

THE BOTTOM LINE, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Bruce D. Norling, CPA, P.C.

**THE BOTTOM LINE, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

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Bruce D. Norling, CPA, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Bottom Line, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of The Bottom Line, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Bottom Line, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Bottom Line, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Bottom Line, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bottom Line, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Bottom Line, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bruce D. Norling, CPA, P.C.

Sudbury, MA

November 9, 2022

THE BOTTOM LINE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 13,383,262	\$ 10,483,022
Contributions Receivable, Net	4,883,622	4,322,153
Employee Retention Credit Receivable	-	1,065,472
Prepaid Expenses	183,580	238,123
Total Current Assets	18,450,464	16,108,770
PROPERTY AND EQUIPMENT		
Furniture and Equipment	848,562	848,561
Leasehold Improvements	415,156	424,851
Total Property and Equipment	1,263,718	1,273,412
Less: Accumulated Depreciation	(1,149,129)	(1,058,582)
Total Property and Equipment, Net	114,589	214,830
INTANGIBLES		
Database and Website	424,305	424,305
Less: Accumulated Amortization	(419,360)	(394,236)
Total Intangibles, Net	4,945	30,069
OTHER ASSETS		
Deposits	73,489	67,234
Contributions Receivable, Long-Term, Net	2,651,957	986,941
Total Other Assets	2,725,446	1,054,175
TOTAL ASSETS	\$ 21,295,444	\$ 17,407,844
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 302,543	\$ 157,520
Accrued Expenses	1,106,050	601,424
Total Current Liabilities	1,408,593	758,944
LONG-TERM LIABILITIES		
Deferred Rent	217,491	253,775
Total Long-Term Liabilities	217,491	253,775
TOTAL LIABILITIES	1,626,084	1,012,719
NET ASSETS		
Net Assets Without Donor Restrictions	12,381,153	10,084,569
Net Assets With Donor Restrictions	7,288,207	6,310,556
Total Net Assets	19,669,360	16,395,125
TOTAL LIABILITIES AND NET ASSETS	\$ 21,295,444	\$ 17,407,844

The accompanying notes are an integral part of these financial statements.

THE BOTTOM LINE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
		\$	\$	\$	\$	\$
REVENUES AND OTHER SUPPORT						
Contributions	11,836,619	4,347,380	16,183,999	9,419,156	4,234,000	13,653,156
Scholarship Contributions	85,503		85,503	180,669	-	180,669
Program Revenue	305,150	-	305,150	414,503	-	414,503
Government Grants	510,150		510,150	2,068,405	-	2,068,405
Special Events						
Revenue	1,374,278	-	1,374,278	1,328,144	-	1,328,144
Direct Expenses of Special Events	(330,624)	-	(330,624)	(159,352)	-	(159,352)
Special Events, Net	1,043,654	-	1,043,654	1,168,792	-	1,168,792
In-Kind Income	-		-	-	-	-
Interest and Other Income	-		-	13,195		13,195
Net Assets Released from Restriction	3,369,729	(3,369,729)	-	3,122,577	(3,122,577)	-
Total Revenue and Support	17,150,805	977,651	18,128,456	16,387,297	1,111,423	17,498,720
EXPENSES						
Program Services	12,377,045	-	12,377,045	10,588,989	-	10,588,989
Administration	572,893	-	572,893	485,869	-	485,869
Fundraising	1,904,283	-	1,904,283	1,700,545	-	1,700,545
Total Expenses	14,854,221	-	14,854,221	12,775,403	-	12,775,403
CHANGES IN NET ASSETS BEFORE EXTINGUISHMENT OF DEBT	2,296,584	977,651	3,274,235	3,611,894	1,111,423	4,723,317
Gain from Extinguishment of Debt		-		1,810,700	-	1,810,700
TOTAL INCREASE (DECREASE) IN NET ASSETS	2,296,584	977,651	3,274,235	5,422,594	1,111,423	6,534,017
NET ASSETS, BEGINNING OF YEAR	10,084,569	6,310,556	16,395,125	4,661,975	5,199,133	9,861,108
NET ASSETS, END OF YEAR	\$ 12,381,153	\$ 7,288,207	\$ 19,669,360	\$ 10,084,569	\$ 6,310,556	\$ 16,395,125

The accompanying notes are an integral part of these financial statements.

