



Audited Financial Statements

June 30, 2021

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, 2021, 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.

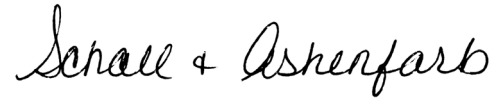
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited iMentor's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

November 9, 2021

iMENTOR, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2021
(With comparative totals at June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Assets		
Cash and cash equivalents	\$17,244,099	\$11,779,946
Investments (Note 3)	1,364,686	1,246,611
Contributions and grants receivable, net (Note 4)	12,711,681	15,120,047
Prepaid expenses and other receivables (Note 5)	156,056	708,759
Investments held for endowment (Notes 3 and 10)	7,945,772	6,487,697
Fixed assets (net of accumulated depreciation) (Note 6)	1,841,391	2,117,288
Security deposits	<u>14,900</u>	<u>19,250</u>
 Total assets	 <u><u>\$41,278,585</u></u>	 <u><u>\$37,479,598</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$1,135,245	\$1,180,112
Deferred revenue	10,000	0
Paycheck Protection Program loan payable (Note 7)	2,000,000	2,757,462
Deferred rent	<u>931,185</u>	<u>876,326</u>
 Total liabilities	 <u><u>4,076,430</u></u>	 <u><u>4,813,900</u></u>
Net assets:		
Without donor restrictions	14,237,196	9,033,946
With donor restrictions (Notes 9 and 10)	<u>22,964,959</u>	<u>23,631,752</u>
 Total net assets	 <u><u>37,202,155</u></u>	 <u><u>32,665,698</u></u>
 Total liabilities and net assets	 <u><u>\$41,278,585</u></u>	 <u><u>\$37,479,598</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, 2021
(With comparative totals for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/21	Total 6/30/20
Public support and revenue:				
Contributions:				
Foundation	\$2,605,951	\$4,789,487	\$7,395,438	\$6,395,092
Corporate	995,024	2,073,250	3,068,274	1,451,288
Board	1,744,929		1,744,929	2,160,908
Other individual	2,261,086		2,261,086	1,257,302
Strategic capital		1,859,802	1,859,802	1,204,026
Special events (Note 11)			0	4,312,171
In-kind (Note 2j)	9,664		9,664	249,376
School, district & partner fees	1,547,504		1,547,504	1,848,899
Rental income			0	27,130
Investment income (Note 3)	91,000	1,458,075	1,549,075	593,970
Other income	341		341	12,810
Paycheck Protection Program loan forgiveness (Note 7)	2,757,462		2,757,462	0
Employer Retention Tax Credit (Note 8)	2,041,333		2,041,333	0
Net assets released from restriction (Note 9)	10,847,407	(10,847,407)	0	0
Total public support and revenue	<u>24,901,701</u>	<u>(666,793)</u>	<u>24,234,908</u>	<u>19,512,972</u>
Expenses:				
Program services	15,009,998		15,009,998	17,917,854
Supporting services:				
Management and general	3,161,080		3,161,080	3,435,389
Fundraising	1,527,373		1,527,373	2,194,013
Total supporting services	<u>4,688,453</u>	<u>0</u>	<u>4,688,453</u>	<u>5,629,402</u>
Total expenses	<u>19,698,451</u>	<u>0</u>	<u>19,698,451</u>	<u>23,547,256</u>
Change in net assets from operations	5,203,250	(666,793)	4,536,457	(4,034,284)
Non-operating activity:				
Nonrecurring moving costs (Note 2d)			0	(112,767)
Total non-operating activity	<u>0</u>	<u>0</u>	<u>0</u>	<u>(112,767)</u>
Change in net assets	5,203,250	(666,793)	4,536,457	(4,147,051)
Net assets - beginning of year	<u>9,033,946</u>	<u>23,631,752</u>	<u>32,665,698</u>	<u>36,812,749</u>
Net assets - end of year	<u>\$14,237,196</u>	<u>\$22,964,959</u>	<u>\$37,202,155</u>	<u>\$32,665,698</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, 2021
(With comparative totals for the year ended June 30, 2020)

