



Audited Financial Statements

June 30, 2019

Independent Auditor's Report

To the Board of Directors of
iMentor, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of iMentor, Inc. ("iMentor"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 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

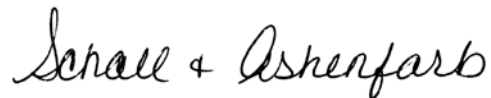
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iMentor, Inc. as of June 30, 2019, and the changes in net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, iMentor adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited iMentor's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

November 13, 2019

iMENTOR, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2019
(With comparative totals at June 30, 2018)

	<u>6/30/19</u>	<u>6/30/18</u>
Assets		
Cash and cash equivalents	\$9,374,904	\$9,955,262
Investments (Note 4)	1,213,658	926,185
Contributions and grants receivable (Note 3)	19,534,475	18,885,643
Prepaid expenses and other receivables (Note 6)	683,459	232,086
Investments held for endowment (Notes 4 and 8)	6,131,118	5,749,381
Fixed assets (net of accumulated depreciation) (Note 5)	1,471,655	1,352,545
Security deposits	<u>286,742</u>	<u>283,812</u>
Total assets	<u><u>\$38,696,011</u></u>	<u><u>\$37,384,914</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$1,798,472	\$917,378
Deferred revenue	25,000	0
Deferred rent	<u>59,790</u>	<u>183,783</u>
Total liabilities	<u>1,883,262</u>	<u>1,101,161</u>
Net assets:		
Without donor restrictions	8,451,715	9,355,260
With donor restrictions (Notes 7 and 8)	<u>28,361,034</u>	<u>26,928,493</u>
Total net assets	<u>36,812,749</u>	<u>36,283,753</u>
Total liabilities and net assets	<u><u>\$38,696,011</u></u>	<u><u>\$37,384,914</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

iMENTOR, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/19	Total 6/30/18
Public support and revenue:				
Contributions:				
Foundation	\$2,065,435	\$3,846,199	\$5,911,634	\$5,536,105
Corporate	476,384	1,760,410	2,236,794	1,983,240
Board	3,104,431	9,250	3,113,681	3,523,119
Other individual	1,211,908		1,211,908	561,908
Strategic capital		5,487,763	5,487,763	19,291,824
Special events (Note 9)	1,149,439		1,149,439	1,300,615
In-kind (Note 2i)	442,881		442,881	201,548
School, district & partner fees	1,705,100		1,705,100	1,849,696
Rental income	190,970		190,970	202,136
Investment income (Note 4)	52,835	381,737	434,572	719,202
Other income	5,402		5,402	13,908
Net assets released from restriction (Note 7)	10,052,818	(10,052,818)	0	0
Total public support and revenue	<u>20,457,603</u>	<u>1,432,541</u>	<u>21,890,144</u>	<u>35,183,301</u>
Expenses:				
Program services	16,187,472		16,187,472	14,760,724
Supporting services:				
Management and general	3,161,176		3,161,176	2,169,945
Fundraising	2,012,500		2,012,500	2,743,609
Total supporting services	<u>5,173,676</u>	<u>0</u>	<u>5,173,676</u>	<u>4,913,554</u>
Total expenses	<u>21,361,148</u>	<u>0</u>	<u>21,361,148</u>	<u>19,674,278</u>
Total change in net assets	(903,545)	1,432,541	528,996	15,509,023
Net assets - beginning of year	<u>9,355,260</u>	<u>26,928,493</u>	<u>36,283,753</u>	<u>20,774,730</u>
Net assets - end of year	<u><u>\$8,451,715</u></u>	<u><u>\$28,361,034</u></u>	<u><u>\$36,812,749</u></u>	<u><u>\$36,283,753</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

iMENTOR, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	Supporting Services			Total Supporting Services	Total Expenses 6/30/19	Total Expenses 6/30/18
	Program Services	Management and General	Fundraising			
Salaries and benefits	\$11,691,454	\$2,477,975	\$1,470,316	\$3,948,291	\$15,639,745	\$13,565,852
Rent and office management	1,172,390	147,483	120,637	268,120	1,440,510	1,369,414
Professional fees (including in-kind of \$442,881 and \$201,548)	560,006	266,093	210,175	476,268	1,036,274	1,279,933
Software and technology	634,327	71,459	45,771	117,230	751,557	681,317
Program recruiting, screening, training & events	464,204			0	464,204	399,835
Travel	324,513	52,794	21,151	73,945	398,458	330,402
Research and evaluation	18,535			0	18,535	161,441
Marketing	66,101	20,247	35,026	55,273	121,374	130,311
Staff recruiting and professional development	145,010	58,520	19,994	78,514	223,524	263,544
Insurance	123,095	22,291	5,886	28,177	151,272	144,076
Other expenses	37,550	5,102	330,950	336,052	373,602	445,961
Depreciation and amortization	950,287	39,212	19,437	58,649	1,008,936	1,163,278
Total expenses	16,187,472	3,161,176	2,279,343	5,440,519	21,627,991	19,935,364
Less: direct special event expenses netted with revenue			(266,843)	(266,843)	(266,843)	(261,086)
Total expenses for statement of activities	\$16,187,472	\$3,161,176	\$2,012,500	\$5,173,676	\$21,361,148	\$19,674,278

The attached notes and auditor's report are an integral part of these financial statements.

iMENTOR, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	<u>6/30/19</u>	<u>6/30/18</u>
Cash flows from operating activities:		
Change in net assets	\$528,996	\$15,509,023
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation and amortization	1,008,936	1,163,278
Unrealized gain on investments	(377,608)	(583,213)
Realized loss/(gain) on investments	100,150	(12,855)
Donated stock	(5,951,656)	(1,214,334)
Changes in assets and liabilities:		
Contributions and grants receivable	(648,832)	(13,414,477)
Prepaid expenses and other receivables	(451,373)	(71,215)
Security deposits	(2,930)	5,100
Accounts payable and accrued expenses	881,094	84,379
Deferred revenue	25,000	(35,000)
Deferred rent	(123,993)	(99,680)
Total adjustments	<u>(5,541,212)</u>	<u>(14,178,017)</u>
Net cash flows (used for)/provided by operating activities	<u>(5,012,216)</u>	<u>1,331,006</u>
Cash flows from investing activities:		
Purchase of fixed assets	(1,128,046)	(632,850)
Purchase of investments	(136,248)	(114,979)
Proceeds from sale of donated stock	5,696,152	1,227,189
Net cash flows provided by investing activities	<u>4,431,858</u>	<u>479,360</u>
Net (decrease)/increase in cash and cash equivalents	(580,358)	1,810,366
Cash and cash equivalents - beginning of year	<u>9,955,262</u>	<u>8,144,896</u>
Cash and cash equivalents - end of year	<u><u>\$9,374,904</u></u>	<u><u>\$9,955,262</u></u>

No interest or income taxes were paid.

The attached notes and auditor's report are an integral part of these financial statements.

iMENTOR, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Nature of Entity

iMentor, Inc. (“iMentor”) is a not-for-profit organization that partners with public high schools in low-income communities, where a majority of students served will be first-generation college graduates. iMentor builds mentoring relationships, which empower students to navigate high school, succeed in college, and achieve their ambitions. Since 1999, iMentor has matched more than 33,000 students across the country with mentors.

Our Model:

Whole-School Model: iMentor matches every student in a school with a college-educated mentor who is deeply integrated into each school’s culture.

Long-Term Mentoring Relationships: Mentors commit to working with a single student for a minimum of three years, building their relationships through weekly online communication and monthly in-person meetings.

Curriculum and Staff Support: iMentor provides the expertise and support mentors need to be effective, including a college success curriculum that guides each weekly interaction and a full-time staff member responsible for the success of the relationship.

Personalized Guidance: Mentors gain a holistic understanding of their mentee’s individual talents, aspirations, and challenges, which allows them to provide a level of personalized support that could not be achieved through traditional school counseling alone.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Presentation

The financial statements of iMentor have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective July 1, 2018, iMentor adopted the requirements of the Financial Accounting Standards Board’s Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU No. 2016-14). This standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU No. 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 14).

Implementation of ASU No. 2016-14 did not require any restatement of opening balances related to the periods presented.

Not-for-profit organizations report information regarding its financial position and activities according to specific classes of net assets, as follows:

- *Net Assets Without Donor Restrictions* – accounts for activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity.

b. Revenue Recognition

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Program fees are recognized when iMentor meets the obligations under the agreements.

c. Cash and Cash Equivalents

Liquid investments other than amounts held by the investment custodian for long-term purposes and have an initial maturity of three months or less are reflected as cash and cash equivalents.

d. Concentration of Credit Risk

Financial instruments which potentially subject iMentor to concentration of credit risk consist of cash, money market accounts and investment securities. iMentor invests with financial institutions that management deems to be creditworthy. Uninsured balances were \$9,137,687 and \$10,015,566, at June 30, 2019 and 2018, respectively. However, iMentor has not experienced any losses due to the failure of any financial institution.

e. Contributions Receivable

Contributions receivable are recorded when a pledge is considered unconditional in nature. Contributions are recognized at net realizable value if expected to be received within one year, or at fair value using risk-adjusted present value techniques if expected to be received in more than one year.

Pledges are reviewed for collectability using past experience, historical trends and specific knowledge of each donor. The allowance for doubtful accounts was approximately \$235,000 and \$260,000 at June 30, 2019 and 2018, respectively.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Conditional pledges that have not been recognized amounted to \$2,500,000 and \$1,264,484 at June 30, 2019 and 2018, respectively.

f. Investments

Investments are stated at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in income on the statement of activities.

g. Fixed Assets

Fixed assets to which iMentor retains title and capital items purchased which benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation.

Fixed assets consist of leasehold improvements, furniture, equipment and computers, and include the technology platform and the iMentor.org website. All fixed assets are depreciated over the estimated useful life of the respective asset or lease term using the straight-line method.

h. Deferred Rent

Rent expense is recorded on the straight-line basis over the life of the lease. Rent expense recognized in excess of cash payments, primarily due to free rent received at the beginning of the lease, is reflected as deferred rent. As future payments exceed the annual expense recognized, deferred rent will be reduced to zero by the end of the lease term.

i. Donated Services

iMentor recognizes contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills and would typically be purchased if not donated.

The following in-kind services and donations were recorded:

	<u>6/30/19</u>	<u>6/30/18</u>
Legal	\$140,113	\$127,098
Strategic planning consultant	107,888	48,000
Presentation services	3,060	0
Data protection consultant	<u>191,820</u>	<u>26,450</u>
	<u>\$442,881</u>	<u>\$201,548</u>

In-kind gifts used for fundraising events, where the donor received a direct benefit, amounted to \$26,322 and \$31,007 during the years ended June 30, 2019 and 2018, respectively. Because direct costs such as these are netted against revenue, there is no net effect on any financial statement lines or in the aggregate.

j. Promotional Costs

Promotional costs are expensed as incurred.

k. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following costs are allocated by time and effort:

- Salaries and benefits
- Marketing

The following costs are allocated based on headcount at the various office locations:

- Rent and office management
- Software and technology
- Staff recruiting and professional development
- Depreciation

All other expenses have been charged directly to the applicable program or supporting service.

m. Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2018, from which the summarized information was derived.

n. Tax Status

iMentor has been notified by the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

iMentor does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2016 and later are subject to examination by applicable taxing authorities.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through November 13, 2019 the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

p. New Accounting Pronouncement

On June 21, 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the June 30, 2020 year, provides guidance on whether a receipt from a third-party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the June 30, 2020 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2021 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

iMentor is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Contributions Receivable

Contributions receivable are due as follows:

Year ending:	June 30, 2020	\$8,804,839
	June 30, 2021	4,657,000
	June 30, 2022	3,892,000
	June 30, 2023	2,105,250
	Greater than five years	<u>685,754</u>
		20,144,843
Less: fair value discount at 2%		(375,165)
Less: allowance for doubtful accounts		<u>(235,203)</u>
Total		<u>\$19,534,475</u>

Note 4 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that iMentor has the ability to access.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At June 30, 2019 and June 30, 2018, all investments were considered to be level 1 securities and consist of the following:

	<u>6/30/19</u>	<u>6/30/18</u>
U.S. Treasuries Money Fund	\$621,119	\$608,907
Common Stock	159,483	0
Mutual Funds:		
Equities	1,380,186	1,341,834
Bonds	1,256,471	1,176,517
Exchange Traded Funds:		
Large Cap	1,357,448	1,211,325
Large Growth	2,348,024	2,139,193
Commodity Index Fund	<u>222,045</u>	<u>197,790</u>
Total	<u>\$7,344,776</u>	<u>\$6,675,566</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on.