THE BOTTOM LINE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 3,274,235	\$ 6,534,017
Adjustments to Reconcile changes in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	115,671	160,074
Contributions Restricted for Long-Term Purposes	(2,651,957)	(986,941)
Gain from Extinguishment of Debt	-	(1,810,700)
(Increase) Decrease in Operating Assets:		
(Increase) Decrease Contributions Receivable	425,472	626,085
(Increase) Decrease ERC receivable	1,065,472	(1,065,472)
(Increase) Decrease Prepaid Expenses	54,543	(88,775)
(Increase) Decrease Deposits	(6,255)	-
Increase (Decrease) in Operating Liabilities;		
Increase (Decrease) Accounts Payable	145,023	(1,552)
Increase (Decrease) Accrued Expenses	504,625	4,811
Increase (Decrease) Deferred Rent	(36,284)	(23,820)
Net Cash Provided by Operating Activities	2,890,545	3,347,727
 CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Purchase of Property, Equipment and Intangibles	9,695	(350)
Net Cash Used in Investment Activities	9,695	(350)
 NET INCREASE IN CASH	 2,900,240	 3,347,377
 CASH, Beginning of year	 10,483,022	 7,135,645
 CASH, End of year	 \$ 13,383,262	 \$ 10,483,022
 Supplemental Information		
Non-Cash Activity:		
Contributions Receivable Restricted for Long-Term Purposes	\$ 2,651,957	\$ 986,941

The accompanying notes are an integral part of these financial statements.

THE BOTTOM LINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

EXPENSES	Program Services	Administration	Fundraising	Total
Salaries and Related Expenses				
Salaries and Wages	\$ 7,238,800	\$ 353,112	\$ 1,235,893	\$ 8,827,805
Payroll Taxes and Benefits	1,339,421	65,338	228,682	1,633,441
Payroll Processing Fees	27,105	1,322	4,628	33,055
Total Salaries and Related Expenses	<u>8,605,326</u>	<u>419,772</u>	<u>1,469,203</u>	<u>10,494,301</u>
Program Expenses				
Events	33,111	-	-	33,111
Scholarships	1,092,477	-	-	1,092,477
Fee Assistance	3,839	-	-	3,839
Campus Travel	339	-	-	339
Supplies	74,372	-	-	74,372
Student Recruitment	19,270	-	-	19,270
Total Program Expenses	<u>1,223,408</u>	<u>-</u>	<u>-</u>	<u>1,223,408</u>
Occupancy				
Rent	661,575	32,272	112,952	806,799
Utilities	22,385	1,092	3,822	27,299
Repairs and Maintenance	21,757	1,061	3,715	26,533
Depreciation and Amortization	94,850	4,627	16,194	115,671
Parking	9,052	442	1,546	11,040
Total Occupancy Expenses	<u>809,619</u>	<u>39,494</u>	<u>138,229</u>	<u>987,342</u>
Operational				
Consultants and Temporary Staffing	904,556	44,125	154,436	1,103,117
Bank and Credit Card Fees	28,658	1,398	4,893	34,949
Bad Debt Expense	-	-	-	-
Advertising and Public Relations	6,560	320	1,120	8,000
Insurance	42,231	2,060	7,210	51,501
Training and Development	63,550	3,100	10,850	77,500
Dues and Subscriptions	31,428	1,533	5,366	38,327
Postage and Printing	11,832	577	2,020	14,429
Professional Fees	29,576	1,443	5,050	36,069
Leases - Equipment Rental	103,207	5,034	17,621	125,862
Staff Training and Events	37,428	1,826	6,390	45,644
Staff Travel	8,917	435	1,523	10,875
Staff Recruitment	95,684	4,667	16,336	116,687
Office Supplies	9,376	457	1,601	11,434
Computer Supplies and Software	251,821	12,284	42,994	307,099
Telecommunications	95,126	4,640	16,241	116,007
Board Expenses	17,275	843	2,949	21,067
Licenses and Fees	1,467	72	251	1,790
Other Expenses	-	28,813	-	28,813
Total Operational Expenses	<u>1,738,692</u>	<u>113,627</u>	<u>296,851</u>	<u>2,149,170</u>
TOTAL EXPENSES	<u>\$ 12,377,045</u>	<u>\$ 572,893</u>	<u>\$ 1,904,283</u>	<u>\$ 14,854,221</u>

The accompanying notes are an integral part of these financial statements.

