THE BOTTOM LINE, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Bottom Line, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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, 2023 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matter

Prior Period Adjustment

As discussed in Note 14 to the financial statements, contributions receivable, accrued expenses, change in net assets and net assets were not properly stated as of June 30, 2022. As a result, there was a restatement to these accounts. Our opinion was not modified with respect to that matter.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2023 the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases wit lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is an elevated level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
February 2, 2024

THE BOTTOM LINE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 14,258,869
Investments	14,614,325
Contributions Receivable, Net	6,697,481
Prepaid Expenses	287,436
Total Current Assets	35,858,111
PROPERTY AND EQUIPMENT	
Furniture and Equipment	688,955
Leasehold Improvements	396,817
Subtotal	1,085,772
Less: Accumulated Depreciation	(1,026,554)
Total Property and Equipment, Net	59,218
LEASE ASSETS	
Operating Lease Right of Use Assets, Net of Accumulated Amortization	1,704,392
Finance Lease Right of Use Assets, Net of Accumulated Amortization	78,505
Total Lease Assets	1,782,897
INTANGIBLES	
Database and Website	424,305
Less: Accumulated Amortization	(419,360)
Total Intangibles, Net	4,945
OTHER ASSETS	
Deposits	118,322
Contributions Receivable, Long-Term, Net	1,884,633
Total Other Assets	2,002,955
Total Assets	$ 39,708,126

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	$ 77,462
Accrued Expenses	1,084,884
Operating Lease Obligation, Current Portion	777,424
Finance Lease Obligation, Current Portion	68,688
Total Current Liabilities	2,008,458
LONG-TERM LIABILITIES	
Operating Lease Obligation, Net of Current Portion	1,096,204
Total Long-Term Liabilities	1,096,204
Total Liabilities	3,104,662
NET ASSETS	
Without Donor Restrictions:	
Board Designated - Strategic Reserves	14,309,208
Undesignated	9,850,163
Total Without Donor Restrictions	24,159,371
With Donor Restrictions	12,444,093
Total Net Assets	36,603,464
Total Liabilities and Net Assets	$ 39,708,126

See accompanying Notes to Financial Statements.

THE BOTTOM LINE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	$ 20,037,635	$ 14,472,651	$ 34,510,286
Scholarship Contributions	-	337,939	337,939
Special Events:			
Revenue	1,535,187	-	1,535,187
Direct Expenses of Special Events	(462,412)	-	(462,412)
Special Events, Net	1,072,775	-	1,072,775
In-Kind Contributions	1,935,087	-	1,935,087
Interest and Other Income	779,630	-	779,630
Net Assets Released from Restriction	8,929,772	(8,929,772)	-
Total Revenue and Support	32,754,899	5,880,818	38,635,717
EXPENSES			
Program Services	15,083,463	-	15,083,463
Administration	3,546,994	-	3,546,994
Fundraising	2,538,854	-	2,538,854
Total Expenses	21,169,311	-	21,169,311
CHANGES IN NET ASSETS	11,585,588	5,880,818	17,466,406
Net Assets - Beginning of Year, as Previously Stated	12,381,153	7,288,207	19,669,360
Prior Period Adjustment	192,630	(724,932)	(532,302)
Net Assets - Beginning of Year, as Restated	12,573,783	6,563,275	19,137,058
NET ASSETS - END OF YEAR	$ 24,159,371	$ 12,444,093	$ 36,603,464

See accompanying Notes to Financial Statements.

THE BOTTOM LINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services	Administration	Fundraising	Total
EXPENSES				
Salaries and Fringe Expenses:				
Salaries and Wages	$ 8,158,736	$ 1,613,789	$ 1,034,426	$ 10,806,951
Payroll Taxes and Benefits	1,143,101	524,282	221,472	1,888,855
Total Salaries and Fringe Expenses	9,301,837	2,138,071	1,255,898	12,695,806
Program-Related Expenses:				
Campus Travel	59,846	-	734	60,580
Student Fee and Expense Assistance	125,989	-	-	125,989
Supplies	76,822	2,148	2	78,972
Recruitment and Partnerships	60,731	2,359	348	63,438
Program Events	93,150	1,393	4,058	98,601
Other Program Expense	42,807	-	-	42,807
Designated Scholarships	1,349,528	555	6,404	1,356,487
Total Program-Related Expenses	1,808,873	6,455	11,546	1,826,874
In-Kind Services Expense	1,897,000	38,087	-	1,935,087
Operational Expenses:				
Advertising and Public Relations	-	234,737	-	234,737
Professional Fees	6,678	274,156	1,771	282,605
Consultants and Temporary Staffing	836,683	359,384	721,978	1,918,045
Staff Training, Travel and Development	61,838	239,852	77,380	379,070
Bank Fees, Dues & Other Services	26,629	80,728	53,745	161,102
Office Supplies and Equipment	135,012	15,927	34,433	185,372
Technology	163,941	130,770	85,995	380,706
Bad Debt Expenses	5,000	-	136,563	141,563
Total Operational Expenses	1,235,781	1,335,554	1,111,865	3,683,200
Occupancy Expenses:				
Occupancy (Rent, Taxes, Utilities)	685,057	2,456	128,675	816,188
Repairs and Maintenance	26,010	13,737	4,661	44,408
Parking	9,053	442	1,546	11,041
Total Occupancy Expenses	720,120	16,635	134,882	871,637
Depreciation, Amortization, and Interest Expense:				
Interest Expense	-	372	-	372
Depreciation	65,726	6,734	11,222	83,682
Amortization	54,126	5,086	13,441	72,653
Total Depreciation, Amortization, and Interest Expense	119,852	12,192	24,663	156,707
Total Expenses	$ 15,083,463	$ 3,546,994	$ 2,538,854	$ 21,169,311

