MENTOR
THE NATIONAL MENTORING PARTNERSHIP

FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

THE NATIONAL MENTORING PARTNERSHIP, INC.

Contents
December 31, 2016 and 2015

AAFCPAs
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Independent Auditor's Report

To the Board of Directors of
The National Mentoring Partnership, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of The National Mentoring Partnership, Inc. (a District of Columbia corporation, not for profit) which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 The National Mentoring Partnership, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Alexander, Aronson, Finning & Co., P.C.

Boston, Massachusetts
June 12, 2017

THE NATIONAL MENTORING PARTNERSHIP, INC.

Statements of Financial Position
December 31, 2016 and 2015

Assets	**2016**	**2015**
Current Assets:		
Cash and cash equivalents	$ 2,182,885	$ 2,360,695
Restricted cash	25,670	33,853
Investments	53,825	54,827
Current portion of due from Illinois Mentoring Partnership	20,000	78,479
Current portion of pledges, grants and contracts receivable	1,652,651	865,061
Prepaid expenses	462,328	306,941
Total current assets	4,397,359	3,699,856
Deposits	18,661	18,238
Pledges and Grants Receivable, net of current portion and discount	49,000	99,123
Due from Illinois Mentoring Partnership, net of current portion and discount of $8,561 at December 31, 2016	140,594	-
Property and Equipment, net	160,710	172,515
Total assets	$ 4,766,324	$ 3,989,732
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	$ 856,421	$ 479,511
Grants payable - Pathways Initiative	25,670	33,853
Deferred revenue	747,604	541,326
Total current liabilities	1,629,695	1,054,690
Net Assets:		
Unrestricted	1,074,904	1,111,586
Temporarily restricted	2,035,175	1,791,906
Permanently restricted	26,550	31,550
Total net assets	3,136,629	2,935,042
Total liabilities and net assets	$ 4,766,324	$ 3,989,732

THE NATIONAL MENTORING PARTNERSHIP, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2016 and 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support:								
Special events:								
Event contributions and support	$ 170,762	$ -	$ -	$ 170,762	$ 1,747,552	$ -	$ -	$ 1,747,552
Less - direct expenses	45,077	-	-	45,077	337,146	-	-	337,146
Net special events revenue	125,685	-	-	125,685	1,410,406	-	-	1,410,406
Grants and contributions	1,893,144	2,139,000	-	4,032,144	1,728,543	1,449,000	-	3,177,543
Government contracts	2,002,095	-	-	2,002,095	747,059	-	-	747,059
Program income	799,731	-	-	799,731	401,973	-	-	401,973
Interest and other	29,369	-	-	29,369	7,852	-	-	7,852
Donated services	21,720	-	-	21,720	19,000	-	-	19,000
Net assets released from restrictions	1,887,211	(1,887,211)	-	-	845,480	(845,480)	-	-
Total revenue and support	6,758,955	251,789	-	7,010,744	5,160,313	603,520	-	5,763,833
Expenses:								
Program services:								
Mentoring affiliates support and development	1,246,836	-	-	1,246,836	1,278,756	-	-	1,278,756
Promotion, public education and policy	900,123	-	-	900,123	655,243	-	-	655,243
Product and program development	3,219,243	-	-	3,219,243	1,685,478	-	-	1,685,478
National Mentoring Summit	772,666	-	-	772,666	668,142	-	-	668,142
Total program services	6,138,868	-	-	6,138,868	4,287,619	-	-	4,287,619
Supporting services:								
General and administrative	372,733	-	-	372,733	351,786	-	-	351,786
Fundraising	297,556	-	-	297,556	203,599	-	-	203,599
Total supporting services	670,289	-	-	670,289	555,385	-	-	555,385
Total expenses	6,809,157	-	-	6,809,157	4,843,004	-	-	4,843,004
Changes in net assets from operations	(50,202)	251,789	-	201,587	317,309	603,520	-	920,829
Other Revenue:								
Donated office equipment	-	-	-	-	-	85,200	-	85,200
Net assets released from restrictions - capital	8,520	(8,520)	-	-	50,000	(50,000)	-	-
Donor redesignation	5,000	-	(5,000)	-	-	-	-	-
Changes in net assets	(36,682)	243,269	(5,000)	201,587	367,309	638,720	-	1,006,029
Net Assets:								
Beginning of year	1,111,586	1,791,906	31,550	2,935,042	744,277	1,153,186	31,550	1,929,013
End of year	$ 1,074,904	$ 2,035,175	$ 26,550	$ 3,136,629	$ 1,111,586	$ 1,791,906	$ 31,550	$ 2,935,042

The accompanying notes are an integral part of these statements.

