

OREGON MENTORS

**Reviewed Financial
Statements**

**For the Year Ended
June 30, 2007**



McDONALD JACOBS

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ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Oregon Mentors
Portland, Oregon

We have reviewed the accompanying statement of financial position of Oregon Mentors, (an Oregon Nonprofit Corporation), as of June 30, 2007 and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Oregon Mentors.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

McDonald Jacobs, P.C.

December 12, 2007

Strength in Numbers

ACCOUNTANTS & CONSULTANTS

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OREGON MENTORS
STATEMENT OF FINANCIAL POSITION
June 30, 2007

ASSETS

Cash and cash equivalents	\$ 143,982
Pledges and grants receivable	142,396
Prepaid expenses	4,776
Property and equipment, net	<u>2,174</u>
 TOTAL ASSETS	 <u>\$ 293,328</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ <u>21,575</u>
 Total liabilities	 <u>21,575</u>
 Net assets:	
Unrestricted:	
Undesignated	59,182
Net property and equipment	<u>2,174</u>
Total unrestricted	61,356
Temporarily restricted	<u>210,397</u>
Total net assets	<u>271,753</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 293,328</u>

See accountant's review report and notes to financial statements.

OREGON MENTORS
STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions and grants	\$ 39,814	\$ 231,500	\$ 271,314
Donated materials and services	16,350	-	16,350
Special event income, net of direct expenses of \$19,113	138,937	50,500	189,437
Interest income	3,139	-	3,139
Other income	2,447	-	2,447
Net assets released from restrictions:			
Satisfaction of program and time restrictions	<u>102,552</u>	<u>(102,552)</u>	<u>-</u>
Total support and revenue	<u>303,239</u>	<u>179,448</u>	<u>482,687</u>
Expenses:			
Program services	347,901	-	347,901
Management and general	64,510	-	64,510
Fundraising	<u>82,935</u>	<u>-</u>	<u>82,935</u>
Total expenses	<u>495,346</u>	<u>-</u>	<u>495,346</u>
	(192,107)	179,448	(12,659)
Initial contribution from Portland Business Alliance Charitable Institute	<u>253,463</u>	<u>30,949</u>	<u>284,412</u>
Change in net assets	61,356	210,397	271,753
Net assets:			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 61,356</u>	<u>\$ 210,397</u>	<u>\$ 271,753</u>

See accountant's review report and notes to financial statements.

OREGON MENTORS
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2007

	Program Services							
		Training and		Certification	Total	Management and		
	Advocacy	Volunteer Recruitment	Technical Assistance	and Program Visits	Program Services	General	Fundraising	Total
Salaries and related expenses	\$ 55,693	\$ 49,726	\$ 67,627	\$ 25,857	\$ 198,903	\$ 40,951	\$ 52,651	\$ 292,505
Professional fees	8,411	7,510	10,213	3,905	30,039	6,185	7,952	44,176
Marketing and public relations	10,117	9,034	12,286	4,698	36,135	7,440	9,565	53,140
Direct program expenses	9,683	8,646	11,758	4,496	34,583	-	-	34,583
Telephone	1,273	1,136	1,545	591	4,545	936	1,203	6,684
Postage and shipping	557	498	676	259	1,990	410	526	2,926
Rent	3,142	2,805	3,815	1,459	11,221	2,310	2,970	16,501
Equipment and maintenance	183	164	222	85	654	135	173	962
Printing	1,267	1,132	1,539	588	4,526	932	1,198	6,656
Travel	2,183	1,949	2,650	1,013	7,795	1,605	2,063	11,463
Conferences and meetings	1,612	1,440	1,958	749	5,759	1,186	1,524	8,469
Training and staff development	1,071	956	1,300	497	3,824	787	1,012	5,623
Office expense	1,035	924	1,257	481	3,697	761	978	5,436
Insurance	294	263	358	137	1,052	217	279	1,548
Bank fees	99	88	120	46	353	73	93	519
Miscellaneous	605	540	735	281	2,161	445	572	3,178
Depreciation	186	166	226	86	664	137	176	977
Total expenses	<u>\$ 97,411</u>	<u>\$ 86,977</u>	<u>\$ 118,285</u>	<u>\$ 45,228</u>	<u>\$ 347,901</u>	<u>\$ 64,510</u>	<u>\$ 82,935</u>	<u>\$ 495,346</u>

See accountant's review report and notes to financial statements.