	Supporting Services			Total Expenses 6/30/21	Total Expenses 6/30/20*
	Program Services	Management and General	Fundraising		
Salaries and benefits	\$11,061,270	\$2,531,213	\$1,279,563	\$3,810,776	\$17,242,566
Rent and office management	1,081,267	196,053	68,804	264,857	1,529,224
Professional fees (including in-kind of \$9,664 and \$249,736)	313,043	87,833	35,339	123,172	974,261
Software and technology	519,258	186,828	40,750	227,578	801,066
Program recruiting, screening, training & events	592,552		2,090	2,090	924,951
Travel	2,469	72	713	785	360,409
Marketing	38,867	1,621	1,421	3,042	121,225
Staff recruiting and professional development	165,858	85,176	19,146	104,322	285,837
Insurance	146,294	27,567	5,467	33,034	172,698
Other expenses	16,423	23,200	63,245	86,445	667,188
Nonrecurring moving costs				0	112,767
Depreciation and amortization	1,072,697	21,517	10,835	32,352	844,843
Total expenses	15,009,998	3,161,080	1,527,373	4,688,453	24,037,035
Less:					
Direct special event expenses netted with revenue				0	(377,012)
Nonrecurring moving costs				0	(112,767)
Total expenses for statement of activities	\$15,009,998	\$3,161,080	\$1,527,373	\$4,688,453	\$23,547,256

*Reclassified for comparative purposes

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, 2021
(With comparative totals for the year ended June 30, 2020)

	6/30/21	6/30/20
Cash flows from operating activities:		
Change in net assets	\$4,536,457	(\$4,147,051)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation and amortization	1,105,049	844,843
Unrealized (gain)/loss on investments	(1,301,219)	2,452,288
Realized gain on investments	(128,911)	(2,817,088)
Donated stock	(4,777,060)	(4,862,599)
Changes in assets and liabilities:		
Contributions and grants receivable	2,408,366	4,414,428
Prepaid expenses and other receivables	552,703	(25,300)
Security deposits	4,350	267,492
Accounts payable and accrued expenses	(44,867)	(618,360)
Deferred revenue	10,000	(25,000)
Paycheck Protection Program loan payable	(757,462)	2,757,462
Deferred rent	54,859	816,536
Total adjustments	(2,874,192)	3,204,702
Net cash flows provided by/(used for) operating activities	1,662,265	(942,349)
Cash flows from investing activities:		
Purchase of fixed assets	(829,152)	(1,490,476)
Purchase of investments	(2,478,232)	(8,441,771)
Proceeds from sale of securities	7,109,272	13,279,638
Net cash flows provided by investing activities	3,801,888	3,347,391
Net increase in cash and cash equivalents	5,464,153	2,405,042
Cash and cash equivalents - beginning of year	11,779,946	9,374,904
Cash and cash equivalents - end of year	\$17,244,099	\$11,779,946
No interest or income taxes were paid.		
Supplemental disclosure of non-cash investing activities:		
Disposal of fixed assets:	\$4,076,342	\$729,892

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

iMENTOR, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 37,000 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 multiple years, building their relationships through weekly online communication and monthly in-person or virtual 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 Accounting

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.

b. Basis of Presentation

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.

c. Revenue Recognition

iMentor follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. 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.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met. Conditional pledges that have not been recognized amounted to \$419,673 and \$2,519,346 at June 30, 2021 and 2020, respectively.

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.

iMentor follows FASB's ASC 958-606. School, district, and partner fees revenue fall under ASC 958-606 and consist of contracts with various partner organizations, whereby revenue is recognized over the period of time iMentor is required to perform services to youth enrolled in its programs. Fees that have not been collected at year end are reflected as fees receivable. Amounts collected in advance are recognized as deferred revenue.

Management assesses the collectability of all outstanding receivables based upon past experience, historical trends, and specific knowledge of each donor. The allowance for doubtful accounts was approximately \$235,000 and \$270,000 at June 30, 2021 and 2020, respectively.

d. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to iMentor's ongoing services. Non-operating activities are limited to nonrecurring moving costs.

e. 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.

f. 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 \$16,816,292 and \$11,405,376 at June 30, 2021 and 2020, respectively. However, iMentor has not experienced any losses due to the failure of any financial institution.

g. 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.

h. 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.

i. 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.

j. 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>6/30/21</u>	<u>6/30/20</u>
Legal	\$9,664	\$103,845
Mentor community and recruitment strategy	0	58,724
Program curriculum, events and student learning	0	74,067
Computers for students	<u>0</u>	<u>12,740</u>
Total	<u>\$9,664</u>	<u>\$249,376</u>

k. Promotional Costs

Promotional costs are expensed as incurred.

l. 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.

m. 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 and amortization

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

n. 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, 2020, from which the summarized information was derived.

o. 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, 2018 and later are subject to examination by applicable taxing authorities.

p. New Accounting Pronouncements

FASB issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the June 30, 2023 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.