THE NATIONAL MENTORING PARTNERSHIP, INC.

Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Changes in net assets	$ 201,587	$ 1,006,029
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Donated office equipment	-	(85,200)
Depreciation	54,678	29,871
Discount	8,684	-
Donated stocks	(26,647)	(53,352)
Net realized and unrealized (gains) losses on investments	79	(11)
Changes in operating assets and liabilities:		
Pledges and grants receivable	(737,590)	(629,166)
Due from Illinois Mentoring Partnership	(90,676)	(78,479)
Prepaid expenses	(155,387)	(81,247)
Deposits	(423)	-
Accounts payable and accrued expenses	376,910	170,187
Deferred revenue	206,278	126,656
Net cash provided by (used in) operating activities	(162,507)	405,288
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(42,873)	(93,204)
Proceeds from sale of investments	27,570	52,358
Net cash used in investing activities	(15,303)	(40,846)
Net Change in Cash and Cash Equivalents	(177,810)	364,442
Cash and Cash Equivalents:		
Beginning of year	2,360,695	1,996,253
End of year	$ 2,182,885	$ 2,360,695
Supplemental Disclosure of Non-Cash Operating Transactions:		
Donated office equipment	$ -	$ 85,200
Supplemental Disclosure of Cash Flow Information:		
Releases from restricted cash	$ 8,183	$ -

The accompanying notes are an integral part of these statements.

THE NATIONAL MENTORING PARTNERSHIP, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2016
(With Summarized Comparative Totals for the Year Ended December 31, 2015)

	2016								2015
	Program Services					Supporting Services			
	Mentoring Affiliates Support and Development	Promotion, Public Education and Policy	Product and Program Development	National Mentoring Summit	Total Program Services	General and Adminis-trative	Fundraising	Total	Total
Salaries and Related:									
Salaries	$ 597,103	$ 449,478	$ 436,785	$ 159,744	$ 1,643,110	$ 122,193	$ 194,994	$ 1,960,297	$ 1,592,824
Employee benefits	80,876	50,242	45,988	17,881	194,987	14,001	22,519	231,507	194,572
Payroll taxes	46,142	32,135	28,565	11,299	118,141	8,762	14,103	141,006	115,833
Total salaries and related	724,121	531,855	511,338	188,924	1,956,238	144,956	231,616	2,332,810	1,903,229
Other:									
Consultants and program service contractors	178,768	33,038	2,187,390	84,903	2,484,099	7,928	11,050	2,503,077	1,060,275
Conference and meeting	147,544	79,020	79,156	381,084	686,804	17,003	20,656	724,463	590,602
Grants and awards	1,850	-	325,000	-	326,850	-	-	326,850	418,189
Marketing and advertising	6,880	175,357	29,826	10,161	222,224	355	701	223,280	253,449
Rent	106,232	37,921	37,200	13,477	194,830	9,288	16,451	220,569	189,686
Professional services	-	-	-	-	-	106,625	-	106,625	108,430
Office supplies and services	25,974	9,696	12,218	23,106	70,994	3,545	2,869	77,408	57,461
Postage and printing	9,378	1,807	5,669	44,979	61,833	628	2,871	65,332	73,427
Depreciation	4,492	5,281	5,181	1,877	16,831	35,556	2,291	54,678	29,871
Dues and subscriptions	9,201	10,387	10,715	972	31,275	586	2,224	34,085	32,746
Telephone and communication services	15,648	4,824	4,733	1,734	26,939	1,343	2,081	30,363	29,840
Licenses and fees	345	533	609	14,610	16,097	10,216	231	26,544	31,524
Insurance	3,148	6,003	5,885	2,134	17,170	3,213	2,604	22,987	26,813
Equipment rental and maintenance	12,125	2,172	2,131	3,913	20,341	583	942	21,866	9,686
Donated professional services	-	-	-	-	-	21,720	-	21,720	19,000
Miscellaneous	405	817	807	290	2,319	8,804	356	11,479	2,315
Utilities	725	1,412	1,385	502	4,024	384	613	5,021	6,461
Total other	522,715	368,268	2,707,905	583,742	4,182,630	227,777	65,940	4,476,347	2,939,775
Total expenses	$ 1,246,836	$ 900,123	$ 3,219,243	$ 772,666	$ 6,138,868	$ 372,733	$ 297,556	$ 6,809,157	$ 4,843,004

The accompanying notes are an integral part of these statements.

