignated funds represent the cash reserves on hand over that requirement. As of December 31, 2014 and 2013 the board designated \$274,702 and \$285,300, respectively.

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**9. Investment Income**

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Temporarily restricted investment gains, consisting of funds designated for future use, consisted of the following for the years ended December 31, 2014 and 2013:

	<b>2014</b>	<b>2013</b>
Interest and dividends	\$ 58,117	\$ 45,533
Gains/(losses)	<u>64,923</u>	<u>182,191</u>
Total temporarily restricted investment income	<u>\$ 123,040</u>	<u>\$ 227,724</u>

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**10. Employee Benefit Plan**

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Employees who work 20 or more hours per week are eligible to participate in a 403(b) employee benefit program after one year of employment. The Organization contributes 3% of an eligible employee's base salary toward the plan. Employees are fully vested upon four years of participation in the plan. Total contributions to the plan by the Organization for the years ended December 31, 2014 and 2013 were \$14,153 and \$12,882, respectively.

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**11. Commitments**

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The Organization has one copy machine lease. This lease calls for total monthly payments of \$385. In October of 2014, the Organization upgraded their copier lease and refinanced it for \$349 a month for 63 months, with a \$1 purchase option. Lease expense on the copier lease for 2014 and 2013 was \$4,548 and \$4,620, respectively. Over the next 5 years, and thereafter, the annual lease payments will be \$4,188 until 2020.

During 2004, the Organization entered into an operating lease for office space. The lease commenced on January 1, 2005. The lease was extended for five years through an amendment signed in November 2009 that commenced January 1, 2010, which requires monthly payments of \$3,537, inclusive of tax and utilities, until December 31, 2014.

As of January 2015, the Organization extended the agreement to a month to month lease for 2015, with monthly payments of \$3,879. The office space is leased from a member of the board of directors.

A portion of the leased space is subleased to an unaffiliated not-for-profit organization through December, 2014. For 2014 and 2013, sublease income was \$18,000 and \$17,700, respectively.

**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**11. Commitments (continued)**

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In 2008, the Organization entered into a lease for the Iris Class Community Center. The lease commenced on November 1, 2008 and continued until December 31, 2013. The agreement required lease payments of \$650 per month through October 31, 2009, which increased approximately \$20 per year through the term of the lease. As of January 1, 2014, the Organization entered into an agreement with Boulder Housing Partners to permit them to operate in the building to conduct programming at no cost.

Rent expense for 2014 and 2013 was \$42,522 and \$48,838, respectively.

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**12. Conditional Promises to Give—The Community Foundation of Boulder County**

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During 2001, I Have A Dream entered into agreements with The Community Foundation, which established two designated agency endowment funds in which the Organization is the beneficiary. The Community Foundation collects cash gifts on behalf of the Organization and manages the assets. The Organization receives the net income on the endowment funds. At December 31, 2014, the balances in The Community Foundation endowment funds were \$110,697 and \$70,903 and the total 2014 net investment gains were \$3,937. At December 31, 2013, the balances in The Community Foundation endowment funds were \$113,234 and \$72,528, and the total 2013 net investment gains were \$23,301.

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**13. Contingencies**

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I Have A Dream is committed to fund "last dollar" tuition-assistance scholarships through the contributions of sponsors. The Organization anticipates that this will be funded through additional sponsor contributions and general fundraising efforts. The Organization's most recent scholarship projections indicate no additional funds will be needed to cover scholarship disbursement obligations through 2018; however, this projection is based on assumptions of future contributions and market returns and can change.

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**14. Special Events**

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I Have A Dream raised \$335,048 net expenses from Special Events in 2014. The proceeds from the Dream Maker Luncheon and Dream Maker Breakfast of \$162,013 were designated towards the Aspen Class and the Rocky Mountain Class. These funds are considered Temporarily Restricted Revenue in 2014.



**I Have a Dream<sup>®</sup> Foundation of Boulder County, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2014 and 2013**

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**15. Subsequent Events**

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Subsequent events were evaluated through July 21, 2015, which is the date the financial statements were available to be issued.

On January 30, 2015, the Organization purchased a new office building in Boulder, Colorado for \$1,150,979. The Organization drew a new outstanding loan from Guaranty Bank and Trust in the amount of \$862,000. The loan extends through January 2025, with a fixed rate of 3.35% for the first 3 years, and a variable rate for the remainder of the term. The note includes a balloon payment in January 2025 of \$612,669. The Organization renovated the building in April of 2015 for a total of \$61,831, which are capitalized with the cost of the building.

The Organization entered into two lease agreements for unused office suites in the new building, collecting \$2,632 a month in rent.

Following is a schedule of the future loan payments:

Years ending December 31:

2015	\$ 46,990
2016	51,261
2017	51,261
2018	52,294
2019	52,388
Thereafter	<u>894,773</u>
Total loan payments	1,148,967
Less amount representing interest	<u>(286,467)</u>
<b>Total principle due</b>	<b><u>\$ 862,500</u></b>