

THE MASS MENTORING PARTNERSHIP, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE AMOUNTS FOR 2009)
(With Independent Auditor's Report Thereon)



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INDEPENDENT AUDITOR'S REPORT

BOARD OF DIRECTORS
THE MASS MENTORING PARTNERSHIP, INC.
Boston, Massachusetts

We have audited the accompanying statement of financial position of The Mass Mentoring Partnership, Inc. (a non-profit organization) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements and, in our report dated August 3, 2010, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2010 financial statements referred to above present fairly, in all material respects, the financial position of The Mass Mentoring Partnership, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Parent, McLaughlin & Nangle

Certified Public Accountants

May 25, 2011

THE MASS MENTORING PARTNERSHIP, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

(With Comparative Amounts for 2009)

	<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
ASSETS:			
Cash and cash equivalents		\$ 1,345,293	\$ 1,281,429
Grants, contributions and accounts receivables, net		924,260	695,145
Investments		1,000	12,563
Prepaid expenses and other assets		54,065	35,517
Equipment and improvements, net		<u>33,401</u>	<u>50,647</u>
TOTAL ASSETS		<u>\$ 2,358,019</u>	<u>\$ 2,075,301</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
LIABILITIES:			
Accounts payable and accrued expenses		\$ 79,932	\$ 24,316
Deferred revenue		80,940	15,625
Long-term debt		<u>-</u>	<u>33,870</u>
TOTAL LIABILITIES		<u>160,872</u>	<u>73,811</u>
NET ASSETS:			
Unrestricted net assets:			
Operations		835,586	813,483
Board designated			
Board designated - James Connolly Tribute Fund		109,910	-
Board designated - other		<u>478,469</u>	<u>513,190</u>
Total unrestricted		1,423,965	1,326,673
Temporarily restricted net assets		<u>773,182</u>	<u>674,817</u>
TOTAL NET ASSETS		<u>2,197,147</u>	<u>2,001,490</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 2,358,019</u>	<u>\$ 2,075,301</u>

See accompanying notes to financial statements.

THE MASS MENTORING PARTNERSHIP, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2010

(With Comparative Amounts for 2009)

	2010						2009
	Unrestricted Net Assets						Total
	Operations	Board Designated Other	Board Designated James G. Connolly Tribute Fund	Total	Temporarily Restricted	Total	
SUPPORT AND REVENUE:							
Contributions - Individuals	\$ 116,730	\$ -	\$ -	\$ 116,730	\$ -	\$ 116,730	\$ 129,081
Contributions - Corporations and Foundations	28,554	-	-	28,554	669,920	698,474	721,000
Contribution - Rodman Ride Event	213,770	-	-	213,770	-	213,770	192,229
Government grants - AmeriCorps	305,872	-	-	305,872	-	305,872	252,397
Consulting services and fees	69,650	-	-	69,650	-	69,650	56,339
AmeriCorps Host Site Match	144,938	-	-	144,938	-	144,938	124,797
Special events (net of special events expense of \$20,443 and \$23,932, respectively)	187,749	-	-	187,749	-	187,749	135,224
Realized and unrealized appreciation of investments, net	1,043	-	-	1,043	-	1,043	912
Other income	-	-	-	-	-	-	845
Interest income	2,050	1,979	219	4,248	-	4,248	10,704
Donated facilities, goods and services	284,762	-	-	284,762	-	284,762	238,937
JGC Board Designated Tribute Fund	-	-	109,691	109,691	-	109,691	-
Net assets released from restrictions	571,555	-	-	571,555	(571,555)	-	-
TOTAL SUPPORT AND REVENUE	1,926,673	1,979	109,910	2,038,562	98,365	2,136,927	1,862,465
EXPENSES:							
Program services	1,571,162	-	-	1,571,162	-	1,571,162	1,457,100
Administrative	176,504	-	-	176,504	-	176,504	151,513
Fundraising	156,904	36,700	-	193,604	-	193,604	140,112
TOTAL EXPENSES	1,904,570	36,700	-	1,941,270	-	1,941,270	1,748,725
CHANGE IN NET ASSETS	22,103	(34,721)	109,910	97,292	98,365	195,657	113,740
NET ASSETS, beginning of year	813,483	513,190	-	1,326,673	674,817	2,001,490	1,887,750
NET ASSETS, end of year	\$ 835,586	\$ 478,469	\$ 109,910	\$ 1,423,965	\$ 773,182	\$ 2,197,147	\$ 2,001,490

See accompanying notes to financial statements.