THE NATIONAL MENTORING PARTNERSHIP, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2015

	Program Services					Supporting Services		
	Mentoring Affiliates Support and Development	Promotion, Public Education and Policy	Product and Program Development	National Mentoring Summit	Total Program Services	General and Adminis-trative	Fundraising	Total
Salaries and Related:								
Salaries	$ 703,852	$ 241,681	$ 312,435	$ 92,845	$ 1,350,813	$ 122,540	$ 119,471	$ 1,592,824
Employee benefits	84,876	29,866	38,347	11,528	164,617	15,176	14,779	194,572
Payroll taxes	49,724	18,174	22,718	7,016	97,632	9,232	8,969	115,833
Total salaries and related	838,452	289,721	373,500	111,389	1,613,062	146,948	143,219	1,903,229
Other:								
Consultants and program service contractors	80,551	45,671	813,821	79,202	1,019,245	17,359	23,671	1,060,275
Conference and meeting	111,353	18,508	52,569	379,880	562,310	15,402	12,890	590,602
Grants and awards	68,189	-	349,003	997	418,189	-	-	418,189
Marketing and advertising	4,551	230,285	1,700	16,686	253,222	195	32	253,449
Rent	110,128	22,079	28,488	10,641	171,336	7,436	10,914	189,686
Professional services	-	-	-	-	-	108,430	-	108,430
Office supplies and services	9,330	14,270	10,571	16,516	50,687	4,753	2,021	57,461
Postage and printing	4,515	7,663	26,288	33,397	71,863	539	1,025	73,427
Depreciation	17,748	2,084	2,893	800	23,525	5,316	1,030	29,871
Dues and subscriptions	9,044	11,355	8,526	1,408	30,333	1,048	1,365	32,746
Telephone and communication services	14,604	4,007	4,684	2,507	25,802	2,022	2,016	29,840
Licenses and fees	590	413	574	11,189	12,766	17,884	874	31,524
Insurance	4,697	5,650	7,842	2,171	20,360	3,660	2,793	26,813
Equipment rental and maintenance	3,297	1,664	2,419	639	8,019	844	823	9,686
Donated professional services	-	-	-	-	-	19,000	-	19,000
Miscellaneous	401	507	704	195	1,807	257	251	2,315
Utilities	1,306	1,366	1,896	525	5,093	693	675	6,461
Total other	440,304	365,522	1,311,978	556,753	2,674,557	204,838	60,380	2,939,775
Total expenses	$ 1,278,756	$ 655,243	$ 1,685,478	$ 668,142	$ 4,287,619	$ 351,786	$ 203,599	$ 4,843,004

1. OPERATIONS AND NONPROFIT STATUS

The National Mentoring Partnership, Inc. (the Organization) is a national not-for-profit corporation established in 1990 in the District of Columbia. The Organization's mission is to fuel the quality and quantity of mentoring relationships for America's young people and to close the mentoring gap. The Organization drives the investment of time and money into high impact mentoring programs through advocacy, influence strategy and public awareness. The Organization advances quality mentoring through the development and delivery of standards, cutting-edge research, state of-the-art tools, and a national network of local capacity and movement builders. The Organization has four major program areas:

MENTOR Affiliates Network Support and Development

The Organization scales impact by developing and supporting a national network of affiliates. These affiliates are non-partisan, public-private organizations that galvanize local or statewide mentoring movements. They provide the leadership and infrastructure necessary to support the expansion of quality mentoring relationships. These affiliates also serve a unique role as a clearinghouse for training, resources, public awareness and advocacy, providing the critical link between the Organization's national efforts and local organizations and programs that foster and support quality mentoring relationships. As designated affiliates they inform and distribute our research and resources.

The Organization's affiliates are focused on the following key priorities:

- Advancing the quality of the local mentoring field by building relationships with new and existing mentoring programs and providing capacity building trainings and technical assistance grounded in evidence-based approaches.