THE BOTTOM LINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

EXPENSES	Program Services	Administration	Fundraising	Total
Salaries and Related Expenses				
Salaries and Wages	\$ 6,916,294	\$ 337,380	\$ 1,180,831	\$ 8,434,505
Payroll Taxes and Benefits	1,225,910	59,800	209,302	1,495,012
Payroll Processing Fees	25,884	1,263	4,419	31,566
Total Salaries and Related Expenses	<u>8,168,088</u>	<u>398,443</u>	<u>1,394,552</u>	<u>9,961,083</u>
Program Expenses				
Events	45,418	-	-	45,418
Scholarships	491,373	-	-	491,373
Fee Assistance	8,692	-	-	8,692
Campus Travel	608	-	-	608
Supplies	81,294	-	-	81,294
Student Recruitment	1,270	-	-	1,270
Total Program Expenses	<u>628,655</u>	<u>-</u>	<u>-</u>	<u>628,655</u>
Occupancy				
Rent	687,824	33,552	117,433	838,809
Utilities	17,897	873	3,056	21,826
Repairs and Maintenance	6,465	315	1,104	7,884
Depreciation and Amortization	131,261	6,403	22,410	160,074
Parking	8,298	405	1,417	10,120
Total Occupancy Expenses	<u>851,745</u>	<u>41,548</u>	<u>145,420</u>	<u>1,038,713</u>
Operational				
Consultants and Temporary Staffing	258,284	12,599	44,097	314,980
Bank and Credit Card Fees	38,385	1,872	6,554	46,811
Bad Debt Expense	27,823	1,357	4,750	33,930
Advertising and Public Relations	-	-	-	-
Insurance	43,649	2,129	7,452	53,230
Training and Development	98,946	4,827	16,893	120,666
Dues and Subscriptions	52,659	2,569	8,991	64,219
Postage and Printing	12,327	601	2,105	15,033
Professional Fees	25,397	1,239	4,336	30,972
Leases - Equipment Rental	37,083	1,809	6,331	45,223
Staff Training and Events	27,181	1,326	4,641	33,148
Staff Travel	2,010	98	343	2,451
Staff Recruitment	17,769	867	3,034	21,670
Office Supplies	5,320	260	908	6,488
Computer Supplies and Software	184,724	9,011	31,538	225,273
Telecommunications	66,505	3,244	11,354	81,103
Board Expenses	42,439	2,070	7,246	51,755
Licenses and Fees	-	-	-	-
Total Operational Expenses	<u>940,501</u>	<u>45,878</u>	<u>160,573</u>	<u>1,146,952</u>
TOTAL EXPENSES	<u>\$ 10,588,989</u>	<u>\$ 485,869</u>	<u>\$ 1,700,545</u>	<u>\$ 12,775,403</u>

The accompanying notes are an integral part of these financial statements.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF OPERATIONS

The Bottom Line, Inc. (the Organization), a not-for-profit corporation located in Boston and Worcester, Massachusetts, New York, New York, and Chicago, Illinois, was formed in January 1997 under the laws of the Commonwealth of Massachusetts. The mission of the Organization is to help first-generation college students from low-income backgrounds get into college, graduate, and go far in life. The Organization operates exclusively for charitable and educational purposes and is supported primarily through contributions and fundraising events.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of The Bottom Line, Inc. have been prepared on the accrual basis. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions placed on use by its donors, as follows:

Net Assets without Donor Restrictions

Net Assets without Donor Restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets with Donor Restrictions

Net Assets with Donor Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's restrictions. The Organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the

THE BOTTOM LINE, INC.
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restriction is reported in the financial statements by reclassifying Net Assets with Donor Restrictions to Net Assets without Donor Restrictions.

Revenue Recognition

The Organization follows the provisions of ASU No.2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the Company follows the provisions of ASU No.2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), which provides guidance as to whether the entity should account for a grant (or similar transaction) as a contribution or as an exchange transition.

The Organization records unconditional contributions, gifts and grants as receivables and revenue. The Organization distinguishes between unconditional contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions are recorded as revenue when the pledge is verified or received. Contributions are considered to be available for use unless specifically restricted by the donor or grantor. Contributions of assets other than cash are recorded at their fair value, and as of the date the gift is received.

Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement.

Unconditional promises to give with due dates scheduled after the balance sheet date are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the related purpose or time restrictions are met. Donor restricted grants and other contributions are reported as unrestricted revenues if the donor stipulation is accomplished within the same reporting period.