See accompanying Notes to Financial Statements.

THE BOTTOM LINE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in Net Assets	$ 17,466,406
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Bad Debt Expense	141,563
Depreciation and Amortization	83,682
Amortization on Financing Right of Use Assets	72,653
Contributions Received for Endowment	(299,544)
(Gain)/Loss on Investments	(277,339)
(Increase) Decrease in Assets:	
Contributions Receivable	(2,038,278)
Prepaid Expenses	(103,856)
Deposits	(44,833)
Operating Lease Right of Use Assets	(1,704,392)
Finance Lease Right of Use Assets	(151,158)
Increase (Decrease) in Liabilities:	
Accounts Payable	(225,081)
Accrued Expenses	296,712
Deferred Rent	(217,491)
Operating Lease Obligation	1,873,628
Finance Lease Obligation	151,158
Net Cash Provided by Operating Activities	15,023,830
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(28,311)
Purchase of Investments	(59,322,508)
Proceeds from Sale of Investments	44,985,522
Net Cash Used by Investing Activities	(14,365,297)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Finance Lease Obligation	(82,470)
Contributions Received for Endowment	299,544
Net Cash Provided by Financing Activities	217,074
NET CHANGE IN CASH	875,607
Cash - Beginning of Year	13,383,262
CASH - END OF YEAR	$ 14,258,869

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF OPERATIONS

The Bottom Line, Inc. (the Organization), a nonprofit formed in January 1997 under the laws of the Commonwealth of Massachusetts, operates in Boston, Massachusetts, New York, New York, and Chicago, Illinois, and, during the year ended June 30, 2023, began laying the groundwork to open operations in Dayton, Ohio.

The mission of the Organization is to partner with first-generation college students from low-income backgrounds get into college, graduate, and go far in life. The Organization accomplishes the mission through the following programs:

- College *Access* – High school seniors receive one-on-one guidance from their Bottom Line Advisor throughout the college application and decision process. Students have the support and the experienced guidance they require to make a smart decision about attending college.

- College *Success* – College students receive personalized on-campus guidance and support based for up to 6 years or until they graduate. The tailored guidance ensures that students are equipped with the skills and knowledge to overcome obstacles, persist and eventually graduate with a career plan in place. For college students who are not enrolled in a partner college, Bottom Line offers a hybrid advising program known as BLUprint.

The Organization operates exclusively for charitable and educational purposes and is supported primarily through contributions and fundraising events.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of The Bottom Line, Inc., have been prepared in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and losses are recognized when incurred.

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.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023, the uninsured balance is $13,387,533.

Contributions Receivable

Unconditional promises to give are recorded as contributions receivable in the statement of financial position. Contributions receivable are recorded net of allowances for amounts estimated to be uncollectible. The allowance is based on management’s assumptions, including prior years’ collection experience.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statement of financial position. Net investment return/loss is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

Investments securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated assets are recorded at fair market value at the time of donation. The Organization has a policy for capitalizing expenditures for property and equipment with costs greater than $1,000 and expected useful life of at least one year. Maintenance and repairs are expensed as incurred. Depreciation is computed on the straight-line method. 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 expense totaled $83,682 in 2023.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases four office spaces and four pieces of office equipment under an operating lease and office equipment under a finance lease. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease obligation on the statement of financial position. Finance leases are included in finance lease right-of-use (ROU) assets and finance lease obligation on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease obligation represent the Organization's obligation to make lease payments arising from the lease. ROU assets and obligations are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses its implied rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease obligation or right of use assets on the statement of financial position.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. These assets may, however, be subject to board-designated restrictions. As of June 30, 2023, the board has designated assets to be used toward the strategic growth plan for the Organization.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed stipulations. These stipulations either require the Organization to maintain the net asset permanently, generally permitting all or part of the income earned on related investments be used for general or specific purposes or be met either by the completion of a stipulated action and/or the passage of time. As of June 30, 2023, the Organization does not have any assets that are required to be maintained permanently. Contributions received by the Organization with donor-imposed restrictions whose restrictions are met in the same period in which the contributions are received are report in the accompanying statement of activities as net assets without donor restrictions.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as without donor restrictions or with donor restrictions support, depending on the existence and/or nature of any donor restrictions. As of June 30, 2023, approximately 58% of contributions were from two donors.

