

# Have Dreams

Financial Statements

Years Ended December 31, 2019 and 2018



**WIPFLI**

## Independent Auditor's Report

Board of Directors  
Have Dreams  
Park Ridge, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of Have Dreams (the "Organization"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Have Dreams as of December 31, 2019 and 2018, 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.

*Wipfli LLP*

July 27, 2020  
Lincolnshire, Illinois

# Have Dreams

## Statements of Financial Position

<i>December 31,</i>	2019	2018
<b>Current assets:</b>		
Cash and cash equivalents	\$ 136,909	\$ 339,895
Investments	1,519	1,157
Accounts receivable	50,547	27,875
Grants and contributions receivable	13,200	35,700
Prepaid expenses	21,725	23,395
Program materials inventory	12,200	12,200
<b>Total current assets</b>	<b>236,100</b>	<b>440,222</b>
<b>Property and equipment:</b>		
Furniture and office equipment	117,884	116,355
Vehicles	32,221	32,221
Leasehold improvements	110,006	110,006
<b>Total property and equipment</b>	<b>260,111</b>	<b>258,582</b>
Less: Accumulated depreciation and amortization	207,152	184,316
<b>Net property and equipment</b>	<b>52,959</b>	<b>74,266</b>
<b>Other assets:</b>		
Website, net of accumulated amortization	23,381	33,008
Security deposit	5,257	5,257
<b>Total other assets</b>	<b>28,638</b>	<b>38,265</b>
<b>Total assets</b>	<b>\$ 317,697</b>	<b>\$ 552,753</b>

# Have Dreams

## Statements of Financial Position (Continued)

<i>December 31,</i>	2019	2018
Current liabilities:		
Accounts payable and accrued expenses	\$ 55,484	\$ 45,335
Deferred revenue	15,734	5,734
Total current liabilities	71,218	51,069
Net assets:		
Without donor restrictions:		
Board-designated operating reserve	-	25,237
Undesignated	166,918	307,295
Total net assets without donor restrictions	166,918	332,532
With donor restrictions	79,561	169,152
Total net assets	246,479	501,684
Total liabilities and net assets	\$ 317,697	\$ 552,753

See accompanying notes to financial statements.

# Have Dreams

## Statements of Activities and Changes In Net Assets

<i>Years Ended December 31,</i>	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	Support and revenue:					
Grants and contributions	\$ 554,408	\$ 53,850	\$ 608,258	\$ 572,710	\$ 195,357	\$ 768,067
In-kind contributions	39,541	-	39,541	39,729	-	39,729
Program service fees	640,565	-	640,565	661,974	-	661,974
Special events, net of direct donor costs of \$127,103 and \$163,119 in 2019 and 2018, respectively	167,283	-	167,283	429,036	-	429,036
Miscellaneous income	8,699	-	8,699	8,392	-	8,392
Net assets released from restrictions	143,441	(143,441)	-	92,170	(92,170)	-
Total support and revenue	1,553,937	(89,591)	1,464,346	1,804,011	103,187	1,907,198
Expenses:						
Program	1,213,103	-	1,213,103	1,253,036	-	1,253,036
Management and general	274,980	-	274,980	235,766	-	235,766
Fundraising	231,468	-	231,468	208,360	-	208,360
Total expenses	1,719,551	-	1,719,551	1,697,162	-	1,697,162
Change in net assets	(165,614)	(89,591)	(255,205)	106,849	103,187	210,036
Net assets, beginning of year	332,532	169,152	501,684	225,683	65,965	291,648
Net assets, end of year	\$ 166,918	\$ 79,561	\$ 246,479	\$ 332,532	\$ 169,152	\$ 501,684

See accompanying notes to financial statements.

