



## Audited Financial Statements

June 30, 2017

## **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, 2017, 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, 2017, 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.

### **Report on Summarized Comparative Information**

We have previously audited iMentor's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 24, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.



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Schall & Ashenfarb  
Certified Public Accountants, LLC

December 20, 2017

**iMENTOR, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2017**  
(With comparative totals at June 30, 2016)

	<u>6/30/17</u>	<u>6/30/16</u>
<b>Assets</b>		
Cash and cash equivalents	\$8,144,896	\$11,409,339
Contributions and grants receivable (Note 3)	5,471,166	6,008,879
Prepaid expenses	160,871	96,562
Investments (Note 4)	5,977,374	5,784,747
Fixed assets (net of accumulated depreciation) (Note 5)	1,882,973	2,581,505
Security deposits	<u>288,912</u>	<u>301,537</u>
 Total assets	 <u><u>\$21,926,192</u></u>	 <u><u>\$26,182,569</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$832,999	\$1,231,791
Deferred revenue	35,000	67,500
Deferred rent	<u>283,463</u>	<u>348,813</u>
 Total liabilities	 <u><u>1,151,462</u></u>	 <u><u>1,648,104</u></u>
Net assets:		
Unrestricted	7,855,920	7,068,527
Temporarily restricted (Note 6)	9,017,810	13,564,938
Permanently restricted (Note 7)	<u>3,901,000</u>	<u>3,901,000</u>
 Total net assets	 <u><u>20,774,730</u></u>	 <u><u>24,534,465</u></u>
 Total liabilities and net assets	 <u><u>\$21,926,192</u></u>	 <u><u>\$26,182,569</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, 2017**  
(With comparative totals for the year ended June 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 6/30/17</u>	<u>Total 6/30/16</u>
Public support and revenue:					
Contributions:					
Board contributions	\$2,477,000	\$16,675		\$2,493,675	\$772,688
Other individual contributions	692,145			692,145	290,535
Foundation contributions	2,038,776	2,648,300		4,687,076	3,554,474
Corporate contributions	121,981	621,715		743,696	1,070,275
Growth campaign contributions		2,051,283		2,051,283	1,051,017
In-kind contributions	368,662			368,662	121,128
Special events (Note 8)	1,136,321			1,136,321	2,341,283
Program fees	2,297,764			2,297,764	1,890,850
Rental income	90,636			90,636	53,240
Other income	16,644			16,644	16,663
Investment income (Note 4)	100,935	597,356		698,291	90,137
Net assets released from restriction (Note 6)	10,482,457	(10,482,457)		0	0
Total public support and revenue	<u>19,823,321</u>	<u>(4,547,128)</u>	<u>0</u>	<u>15,276,193</u>	<u>11,252,290</u>
Expenses:					
Program services	<u>13,628,143</u>			<u>13,628,143</u>	<u>11,316,563</u>
Supporting services:					
Management and general	2,999,907			2,999,907	2,954,539
Fundraising	2,407,878			2,407,878	1,626,746
Total supporting services	<u>5,407,785</u>	<u>0</u>	<u>0</u>	<u>5,407,785</u>	<u>4,581,285</u>
Total expenses	<u>19,035,928</u>	<u>0</u>	<u>0</u>	<u>19,035,928</u>	<u>15,897,848</u>
Change in net assets from operations	<u>787,393</u>	<u>(4,547,128)</u>	<u>0</u>	<u>(3,759,735)</u>	<u>(4,645,558)</u>
Non-operating activity:					
Loss on disposal of fixed assets				0	(69,019)
Total non-operating activity	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(69,019)</u>
Total change in net assets	787,393	(4,547,128)	0	(3,759,735)	(4,714,577)
Net assets - beginning of year	<u>7,068,527</u>	<u>13,564,938</u>	<u>3,901,000</u>	<u>24,534,465</u>	<u>29,249,042</u>
Net assets - end of year	<u><u>\$7,855,920</u></u>	<u><u>\$9,017,810</u></u>	<u><u>\$3,901,000</u></u>	<u><u>\$20,774,730</u></u>	<u><u>\$24,534,465</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, 2017**  
(With comparative totals for the year ended June 30, 2016)