- Engaging a wide variety of public and private stakeholders to increase both the number of volunteer mentors as well as resources for the local mentoring field.

- Collecting data on a regular basis to describe the impact of mentoring in the broader community and identify gaps in the range of services needed.

- Expanding public and private support and investment in mentoring through public awareness and advocacy efforts that foster communities that prioritize quality youth mentoring.

The Organization acts as a fiscal sponsor for one of these affiliates and their expenses of $718,775 and $746,770 as of December 31, 2016 and 2015, respectively, are included in the total expenses for this program area in the accompanying statements of functional expenses.

Promotion, Public Education and Policy

The Organization educates the general public, policymakers, and the private sector about the effectiveness of mentoring as a proven strategy for helping young people become successful adults and seeks increased systemic integration of mentoring. Annual activities include leading cause elevating campaigns including the Organization's signature campaigns *In Real Life* and *Mentoring Flipped*, National Mentoring Month in January, the Corporate Mentoring Challenge, and the Coaches Challenge.

1. OPERATIONS AND NONPROFIT STATUS (Continued)

Product and Program Development

One of the Organization's core priorities is to drive excellence and rigor so that the quality and quantity of mentoring and mentoring experiences are enhanced across thousands of programs in America. The Organization does this by establishing nationally recognized standards for safe and effective mentoring programs called *The Elements of Effective Practice for Mentoring*™, developing tools to disseminate these evidenced-based practices and share innovation across the mentoring field, operating the only national database for volunteer mentoring opportunities, and informing and implementing new research to increase and enhance the impact of quality mentoring programs across the country.

National Mentoring Summit

Annually the Organization convenes the *National Mentoring Summit* in Washington D.C. The National Mentoring Summit is the only national convening of youth mentoring professionals, researchers, corporate partners, and government and civic leaders. The National Mentoring Summit allows attendees to collectively strengthen and expand quality mentoring relationships for youth nationwide. Since inception in 2010, the National Mentoring Summit has grown more than three-fold and reached over 1,000 attendees in 2016.

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Contributions made to the Organization are deductible by donors within the requirements of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization's financial statements have been prepared in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP). References to U.S. GAAP in these notes are to the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Allowance for Uncollectible Accounts

The Organization records an allowance for uncollectible accounts based on management's analysis of specific accounts and their estimate of amounts that may become uncollectible. Accounts are written off when they are determined to be uncollectible and are recorded as bad debt. There was no allowance for uncollectible accounts deemed necessary as of December 31, 2016 and 2015.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at the estimated market value at the date of gift, if donated. Renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred. Property and equipment are depreciated using the straight-line method over the following estimated useful lives and consist of the following at December 31:

	Estimated Useful Lives	2016	2015
Computer software and technology	3 years	$ 185,829	$ 142,956
Furniture and equipment	3 - 10 years	99,963	99,963
Leasehold improvements	Lesser of life of lease or 10 years	7,950	7,950
		293,742	250,869
Less - accumulated depreciation		133,032	78,354
Net property and equipment		$ 160,710	$ 172,515

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements,* for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The Organization values all of its qualifying assets and liabilities using Level 1 inputs.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of checking and money market accounts.

Investments

If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Investments are recorded in the financial statements at fair value. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date. Realized gains or losses on investment transactions are recorded using the average cost method. Unrealized gains and losses are recognized based on market value changes during the period (see Note 3).

Grants and Awards

Grants and awards are recorded when approved and all conditions have been satisfied.

Net Assets

Unrestricted Net Assets

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Organization.

Temporarily Restricted Net Assets

Temporarily restricted net assets represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose (purpose restricted) or amounts for use in future periods (time restricted). Temporarily restricted net assets consist of the following at December 31:

	2016	2015
Purpose restricted	$ 1,249,175	$ 1,291,906
Time restricted	786,000	500,000
	$ 2,035,175	$ 1,791,906

Permanently Restricted Net Assets

Permanently restricted net assets represent net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The income earned on these net assets is unrestricted for operations.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue from special events is recognized in the period in which the event occurs. Unrestricted grants and contributions are recorded when unconditionally pledged or received. Government contract revenue is recorded over the contract period as costs are incurred. Program income includes conference revenue which is recognized in the year the conference occurs.

The Organization reports gifts of cash and other assets as temporarily restricted grants and contributions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Amounts received for the annual conference in advance of the fiscal year in which the conference is held are reflected as deferred revenue in the accompanying statements of financial position.