During 2022, a significant number of contributions were provided by a few contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

Program Service revenue is recognized at the time the delivery of services has occurred. Special Events revenue is recognized at the time of the Event.

Contributions Receivable

Contributions receivable within one year are recorded at carrying value. Contributions receivable over periods greater than one year are discounted and recorded at the present

THE BOTTOM LINE, INC.
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value of the estimated future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are made, commensurate with expected future payments. As of June 30, 2022, Management has determined that \$114,585 is uncollectible, and an allowance for uncollectible contributions receivable is included on the Statement of Financial Position in Contributions Receivable, Net.

Use of 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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and equivalents include bank accounts, money market mutual funds, and certificates of deposit purchased with a maturity of three months or less. Interest income on the certificates of deposit is recorded as income when earned.

The Organization maintains cash balances at three financial institutions. The Organization maintains its cash in bank deposit accounts which exceed federally insured limits and in uninsured money market mutual funds. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. As of June 30, 2022, the uninsured balance is \$9,824,505. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Property and Equipment

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method. Maintenance and repairs are expensed as incurred. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Equipment	3 – 5 years
Furniture	7 years
Leasehold improvements	Life of Lease

Depreciation and amortization expense totaled \$90,547 and \$25,124 in 2022, and \$115,243 and \$44,831 in 2021, respectively.

Fair Value of Financial Instruments

The Organization's significant financial instruments are cash and cash equivalents and contributions receivable. The Organization believes that the carrying value of its financial instruments approximates their fair value because of the short-term maturity of those instruments.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
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Deferred Rent

The Organization recognizes operating lease expense evenly over the term of the lease. Lease escalation amounts not yet paid are included with liabilities as deferred rent.

Nonprofit Status and Income Taxes

The Organization is exempt from income taxes as an organization (not a private foundation) formed for charitable purposes and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Company within Internal Revenue Code regulations. The Organization is subject to federal and state tax on income from any unrelated business. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2022.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization's federal and state income tax returns are generally open to examination for the last three years.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$8,000 and \$0 in 2022 and 2021, respectively.

Expense Recognition and Allocation

The cost of providing the various programs and other activities of the Organization has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefitted.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities.

Salaries and related benefits are allocated to program services, administration, and fundraising by specific classifications. Program service counselors and managers are assigned to the Organization's Access and Success programs. Other managers within the Organization's three program service regions are classified as either administration or fundraising personnel. Personnel are allocated to program services, administration, and fundraising expenses in accordance with estimated time allocations. Certain specific

THE BOTTOM LINE, INC.
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program expenses relate directly to events, scholarships, campus travel, and student supplies and care packages.

Occupancy costs related to the Organization's three program service regions are allocated based on relative salary and related expense costs.

Operation costs are allocated using various methods. Over time, Bottom Line has established a standard allocation methodology for most indirect operational costs. Consultants and temporary staffing costs are allocated similarly to salaries and related expenses.

Change in Accounting Principles

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU's core principle is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the statements of financial position and disclosing key information. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2021, with early adoption permitted.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 are:

Financial assets:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$13,383,262	\$10,483,022
Contributions receivable, Net	<u>4,883,622</u>	<u>5,387,625</u>
Total financial assets:	18,266,884	15,870,647
Less financial assets held to meet donor-imposed restrictions:		
Net assets with donor restrictions	<u>(7,288,207)</u>	<u>(6,310,556)</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$10,978,677</u>	<u>\$ 9,560,091</u>

Bottom Line has a goal to maintain financial assets to meet at least 120 days of normal operating expenses, which are, on average, approximately \$4,320,000. Bottom Line has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

THE BOTTOM LINE, INC.
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4. LINE OF CREDIT

The Organization has a revolving line of credit for \$800,000 which is due on demand. As of June 30, 2022, there were no advances on this line of credit. The Organization obtained a Letter of Credit for a landlord in the amount of \$132,411, which is linked to the line of credit in lieu of a security deposit for rental space.

5. FORGIVABLE LOANS - PAYCHECK PROTECTION PROGRAM (PPP)

In 2021 The Bottom Line, Inc., has recorded forgiveness of \$1,810,700 upon being legally released from the loan obligation at June 30, 2021 and is included as *Gain From Extinguishment of Debt* on the Statement of Activities.