	Supporting Services			Total Supporting Services	Total Expenses 6/30/17	Total Expenses 6/30/16
	Program Services	Management and General	Fundraising			
Salaries	\$7,426,146	\$1,614,474	\$1,465,166	\$3,079,640	\$10,505,786	\$8,828,108
Payroll taxes and benefits	1,645,060	322,437	281,737	604,174	2,249,234	1,944,405
Occupancy	875,971	275,489	144,094	419,583	1,295,554	1,255,377
Insurance	104,214	28,760	17,211	45,971	150,185	141,239
Professional fees (including in-kind of \$368,662)	633,365	336,896	202,145	539,041	1,172,406	823,089
Talent development	103,468	53,840	35,026	88,866	192,334	162,917
Office supplies and expenses	21,713	8,998	8,229	17,227	38,940	38,551
Advertising and marketing	84,577	44,748	43,413	88,161	172,738	210,300
Dues and subscriptions	3,625	24,589	8,076	32,665	36,290	29,400
Equipment lease and rental	14,357	3,083	2,073	5,156	19,513	23,296
Other expenses	24,155	19,171	55,847	75,018	99,173	150,221
Software and equipment	174,581	71,263	25,288	96,551	271,132	281,465
Photography and video	6,225	17,005	34,291	51,296	57,521	34,246
Research and evaluation	235,719			0	235,719	241,749
IT/telecommunications	152,847	34,299	18,758	53,057	205,904	195,245
Platform hosting	154,690			0	154,690	156,048
Travel and conferences	223,175	69,119	32,397	101,516	324,691	245,818
Program events	275,831			0	275,831	272,734
Background investigations	228,169	720	811	1,531	229,700	114,942
Depreciation and amortization	1,240,255	75,016	33,316	108,332	1,348,587	748,698
<b>Total</b>	<b>\$13,628,143</b>	<b>\$2,999,907</b>	<b>\$2,407,878</b>	<b>\$5,407,785</b>	<b>\$19,035,928</b>	<b>\$15,897,848</b>

*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, 2017**  
(With comparative totals for the year ended June 30, 2016)

	<u>6/30/17</u>	<u>6/30/16</u>
Cash flows from operating activities:		
Change in net assets	(\$3,759,735)	(\$4,714,577)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation and amortization	1,348,587	748,698
Unrealized (gain)/loss on investments	(600,889)	64,507
Realized loss on investments	3,533	2,772
Loss on disposal of fixed assets	0	69,019
Donated stock	(501,301)	(718,704)
Changes in assets and liabilities:		
Contributions and grants receivable	537,713	3,245,032
Prepaid expenses	(64,309)	94,942
Security deposits	12,625	(27,533)
Accounts payable and accrued expenses	(398,792)	173,205
Deferred revenue	(32,500)	52,500
Deferred rent	(65,350)	(53,804)
Total adjustments	<u>239,317</u>	<u>3,650,634</u>
Net cash flows used for operating activities	<u>(3,520,418)</u>	<u>(1,063,943)</u>
Cash flows from investing activities:		
Purchase of fixed assets	(650,055)	(1,244,193)
Purchase of investments	(91,893)	(150,602)
Proceeds from sale of donated stock	997,923	215,779
Net cash flows provided by/(used for) investing activities	<u>255,975</u>	<u>(1,179,016)</u>
Net decrease in cash and cash equivalents	(3,264,443)	(2,242,959)
Cash and cash equivalents - beginning of year	<u>11,409,339</u>	<u>13,652,298</u>
Cash and cash equivalents - end of year	<u><u>\$8,144,896</u></u>	<u><u>\$11,409,339</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, 2017**

**Note 1 - Nature of Entity**

iMentor, Inc. (“iMentor”) is a not-for-profit organization that was founded in 1999 to build mentoring relationships that empower students from low-income communities to graduate high school, succeed in college, and achieve their ambitions. In a world where talent is equally distributed, but opportunity is not, iMentor is fighting to rebalance the odds and give every young person a fair chance to realize their dreams. Since its founding, iMentor has matched more than 26,000 students with mentors and established a track record of significantly improving college outcomes and life opportunities for the students we serve. Together with our thousands of students, mentors, partners and supporters, iMentor is increasing the number of first-generation students who go to college, graduate with a degree, and are prepared to successfully enter the 21st century workforce.

iMentor has developed a unique model that leverages the community to bridge the human capital gaps in our nation’s public high schools, increasing their capacity to provide personalized support to students as they create pathways to college entrance and completion. We partner with high schools in low-income communities, where the majority of students will be the first in their family to go to college. We match every student in the school with a mentor. Mentors commit a minimum of three years to working with a single student before having the option to extend their match through college completion. In each year of their match, students and mentors work through a weekly, research-driven college success curriculum and receive individualized case management support from iMentor program staff, who are trained and certified college counselors. With this model, we are able to mobilize thousands of mentors each year to ensure that more low-income students receive the personalized support they need to enter, persist in, and complete college. In addition to our direct service programs, we partner with Big Brothers Big Sisters through our Partner Programs, which provide them with the technology, curriculum, training resources and ongoing consulting needed to implement the iMentor model in their local communities. Through our Partner Programs, we aim to increase the speed and breadth with which iMentor’s model is able to positively affect college outcomes for students from low-income communities around the country.

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

The financial statements 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

iMentor reports information regarding its financial position and activities according to the following classes of net assets:

- *Unrestricted* – represents all activity without donor-imposed restrictions.
- *Temporarily restricted* – accounts for activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities.
- *Permanently restricted* – accounts for activity restricted by donors that must remain intact in perpetuity.

c. Revenue Recognition

Contributions are considered available for general use and are recorded in the unrestricted class of net assets, unless the donor has made a specific restriction as to time or purpose. Those restricted contributions are recorded as temporarily or permanently restricted net assets, depending on the nature of the donor restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions received with restrictions that expire within the same reporting period are reported as unrestricted.

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

d. 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.

e. 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 \$8,141,185 and \$10,700,896, at June 30, 2017 and 2016, respectively. However, iMentor has not experienced any losses due to the failure of any financial institution.

f. 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. Management deems all pledges to be collectable and has not established a reserve for uncollectable pledges.

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 \$1,222,584 and \$2,250,000 at June 30, 2017 and 2016, respectively.

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. In-kind legal services of \$224,662 and \$121,128 have been recognized in 2017 and 2016, respectively. In addition, in-kind strategic planning consultant fees of \$144,000 have also been recognized in 2017.

k. Promotional Costs

Promotional costs are expensed as incurred.

l. Management 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. Expense Allocation

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. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for overall support and direction.

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, 2016, 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, 2014 and later are subject to examination by applicable taxing authorities.

p. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through December 20, 2017, the date the financial statements were available to be issued. All events that 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 have been made.

q. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

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.

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.

iMentor has not yet evaluated the impact these standards will have on future financial statements.

**Note 3 - Contributions Receivable**

Contributions receivable are due as follows:

Year ending June 30, 2018	\$4,970,615
Greater than five years	<u>685,754</u>
	5,656,369
Less: fair value discount at 2%	<u>(185,203)</u>
Total	<u>\$5,471,166</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, 2017 and June 30, 2016, all investments were considered to be level 1 securities and consist of the following:

	<u>6/30/17</u>	<u>6/30/16</u>
U.S. Treasuries Money Fund	\$591,976	\$552,833
Common Stocks – Large Cap	0	500,218
Mutual Funds:		
Equities	1,208,175	1,005,342
Bonds	1,179,148	1,160,923
Exchange Traded Funds:		
Large Cap	1,012,964	862,925
Large Growth	1,788,372	1,491,681
Commodity Index Fund	<u>196,739</u>	<u>210,825</u>
Total	<u>\$5,977,374</u>	<u>\$5,784,747</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, 2017 and June 30, 2016 is as follows:

	<u>6/30/17</u>	<u>6/30/16</u>
Interest and dividends – endowment	\$95,489	\$153,309
Interest and dividends – other	5,446	4,107
Realized loss on sale of investments	(3,533)	(2,772)
Unrealized gain/loss	<u>600,889</u>	<u>(64,507)</u>
Total	<u>\$698,291</u>	<u>\$90,137</u>

**Note 5 - Fixed Assets**

Fixed assets can be summarized as follows:

	<u>6/30/17</u>	<u>6/30/16</u>	<u>Useful Life</u>
Website and computer software	\$5,363,757	\$4,777,527	3 years
Computers and equipment	388,832	364,283	3 years
Leasehold improvements	606,823	581,823	5 years
Furniture and fixtures	<u>269,114</u>	<u>254,838</u>	7 years
	6,628,526	5,978,471	
Less: accumulated depreciation and amortization	<u>(4,745,553)</u>	<u>(3,396,966)</u>	
Fixed assets – net	<u>\$1,882,973</u>	<u>\$2,581,505</u>	

**Note 6 - Temporarily Restricted Net Assets**

Net assets were released from restriction for the following purposes:

	<u>6/30/17</u>	<u>6/30/16</u>
Satisfaction of program purposes:		
Growth Campaign	\$6,179,562	\$5,153,921
Social Innovation Fund	0	1,593,526
Direct and National Programs	<u>3,752,895</u>	<u>1,738,288</u>
Total programs	9,932,457	8,485,735
Specific time periods	<u>550,000</u>	<u>600,000</u>
Total	<u>\$10,482,457</u>	<u>\$9,085,735</u>