Investment income for the years ended June 30, 2019 and June 30, 2018 is as follows:

	<u>6/30/19</u>	<u>6/30/18</u>
Interest and dividends	\$157,114	\$123,134
Realized gain on sale of investments - endowment	0	12,855
Realized loss on sale of investments - other	(100,150)	0
Unrealized gain - endowment	381,737	583,213
Unrealized loss - other	<u>(4,129)</u>	<u>0</u>
Total	<u>\$434,572</u>	<u>\$719,202</u>

Note 5 - Fixed Assets

Fixed assets can be summarized as follows:

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Useful Life</u>
Software and website	\$7,031,025	\$5,990,837	<i>3 years</i>
Leasehold improvements	606,823	606,823	<i>life of lease</i>
Computers and technology	482,460	394,602	<i>3 years</i>
Furniture and fixtures	<u>269,114</u>	<u>269,114</u>	<i>7 years</i>
	8,389,422	7,261,376	
Less: accumulated depreciation and amortization	<u>(6,917,767)</u>	<u>(5,908,831)</u>	
Fixed assets - net	<u>\$1,471,655</u>	<u>\$1,352,545</u>	

Note 6 - Other Receivables

In connection with a move to a new office, during the year ended June 30, 2019 iMentor incurred certain costs for improvement to the new space which will be reimbursed by the landlord. The total receivable of \$223,287 has been included as other receivables on the statement of financial position.

Note 7 - Net Assets with Donor Restrictions

Net assets were released from donor restriction by satisfying the following purpose restrictions:

	<u>6/30/19</u>	<u>6/30/18</u>
Strategic capital	\$4,931,669	\$6,681,137
Direct and national programs	<u>5,121,149</u>	<u>4,453,017</u>
Total	<u>\$10,052,818</u>	<u>\$11,134,154</u>

Net assets with donor restrictions were available for the following:

	<u>6/30/19</u>	<u>6/30/18</u>
Purpose restrictions:		
Strategic capital	\$19,346,344	\$18,790,250
Direct and national programs	<u>2,197,819</u>	<u>1,703,109</u>
Total purpose restrictions	21,544,163	20,493,359
Time restrictions	<u>685,753</u>	<u>685,753</u>
Total purpose and time restrictions	<u>22,229,916</u>	<u>21,179,112</u>
Endowment earnings	2,230,118	1,848,381
Endowment corpus	<u>3,901,000</u>	<u>3,901,000</u>
Total endowment	<u>6,131,118</u>	<u>5,749,381</u>
Total	<u>\$28,361,034</u>	<u>\$26,928,493</u>

Note 8 - Investments Held for Endowments

iMentor has an endowment fund that was established in June 2008. The interest and dividends from these investments can be used to support iMentor's general activities. Additionally, the endowment includes earnings from investment gains that have not been designated for specific use by the donor and have not yet been appropriated by the Board of Directors. These have been classified as with donor restrictions until appropriated for expenditure by the Board.

Interpretation of Relevant Law

iMentor follows New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which the Board of Directors has interpreted to require certain amounts be retained permanently. Absent explicit donor stipulations to the contrary, iMentor will preserve the fair value of the original gift as of the gift date of all donor-restricted endowment funds. However, under certain circumstances, iMentor has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, iMentor classifies as donor restricted net assets as (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Spending Policies

In accordance with NYPMIFA, iMentor considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of iMentor and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of iMentor
- (7) The investment policies of iMentor
- (8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on iMentor

Changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	<u>June 30, 2019</u>		
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$1,848,381	\$3,901,000	\$5,749,381
Unrealized gain	<u>381,737</u>	<u>0</u>	<u>381,737</u>
Endowment net assets, end of year	<u>\$2,230,118</u>	<u>\$3,901,000</u>	<u>\$6,131,118</u>

	<u>June 30, 2018</u>		
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$1,252,313	\$3,901,000	\$5,153,313
Unrealized gain	583,213	0	583,213
Realized gain on investments	<u>12,855</u>	<u>0</u>	<u>12,855</u>
Endowment net assets, end of year	<u>\$1,848,381</u>	<u>\$3,901,000</u>	<u>\$5,749,381</u>

Endowment Investment Policies

iMentor has adopted an investment policy for endowment assets that relies on the accumulation of interest, dividends and other market value gains for future appropriation.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires iMentor to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2019 or 2018.

Note 9 - Special Events

iMentor hosts multiple special events throughout the year. The special events can be summarized as follows:

	<u>June 30, 2019</u>		
	<u>National</u>	<u>Regional</u>	<u>Total</u>
Gross contributions	\$1,189,650	\$226,632	\$1,416,282
Less: expenses with a direct benefit to donors	<u>(167,768)</u>	<u>(99,075)</u>	<u>(266,843)</u>
	1,021,882	127,557	1,149,439
Less: other event expenses	<u>(91,829)</u>	<u>(6,870)</u>	<u>(98,699)</u>
Total	<u>\$930,053</u>	<u>\$120,687</u>	<u>\$1,050,740</u>

	<u>June 30, 2018</u>		
	<u>National</u>	<u>Regional</u>	<u>Total</u>
Gross contributions	\$1,334,912	\$226,789	\$1,561,701
Less: expenses with a direct benefit to donors	<u>(160,714)</u>	<u>(100,372)</u>	<u>(261,086)</u>
	1,174,198	126,417	1,300,615
Less: other event expenses	<u>(119,835)</u>	<u>(15,310)</u>	<u>(135,145)</u>
Total	<u>\$1,054,363</u>	<u>\$111,107</u>	<u>\$1,165,470</u>

Note 10 - Commitments and Contingencies

iMentor has various separate non-cancelable leases for office spaces in New York City, Bay Area of California, Chicago and Baltimore that expire at various dates from 2020 through 2035. During the year, iMentor entered into a new non-cancelable lease agreement for office space in New York City. The lease commences in October 2019 and runs through October 2034. Under terms of the new lease, an irrevocable standby letter of credit was established for the benefit of the landlord. The minimum annual commitments for all lease payments are as follows:

Year ending:		
	June 30, 2020	\$573,334
	June 30, 2021	1,157,312
	June 30, 2022	1,157,312
	June 30, 2023	1,160,822
	June 30, 2024	1,171,352
	Thereafter	<u>12,884,872</u>
Total		<u>\$18,105,004</u>

Government supported projects are subject to audit by the applicable granting agency.

iMentor maintains a revolving line of credit agreement with a financial institution whereby it is permitted to borrow a maximum of \$5,000,000 with an interest rate of LIBOR plus 3%. The line of credit will expire on December 25, 2020. The line is collateralized against iMentor's inventory, equipment and receivables. The full amount of the line remains available as of June 30, 2019.

Note 11 - Related Party Transactions

The majority of donated legal services were performed by a law firm of which a member of the Board of Directors is a partner.

Note 12 - Risk and Uncertainties

iMentor has investments that are exposed to various risks such as interest rate, market and credit risks. Changes in the value of investment securities may occur in the near term and such changes could affect the amounts reported in the statement of financial position.

iMentor is exposed to various risks of loss-related torts. Such risks include, but are not limited to: theft, damage and/or destruction of assets; actions of employees; and natural disasters.

Note 13 - Retirement Plan

iMentor has a tax deferred annuity plan under IRS section 401(k) for employees that have completed 3 months of service and are at least 21 years of age. Under the plan, employees may opt to defer a portion of their gross pay, having that portion of pay be invested in accordance with applicable Federal and state guidelines governing deferred compensation programs. iMentor provides a 4% employer match on employee contributions. iMentor contributed \$318,974 and \$274,684 to the plan, during the years ended June 30, 2019 and 2018, respectively.

Note 14 - Liquidity and Availability of Financial Resources

Financial assets are available within one year of the date of the statement of financial position for general expenditure are as follows:

Cash and cash equivalents	\$9,374,904	
Investments	1,213,658	
Contributions and grants receivable – due within one year	<u>8,804,839</u>	
Total financial assets		\$19,393,401
Less amounts not available for general expenditure:		
Net assets with donor restrictions:		
Purpose restrictions, less amounts due after one year		<u>(11,412,663)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$7,980,738</u>

iMentor maintains endowment funds that are held in perpetuity. iMentor also maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, iMentor operates its programs within a board approved budget and relies on grants and earned income to fund its operations and program activities.

Note 15 - Additional Note

During the year ended June 30, 2019, iMentor recognized revenue of \$21,890,144 and had conditional pledges of \$2,500,000 for a total of \$24,390,144.