## Have Dreams Statement of Functional Expenses

Year ended December 31, 2019	Program Services						Support			Total
	Social, Communication and Independent Living Skills	Vocational	Workshops	Have Dreams Academy	Project Search	Total Program Services	Management and General	Fundraising		
Salaries, payroll taxes, and benefits	\$ 95,441	\$ 254,951	\$ 155,054	\$ 203,419	\$ 97,259	\$ 806,124	\$ 237,347	\$ 194,477	\$ 1,237,948	
Bank fees	743	1,862	1,992	706	1,155	6,458	-	4,038	10,496	
Classroom expense	6,805	7,490	19,822	1,668	552	36,337	-	-	36,337	
Depreciation and amortization	3,035	8,002	8,554	3,035	4,967	27,593	1,948	2,922	32,463	
Dues and resource materials	2	6	6	2	3	19	-	-	19	
Insurance	2,371	6,251	6,683	2,371	3,880	21,556	1,522	2,282	25,360	
Licenses and fees	-	-	-	-	-	-	2,229	-	2,229	
Lodging and airfare	133	506	470	259	161	1,529	-	-	1,529	
Miscellaneous	219	576	616	219	358	1,988	140	210	2,338	
Outside services	-	-	-	12,000	-	12,000	-	-	12,000	
Postage and mailing	109	288	308	109	179	993	70	105	1,168	
Printing and reproduction	1,293	1,290	642	2,589	646	6,460	-	-	6,460	
Professional fees	-	-	-	-	-	-	13,435	-	13,435	
Public relations and marketing	1,448	3,768	4,012	6,147	2,336	17,711	-	-	17,711	
Rent and utilities	24,274	63,995	68,408	24,274	39,721	220,672	15,577	23,365	259,614	
Supplies	648	1,534	1,634	704	962	5,482	-	-	5,482	
Technology and technical services	3,388	8,931	9,547	3,388	5,543	30,797	2,174	3,261	36,232	
Telephone	839	2,212	2,364	839	1,373	7,627	538	808	8,973	
Transportation	1,000	5,741	508	2,008	500	9,757	-	-	9,757	
<b>Total expenses</b>	<b>\$ 141,748</b>	<b>\$ 367,403</b>	<b>\$ 280,620</b>	<b>\$ 263,737</b>	<b>\$ 159,595</b>	<b>\$ 1,213,103</b>	<b>\$ 274,980</b>	<b>\$ 231,468</b>	<b>\$ 1,719,551</b>	

See accompanying notes to financial statements.

## Have Dreams Statement of Functional Expenses

<i>Year ended December 31, 2018</i>	Program Services						Support		
	Social, Communication and Independent Living Skills	Vocational	Workshops	Have Dreams Academy	Project Search	Total Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes, and benefits	\$ 111,920	\$ 190,584	\$ 199,483	\$ 235,302	\$ 104,478	\$ 841,767	\$ 201,111	\$ 173,733	\$ 1,216,611
Bad debt expense	8,070	45	294	-	(2,670)	5,739	-	-	5,739
Bank fees	2,249	1,999	999	3,999	1,001	10,247	-	5,958	16,205
Classroom expense	6,548	6,722	14,654	4,792	522	33,238	-	-	33,238
Depreciation and amortization	3,930	3,930	1,965	7,860	1,965	19,650	1,387	2,081	23,118
Dues and resource materials	193	316	8	32	8	557	-	-	557
Insurance	5,481	5,481	3,895	10,962	2,741	28,560	1,834	165	30,559
Licenses and fees	-	-	-	-	-	-	1,296	-	1,296
Lodging and airfare	241	241	241	363	121	1,207	-	-	1,207
Miscellaneous	413	413	413	621	207	2,067	120	216	2,403
Outside services	-	-	1,000	12,000	300	13,300	-	-	13,300
Postage and mailing	221	221	145	512	111	1,210	85	257	1,552
Printing and reproduction	1,971	2,197	1,012	3,980	908	10,068	-	-	10,068
Professional fees	-	-	-	-	-	-	12,634	-	12,634
Public relations and marketing	5,636	5,721	2,830	11,270	3,490	28,947	-	-	28,947
Rent and utilities	38,632	87,743	25,561	62,035	3,644	217,615	15,361	23,042	256,018
Special Olympics	2,537	-	-	-	-	2,537	-	-	2,537
Supplies	782	1,067	419	1,522	305	4,095	-	-	4,095
Technology and technical services	3,831	4,211	1,958	8,123	1,784	19,907	1,405	2,108	23,420
Telephone	2,098	2,277	788	2,108	284	7,555	533	800	8,888
Transportation	954	954	954	1,431	477	4,770	-	-	4,770
<b>Total expenses</b>	<b>\$ 195,707</b>	<b>\$ 314,122</b>	<b>\$ 256,619</b>	<b>\$ 366,912</b>	<b>\$ 119,676</b>	<b>\$ 1,253,036</b>	<b>\$ 235,766</b>	<b>\$ 208,360</b>	<b>\$ 1,697,162</b>

See accompanying notes to financial statements.

# Have Dreams

## Statements of Cash Flows

<i>Years Ended December 31,</i>	2019	2018
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (255,205)	\$ 210,036
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	32,463	23,118
Unrealized gain on investments	(362)	-
Donated stock	-	(1,157)
Changes in operating assets and liabilities:		
Accounts receivable	(22,672)	2,503
Grants and contributions receivable	22,500	(32,090)
Prepaid expenses	1,670	(11,395)
Program materials inventory	-	400
Accounts payable and accrued expenses	10,149	417
Deferred revenue	10,000	(188)
<b>Net cash provided by (used in) operating activities</b>	<b>(201,457)</b>	<b>191,644</b>
<b>Cash flow from investing activities:</b>		
Purchases of property and equipment	(1,529)	-
<b>Net change in cash and cash equivalents</b>	<b>(202,986)</b>	<b>191,644</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>339,895</b>	<b>148,251</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 136,909</b>	<b>\$ 339,895</b>
<b>Supplemental disclosure of noncash investing activities:</b>		
Donated stock	\$ -	\$ 1,157

See accompanying notes to financial statements.



# Have Dreams

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of Operations

Have Dreams (the "Organization") was organized to provide support and assistance to individuals with autistic disorders, and their families, through training and structured teaching. These programs are geared to help children diagnosed with an autistic disorder acquire independent living and social skills, so they can realize their full potential as adults and develop into contributing members of society. Revenues are derived primarily from contributions, program service fees, and workshop fees. The Organization operates in Evanston, Illinois, and from its headquarters in Park Ridge, Illinois.

#### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (GAAP).

#### Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are described as follows:

Net Assets Without Donor Restrictions - Net assets of the Organization that are not subject to donor-imposed restrictions. Undesignated net assets may be designated for specific purposes by the actions of the board of directors.

"Board-designated" net assets are voluntary board-approved segregations of net assets for specific purposes, projects, or investments and are also a part of net assets without donor restrictions. Board-designated net assets of \$25,237 set aside as an operating reserve fund were released during 2019. Board-designated net assets totaled \$0 and \$25,237 at December 31, 2019 and 2018, respectively.

"Undesignated" is the remainder available for existing programs and the Organization's administration.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by the occurrence of an event (purpose) and/or passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. The Organization had no net assets subject to donor-imposed stipulations that the principal be retained and invested in perpetuity at December 31, 2019 and 2018.

#### Use of Estimates

The preparation of the financial statements in conformity with 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 financial statements and reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

# Have Dreams

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of checking, savings, and money market accounts.

#### **Investments**

Investments, consisting of donated stock, are recorded at fair value based on quoted market prices in an active market. Investment income consists of interest and dividends and unrealized gains and is included in miscellaneous income in the accompanying statement of activities. Investment fees, if any, are netted with return.

#### **Accounts Receivable**

Accounts receivable are recorded at net realizable value and consist of program service fees. The Organization uses the allowance method to determine uncollectible accounts receivable, if any. The Organization believes that accounts receivable are fully collectible. Therefore, no allowance for doubtful accounts was considered necessary at December 31, 2019 and 2018.

#### **Grants and Contributions Receivable**

Grants and contributions receivable are recorded at fair value and recognized as contribution revenue in the period the unconditional pledge or grant is received or when the condition has been fulfilled for a conditional pledge. All amounts are expected to be collected in 2020. The Organization believes that grants and contributions receivable are fully collectible; therefore, no allowance for doubtful accounts was considered necessary at December 31, 2019 and 2018.

#### **Inventory**

Inventory consists of Ready 2 Learn program materials totaling \$12,200 at both December 31, 2019 and 2018, respectively. Inventory at December 31, 2019 and 2018, is stated at the lower of cost, determined under the first-in, first-out (FIFO) basis, or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

#### **Property and Equipment**

All acquisitions and improvements of property and equipment of \$1,500 or more are capitalized, while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets as follows: 5 years for furniture and equipment and 5 years for vehicles. Leasehold improvements are amortized over the lesser of the estimated useful life of the assets or the remaining term of the lease at the time the improvement is placed in service.

# Have Dreams

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Property and Equipment** (Continued)

Depreciation and amortization expense for the years ended December 31, 2019 and 2018, was \$22,836 and \$23,118, respectively.

#### **Website**

The Organization capitalized website costs totaling \$33,008 for the years ended December 31, 2019 and 2018, which is being amortized using the straight-line method over an estimated useful life of two years, beginning in 2019. The website was launched at the end of May 2019.

#### **Impairment of Long-Lived Assets**

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long-lived assets during 2019 and 2018.

#### **Donated Assets**

Donated marketable securities are recorded as contributions at their estimated fair value on the date of donation.

#### **Donated Services**

The Organization receives a substantial amount of services donated by volunteers who contribute their time and perform a variety of tasks to assist the Organization with program services, fundraising events, and various committee assignments. No amounts have been recognized in the financial statements for these services because they do not meet the criteria for recognition.

#### **In-Kind Contributions**

The Organization has recorded in-kind contributions as revenues and expenses in the statement of activities at their estimated fair values at the date of receipt (Note 7).

# Have Dreams

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition

##### Contributions

Contributions are recognized as revenue when they are received or unconditionally promised. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction expires or the purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

Unconditional promises to give are recognized as assets and as revenue in the period promised. Conditional promises to give are recognized when the contributions upon which they depend are substantially met.

##### Grants Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

**Grant Awards That Are Contributions** - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

**Grant Awards That Are Exchange Transactions** - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

##### Program Service Fees:

###### SCILS Program:

The SCILS program offers a variety of weekly after-school programs for individuals on the autism spectrum. Class fees are based on an established rate as determined by number of classes per week per session. Fees are paid either in one lump payment at the time the class begins or throughout the session. The Organization offers scholarships to participants based on financial need. No refunds are given. All fees paid in advance are deferred and recognized over the session. Revenue, net of scholarships, is recognized over time as the classes occur.

# Have Dreams

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Revenue Recognition** (Continued)

##### Life SCILS Program:

The Life SCILS program is a community-based program that serves young adults with autism spectrum disorders post-high school. The fees for the program are based on a daily student rate based on the number of days attended each week. Students are invoiced monthly, in advance, based on the number of days scheduled to attend that month. Students pay throughout the month as they participate in each program. Revenue is recognized over time as the program occurs.

##### Project Search:

The Project Search program is for high school students in their last year of transition services or recent high school graduates. Fees are based on a set daily rate, which is the same for all students, and is billed at the end of each month. No discounts, scholarships, or refunds are given. Revenue is recognized over time as the program occurs.

##### HD Academy:

The Organization's employment programs assist adults with Autism Spectrum Disorder with employment opportunities. Fees are based on an established rate per session and are invoiced in advance at the start of the session. Payments received in advance are deferred and recognized over the term of the session. Scholarships are given to those in need. Revenue, net of scholarships, is recognized over time as the program session occurs.