Temporarily restricted net assets were available for:

	<u>6/30/17</u>	<u>6/30/16</u>
Programs:		
Growth Campaign	\$6,179,561	\$10,307,840
Direct and National Programs	<u>850,183</u>	<u>1,416,388</u>
Total programs	7,029,744	11,724,228
Endowment	1,252,313	654,957
Specific time periods	<u>735,753</u>	<u>1,185,753</u>
Total	<u>\$9,017,810</u>	<u>\$13,564,938</u>

**Note 7 - Permanently Restricted Net Assets/Endowment Funds**

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

Absent any specific donor stipulations, when endowment funds have earnings in excess of amounts that need to be retained permanently, these excess amounts are classified as temporarily restricted net assets until appropriated for expenditure by the organization’s governing board.

*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 year ended:

	<u>June 30, 2017</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$728,572	\$654,957	\$3,901,000	\$5,284,529
Interest and dividend income	95,489	0	0	95,489
Unrealized gain	0	600,889	0	600,889
Realized loss on investments	<u>0</u>	<u>(3,533)</u>	<u>0</u>	<u>(3,533)</u>
Endowment net assets, end of year	<u>\$824,061</u>	<u>\$1,252,313</u>	<u>\$3,901,000</u>	<u>\$5,977,374</u>

June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$575,263	\$722,236	\$3,901,000	\$5,198,499
Interest and dividend income	153,309	0	0	153,309
Unrealized loss	0	(64,507)	0	(64,507)
Realized loss on investments	0	(2,772)	0	(2,772)
Endowment net assets, end of year	<u>\$728,572</u>	<u>\$654,957</u>	<u>\$3,901,000</u>	<u>\$5,284,529</u>

All investments, except for the \$500,218 in large cap common stocks at June 30, 2016, are specifically designated towards the endowment.

*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, 2017 or 2016.

**Note 8 - Special Events**

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

	June 30, 2017			
	<u>Benefit</u>	<u>Spring Event</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$1,172,375	\$71,465	\$103,077	\$1,346,917
Less: expenses with a direct benefit to donors	<u>(122,830)</u>	<u>(59,081)</u>	<u>(28,685)</u>	<u>(210,596)</u>
	1,049,545	12,384	74,392	1,136,321
Less: other event expenses	<u>(144,837)</u>	<u>(6,322)</u>	<u>(26,191)</u>	<u>(177,350)</u>
Total	<u>\$904,708</u>	<u>\$6,062</u>	<u>\$48,201</u>	<u>\$958,971</u>

	June 30, 2016			
	<u>Benefit</u>	<u>Spring Event</u>	<u>Other</u>	<u>Total</u>
Gross revenue	\$2,008,860	\$143,937	\$372,711	\$2,525,508
Less: expenses with a direct benefit to donors	<u>(129,847)</u>	<u>(50,055)</u>	<u>(4,323)</u>	<u>(184,225)</u>
	1,879,013	93,882	368,368	2,341,283
Less: other event expenses	<u>(132,289)</u>	<u>(16,408)</u>	<u>0</u>	<u>(148,697)</u>
Total	<u>\$1,746,724</u>	<u>\$77,474</u>	<u>\$368,368</u>	<u>\$2,192,586</u>

**Note 9 - Commitments and Contingencies**

iMentor has various separate non-cancelable leases for office spaces in New York City and Chicago that expire at various dates from 2017 through 2019. The minimum annual commitments for lease payments are as follows:

Year ending:	June 30, 2018	\$1,100,724
	June 30, 2019	1,125,037
	June 30, 2020	<u>476,893</u>
Total		<u>\$2,702,654</u>

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

iMentor has a contract with another entity to complete a multi-year evaluation study. The total commitment under the agreement is \$967,812 through 2018. Remaining payments as of June 30, 2017 totaled \$140,093.

Effective October 14, 2016, iMentor now maintains a revolving line of credit agreement with a financial institution whereby it is permitted to borrow a maximum of \$2,000,000 with an interest rate of LIBOR plus 2.50%. The line of credit expires on January 14, 2018. The line is collateralized against iMentor's inventory, equipment and receivables.

**Note 10 - 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 11 - 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 12 - 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. During the years ended June 30, 2017 and 2016, iMentor contributed \$237,560 and \$215,882 to the plan, respectively.