The Organization has chosen, under the provisions of U.S. GAAP, to imply a time restriction on grants restricted by donors to be used for the acquisition of property and equipment and donated software and equipment. The restriction is met over the useful life of the restricted assets and transfers are made to unrestricted net assets each year equal to that years' depreciation.

Expense Allocation

Expenses related directly to a program are allocated to program expenses, while other expenses are allocated based upon management's estimate of the percentage attributable to program services, general and administrative and fundraising.

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenue and support and operating expenses on the accompanying statements of activities and changes in net assets. Other revenue includes activity related to donated office equipment and capital grant activity.

Donated Services and Office Equipment

Organizations provide pro-bono services to the Organization in support of various aspects of its programs. The fair value of these services, as determined by the donors, is reflected as donated services and donated professional services in the accompanying statements of activities and changes in net assets and functional expenses, respectively. The Organization received $21,720 and $19,000 of donated legal services during 2016 and 2015, respectively. Donated office equipment is recorded at fair value at the time of donation.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Stock

Donated stock is recorded at fair value on the date of the gift. During 2016 and 2015, the Organization received stock donations valued at $26,647 and $53,352, respectively, which are included in grants and contributions in the accompanying statements of activities and changes in net assets. These stocks were immediately sold upon receipt and the proceeds invested in money market accounts.

Subsequent Events

Subsequent events have been evaluated through June 12, 2017, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2016 and 2015. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

3. INVESTMENTS

Investments are presented in the accompanying financial statements at fair value. The Organization's investments consist of the following as of December 31:

	2016			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	$ 53,825	$ -	$ -	$ 53,825

	2015			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	$ 54,827	$ -	$ -	$ 54,827

Investment earnings consisted of a realized loss of $79 and a realized gain of $11 for the years ended December 31, 2016 and 2015, respectively, which is included in interest and other on the accompanying statements of activities and changes in net assets.

There were no investment fees for the years ended December 31, 2016 and 2015.

The Organization intends to hold its investments as available for use in operations. Accordingly, the investments are shown as current assets in the accompanying statements of financial position. Investments are not insured and are subject to ongoing market fluctuations.

4. PLEDGES, GRANTS AND CONTRACTS RECEIVABLE

Pledges, grants and contracts receivable are recorded at their net present value when unconditionally committed or as contract services are provided and consist of amounts committed for programs and general operating support and are due as follows at December 31:

	2016	2015
Amounts due in:		
Less than one year	$ 1,652,651	$ 865,061
One to three years	$ 49,000	$ 99,123

The pledges and grants receivable have been discounted by $1,000 and $877 using a 2% interest rate at December 31, 2016 and 2015, respectively.

5. LEASES

The Organization leases office space in Boston, Massachusetts, originally under a twenty-six month operating lease agreement, which commenced in January 2013, and required monthly payments of $5,090, which increased annually as defined in the agreement. The Organization signed a new lease for this space in February 2015, and added an additional 750 square feet of office space. This new lease commenced in April 2015, and included three months of free rent and expires in June 2018. This lease requires monthly payments of $9,867, which will increase annually as defined in the agreement. Rent expense, including storage costs, for this office space was $127,017 and $96,762 for the years ended December 31, 2016 and 2015, respectively.

The Organization leases an additional office space in New York, New York, under a five-year lease agreement expiring on October 31, 2017. Monthly payments under the agreement are $5,902, with annual increases of 2%. Rent expense, including storage costs, for this office space was $77,630 and $80,308 for the years ended December 31, 2016 and 2015, respectively.

Additionally, in July 2016, the Organization entered into a twelve month lease for space in Washington, DC. Monthly payments under this lease are $1,030. Rent expense was $6,122 for the year ended December 31, 2016.

In accordance with the U.S. GAAP standard for *Accounting for Leases*, the Organization has recorded rent for these agreements on a straight-line basis over the term of the lease regardless of actual cash payments. The Organization has recorded $21,298 and $29,052 of deferred rent as of December 31, 2016 and 2015 respectively, which is included in accounts payable and accrued expenses in the accompanying statements of financial position.