THE MASS MENTORING PARTNERSHIP, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2010

(With Comparative Amounts for 2009)

	2010							2009	
	Program Services						Total	Total	
	AmeriCorps Grant	Advocacy for Field Resources	Training & Strategic Services	Mentor Recruitment	Total Program Services	Administrative	Fundraising	Expenses	Expenses
Salaries, payroll taxes and benefits	\$ 96,641	\$ 106,260	\$ 259,638	\$ 214,471	\$ 677,010	\$ 111,017	\$ 133,291	\$ 921,318	\$ 871,436
AmeriCorps member stipends/support	317,602	-	-	-	317,602	-	-	317,602	255,194
Donated facilities, goods and services	600	181,378	700	96,084	278,762	-	-	278,762	229,080
Occupancy	18,053	13,135	32,497	26,778	90,463	15,819	17,210	123,492	128,193
Professional fees and consultants	12,298	14,363	1,856	2,678	31,195	38,208	37,211	106,614	100,986
Meetings, trainings and state-wide travel	45,477	1,329	10,855	19,949	77,610	1,073	1,101	79,784	59,991
Kelly Award/mentee scholarships	-	32,511	-	-	32,511	-	22	32,533	25,690
Mentor recruitment promotion	35	57	103	28,858	29,053	330	57	29,440	2,237
Supplies, printing and postage	4,944	5,427	4,927	4,256	19,554	3,896	1,754	25,204	28,674
Research and data collection	-	-	9,500	-	9,500	-	-	9,500	17,850
Web services	538	371	711	1,192	2,812	448	2,569	5,829	7,661
Bad debts	-	-	-	-	-	5,000	-	5,000	715
Professional development	693	335	1,011	606	2,645	287	358	3,290	4,998
Miscellaneous	207	1,937	200	101	2,445	426	31	2,902	10,120
AmeriCorps Promise Fellows	-	-	-	-	-	-	-	-	5,900
	<u>\$ 497,088</u>	<u>\$ 357,103</u>	<u>\$ 321,998</u>	<u>\$ 394,973</u>	<u>\$ 1,571,162</u>	<u>\$ 176,504</u>	<u>\$ 193,604</u>	<u>\$ 1,941,270</u>	<u>\$ 1,748,725</u>

See accompanying notes to financial statements.



THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 195,657	\$ 113,740
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Discount on grants, contributions and receivables	16,175	-
Depreciation and amortization	17,246	28,081
Donations of investments	(4,807)	(2,576)
Realized and unrealized appreciation of investments, net	(1,043)	(912)
Interest reinvested	-	(4,868)
Net accretion of premiums and discounts	-	(915)
Donated equipment	-	(9,857)
Discount on note payable	2,850	1,490
Increase in assets:		
Grants, contributions and accounts receivables, net	(245,290)	(59,688)
Prepaid expenses	(18,548)	(33,582)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	55,616	(11,181)
Deferred revenue	65,315	(22,433)
Total adjustments	(112,486)	(116,441)
Net cash provided by (used in) operating activities	<u>83,171</u>	<u>(2,701)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities of certificates of deposit	-	511,217
Purchases of investments	-	(456,661)
Proceeds from sales of investments	17,413	2,576
Proceeds from maturities of investments	-	455,000
Purchases of property and equipment	-	(14,772)
Net cash provided by investing activities	<u>17,413</u>	<u>497,360</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payment on long-term debt	(36,720)	(35,000)
Net cash used in financing activities	<u>(36,720)</u>	<u>(35,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,864	459,659
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,281,429</u>	<u>821,770</u>
CASH AND CASH EQUIVALENTS- end of year	<u><u>\$ 1,345,293</u></u>	<u><u>\$ 1,281,429</u></u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the year for interest	<u><u>\$ 43</u></u>	<u><u>\$ 1,490</u></u>

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

A. Nature of Business:

Founded in 1992, The Mass Mentoring Partnership, Inc. (the "Organization") is the statewide umbrella organization dedicated to the strategic expansion of quality youth mentoring in Massachusetts. The Organization delivers training and consulting for the start-up and sustainability of high-quality mentoring programs, executes high-visibility mentor recruitment campaigns, operates a directory and referral system for potential mentors, and attracts increased public and private resources to the mentoring movement across the state.

B. Summary of Significant Accounting Policies:

Basis of accounting:

The financial statements of The Mass Mentoring Partnership, Inc. have been prepared on the accrual basis of accounting. Income is recognized when earned and expenses are recognized when incurred. Amounts received but not yet earned are reported as deferred revenue.

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 amount 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.

Basis of presentation:

Under FASB ASC 958-205, Presentation of Financial Statements of Not-for-Profit Entities, the Organization is required to report 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) based upon the existence or absence of donor imposed restrictions.

Net assets:

Unrestricted net assets:

Unrestricted net assets represent those assets either not subject to donor-imposed restrictions or releases from temporarily restricted net assets designated for stipulated activities or programs, which are expended within the same reporting period.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

B. Summary of Significant Accounting Policies - (continued):

Net assets - (continued):

Temporarily restricted net assets:

Temporarily restricted net assets are subject to explicit or implicit donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Permanently restricted net assets:

Permanently restricted net assets are subject to explicit or implicit donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or restricted purposes.

Donated facilities, goods and services:

Volunteers and other organizations contribute facilities, goods, services and tickets to cultural and sporting events to the Organization in support of various aspects of its programs. These donated amounts are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating volunteers, agencies, or by management. The value of these facilities, goods, services and tickets for the years ended December 31 is as follows:

	<u>2010</u>	<u>2009</u>
Creative design for marketing and mentor recruitment	\$ 96,084	\$ 49,215
Western Massachusetts office rent	6,000	6,000
Tickets for mentoring programs to sporting and cultural events	181,378	161,848
Other goods and services	1,300	12,017
Equipment	-	9,857
	<u>\$ 284,762</u>	<u>\$ 238,937</u>

Revenues:

The Organization follows FASB ASC 958-605, Revenue Recognition of Not-for-Profit Entities. In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the absence or existence and nature of any donor restrictions.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

B. Summary of Significant Accounting Policies - (continued):

Revenues – (continued):

Unrestricted grants and contributions are recorded as unrestricted revenue and net assets when received or unconditionally pledged. Grants and contributions that are restricted for a specific purpose or time period by the donor are recorded as temporarily restricted revenue and net assets when received or unconditionally pledged. Transfers are made to unrestricted net assets as costs are incurred or time restrictions or program restrictions lapse. Donor restricted grants and contributions received and satisfied in the same period are included in unrestricted net assets.

Functional allocation of expenses:

The costs of providing the Organization's various programs and 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.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of less than three months to be cash equivalents.

Accounts receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances at year-end. On a periodic basis, management evaluates its accounts receivable for collectibility based on a history of past write-offs and collections and current credit conditions. Based on management's assessment of the outstanding balances, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Investments:

The Organization follows FASB ASC 958-320, Investments-Debt and Equity Securities of Not-for-Profit Entities. Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

B. Summary of Significant Accounting Policies - (continued):

Equipment and improvements:

Equipment and improvements are stated at cost, if purchased, or at fair value, if donated, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the respective assets, using the straight-line method.

Purchases are determined to be capital expenditures based upon the Organization's policy of capitalizing assets acquired at a cost (or, if donated, at fair value) exceeding \$500. Those items which are not determined to be capital expenditures are immediately expensed.

Income tax status:

The Organization is exempt from federal income taxes, under Section 501(c)(3) of the Internal Revenue Code. The Organization is, however, subject to the tax on unrelated business income, if any such income exists. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a).

The Organization recognizes and measures its unrecognized tax positions in accordance with FASB ASC 740, Income Taxes. Under that guidance the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. The Organization adopted the provisions of this standard on January 1, 2009 and did not identify any uncertain tax positions. Interest and penalties associated with unrecognized income taxes would be classified as additional income taxes in the statement of activities.

Comparative financial statements:

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Advertising:

The Organization expenses advertising costs as incurred.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

B. Summary of Significant Accounting Policies - (continued):

Reclassification:

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events:

Subsequent events have been evaluated through May 25, 2011, which is the date the financial statements were available to be issued.

