



Share the dream, Build the future

"I Have a Dream"® Foundation 2003-2004 Annual Report

mission

The “I Have a Dream”[®] Program motivates and empowers children from low-income communities to reach their education and career goals by providing a long-term program of mentoring, tutoring and enrichment and tuition assistance for higher education.

The national “I Have a Dream”[®] Foundation sets standards and provides guidance, resources, licensing, technical assistance and support to the Sponsors and staff of local “I Have a Dream”[®] Projects to help them deliver high-quality programs to Dreamers. In addition, the national Foundation works to increase the number of “I Have a Dream”[®] Projects in order to bring the “I Have a Dream”[®] Program to more children and communities.



from the President & Chairman

Dear "I Have a Dream"® Family and Friends:

What is the relationship between sharing and building? Reflecting on the national "I Have a Dream"® Foundation's 2003-04 fiscal year, we experienced that because you shared generously - whether through working directly with the organization or giving financial support - you have helped us build strong youth programs, successful Dreamers, and a vibrant national organization.

Over the past year, the national "I Have a Dream"® Foundation expanded and strengthened the resources and services available to our network to better serve thousands of Dreamers. Through doubling the size of our National Partners Program, improving our conferences, obtaining significant resource donations for our network and more, we enhanced the tools we use to equip Dreamers to graduate high school and go on to higher education and successful careers. Tools, such as long-term personal relationships with Sponsors and Project Coordinators, mentoring, tutoring, after-school programs, college preparation, and last-dollar tuition assistance, continue to be essential to the work of the "I Have a Dream"® Program.

The past year was also a time to communicate our work and vision so that future generations of deserving youth will have the opportunity to fulfill their education and career dreams. Our new national spokesman and graduated Atlanta Dreamer, Anthony Carter, shared his story of dropping out and returning to college thanks to the "I Have a Dream"® Foundation. *Parents* magazine recognized our Foundation as one of "Top 10 Charities" worth your dollars. We were also more than pleased when CBS News' *60 Minutes* featured the national "I Have a Dream"® Program and its continued success since the time Eugene Lang and his extraordinary promise were first featured in 1986. With increasing "I Have a Dream"® high school graduation rates, there is still much more good news to share.

Against the bleak statistics of continually low graduation rates and the increased financial burden of college tuition, the "I Have a Dream"® Foundation continues to offer a forward and hopeful movement to help youth realize their potential and dreams. We thank our Sponsors, Program staff, partners, volunteers, and contributors for their willingness to partner with us in our mission. On the foundation of education, together, we are building a very bright future.

Llewellyn P. Haden, Jr.
Chairman & Treasurer, Board of Directors

Marina W. Winton
President & Chief Executive Officer

overview

Our Story

In 1981, New York businessman Eugene Lang returned to give a graduation speech at the elementary school that he attended 50 years earlier. When he was told that 75% of students at P.S. 121 in East Harlem probably would not graduate from high school, he made an extraordinary promise: he pledged to provide the 61 sixth-grade students the funds needed for college tuition or vocational school for those who met the challenge of graduating from high school. Over six years, he provided tutoring, mentoring and enrichment that led to 90% of the class graduating high school or earning a GED, and 70% of the “Dreamers” (Program participants) went on to post-secondary education.

Today, the “I Have a Dream”® Program has grown to include 186 Projects in 27 states, serving over 14,000 Dreamers. The dream isn’t over. Increasing numbers of youth need an “I Have a Dream”® Program, and more importantly, they need caring adults to provide a consistent positive presence in their lives.

How “I Have a Dream”® Works

- * A full class or same-age group of children from a school or public housing project is “adopted” no later than the third grade.
- * Local Projects are funded by “I Have a Dream”® Sponsors, who agree to provide financial, academic and mentoring support for the entire group through high school graduation and beyond. This 12-15 year commitment is key to the success of the Program.
- * Project Coordinators are hired by the Sponsor(s) to provide the students with day-to-day support, create programming and administer the local Project year-round.
- * Students who successfully complete high school or earn a GED are assured that funds will be available for a college education or accredited vocational training.

Sponsor Models

Single Sponsor - The original “I Have a Dream”® model; usually one or two key Sponsors who provide the bulk of the financial support for and overall guidance to the Project and serve as mentors to the Dreamers.

Multi-Sponsor - A variation of the original model, there are more than two Sponsors who, as a group, commit to providing the bulk of financial support for and overall guidance to the Project.

Nonprofit Model - Set-up like a traditional nonprofit organization with no financial Sponsor; fundraising is done through traditional methods.

Hybrid - A mixture of the nonprofit model and one of the Sponsor models.

Third-Party Funder - Project is supported by a managing Sponsor and a funding Sponsor, which may be an individual or an organization.

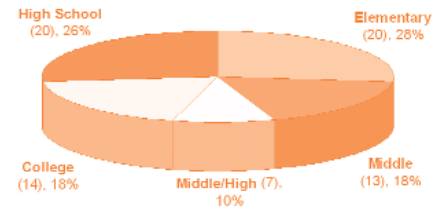
Since 1981

Total Projects Since 1981: 186
Dreamers Served Since 1981: 14,000

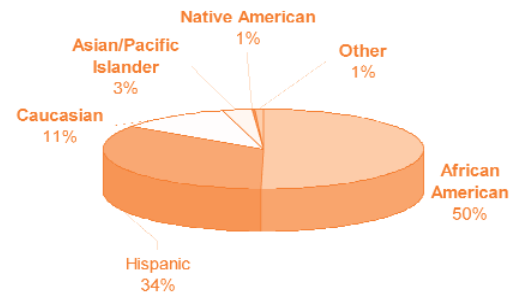
In 2003-04

Total Active Projects: 74
Dreamers Served: 5,600

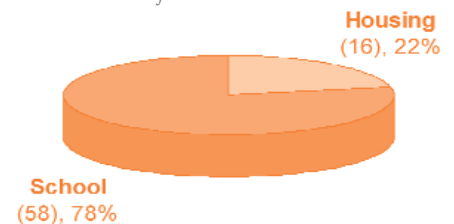
Grade Levels



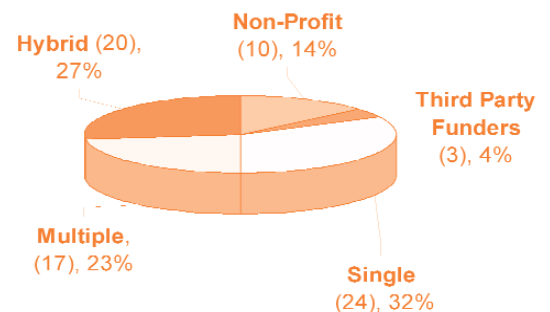
Dreamer Ethnicity



Projects & Models



Sponsor Models



Starting with ambitious strategic planning in Spring 2003, the national “I Have a Dream”® Foundation set three-year goals to create an even stronger and more sustainable national “I Have a Dream”® network. 2002-03 was the first year of tenure of President and CEO Marina Winton, a year to lay the groundwork and build a strong base to ensure organizational vitality. In 2003-04, the Foundation built on that base and sustained growth in program development, new technology, communications & media, organizational capacity, and more. Together, with Project staff, Sponsors and supporters, we are poised to continue to share our vision for today’s at-risk youth and build stronger supports for Dreamers in generations to come.

Department of Justice Grant Objectives

Coinciding with organizational goals, the national Foundation fulfilled a grant from the Department of Justice’s Office of Juvenile Justice and Delinquency Prevention with the following objectives:

Share Resources,

Build Better Youth Programs

Goal I: To identify, develop and provide technical assistance, resources, and support to “I Have a Dream”® Projects across the country.

Share Ideas, Build Spirit

Goal II: To organize conferences and ongoing professional development and networking opportunities for all “I Have a Dream”® constituencies.

Share Lives, Build Up Communities

Goal III: To open new “I Have a Dream”® Projects and increase the number of youth served.

Share Success, Build Capacity

Goal IV: To promote ongoing evaluation, assessment, and data collection activities at the national and local levels.

Share Our Story, Build Awareness

Goal V: To increase national recognition of the “I Have a Dream”® Program.



2003-04:

highlights & accomplishments

- * **11-minute feature on CBS News’ “60 Minutes”**
- * **Listed as one of Parents Magazine’s “Top 10 Charities Worth Your \$\$”**
- * **First National Spokesperson Campaign with NBA player Anthony Carter, graduated Dreamer**
- * **First Executive Directors’ Summit**
- * **Record attendance at Professional Development Institute**
- * **Expanded National Partners Program**
- * **New Partnerships with HUD & local Housing Authorities**
- * **Scholastic Book Clubs’ ClassroomsCare Donation**
- * **Launch of STELLA, a web-based data management system**

Hopes & Dreams: A New Partnership

In April 2004, the national "I Have a Dream"® Foundation met with a representative from the U.S. Department of Housing and Urban Development (HUD) to discuss the "I Have a Dream"® movement, its success in public housing developments and to brainstorm meaningful ways to partner with HUD's HOPE VI sites across the country. The HOPE VI Program was developed to eradicate severely distressed public housing and rebuild neighborhoods with new housing and community services.

As a result of this meeting and other meetings later in the spring, three Housing Authorities in Norfolk, Virginia; Winston-Salem, North Carolina; and Daytona Beach, Florida have formally committed to moving forward with establishing "I Have a Dream"® Projects in their communities.