##### Training / Consulting:

The Organization provides a number of autism-related interactive trainings and workshops for families and professionals across the state of Illinois, consisting of one-, two-, and five-day seminars. The Organization sets pricing based on the type of training and program length. The program training fees are invoiced in advance of the training program. Refunds are not given if a training is missed. Revenue is recognized over time as the training program occurs.

##### Special Events:

The Organization records special events revenue equal to the fair value of the direct benefits provided to donors for the exchange portion and contribution income for the excess received. The Organization typically receives payment for the event in advance, based on a set ticket price. Special event revenue received in advance is recorded as deferred revenue and is recognized at the point in time when the event occurs.

# Have Dreams

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Functional Allocation of Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, costs have been allocated among the programs and supporting services benefited, based on either a direct functional method, when applicable, or on a reasonable basis that is consistently applied. Salaries, payroll taxes, and benefits are allocated based on time and effort. Rent, repairs and maintenance, utilities and telephone, depreciation and amortization, property insurance, and technology are allocated based on square footage.

#### **Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes appears in these financial statements.

#### **Change in Accounting Principles**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of the guidance in the ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted this guidance as required by the standard, effective January 1, 2019. The Organization applied the ASU on a modified retrospective basis. There was no change to reported revenue, net assets, or the change in net assets for 2019 and no cumulative adjustment for prior periods as a result of adopting this standard.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The Organization adopted the guidance as of January 1, 2019, under a modified prospective basis with no effect on its net assets.

#### **New Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for substantially all leases with lease terms in excess of twelve months. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021, and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Organization continues to evaluate the effect that the implementation of this ASU will have on its financial statements and related disclosures.

# Have Dreams

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Reclassifications**

Certain reclassifications have been made to the December 31, 2018 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged as a result of these reclassifications.

#### **Subsequent Events**

The Organization has evaluated subsequent events through July 27, 2020, which is the date the financial statements were available to be issued.

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis (CV19 Crisis), which has had a direct impact on the Organization, resulting in a required temporary shut down of in-person programs. The Organization responded by quickly transitioning to remote learning and was able to offer all programs virtually. While the Organization's changes in net assets, cash flows, and financial condition have not been negatively impacted by the CV19 Crisis, the extent of the impact cannot be reasonably estimated at this time. In further response to the CV19 Crisis, the Organization applied for and received a loan in the amount of \$250,000 pursuant to the Paycheck Protection Program (PPP), administered by the Small Business Administration. The loan bears interest at a rate of 1.00%. If certain criteria are met, all or a portion of the loan may be forgiven. As of the date of the issuance of the financial statements, the loan forgiveness criteria have not been finalized, and no determination of forgiveness can be made.

### **Note 2: Concentration of Credit Risk**

The Organization maintains cash balances at a financial institution where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk related to these accounts throughout the year.

# Have Dreams

## Notes to Financial Statements

### Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 136,909	\$ 339,895
Investments	1,519	1,157
Accounts receivable	50,547	27,875
Grants and contributions receivable	13,200	35,700
<b>Total financial assets</b>	<b>202,175</b>	<b>404,627</b>
Less: Donor restricted net assets - Programs	(79,561)	(148,152)
Less: Restricted contributions included in accounts, contributions, and grants receivable	-	(21,000)
Less: Board-designated operating reserve	-	(25,237)
<b>Financial assets available to meet general expenditures within one year</b>	<b>\$ 122,614</b>	<b>\$ 210,238</b>

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$300,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization's Board of Directors monitors the liquidity every other month during board meetings. The Organization plans to invest cash in excess of daily requirements in various short-term investments, including certificates of deposit and S&P Funds.

In addition, the Organization applied for and received a loan in the amount of \$250,000 pursuant to the PPP. Proceeds of this loan are financial resources available to cover qualifying expenses in 2020.

### Note 4: Website

The Organization's website consisted of the following:

<i>December 31,</i>	2019	2018
Website	\$ 33,008	\$ 33,008
Less: Accumulated amortization	9,627	-
<b>Total</b>	<b>\$ 23,381</b>	<b>\$ 33,008</b>

Amortization expense was \$9,627 and \$0 for the years ended December 31, 2019 and 2018, respectively.