C. Grants, Contributions and Accounts Receivables:

Grants, contributions and accounts receivables consist of the following as of December 31:

	<u>2010</u>	<u>2009</u>
Grants receivable:		
Due within one year	\$ 265,411	\$ 384,319
Due after one year	166,666	35,000
	<u>432,077</u>	<u>419,319</u>
Contributions receivable:		
Due within one year	424,662	267,364
Due after one year	62,500	-
	<u>487,162</u>	<u>267,364</u>
Accounts receivable	<u>21,196</u>	<u>8,462</u>
Total grants, contributions and accounts receivable	940,435	695,145
Net present value discount of receivables due after one year	(16,175)	-
	<u>\$ 924,260</u>	<u>\$ 695,145</u>

Amounts due initially in excess of one year have been discounted to present value using a rate of 5%.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

D. Investments:

A summary of the Organization's investments as of December 31 is as follows:

	<u>2010</u>		
	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized (Depreciation)</u>
Money market funds	\$ 1,000	\$ 1,000	\$ -
	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
	<u>2009</u>		
	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized (Depreciation)</u>
Equity securities	\$ 1,569	\$ 3,567	(\$ 1,998)
Money market funds	10,994	10,994	-
	<u>\$ 12,563</u>	<u>\$ 14,561</u>	<u>(\$ 1,998)</u>
Decrease in unrealized depreciation			1,998
Realized net loss			(955)
Total net gain for the year			<u>\$ 1,043</u>

A summary of the Organization's investment income for the years ended December 31 is as follows:

	<u>2010</u>	<u>2009</u>
Interest income	\$ 4,248	\$ 10,704
Realized and unrealized appreciation on investments, net	1,043	912
	<u>\$ 5,291</u>	<u>\$ 11,616</u>

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

E. Equipment and Improvements:

Equipment and improvements consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 31,204	\$ 31,204
Computer hardware	42,116	42,116
Computer software	930	930
Office equipment	<u>30,107</u>	<u>30,107</u>
	104,357	104,357
Less: accumulated depreciation	(<u>70,956</u>)	(<u>53,710</u>)
	<u>\$ 33,401</u>	<u>\$ 50,647</u>

Depreciation expense charged to operations amounted to \$17,246 and \$28,081 for the years ended December 31, 2010 and 2009, respectively.

F. Long-term Debt:

At December 31, 2009, long-term debt consisted of a note payable to National Mentoring Partnership, Inc. in annual installments consisting of principal and interest with an imputed rate of 4.23%. The note is net of the discounted amounts for imputed interest of \$2,850 at 2009. The note was been paid in full by the Organization during 2010.

G. Board Designated Net Assets:

During 2010, the Organization's Board voted to establish the James G. Connolly Tribute Fund as an unrestricted board designated fund for special purposes. This fund is to provide support, in memory of Jim Connolly's leadership and volunteer service to Mass Mentoring Partnership, Inc., for an annual award or project aligned with Mass Mentoring's mission of expanding quality youth mentoring across Massachusetts. As of December 31, 2010, the balance in the Fund was \$109,910.

During 2008 and 2007, the Organization's board designated \$300,000 and \$200,000, respectively, to be set aside as unrestricted board designated funds for special purposes. These funds carry no third-party restrictions. The board has designated these funds to provide for new strategic initiatives, to provide reserves in the event of an economic downturn, temporary inability to raise funds, or to provide for unexpected capital and operating expenditures. During 2009, the Board voted to authorize the disbursement of \$36,700 for certain consulting services.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

H. Temporarily Restricted Net Assets:

Temporarily restricted net assets as of December 31 are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Western Mass office	\$ 42,000	\$ 85,250
Program services and operations	<u>731,182</u>	<u>589,567</u>
	<u>\$ 773,182</u>	<u>\$ 674,817</u>

Net assets of \$571,555 and \$547,837 were released from restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events during 2010 and 2009, respectively.

I. Lease Commitments:

The Organization is obligated under lease for office space which expires in May, 2012. This lease requires the Organization to pay basic annual rent, as well as its percentage share of any increase in operating expenses and real estate taxes assessed. The Organization is also obligated under a lease for office equipment which expires in June, 2014.

The following is a schedule by years of future minimum rental payments required under operating leases as of December 31, 2010:

Year ending December 31:	<u>Amount</u>
2011	\$ 63,401
2012	29,850
2013	5,400
2014	2,250

Rent expense under these lease agreements amounted to \$62,450 and \$60,020 in 2010 and 2009, respectively.