To establish the new "I Have a Dream"® Programs, the national Foundation and local HUD authorities will work together over the next twelve months to perform community needs assessments, identify potential Sponsors, and solicit support from local community organizations and agencies. The national Foundation will steer the start-up process, helping to help hire Project staff, develop strategic plans and budgets, and work with local leaders to launch new Projects in these states.

New Project Start-Ups

"Who wants to be President?" You can see many future leaders that are part of the "I Have a Dream"® Foundation in the picture below. The number of Dreamers will grow exponentially in the coming years. In 2003-04, the Foundation welcomed three new Programs to the "I Have a Dream"® Family. New Sponsors promise to make the ten to fifteen-year commitment to their children and take a proactive step to improve the outcomes for young Dreamers. These Dreamers will receive personal attention, guidance, support and resources to graduate high school, go on to college, and lead successful lives.

Portland Class 9, Class of 2013

57 third graders from Woodlawn Elementary School
Sponsors: Julie & Robert Ball, Stephanie Fowler & Irving Levin

Miami/Overtown Project, Class of 2015

51 first graders from Phillis Wheatley Elementary School
Sponsors: Mark & Margie Buchbinder; Stephanie & Jules Trump

Immanuel Presbyterian Church Project, Washington, DC

This is the second Project for the congregation of Immanuel Presbyterian Church. The congregation first sponsored a group of 63 children in 1990, and since then, 76% have received a high school diploma or GED.

Portland Class 9 Dreamers respond to the question, "Who wants to be President?" during their kick-off celebration in October 2003.

sharing lives,

building up communities





Dreamer Service Day

Building and sharing does not only occur at the Sponsor and Project Coordinator levels. Dreamers also play a major role in building up their communities. Inspired to give back to their hometowns, twenty Projects participated in the second annual Dreamer Service Day sponsored by the national Foundation. This year's theme was *Hunger and Homelessness*.

Local "I Have a Dream"® Projects each partnered with a community organization in preparation for their service project. Partners ranged from food pantries to homeless shelters to universities. Dreamers discussed the serious issues facing homeless and hungry populations while serving meals at shelters, packing bag lunches, organizing canned food drives, and participating in a host of other activities.

This is how some Dreamers helped their communities:

San Francisco, CA: Sixth grade Dreamers made bags of travel toiletries and brought them to a local homeless outreach center, where they also served 650 meals.

San Antonio, TX: High school Dreamers visited a local homeless shelter and gave 'goody bags' to children and their parents.

Clio, SC: Fourth grade Dreamers collected non-perishable food items and donated them to The Bread of Life Food Pantry. Dreamers also collected empty bottles and donated the redeemed money to the Food Pantry.

Charlottesville, VA: Fourth grade Dreamers supported the local Emergency Food Bank through a bake sale. They used the funds raised to buy food to donate.

Las Vegas, NV: High school Dreamers hit the streets of Las Vegas to distribute toiletry and snack bags.

"I was so proud of myself knowing that I was helping someone out. When I was giving them a gift bag, I hoped that I gave them much more than that."

*Angelica,
San Antonio Dreamer*

TOP: Las Vegas Dreamers handed out toiletry bags for their 2004 Dreamer Service Day Project.

sharing our story, building awareness

60 MINUTES: A Repeat of History

The "I Have a Dream"® Program mushroomed into an innovative education movement when Eugene Lang was featured and discussed the formidable success of his Dreamers and Program on CBS News' *60 Minutes* in 1986. On May 23, 2004, history repeated itself when the acclaimed news program featured the national "I Have a Dream"® Program and how its successful model is the inspiration for education reform in major city school districts, such as Chicago.

The segment revisited the original February 1986 *60 Minutes* story and founder Eugene Lang. The segment also featured the Foundation's growth through the past 23 years, including an in-depth look at the Greensboro, Georgia Project, one of the Foundation's first rural Projects. Greensboro Sponsors Tom and Kathy Kelly provided *60 Minutes* with a look at how their Project is helping to change the lives of 54 fourth graders.

Like the first segment, there was a tremendous response from the general public. Hundreds of individuals contacted the Foundation in the days and weeks following the broadcast requesting more information about how to start an "I Have a Dream"® Project in their own communities.

"There are many others, like myself, who have achieved success in their lives thanks to the support they received from the "I Have a Dream"® Foundation. I feel fortunate and proud to be a Dreamer and look forward to the opportunity to impact the lives of future Dreamers by giving back to the organization that helped shape my future."

ANTHONY CARTER



"I HAVE A DREAM"® FOUNDATION'S
FIRST NATIONAL SPOKESPERSON

Minnesota Timberwolves' guard Anthony (AC) Carter grew up in one of Atlanta's roughest neighborhoods. Carter dropped out of high school after his freshman year and spent all of his time playing high-stakes pick-up basketball games with his friends on playground courts across the city. A success on the asphalt courts, he never considered pursuing a college education. So how did this street baller make it to the NBA? And why does he urge today's students not to follow his example, but to stay in school?