The Organization's policy is to account for forgivable loans received through the Small Business Administration (SBA) under Coronavirus Aid, Relief and Economic Security Act (CARES Act) Paycheck Protection Program (PPP), as debt in accordance with ASC 470. The forgiveness of debt, in whole or in part, is recognized once the debt is extinguished, which occurs when the Organization is legally released from the liability by the SBA.

6. CONTRIBUTIONS RECEIVABLE

The Organization had unconditional contributions receivable from several donors at June 30, 2022 and 2021. The Organization believes all pledges are collectible as of June 30, 2022.

The Organization's future benefit from pledges at June 30, is as follows:

	<u>2022</u>	<u>2021</u>
Receivable in one year or less	\$ 4,998,207	\$ 4,436,738
Receivable in over one year and up to five years	<u>2,651,957</u>	<u>986,941</u>
Total pledges to be received in the future	7,650,164	5,423,679
Allowance for uncollectible accounts	<u>(114,585)</u>	<u>(114,585)</u>
Net pledges to be received in the future	<u><u>\$ 7,535,579</u></u>	<u><u>\$ 5,309,094</u></u>

As of June 30, 2022 and 2021, respectively, the Organization had cumulative restricted multi-year donation agreements totaling \$7,288,207 and \$6,310,556 which contain donor conditions, future program goals, time-restrictions for releases, and benchmarks to be achieved after year-end. During the fiscal years ending June 30, 2022 and 2021, respectively, \$2,775,179 and \$1,160,200 of these conditions had been met and recorded as revenue. The remaining balances of these conditional promises to give as of June 30, 2022 and 2021, respectively, are \$4,513,028 and \$5,150,356. The remaining balances have not been recorded as revenue or receivables.

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7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are released from donor restrictions by satisfying the purpose or time restriction specified by the donors, including location restrictions. At June 30, 2022 and 2021, net assets with donor restrictions were available for the following purposes:

	2022		
	Scholarship	Programs	Total
MA	\$ 77,800	\$ 1,330,921	\$ 1,408,721
NY	-	1,411,294	1,411,294
CHI	-	1,265,573	1,265,573
NAT	7,215	3,195,404	3,202,619
Total	\$ 85,015	\$ 7,203,192	\$ 7,288,207

Net assets with donor restrictions as of June 30, 2022 were \$7,288,207, of which \$85,015 was restricted for scholarship use, and \$7,203,192 for programs.

	2021		
	Scholarship	Programs	Total
MA	\$ 185,000	\$ 750,021	\$ 935,021
NY	35,000	2,056,223	2,091,223
CHI	-	1,825,573	1,825,573
NAT	45,000	1,413,739	1,458,739
Total	\$ 265,000	\$ 6,045,556	\$ 6,310,556

8. OPERATING LEASES

The Organization leases its premises under various operating leases. The Organization is obligated to pay a share of the property's operating expenses and real estate taxes. The Organization also leases space for program events and office equipment on a short term as needed basis. Rent expense totaled \$806,799 in 2022 and \$838,809 in 2021. Minimum future rental payments under all non-cancelable operating leases and lease extensions are as follows:

Year ending June 30,	
2023	629,665
2024	605,231
2025	427,749
2026	239,100
Thereafter	494,802
Total	\$2,396,547

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9. RETIREMENT PLAN

The Organization maintains a qualified retirement plan (the Plan) under Section 403(b) of the Internal Revenue code. Under the provisions of the Plan, employees can elect to have a portion of their salary withheld and contributed to the Plan, subject to Internal Revenue Service limitations. The Organization made a 3% matching contribution of \$257,117 for the year ended June 30, 2022 and \$265,422 for the year ended June 30, 2021.

10. COVID-19

The Covid-19 pandemic continued through most of the fiscal year. The Organization stayed remote for a good portion of FY22 but developed a hybrid remote model towards the end of FY22 and moving forward into FY23 which includes a return to campus visits and other business travel. The Organization returned to its traditional in-person end of year fundraising galas in two regions. Considering the strong support of funders and champions, the impact on operating results has thus far not been substantial.

11. SUBSEQUENT EVENTS

In July FY23 the Organization received the large \$15, 000, 000 Mackenzie Scott general Operations grant with the accompanying creation of a new investment policy through Morgan Stanley.

The Organization did not have any other non-recognized or recognized subsequent events after June 30, 2022, the date of the statement of financial position. Subsequent events have been evaluated through November 9, 2022 the date the financial statements were available to be issued.