J. Retirement Plan:

The Organization provides employees the opportunity to contribute a portion of their compensation to a defined contribution retirement plan. The Organization may make discretionary matching contributions to the Plan. The Organization's employee benefit plan expense for the years ended December 31, 2010 and 2009 was \$25,111 and \$21,407, respectively.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

K. Related Party Transactions:

During 2010, a member of the Board of Directors was employed by the law firm from which the Organization receives pro bono legal services for the Organization.

All members of the Board of Directors made contributions and unconditional promises to give to the Organization during the year ended December 31, 2010.

L. Concentration of Credit Risk:

The Organization maintains cash deposits at a bank located in Massachusetts. Deposits at this bank are insured by the Federal Deposit Insurance Corporation up to \$250,000, and federal insurance was extended to cover balances in the commercial checking account. At various times throughout the years, the Organization has had balances in excess of insured limits. The financial stability of the institution is continually reviewed by senior management.

M. Fair Value Measurements:

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Organization's financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The fair value hierarchy prioritizes its inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly. These may include quoted prices for similar securities.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

M. Fair Value Measurements – (continued):

A description of the valuation techniques applied to the Organization's major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

Level 1 – The securities measured at fair value level 1 are based on quoted market prices in an active exchange market. These investments include mutual funds and money market funds.

Level 2 – The Organization does not have any assets or liabilities measured at fair value in level 2 at either December 31, 2010 or 2009.

Level 3 – The Organization does not have any assets or liabilities measured at fair value in level 3 at either December 31, 2010 or 2009.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level of input that is significant to the fair value measurement in its entirety.

Fair values of financial instruments measured on a recurring basis at December 31, 2010 and 2009 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in			
	Active Markets	Significant Other	Significant	
	for Identical	Observable	Unobservable	
	Assets	Inputs	Inputs	
	(Level 1)	(Level 2)	(Level 3)	
	Fair Value			
As of December 31, 2010:				
Investments	\$ 1,000	\$ 1,000	\$ -	\$ -
As of December 31, 2009:				
Investments	\$ 12,563	\$ 12,563	\$ -	\$ -

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended December 31, 2010 or 2009.

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

N. Endowment:

The Organization's endowment consists of a fund designated by the Board of Directors to function as an endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

On July 2, 2009, the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), was signed into law in Massachusetts. The law applies to all donor-restricted endowment funds that were in existence on or are established after June 30, 2009. The law provides greater flexibility than predecessor law, Massachusetts General Laws Chapter 180A, Management of Institutional Funds.

Under UPMIFA, subject to the donor's over-riding intent as expressed in a gift document, a charity can spend the amount it deems prudent, even from funds where current market values have declined below their original values, after considering the following factors:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization 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 the Organization
- (7) The investment policies of the Organization
- (8) Provisions in the gift instrument that otherwise govern expenditure

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

N. Endowment – (continued):

Endowment Net Asset Composition by Type of Fund as of December 31, 2010:

	<u>Board Designated Unrestricted</u>
Board-designated endowment funds	\$ 478,469
Total funds	\$ 478,469

Endowment Net Asset Composition by Type of Fund as of December 31, 2009:

	<u>Board Designated Unrestricted</u>
Board-designated endowment funds	\$ 513,190
Total funds	\$ 513,190

Changes in Endowment Net Assets for the Year Ended December 31, 2010:

	<u>Board Designated Unrestricted</u>
Endowment net assets, beginning of year	\$ 513,190
Investment income	1,979
Appropriated for expenditure	(36,700)
Endowment net assets, end of year	\$ 478,469

THE MASS MENTORING PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

(continued)

N. Endowment – (continued):

Changes in Endowment Net Assets for the Year Ended December 31, 2009:

	<u>Board Designated Unrestricted</u>
Endowment net assets, beginning of year	\$ 506,366
Investment income	<u>6,824</u>
Endowment net assets, end of year	<u>\$ 513,190</u>

Return objectives and risk parameters:

Endowment assets include board designated funds for long-term purposes. The Organization attempts to maintain the fair value of the endowment assets by investing primarily in money market funds and interest-bearing checking accounts.

Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through current yield (interest and dividends). The Organization maintains a liquid and conservative asset allocation that includes money market funds and interest-bearing checking accounts to achieve its long-term objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy:

The Organization has been accumulating the investment return in the endowment funds, in order to grow the funds over time and only spending funds to support programs as approved by the Board of Directors.