# Have Dreams

## Notes to Financial Statements

### Note 4: Website (Continued)

Amortization expense for each of the next two years is as follows:

<i>Years Ending December 31,</i>	Amount
2020	\$ 16,504
2021	6,877
<b>Total</b>	<b>\$ 23,381</b>

### Note 5: Deferred Revenue

Deferred revenue consisted of the following:

<i>December 31,</i>	2019	2018
Ready 2 Learn program materials	\$ 5,734	\$ 5,734
Night of Dreams sponsorship	10,000	-
<b>Total</b>	<b>\$ 15,734</b>	<b>\$ 5,734</b>

### Note 6: Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes:

<i>December 31,</i>	2019	2018
Scholarships	\$ 25,000	\$ 26,472
Special Olympics	38,155	38,155
HD Academy	-	104,525
Social, Communication and Independent Living Skills	16,406	-
<b>Total</b>	<b>\$ 79,561</b>	<b>\$ 169,152</b>

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## Notes to Financial Statements

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### Note 7: In-Kind Contributions

In-kind contributions consisted of the following:

<i>Years Ended December 31,</i>	2019	2018
Leased office in Park Ridge, IL (Note 8). Amount represents the excess of the fair value over the current lease payments.	\$ 39,541	\$ 39,541
Ready 2 Learn program materials	-	188
<b>Total</b>	<b>\$ 39,541</b>	<b>\$ 39,729</b>

### Note 8: Lease Commitments

#### Park Ridge facility lease

The Organization leases office, classroom, and recreational space in Park Ridge, Illinois, under an operating lease through December 31, 2032. The lease requires a base monthly rental of \$1,540, or \$18,480 per annum, plus 24.4% of insurance, utilities, and common area maintenance expenses.

The Organization's management has estimated the fair value rental of the aforementioned premises to be \$58,021 for both 2019 and 2018. Of these amounts, the Organization paid \$18,480 in rent each year and recognized \$39,541 each year as in-kind contributions (Note 7).

#### Evanston facility lease

The Organization leases office, classroom, training, and recreational space in Evanston, Illinois, under an operating lease through February 2020, which was extended through February 2027 and includes an additional 5-year option to extend through February 2032. The lease requires a base monthly rent of \$12,973, increasing to \$14,058 under the renewal, with annual increases of 3% each year thereafter. The Organization is also responsible for utilities and an increase in real estate taxes over a base year of 2010.

The Organization is subleasing a portion of the aforementioned facility under a month to month lease at a monthly rental of \$661.

Rent expense for the Evanston facility, excluding utilities and maintenance expenses, was \$155,677 for the years ended December 31, 2019 and 2018, respectively.

Total rent expense for all the aforementioned facilities, including utilities and maintenance expenses, was approximately \$260,000 and \$256,000 for the years ended December 31, 2019 and 2018, respectively.

#### Equipment and vehicle leases

The Organization is obligated under various equipment operating leases through 2023 and vehicle leases through 2022. Rental expense under such leases amounted to approximately \$10,900 and \$12,200 for the years ended December 31, 2019 and 2018, respectively.

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## Notes to Financial Statements

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### Note 8: Lease Commitments (Continued)

Future minimum rental payments for the facility and equipment and vehicle leases were as follows at December 31, 2019 :

<i>Years Ending December 31,</i>	Park Ridge Facility Lease	Evanston Facility Lease	Equipment and Vehicle Leases	Total
2020	\$ 18,480	\$ 166,526	\$ 10,240	\$ 195,246
2021	18,480	172,916	10,240	201,636
2022	18,480	178,100	6,166	202,746
2023	18,480	183,438	5,313	207,231
2024	18,480	188,942	-	207,422
Thereafter	147,840	428,640	-	576,480
<b>Total</b>	<b>\$ 240,240</b>	<b>\$ 1,318,562</b>	<b>\$ 31,959</b>	<b>\$ 1,590,761</b>