OREGON MENTORS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2007

Cash flows from operating activities:	
Change in net assets	\$ 271,753
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Noncash contribution from Portland Business Alliance Charitable Institute	(129,283)
Depreciation	978
(Increase) decrease in:	
Pledges and grants receivable	(17,446)
Prepaid expenses	(807)
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>20,637</u>
Net cash provided by operating activities	<u>145,832</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(1,850)</u>
Net cash used in investing activities	<u>(1,850)</u>
Net increase in cash and cash equivalents	143,982
Cash and cash equivalents - beginning of year	<u>-</u>
Cash and cash equivalents - end of year	<u><u>\$ 143,982</u></u>

See accountant's review report and notes to financial statements.

OREGON MENTORS
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Oregon Mentors (the Organization) is a business-led, community driven nonprofit organization dedicated to the dramatic expansion of quality mentoring programs that put caring adults into the lives of Oregon youth in danger of not succeeding in school and in life. The Organization was created to recruit and train mentors and provide technical assistance and resources to expand the capacities of statewide mentoring programs. Oregon Mentors is supported primarily through donor contributions and grants. The programs of the Organization include:

- **Advocacy:** The Organization advocates on behalf of targeted programs to obtain funding from local, regional and national foundations.
- **Volunteer Recruitment:** The Organization actively recruits potential mentors for our member programs by working with businesses, membership organization, and other groups to encourage involvement in mentoring.
- **Training and Technical Assistance:** The Organization provides "Mentoring 101" and "Elements of Effective Practice" training classes to mentoring programs in Oregon, as well as one-on-one technical assistance.

Prior to July 1, 2006, the programs of the Organization were operated as a program of the Portland Business Alliance Charitable Institute (PBACI). On July 1, 2006, the Organization became a separate nonprofit corporation and net assets of \$284,412 were received from PBACI, primarily consisting of cash of approximately \$155,000 and pledges receivable of approximately \$125,000.

OREGON MENTORS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.
- Permanently restricted net assets represent net assets subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization had only unrestricted and temporarily restricted net assets at June 30, 2007.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation

Depreciation of furniture and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 5 years.

Income Tax Status

Oregon Mentors is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

See accountant's review report.

OREGON MENTORS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Donated Assets and Services

Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. During the year ended June 30, 2007, the Organization recorded contributed rent of \$16,200.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Pledges Receivable

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the 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 restrictions.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

See accountant's review report.

OREGON MENTORS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable represent unsecured promises of future contributions and are expected to be received as follows:

Receivable within one year	\$ 70,396
Due in two to five years	<u>72,000</u>
Pledges and grants receivable	\$ <u><u>142,396</u></u>

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2007:

Furniture and equipment	\$ 45,943
Less accumulated depreciation	<u>43,769</u>
Property and equipment, net	\$ <u><u>2,174</u></u>

4. LEASE COMMITMENTS

The Organization entered into a lease for office facilities located in Portland, Oregon under an operating lease which expires August 2011. The Organization is provided the space at no cost and an estimated in-kind value of \$16,200.

The Organization entered into a lease for office facilities located in Medford, Oregon under an operating lease which expires March 2008 and may be renewed for an additional one-year period. Annual rent under this agreement is \$1.

See accountant's review report.

OREGON MENTORS
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2007:

Specific mentoring programs	\$ 138,397
Time restricted	<u>72,000</u>
Total temporarily restricted net assets	\$ <u>210,397</u>

6. RETIREMENT PLAN

The Organization has a SIMPLE IRA plan covering all full-time employees meeting certain eligibility requirements. Under the plan, employees are eligible to contribute up to the statutory limit of their pre-tax earnings each period and the Organization will match employee contributions up to 3% percent. Plan contributions during the year ended June 30, 2007 totaled \$5,496.

7. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in one financial institution located in Portland. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. The balance, at times, may exceed the federally insured limit.

See accountant's review report.