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

Note 3 - 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, 2021 and June 30, 2020, all investments were considered to be level 1 securities and consist of the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Equities – U.S.	\$3,592,566	\$2,820,116
Equities – non-U.S.	2,030,141	1,130,294
Bonds	3,554,274	3,667,368
Money Funds/Cash	<u>133,477</u>	<u>116,530</u>
Total	<u>\$9,310,458</u>	<u>\$7,734,308</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, 2021 and June 30, 2020 is as follows:

	<u>6/30/21</u>	<u>6/30/20</u>
Interest and dividends	\$174,957	\$252,790
Unrealized gain/(loss) – endowment	1,301,219	(2,452,288)
Realized gain on sale of investments - endowment	156,856	2,808,867
Realized (loss)/gain on sale of investments – other	(27,945)	8,221
Investment fees	<u>(56,012)</u>	<u>(23,620)</u>
Total	<u>\$1,549,075</u>	<u>\$593,970</u>

In January 2020, to lower risk in the endowment portfolio, iMentor modified their asset allocation from a growth to a balanced portfolio. This resulted in large, realized gains and unrealized losses for the year ended June 30, 2020 due to the original cost basis of the securities, some of which date back to the inception of the endowment.

Note 4 - Contributions Receivable

Contributions receivable are due in the following periods:

Year ending:	June 30, 2022	\$10,048,804
	June 30, 2023	2,297,433
	June 30, 2024	10,000
	Greater than five years	<u>685,754</u>
		\$13,041,991
Less: fair value discount at 2%		(95,107)
Less: allowance for doubtful accounts		<u>(235,203)</u>
Total		<u>\$12,711,681</u>

Note 5 - Other Receivables

In connection with the October 2020 move of the National and New York office, iMentor incurred certain costs for leasehold improvements for which the landlord agreed to provide reimbursement. As of June 30, 2020, the amount due from the landlord was \$405,303 and included as other receivables on the statement of financial position. It was received in the year ended June 30, 2021, resulting in the decrease in balance.

Note 6 - Fixed Assets

Fixed assets can be summarized as follows:

	<u>6/30/21</u>	<u>6/30/20</u>	<u>Useful Life</u>
Software and website	\$4,766,104	\$8,071,200	3 years
Leasehold improvements	65,103	67,684	<i>lower of the life of the lease or 7 years</i>
Computers and technology	588,342	527,855	3 years
Furniture and fixtures	<u>483,268</u>	<u>483,268</u>	7 years
	5,902,817	9,150,007	
Less: accumulated depreciation and amortization	<u>(4,061,426)</u>	<u>(7,032,719)</u>	
Total fixed assets, net	<u>\$1,841,391</u>	<u>\$2,117,288</u>	

Note 7 - Paycheck Protection Program Loan

During the years ended June 30, 2021 and 2020, iMentor obtained loans from the Small Business Administration ("SBA") through the Paycheck Protection Program ("PPP"). The loan terms indicate that if certain conditions are met, which include maintaining average workforces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a five-year and two-year period, respectively with a ten-month deferral of payments and interest will accrue at 0.98%.

iMentor accounts for these loans in accordance with ASC 958-605 as conditional contributions. iMentor met all conditions for the forgiveness of the first loan and recognized the entire loan balance of \$2,757,462 during the year ended June 30, 2021. The full balance of the second loan is reflected as a liability until all conditions have been met.

Note 8 - Employer Retention Tax Credit

During the year ended June 30, 2021, iMentor claimed the Employee Retention Tax Credit (“ERTC”) in the amount of \$2,041,333. The ERTC was established by the coronavirus relief act issued by congress during 2020 and allows an employer to obtain fully refundable tax credits through their payroll tax filings for qualified wages paid after March 13, 2020, through December 31, 2021. To be eligible, an employer must incur payroll costs to retain employees and be adversely affected by the COVID-19 pandemic due to having operations suspended by a government order or demonstrating that they had a significant decline in gross receipts.

iMentor accounts for the ERTC as a conditional contribution in accordance with ASC 958-605. The conditions for eligibility outlined above were met for the quarters claimed during the year ended June 30, 2021, and the full amount was recognized as revenue during the year then ended.

Note 9 - Net Assets with Donor Restrictions

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

	<u>6/30/21</u>	<u>6/30/20</u>
Purpose restrictions:		
Strategic capital	\$5,787,771	\$5,185,009
Direct and national programs	<u>5,059,636</u>	<u>6,194,701</u>
Total	<u>\$10,847,407</u>	<u>\$11,379,710</u>

Net assets with donor restrictions were available for the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Purpose restrictions:		
Strategic capital	\$11,453,524	\$15,381,493
Direct and national programs	<u>2,879,910</u>	<u>1,076,809</u>
Total purpose restrictions	14,333,434	16,458,302
Time restrictions	<u>685,753</u>	<u>685,753</u>
Total purpose and time restrictions	<u>15,019,187</u>	<u>17,144,055</u>
Endowment earnings	4,044,772	2,586,697
Endowment corpus	<u>3,901,000</u>	<u>3,901,000</u>
Total endowment	<u>7,945,772</u>	<u>6,487,697</u>
Total	<u>\$22,964,959</u>	<u>\$23,631,752</u>