Remaining future minimum cash lease payments under the lease agreements are as follows:

2017	$ 192,012
2018	$ 62,400

The Organization leases office equipment under various operating leases expiring through May 2018. Future minimum payments under these lease agreements are as follows:

Fiscal Year	Amount
2017	$ 4,863
2018	$ 1,892

6. PENSION PLAN

The Organization has a defined contribution pension plan covering all eligible employees. Employees become eligible to participate on their date of hire. Employees are eligible for employer matching contributions immediately upon joining the plan and for other discretionary employer contributions after one year of employment. The Organization matches the employee's contribution up to 2% of the employee's compensation immediately upon joining the plan and contributes 3% of each eligible employee's compensation to the plan after a one-year period from their date of hire. The Organization's contributions to employees' accounts vest 100% when made.

Pension expense was $75,581 and $59,071 for the years ended December 31, 2016 and 2015, respectively, which is included in employee benefits in the accompanying statements of functional expenses.

7. PATHWAYS INITIATIVE

Pathways was a program designed to give young people living in high-risk environments the adult guidance and tangible incentives they need to aspire, achieve and develop to their fullest potential. Pathways set aside $10,000 for each economically disadvantaged youth who took part in mentoring and economic self-sufficiency programs. This program has ended and no additional amounts are being accrued or set aside.

As of December 31, 2016 and 2015, the Organization has committed $25,670 and $33,853, respectively, for seven Pathways' participants and graduates, which is reflected as a liability in the accompanying statements of financial position. Funds the Organization has committed to the Pathways Initiative are presented as restricted cash in the accompanying statements of financial position. Management is in the process of determining final distribution of these funds.

8. COMMITMENTS

The Organization is under contractual agreements with a hotel for two events through 2018 for room rentals for participants at the Organization's annual conference. If the Organization cancels these agreements or does not fill the rooms under agreement, there are certain penalties the Organization may have to pay. These penalties range from approximately $128,000 to $331,000, per agreement, dependent on proximity of cancellation to the scheduled event. Management anticipates that no material penalties will be incurred, and therefore, no liability has been recorded in the accompanying financial statements.

9. CONDITIONAL COMMITMENT

During fiscal year 2012, the Organization agreed to support the UMass Boston Center for Evidence Based Mentoring (UMass) to help further research in the mentoring field, which is the Organization's overall mission. The Organization committed to support at a cost to the Organization not to exceed $1,000,000 over seven years, conditional upon UMass increasing research in the mentoring field and being operated in a manner acceptable to the Organization. Two members of the Board of Directors have guaranteed this commitment. The operations of UMass commenced during fiscal year 2012.

The Organization paid $150,000 and $75,000 under this agreement, which is included in grants and awards in the accompanying statements of functional expenses for the years ended December 31, 2016 and 2015, respectively. Amounts paid by the Organization in future years will be shown as an expense when conditions are met.

10. CONCENTRATIONS

Credit Risk

The Organization maintains its cash balances in Massachusetts and New York banks. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain amounts. During the years ended December 31, 2016 and 2015, the Organization's cash balances exceeded the insured amounts. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on its cash.

Funding

The Organization received approximately 29% and 13% of its total revenue and support from the United States Department of Justice (DOJ) during fiscal years 2016 and 2015, respectively. Approximately 81% and 40% of the Organization's pledges, grants and contracts receivable at December 31, 2016 and 2015, respectively, are due from the DOJ.

Approximately 15% of the Organization's pledges, grants and contracts receivable at December 31, 2016 are due from three donors. Approximately 11% and 13% of the Organization's revenue and support at December 31, 2016 and 2015, respectively, was from one donor.

Payments to the Organization are subject to audit by the DOJ. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of the Organization as of December 31, 2016 and 2015, or on the changes in net assets for the years then ended.

11. ILLINOIS MENTORING PARTNERSHIP

Effective February 2014, the Organization began functioning as Illinois Mentoring Partnership's (ILMP) fiscal agent on a pro-bono basis. For the year ended December 31, 2016, the Organization disbursed $90,676 on behalf of ILMP. This amount is included in grants and awards in the accompanying statements of activities and changes in net assets. For the year ended December 31, 2015, the Organization received $198,505, net of a grant of $60,000, and disbursed $273,503 on behalf of ILMP.

At December 31, 2016 and 2015, the Organization was due $169,155 and $78,479, respectively, from ILMP, which is included in due from ILMP in the accompanying statements of financial position.

12. RECLASSIFICATION

Certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation.