



## Audited Financial Statements

June 30, 2018

## **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, 2018, 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.

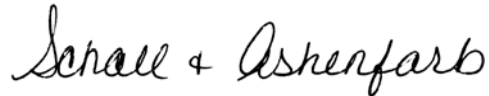
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb  
Certified Public Accountants, LLC

January 18, 2019

**iMENTOR, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2018**  
(With comparative totals at June 30, 2017)

	<u>6/30/18</u>	<u>6/30/17</u>
<b>Assets</b>		
Cash and cash equivalents	\$9,955,262	\$8,144,896
Contributions and grants receivable (Note 3)	18,885,643	5,471,166
Prepaid expenses	232,086	160,871
Investments (Note 4)	6,675,566	5,977,374
Fixed assets (net of accumulated depreciation) (Note 5)	1,352,545	1,882,973
Security deposits	283,812	288,912
	<u>                    </u>	<u>                    </u>
Total assets	<u><u>\$37,384,914</u></u>	<u><u>\$21,926,192</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$917,378	\$832,999
Deferred revenue	0	35,000
Deferred rent	183,783	283,463
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>1,101,161</u>	<u>1,151,462</u>
Net assets:		
Unrestricted	9,355,260	7,855,920
Temporarily restricted (Note 6)	23,027,493	9,017,810
Permanently restricted (Note 7)	3,901,000	3,901,000
	<u>                    </u>	<u>                    </u>
Total net assets	<u>36,283,753</u>	<u>20,774,730</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u><u>\$37,384,914</u></u>	<u><u>\$21,926,192</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, 2018**  
(With comparative totals for the year ended June 30, 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 6/30/18</u>	<u>Total 6/30/17*</u>
Public support and revenue:					
Contributions:					
Foundation contributions	\$2,086,005	\$3,450,100		\$5,536,105	\$4,687,076
Corporate contributions	186,420	1,796,820		1,983,240	743,696
Board contributions	3,514,094	9,025		3,523,119	2,493,675
Other individual contributions	561,908			561,908	692,145
Strategic captial contributions		19,291,824		19,291,824	2,051,283
Special events (Note 8)	1,300,615			1,300,615	1,136,321
In-kind contributions	201,548			201,548	368,662
School, district & partner fees	1,849,696			1,849,696	2,297,764
Rental income	202,136			202,136	90,636
Investment income (Note 4)	123,134	596,068		719,202	698,291
Other income	13,908			13,908	16,644
Net assets released from restriction (Note 6)	11,134,154	(11,134,154)		0	0
Total public support and revenue	<u>21,173,618</u>	<u>14,009,683</u>	<u>0</u>	<u>35,183,301</u>	<u>15,276,193</u>
Expenses:					
Program services	<u>14,760,724</u>			<u>14,760,724</u>	<u>13,628,143</u>
Supporting services:					
Management and general	2,169,945			2,169,945	2,999,907
Fundraising	2,743,609			2,743,609	2,407,878
Total supporting services	<u>4,913,554</u>	<u>0</u>	<u>0</u>	<u>4,913,554</u>	<u>5,407,785</u>
Total expenses	<u>19,674,278</u>	<u>0</u>	<u>0</u>	<u>19,674,278</u>	<u>19,035,928</u>
Change in net assets from operations	<u>1,499,340</u>	<u>14,009,683</u>	<u>0</u>	<u>15,509,023</u>	<u>(3,759,735)</u>
Total change in net assets	1,499,340	14,009,683	0	15,509,023	(3,759,735)
Net assets - beginning of year	<u>7,855,920</u>	<u>9,017,810</u>	<u>3,901,000</u>	<u>20,774,730</u>	<u>24,534,465</u>
Net assets - end of year	<u>\$9,355,260</u>	<u>\$23,027,493</u>	<u>\$3,901,000</u>	<u>\$36,283,753</u>	<u>\$20,774,730</u>

\* Reclassified for comparative purposes

*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, 2018**  
(With comparative totals for the year ended June 30, 2017)