AC was given a second chance. When Carter was in the fifth grade at Fred A. Toomer Elementary School, his entire class was "adopted" as part of the "I Have a Dream"® Program.

Although the "I Have a Dream"® promise of tuition assistance might have been the motivation that drove Carter to stay in school, it was not enough. With dreams and determination to play ball, Carter found more satisfaction on the basketball courts than in the classrooms. He was not a troublemaker, but a young man in need of guidance and direction. As a Dreamer, Carter came to rely on the support and encouragement of his "I Have a Dream"® Sponsor, Llew Haden, and Project Coordinator, Mattie Baker.

Carter's Sponsor encouraged him to return to school and work toward his high school equivalency diploma. With Haden's mentoring and guidance, Carter attended a junior college in California where he played basketball and lead the state in scoring during his time there. He was later admitted to the University of Hawaii on a basketball scholarship. Carter started his NBA career playing for the Miami Heat and is currently with the Minnesota Timberwolves.

On November 19, 2003, Carter returned to "I Have a Dream"® as the Foundation's first national spokesperson. He shares his story to stress the importance of helping today's youth achieve their dreams through education.



National Partners Program

In November 2003, the national "I Have a Dream"® Foundation relaunched the National Partners Program. The National Partners Program forges mutually beneficial relationships with other organizations and businesses to provide necessary resources to local "I Have a Dream"® Programs. The program expanded to include seventeen partners, offering over twice as many services and products as the year before. New vendors were chosen based on Projects' suggestions and results from needs assessment surveys.

Also new in the last fiscal year was the *National Partners Membership Program*. The national office prepaid for eligible Projects and local Foundations to become members of organizations that have the capacity to provide services to our national network.

Our Membership Program Partners included:

ECOS - A division of The Princeton Review, ECOS provides college and career preparation services;

VolunteerSelect - Background screenings for "I Have a Dream"® volunteers;

Gifts In Kind International- Allows for nonprofits to receive donations from large companies and national retail chains;

Staples - Provides local Projects with discounted office supplies.

Through a grant from the Department of Justice, each Project received a \$1,000 voucher to use toward purchases from vendors in the National Partners Program.

Vendors included: *Afterschool KidzLit/KidzMath, Hoopoe Books, Scholastic Literacy Partners, Bare Books, Educators for Social Responsibility, Kinetic City, National Geographic's GeoKits, icouldbe.org, iEARN, The Princeton Review* and *AFS*.

Technical Assistance

Technical assistance is offered to the "I Have a Dream"® family by the national staff on a year-round basis. Assistance is provided for Project management, human resources, programming, communications, fund-raising and technology. In addition, national staff visited local sites for one-on-one assistance.

In fiscal year 2003-04, all "I Have a Dream"® Projects received from three to fourteen instances of direct technical assistance, with the average per Project being 7.34 instances of technical assistance. Every Project received information about our National Partners initiative and updates about the availability of local grants for which they qualify.

The three most popular services provided by the national office were information on programmatic resources - mainly literacy programs; access to free books by Scholastic Book Clubs; and access to services from our National Partners to support local programming.

Sharing resources, Building stronger youth programs

A Library for Every Dreamer Scholastic Book Clubs' ClassroomsCare

In Fall 2003, children in schools across the nation read books as part of Scholastic Book Clubs' ClassroomsCare campaign. For every 100 books read by a class of students across the United States, Scholastic Book Clubs donated 100 books to one of its four charitable partners, including the "I Have a Dream"® Foundation.

Through the ClassroomsCare Program, the national "I Have a Dream"® Foundation and Scholastic Books Clubs were able to provide K-8 Dreamers with a total of 143,000 books to take home. This was the equivalent of approximately 50 books per Dreamer - more than enough for Dreamers to start their own personal libraries!

The national Foundation worked in cooperation with local "I Have a Dream"® Foundations in New York, Los Angeles, Boulder, Houston and Portland to distribute the books to all of our Dreamers.



A New York Dreamer helps to sort books from the ClassroomsCare Donation.



New York Sponsor Harold Friedman received a Proclamation from the City of New York in praise of his work and sponsorship of the "I Have a Dream" - Ravenswood Program that graduated in 2004.

sharing success, building capacity

STELLA will allow the "I Have a Dream"® Foundation to share important information and trends about the effectiveness of our unique Program and the at-risk youth we serve.



"I Have a Dream"® - Oregon staff learn to use STELLA.

Project	% Earned diploma/ GED	% Graduates Going to College
Tucson, AZ	75.0	57.2
Boulder, CO (Kalmia Class)	73.0	91.0
Denver, CO (Donnell-Kay Class)	90.0	63.0
Denver, CO (Ginsburg Class)	83.0	59.0
New Haven, CT	85.0	60.0
Washington, DC (White Class)	93.5	60.0
Boynton Beach, FL	78.0	73.0
Delray Beach, FL	100.0	90.0
New York, NY (Chelsea-Elliott Program)	80.0	68.0
New York, NY (Ravenswood Program)	75.0	57.3
Portland, OR (Class 4)	86.0	61.0
Portland, OR (Class 5)	86.0	57.0
Vancouver, WA	75.0	75.0

The results keep getting better!
Because the “I Have a Dream”® philosophy is “Once a Dreamer, Always a Dreamer”, we work with our students until every child reaches his or her potential. The “I Have a Dream”® Classes of 2003 & 2004 are defying norms and expectations and greater success is seen with each passing year.

Just 33% of children growing up in low-income families attend college, compared to 77% of children from high-income families (NCES, 1998)

STELLA - State of the Art Dreamer Tracking and Information System Launched!

In preparation for future growth, the “I Have a Dream”® Foundation needed a way to capture both a snapshot of its network of Programs as well as detailed information about the youth served and the assistance our Programs offer. Enter STELLA.

Over a year in development, the national “I Have a Dream”® Foundation launched its state-of-the-art web-based information system known as STELLA. This custom software allows “I Have a Dream”® Project staff to track information about Dreamers such as grades, attendance, afterschool activities, and more throughout the ten to fifteen year lifespan of a Project. The system, developed by the national office and The Next Page, LLC, was designed specifically to meet the needs and intricacies of the “I Have a Dream”® Program. In Summer 2004, Project staff around the country were trained to use the new, secure system.

After information is entered into STELLA, the national Foundation can use the program to generate local and national aggregate reports and share important information and trends about the youth the Foundation serves. STELLA is a powerful tool that will enable the Foundation to support program evaluation and measure efficacy; provide programmatic support; and market our Program to the media, policy makers, and potential Sponsors and funders.

sharing ideas, *building spirit*

Professional Development Institute (PDI) & Project Coordinators Council | Tarrytown, NY

Begun in 2000, this past year, the fifth annual Project Development Institute saw record attendance. From February 24-28, 2004, forty-five Project Coordinators (PCs) and local Project staff convened in Tarrytown, NY for networking and workshops. Attendees enjoyed an opening night reception and dinner with remarks by founder Eugene Lang and Dreamer alumni Juan Martinez (Lang Class, NY); Derrick Aiken (Benenson Class, NY); and Arturo Zepeda (Eley Class, IL). Sessions on managing difficult behaviors, "I Have a Dream"® national partners KidzLit and KidzMath, STELLA, summer programming and mentoring were well received by participants.

In addition, PCs who were new to the Foundation teamed up with veteran PCs and gained more practical program knowledge. The effort also led participants to feel more connected to the "I Have a Dream"® family.

The 2004 PDI marked the one-year anniversary of the **Project Coordinator Council**, which was proposed at the last PDI and launched during the 2003 PC Conference in San Francisco. The PC Council's purpose will be training, Project start-up, and ongoing standards development.



Dreamers at the 2004 Dreamer Conference in Kerhonkson, NY.

Sponsors Conference | Chicago, IL

The 2003 Sponsors' Conference, held in Chicago in early November, was a tremendous success. Participant feedback was uniformly positive and more favorable than for any previous Sponsors' Conference. The theme of the conference was *Share the Dream, Build the Future*.

The national Foundation had three specific goals for the conference: (1) to provide opportunities for participants to acquire new ideas that will help them operate their Projects more effectively; (2) to foster connections among Sponsors and other participants; and (3) to encourage communication and understanding between local Project leaders and the national office. Based on post-conference data, all goals were met.

The conference was able to capitalize on Chicago's inspiring "I Have a Dream"® legacy, with speakers such as Chicago Public Schools CEO (and former "I Have a Dream"® - Ariel Project Executive Director) Arne Duncan, who spoke eloquently about the influence that "I Have a Dream"® has had on his efforts to reform the Chicago public school system, and former "I Have a Dream"® - Chicago Executive Director John Horan, who gave a passionate talk on the magic - of transformation and change - that is inherent in the "I Have a Dream"® Program.

Executive Directors' Summit | Chicago, IL

On November 6, 2003, eleven "I Have a Dream"® Executive Directors from around the country gathered for the first annual Executive Directors' Summit. In an all-day meeting, Executive Directors shared information about best practices, facilitated by "I Have a Dream"®'s Director of Project Management. Each participant made a short presentation, sharing basic information about their local Foundations and Projects. Participants then shared best practices in fundraising, expansion, board management, development and human resources. The Summit was successful, receiving high evaluation marks.



Dreamers at the 2004 Dreamer Conference in Kerhonkson, NY.

Dreamer Conference | Kerhonkson, NY

Uniting Dreamers Across America

Eighty Dreamers aged 12-18 from twenty Projects across the country gathered at the Hudson Valley Resort in Kerhonkson, NY for the third annual Dreamer Conference.

In workshops entitled *Dare to Lead; Discovering You; Time Management; Money Doesn't Grow on Trees, Job Preparation, Professionalism, Community Service, High School Fears, and Stress Management*, Dreamers honed their skills and planned for their futures. Every workshop was taught by someone within the "I Have a Dream"® network. Other activities included afternoon outdoor games, an ice cream social and karaoke night, and a dance party. New to the 2004 Dreamer Conference was the "Dreamers Coast to Coast" presentation. Dreamers were asked to bring materials to the Dreamer Conference for a presentation about the neighborhood or city where they live. This was a fantastic way for Dreamers to learn about one another.

The Dreamer Conference was supported by a number of Sponsors and local "I Have a Dream"® Program Board of Directors and others within the "I Have a Dream"® Family. Special thanks to the following for their contributions:

Diana Blank, Sponsor, Atlanta, GA
Adrienne Findley, Sponsor, Atlanta, GA
Carlton Highsmith, Sponsor, New Haven, CT
Gloria Jarecki, Co-Sponsor, New York, NY
Erica Lloyd, Project Coordinator, Charlottesville, VA
Joan and Lyle Middleton, Sponsors, Des Moines, IA
Mr. and Mrs. Thomas Reichert
Regina Rogers, Sponsor, Beaumont, TX
Arturo Zepeda, Dreamer alumnus, Chicago, IL
"I Have a Dream"® - Charlottesville, VA
"I Have a Dream"® - New York Metro
"I Have a Dream"® - STEP, Washington, DC
UBS Foundation USA Matching Gifts

And special thanks to the following for facilitating gifts:
Eugene M. Lang



CONROY, SMITH & CO.

certified public accountants

INDEPENDENT AUDITORS' UNQUALIFIED OPINION ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE

Board of Directors
"I Have a Dream" Foundation (National)
New York, New York

We have audited the accompanying statements of financial position of "I Have a Dream" Foundation (National) (the "Foundation") as of August 31, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's 2003 financial statements and, in our report dated October 31, 2003, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 (National) as of August 31, 2004, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2004 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

November 15, 2004
New York, NY

statement of financial position

AS OF AUGUST 31, 2004 (With Summarized Totals for 2003)

ASSETS

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$721,159	\$605,252
Investments, at market	9,837	8,871
Accounts receivable	143,549	84,467
Prepaid expenses	368	10,288
Office equipment, net	<u>4,999</u>	<u>6,666</u>
Total assets	<u>\$879,912</u>	<u>\$715,544</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 105,030	\$ 57,189
Line of credit	<u>39,475</u>	<u>-</u>
Total liabilities	<u>\$ 144,505</u>	<u>\$ 57,189</u>

Net Assets:

Unrestricted		
Available for operations	\$ 97,195	\$ 22,862
Board-designated Scholarship Fund	<u>85,338</u>	<u>85,338</u>
Total unrestricted	\$ 182,533	\$108,200
Temporarily restricted	<u>552,874</u>	<u>550,155</u>
Total net assets	<u>\$ 735,407</u>	<u>\$ 658,355</u>
Total liabilities and net assets	<u>\$879,912</u>	<u>\$715,544</u>

statement of activities

FOR THE YEAR ENDED AUGUST 31, 2003 (With Summarized Totals for 2003)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2004 Total</u>	<u>2003 Total</u>
Public support and revenue:				
Contributions	\$ 208,615	\$113,125	\$ 321,740	\$330,143
Government grants	1,348,411	-	1,348,411	1,028,468
Licensing fees	91,220	-	91,220	103,500
Investment income	525	2,293	2,818	4,692
In-kind	364,480	-	364,480	28,815
Other	<u>32,221</u>	<u>-</u>	<u>32,221</u>	<u>-</u>
Total public support & revenue before release of restrictions	\$2,045,472	\$115,418	\$2,160,890	\$1,495,618
Net assets released from restrictions	<u>112,699</u>	<u>(112,699)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>\$2,158,171</u>	<u>\$2,719</u>	<u>\$2,160,890</u>	<u>\$1,495,618</u>
Expenses:				
Program services	\$1,767,365	-	\$1,767,365	\$1,198,225
Management and general	87,773	-	87,773	165,960
Fund-raising	<u>228,700</u>	<u>-</u>	<u>228,700</u>	<u>127,713</u>
Total expenses	<u>\$2,083,838</u>	<u>-</u>	<u>\$2,083,838</u>	<u>\$1,491,898</u>
Increase in net assets	\$ 74,333	\$ 2,719	\$ 77,052	\$ 3,720
Net assets, September 1	<u>108,200</u>	<u>550,155</u>	<u>658,355</u>	<u>654,635</u>
Net assets, August 31	<u>\$ 182,533</u>	<u>\$ 552,874</u>	<u>\$ 735,407</u>	<u>\$ 658,355</u>

statement of cash flows

FOR THE YEAR ENDED AUGUST 31, 2003 (With Summarized Totals for 2003)

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities:		
Increase in net assets	\$ 77,052	\$3,720
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	1,667	1,667
Changes in:		
Investments	(966)	(4)
Accounts receivable	(59,082)	(7,087)
Prepaid expenses	9,920	(8,433)
Accounts payable and accrued expenses	47,841	(25,831)
Line of credit	<u>39,475</u>	<u>-</u>
Net cash (used in) provided by operating activities	<u>\$115,907</u>	<u>(\$ 35,968)</u>
Cash Flows From Investing Activities:		
Proceeds from sale of investments	<u>-</u>	<u>\$ 48,000</u>
Net cash (used in) provided by investing activities	<u>-</u>	<u>\$ 48,000</u>
Net increase in cash and cash equivalents	\$115,907	\$ 12,032
Cash and cash equivalents, September 1	<u>605,252</u>	<u>593,220</u>
Cash and cash equivalents, August 31	<u>\$721,159</u>	<u>\$605,252</u>

summary of auditor's results

YEAR ENDED AUGUST 31, 2004

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

Material weaknesses identified: None

Reportable conditions identified not considered to be material weaknesses: None

Noncompliance material to financial statements noted: None

Federal Awards

Internal control over major programs:

Material weaknesses identified: None

Reportable conditions identified not considered to be material weaknesses: None

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a): None

Identification of major programs:

U.S. Department of Justice

Juvenile justice and delinquency prevention - special emphasis
CFDA #16.541

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualifies as low-risk auditee.

A complete copy of the 2003-04 Auditor's Report can be obtained by contacting the National "I Have a Dream"® Foundation.

Dream Makers Our National Network 2003-04

ARIZONA

Tucson
Emily Meschter

CALIFORNIA

East Palo Alto
Peter Dumanian
Thad Whalen

**"I Have a Dream"® -
Los Angeles & Pasadena**
Los Angeles/Project 13
Beth Colt

Los Angeles/Project 15
Carol M. McGuire
Anne Yeager Higgins

Los Angeles/Project 14
Linda J. Blinkenberg
Jennifer Watson

Oakland (and GEAR UP)
John & Martha Cook

San Francisco/Class of 2010
Richard & Rhoda Goldman
Fund
Tanya Capuanao
Khira Adams Griscavage
Susan Krant
Carter Montague
Scott Parlee

COLORADO

**"I Have a Dream"® of
Boulder County**
Boulder/Kalmia
Midge Korczak

Boulder/Broadway
(GEAR UP)
Steve Brett
Linda Shoemaker

Boulder/Casa
Debbie Lane
Sturm Family Foundation

Boulder/Pioneer
Paul & Brenda Lilly

Boulder/Sanchez
Michael & Wilma Ormsbee
Thomas & Dee Perry

Boulder/Columbine
Catherine Smead

**Colorado "I Have a
Dream"® Foundation**
Denver/Ginsburg Family
Noel Ginsburg

Denver/Donnell-Kay
Donnell-Kay Foundation
Connie Dines

Denver/Lillis
Patrick Lillis

Denver/Active 20/30
Ryan K. Charp

Denver/Rocky Mountain
Mutual
Robert L. Cohen
Jerry McHugh
Chris Romer

Denver/Southeast Rotary
Doug Andrews

Denver/Helen M.
McLoraine Class of 2014
Lark Birdsong

CONNECTICUT

New Haven
Carlton Highsmith
Yale University Class of 1956

Norwalk
George & Carol Bauer
Joseph Kastenholtz

Stamford

DISTRICT OF COLUMBIA

DC/White Project
Chris & Sue White

DC/Brent Class
George Kettle
Edward Wilczynski

DC/STEP
St. Columba's Church
Greg Kutrow

DC/Project 312
Harry Nick
Robert & Roxanne Pincus
Larry Siegel

DC/Immanuel
Presbyterian
Immanuel Presbyterian
Church
Michael Orend

FLORIDA
Boynton Beach
Gordon MacQuaker

Delray Beach
Jay Felner
Arona Green
William Green

Miami/Group 1
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Miami/Group 2
Norman Braman
Peggy Scharlin
Mrs. Howard Scharlin

Miami/Class of 2011
David Ertel

Miami/Class of 2010
David Ertel

Overtown/Class of 2012
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Stephanie & Jules Trump

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Atlanta/Gideons
Diana Blank
Adrienne Findley
Sharon Hess
John F. O'Neill
Ronald Wilson

Atlanta/AD Williams
St. Luke's Episcopal Church
Ebenezer Baptist Church
Jeronia Blue
Malcolm Edwards
Carolyn Lake

Greensboro
Thomas and Kathy Kelly

IOWA

Des Moines/Oakridge
Lyle & Joan Middleton
Mary Middleton
Richard O. Jacobson

ILLINOIS

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Richard Morehead
Paul Blumberg
Bill Devore
David Griffin, Ph.D.
Carrol Herber
Harold & Addie Morrison

MICHIGAN

Port Huron
Chris & Joanne Kurzweil

MISSOURI

St. Louis/Gateway
Kenneth L. Moore
Ladue Chapel Presbyterian
Church

NEVADA

Las Vegas
Kevin Stolworthy
Julie Foley-Murray
Paula Dulak

NEW JERSEY

Camden (GEAR UP)
Rutgers University/LEAP

Plainfield
Temple Emanu-El of Westfield
Susan Jacobson
Susan Pepper

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Bronx (GEAR UP)
Bronx Community College

Brooklyn/Bedford-
Stuyvesant
Paul Tudor Jones

**"I Have a Dream"® -
New York Metro Area**
Manhattan/Chelsea-Elliot
Jeffrey Gural
Barbara Eisold, Ph.D.
Sandford J. Farber
Gloria Jarecki
Howard Kaye
Ned Sherwood

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Sharon Kaufman
Chris McNickle
Nick McNickle

Melrose II (Bronx)
Brian Heidtke
Stan Picheny

LI City/Ravenswood
Harold Friedman

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Vicki Zidell

Portland Class 5
Chris Dudley
Lynn & Page Mesher
Terry Pancoast

Forest Grove Class 6
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George & Ruth Burlingham
Marcia Kahn &
Howard Rosenbaum
Molly Saunders

Forest Grove Class 7
David & Mary Jo Morelli
Nelson Niles
David Pero
Victor Rodriguez

Forest Grove Class 8
Peggy Harris
Dave Johnson
Corrine Oishi

Portland Class 9
Robert & Julie Ball
Irving Levin &
Stephanie Fowler

SOUTH CAROLINA

Clio
Sallie Calhoun
Jean Calhoun

TEXAS

Beaumont
Regina Rogers

Dallas/Cedar Springs

**"I Have a Dream"® -
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Fort Worth/Ripley Arnold
Garland & Mollie Lasater

Fort Worth/Butler Housing
Fort Worth/Hopes &
Dreams

**"I Have a Dream"® -
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Houston/Project 5
Houston/Project 6
Houston/Project 7
Houston/Project 8
Houston/Project 9
Houston/Project 10

San Antonio/Lincoln
Heights

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Christopher Poe

WASHINGTON

Cowlitz County - Longview
Bill & Karen Boehm
B. Joe Brewer
Lois Brudi
C.C. & Kay Bridgewater
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Jackie Burns
John Crook
Dan & Jackie Evans
Jill Johanson
Bob & LaVina Jones
Dottie K. Koontz
Cal Lantz
Greg & Margaret Lopic
Jeanne LeRae &
Tom Thompson
Tom & Dee O'Neill
Terry & William Shepp
Bob Stuart
Sam & Rae Wardle

**"I Have a Dream"® -
Southwest Washington**
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Broughton & Mary Bishop
Leslie Durst
Richard & Mary Granger
Ed & Dollie Lynch
Mason E. Nolan

SW Washington/Project 2
The Family of Don Campbell
Leslie Durst
Ralph & Susan Gilbert
Wes & Nancy Lematta
George & Carolyn Propstra

SW Washington/Project 3
Bill & Catherine Byrd
Richard & Mary Granger
Mrs. Clinton John
Wes & Nancy Lematta
Sarah & Russ Tennant

SW Washington/Project 4
Leslie Durst
Ralph & Susan Gilbert
Kathi Wiley-Gladson
Mertis Harmon
Ed & Dollie Lynch
Candace Young
Vancouver Rotary

SW Washington/
Sponsor-At-Large
Eva M. Hunt

NEW ZEALAND

Auckland
Scott & Mary Gilmour

Share the dream, Build the future

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Office Manager

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Director of Development

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Communications Specialist

Lori Donoho
Program Specialist

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Director of Project Management

Jennifer Hubbard
Project Management Associate

Alba Morales
Office Assistant

Rosemary Wilson
Executive Assistant to the President

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“I HAVE A DREAM”[®] FOUNDATION 

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The “I Have a Dream”[®] Foundation is a non-profit 501(c)(3) organization.

Success Begins with a Dream!