Note 10 - Investments Held for Endowment

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 the 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 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, 2021 and 2020 are as follows:

	<u>June 30, 2021</u>		
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$2,586,697	\$3,901,000	\$6,487,697
Unrealized gain	1,301,219	0	1,301,219
Realized gain on investments	<u>156,856</u>	<u>0</u>	<u>156,856</u>
Endowment net assets, end of year	<u>\$4,044,772</u>	<u>\$3,901,000</u>	<u>\$7,945,772</u>

	<u>June 30, 2020</u>		
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$2,230,118	\$3,901,000	\$6,131,118
Unrealized loss	(2,452,288)	0	(2,452,288)
Realized gain on investments	<u>2,808,867</u>	<u>0</u>	<u>2,808,867</u>
Endowment net assets, end of year	<u>\$2,586,697</u>	<u>\$3,901,000</u>	<u>\$6,487,697</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, 2021 or 2020.

Note 11 - Special Events

iMentor hosts multiple special events throughout the year. Due to COVID-19, no events were held during fiscal year 2021 and iMentor's regional spring events were cancelled for the fiscal year 2020. The special events for fiscal year 2020 can be summarized as follows:

	<u>June 30, 2020</u>		
	<u>National</u>	<u>Regional</u>	<u>Total</u>
Gross contributions	\$4,667,705	\$21,478	\$4,689,183
Less: expenses with a direct benefit to donors	<u>(373,723)</u>	<u>(3,289)</u>	<u>(377,012)</u>
	4,293,982	18,189	4,312,171
Less: other event expenses	<u>(144,749)</u>	<u>(1,007)</u>	<u>(145,756)</u>
Total	<u>\$4,149,233</u>	<u>\$17,182</u>	<u>\$4,166,415</u>

Note 12 - Commitments and Contingencies

iMentor has a non-cancelable lease for office space in New York City. The lease commenced 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 this landlord. Additionally, iMentor has a lease for office space in Baltimore. The lease commenced in November 2019 and runs through October 2023. The minimum annual commitments for both lease payments are as follows:

Year ending:

June 30, 2022	\$1,193,041
June 30, 2023	1,172,848
June 30, 2024	1,171,352
June 30, 2025	1,199,510
June 30, 2026	1,283,982
Thereafter	<u>10,401,381</u>
Total	<u>\$16,422,114</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 January 23, 2022. The line is collateralized against iMentor's inventory, equipment, and receivables. The full amount of the line remains available as of June 30, 2021.

Note 13 - Related Party Transactions

During the years ended June 30, 2021, and 2020, the majority of donated legal services were performed by law firms of which members of iMentor's Regional Advisory Board and National Board of Directors are partners.

Note 14 - 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 15 - 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 \$333,435 net of forfeitures to the plan during the year ended June 30, 2020.

During the year ended June 30, 2021, iMentor temporarily suspended 401(k) matching resulting in a net forfeiture of \$1,839. The 401(k) match has been reinstated for the 2022 fiscal year.

Note 16 - 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 as follows:

Cash and cash equivalents	\$17,244,099	
Investments	1,364,686	
Contributions and grants receivable – due within one year	<u>10,048,804</u>	
Total financial assets		\$28,657,589
Less amounts not available for general expenditure:		
Net assets with donor restrictions:		
Purpose restrictions, less amounts due after one year		<u>(12,026,001)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$16,631,588</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 17 - Other Matters – COVID-19

Since the pandemic's start, iMentor students have been among those hardest hit by the COVID-19 pandemic and its effects on the economy. iMentor has focused in supporting iMentor students and mentors in the following areas:

Adapting our Program Design:

- Pivoting our program to 100% virtual to support pair engagement during the nationwide shut-down
- New programming to support students who wish to transfer from 2-year to a 4-year college
- Comprehensive resources created for students pursuing jobs after high school

Meeting Urgent Student Needs

- Distributed emergency grants to support students during this time
- Connected students with food banks, technology providers, shelters, and medical and mental health providers.

Creating New Mentoring Relationships

- Established 2,000 new mentor relationships
- Created new tools to support virtual advising sessions

Note 18 - Subsequent Events

Subsequent events have been evaluated through November 9, 2021, the date the financial statements were issued. The Organization has concluded that no other material events have occurred that are not accounted for in the accompanying financial statements or disclosed in the accompanying notes.