	Supporting Services				Total Expenses 6/30/17*
	Management and General		Supporting Services		
	Program Services	Fundraising	Total	Total Expenses 6/30/18	
Salaries	8,439,883	\$1,152,275	\$1,709,557	\$2,861,832	\$11,301,715
Payroll taxes and benefits	1,731,210	210,755	322,172	532,927	2,264,137
Occupancy	1,118,226	91,102	160,086	251,188	1,369,414
Professional fees (including in-kind of \$201,548)	761,634	373,927	144,372	518,299	1,279,933
Software and equipment	573,223	44,160	63,934	108,094	681,317
Program recruiting, screening, training & events	388,318		11,517	11,517	399,835
Travel and conferences	271,827	21,736	36,839	58,575	330,402
Research and evaluation	161,441			0	161,441
Advertising and marketing	53,912	19,149	57,250	76,399	130,311
Staff recruiting and professional development	194,511	50,348	18,685	69,033	263,544
Insurance	114,114	11,962	18,000	29,962	144,076
Other expenses	31,062	5,599	316,951	322,550	353,612
Bad debt expense		92,349		92,349	92,349
Depreciation and amortization	921,363	96,583	145,332	241,915	1,163,278
Total expenses before direct event expenses netted with revenue	<u>\$14,760,724</u>	<u>\$2,169,945</u>	<u>\$3,004,695</u>	<u>\$5,174,640</u>	<u>\$19,935,364</u>
Less: direct special event expenses netted with revenue			(\$261,086)	(\$261,086)	(\$210,596)
Total expenses for Statement of Activities	<u>\$14,760,724</u>	<u>\$2,169,945</u>	<u>\$2,743,609</u>	<u>\$4,913,554</u>	<u>\$19,674,278</u>

\* 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, 2018**  
(With comparative totals for the year ended June 30, 2017)

	6/30/18	6/30/17
Cash flows from operating activities:		
Change in net assets	\$15,509,023	(\$3,759,735)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation and amortization	1,163,278	1,348,587
Unrealized gain on investments	(583,213)	(600,889)
Realized (gain)/ loss on investments	(12,855)	3,533
Donated stock	(1,214,334)	(501,301)
Changes in assets and liabilities:		
Contributions and grants receivable	(13,414,477)	537,713
Prepaid expenses	(71,215)	(64,309)
Security deposits	5,100	12,625
Accounts payable and accrued expenses	84,379	(398,792)
Deferred revenue	(35,000)	(32,500)
Deferred rent	(99,680)	(65,350)
Total adjustments	(14,178,017)	239,317
Net cash flows provided by/(used for) operating activities	1,331,006	(3,520,418)
 Cash flows from investing activities:		
Purchase of fixed assets	(632,850)	(650,055)
Purchase of investments	(114,979)	(91,893)
Proceeds from sale of donated stock	1,227,189	997,923
Net cash flows provided by investing activities	479,360	255,975
 Net increase/(decrease) in cash and cash equivalents	1,810,366	(3,264,443)
 Cash and cash equivalents - beginning of year	8,144,896	11,409,339
 Cash and cash equivalents - end of year	\$9,955,262	\$8,144,896

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, 2018**

**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 29,000 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.

**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. Pledges that are due in future years are treated as time restricted until the period they are due to be received. 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.

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 \$10,015,566 and \$8,141,185, at June 30, 2018 and 2017, 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. The allowance for doubtful accounts is \$260,702 at June 30, 2018. There was no allowance at June 30, 2017.

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 \$1,264,484 and \$1,222,584 at June 30, 2018 and 2017, 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.

The following in-kind services and donations were recorded:

	<u>6/30/18</u>	<u>6/30/17</u>
Legal	\$127,098	\$224,662
Strategic planning consultant fees	48,000	144,000
Data protection consultant fees	<u>26,450</u>	<u>0</u>
	<u>\$201,548</u>	<u>\$368,662</u>

In-kind gifts used for fundraising events, where the donor received a direct benefit, amounted to \$31,007 and \$34,560 during the year ended June 30, 2018 and 2017, 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.

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, 2017, 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, 2015 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 January 18, 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.

q. New Accounting Pronouncement

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, 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.

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, with early implementation permitted, 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, 2019	\$6,368,801
	June 30, 2020	3,724,500
	June 30, 2021	3,474,500
	June 30, 2022	3,474,500
	June 30, 2023	2,000,250
	Greater than five years	<u>685,754</u>
		19,728,305
Less: fair value discount at 2%		(581,960)
Less: allowance for doubtful accounts		<u>(260,702)</u>
Total		<u>\$18,885,643</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, 2018 and June 30, 2017, all investments were considered to be level 1 securities and consist of the following:

	<u>6/30/18</u>	<u>6/30/17</u>
U.S. Treasuries Money Fund	\$608,907	\$591,976
Mutual Funds:		
Equities	1,341,834	1,208,175
Bonds	1,176,517	1,179,148
Exchange Traded Funds:		
Large Cap	1,211,325	1,012,964
Large Growth	2,139,193	1,788,372
Commodity Index Fund	<u>197,790</u>	<u>196,739</u>
Total	<u>\$6,675,566</u>	<u>\$5,977,374</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, 2018 and June 30, 2017 is as follows:

	<u>6/30/18</u>	<u>6/30/17</u>
Interest and dividends – endowment	\$102,124	\$95,489
Interest and dividends – other	21,010	5,446
Realized gain (loss) on sale of investments	12,855	(3,533)
Unrealized gain	<u>583,213</u>	<u>600,889</u>
Total	<u>\$719,202</u>	<u>\$698,291</u>

**Note 5 - Fixed Assets**

Fixed assets can be summarized as follows:

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Useful Life</u>
Software and website	\$5,990,837	\$5,363,757	<i>3 years</i>
Leasehold improvements	606,823	606,823	<i>life of lease</i>
Computers and technology	394,602	388,832	<i>3 years</i>
Furniture and fixtures	<u>269,114</u>	<u>269,114</u>	<i>7 years</i>
	7,261,376	6,628,526	
Less: accumulated depreciation and amortization	<u>(5,908,831)</u>	<u>(4,745,553)</u>	
Fixed assets – net	<u>\$1,352,545</u>	<u>\$1,882,973</u>	

**Note 6 - Temporarily Restricted Net Assets**

Net assets were released from restriction for the following purposes:

	<u>6/30/18</u>	<u>6/30/17</u>
Satisfaction of program purposes:		
Strategic Capital	\$6,681,137	\$6,179,562
Direct and National Programs	<u>4,403,017</u>	<u>3,752,895</u>
Total programs	11,084,154	9,932,457
Specific time periods	<u>50,000</u>	<u>550,000</u>
Total	<u>\$11,134,154</u>	<u>\$10,482,457</u>

Temporarily restricted net assets were available for:

	<u>6/30/18</u>	<u>6/30/17</u>
Programs:		
Strategic Capital	\$18,790,250	\$6,179,561
Direct and National Programs	<u>1,703,109</u>	<u>850,183</u>
Total programs	20,493,359	7,029,744
Endowment	1,848,381	1,252,313
Specific time periods	<u>685,753</u>	<u>735,753</u>
Total	<u>\$23,027,493</u>	<u>\$9,017,810</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:

	June 30, 2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$824,061	\$1,252,313	\$3,901,000	\$5,977,374
Interest and dividend income	102,124	0	0	102,124
Unrealized gain	0	583,213	0	583,213
Realized gain on investments	0	12,855	0	12,855
Endowment net assets, end of year	<u>\$926,185</u>	<u>\$1,848,381</u>	<u>\$3,901,000</u>	<u>\$6,675,566</u>

	June 30, 2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
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	0	(3,533)	0	(3,533)
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>

*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, 2018 or 2017.

**Note 8 - Special Events**

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

	June 30, 2018		
	National	Regional	Total
Gross revenue	\$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>

	<u>June 30, 2017</u>		
	<u>National</u>	<u>Regional</u>	<u>Total</u>
Gross revenue	\$1,172,375	\$174,542	\$1,346,917
Less: expenses with a direct benefit to donors	<u>(122,830)</u>	<u>(87,766)</u>	<u>(210,596)</u>
	1,049,545	86,776	1,136,321
Less: other event expenses	<u>(144,837)</u>	<u>(32,513)</u>	<u>(177,350)</u>
Total	<u>\$904,708</u>	<u>\$54,263</u>	<u>\$958,971</u>

**Note 9 - Commitments and Contingencies**

iMentor has various separate non-cancelable leases for office spaces in New York City, Bay Area of California, and Chicago that expire at various dates from 2018 through 2020. The minimum annual commitments for lease payments are as follows:

Year ending:	June 30, 2019	\$1,149,347
	June 30, 2020	<u>476,893</u>
Total		<u>\$1,626,240</u>

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

Effective October 14, 2016, iMentor 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 was set to mature on January 14, 2018, however on October 11, 2017 iMentor received a three-month extension.

On February 26, 2018, iMentor renewed the line of credit agreement with modified terms, such that the maximum permitted borrowing amount was increased to \$3,000,000 with an interest rate of LIBOR plus 3.40%. The line of credit expires on March 12, 2019.

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, 2018 and 2017, iMentor contributed \$274,684 and \$237,560 to the plan, respectively.