All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Unconditional contribution pledges are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met. The Organization has no such conditional gifts outstanding as of June 30, 2023. Gifts and bequests are recognized when it has been determined that there is a legal right to the gift or bequest and the actual amount to be received has been determined.

Special Events revenue is recognized at the time of the Event.

In-Kind Contributions

Contributed services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations.

During the year ended June 30, 2023, $1,935,087 of donated services represent those services rendered by professional services for legal services and consulting services. These services are valued at the fair market value of the services received.

Fair Value Measurements

The Organization has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the instrument.

Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market.

Level 2 – Financial assets whose values are based on quoted prices in markets that are not actively traded.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

Level 3 – Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset.

Income Taxes

The Organization operates as a nonprofit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has adopted Accounting Standards Codification (ASC) 740-10 as it relates to uncertain tax positions. When applicable, any interest and penalties recognized associated with a tax position are classified as current liabilities in the Organization's financial statements. The Organization is not aware of any activities that would jeopardize its tax-exempt status.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled $234,737 in 2023.

Expense 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.

Salaries and related benefits are allocated to program services, administration, and fundraising by specific classifications. Program service advisors and managers are assigned to the Organization's Access and Success programs. All other personnel of the Organization including those at the national headquarters are allocated to functional classifications based on time and effort percentages. Certain specific program expenses relate directly to events, scholarships, campus travel, and student supplies and care packages.

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.

In-Kind awards granted for program expansion and direct service strategy are allocated to the program services they impact while donated services that support ongoing operations are allocated entirely to the administrative function. Donated rental space will follow the allocation by headcount used for other Occupancy costs.

Operational costs are allocated based on area of impact and activity. Consultants and temporary staffing costs are allocated in accordance with the staff they support.

Occupancy costs related to the Organization's three program services regions are allocated based on head count and the related allocations of those working in that regional service area.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Bottom Line, Inc. has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 2, 2024, the date the financial statements were available to be issued.

NOTE 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, 2023 are:

Financial Assets:	
Cash and Cash Equivalents	$ 14,258,869
Contributions Receivable, Net	6,697,481
Investments	14,614,325
Total Financial Assets	35,570,675
Less Financial Assets Held to Meet Donor-Imposed Restrictions:	
Net Assets With Donor Restrictions	(12,444,093)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 23,126,582

Bottom Line has a goal to maintain financial assets to meet at least 120 days of normal operating expenses, which are, on average, approximately $2,290,000 a month. Bottom Line has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 CONTRIBUTIONS RECEIVABLE

The Organization had unconditional contributions receivable from several donors at June 30, 2023. The anticipated schedule of receipts is as follows:

	Due within 1 Year	Due in 1-5 Years	Total
Contributions receivable	$ 6,832,044	$ 1,884,633	$ 8,716,677
Less:		-	-
Allowance for Uncollectible Receivables	134,563	-	134,563
Net Contributions Receivable	$ 6,697,481	$ 1,884,633	$ 8,582,114

NOTE 5 FAIR VALUE

Fair Value Option

The Organization elected the fair value option for promises to give. The fair value option election was made to simplify the record keeping. The option allows organizations to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and financial liabilities. Changes in fair value for assets and liabilities for which the election is made will be recognized in earnings as they occur. The fair value option is permitted on an instrument-by-instrument basis at initial recognition of an asset or liability or upon an event that gives rise to a new basis of accounting for that instrument. For certain financial instruments that are not accounted for at fair value under other applicable accounting guidance, the fair value option has been elected.

Fair Value Measurements

Assets measured at fair value on a recurring basis as of June 30:

	Market and Carrying Value	Level 1	Level 2	Level 3
Assets:				
Contributions Receivable	$ 8,582,114	$ -	$ -	$ 8,582,114
Investments:				
Stocks	137,441	137,441	-	-
Fixed Income & Preferred Securities	14,476,884	14,476,884	-	-
Total	$ 23,196,439	$ 14,614,325	$ -	$ 8,582,114

NOTE 6 LINE OF CREDIT

The Organization has a revolving line of credit for $800,000 which is due on demand. As of June 30, 2023, 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. During the subsequent period in October 2023, the Organization closed the Letter of Credit and used cash to hold the security deposit.

Subsequent to year end, the Organization obtained a line of credit for $1,000,000 in July of 2023.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2023 were available for the following purposes:

Subject to Expenditure of Specified Purpose:	Scholarship	Programs	Total
Massachusetts	$ 134,000	$ 5,926,720	$ 6,060,720
New York	294,950	1,492,420	1,787,370
Chicago	-	934,613	934,613
National	-	3,055,618	3,055,618
Total	$ 428,950	$ 11,409,371	$ 11,838,321
Endowment:			
Subject to Endowment Spending Policy and Appropriation:	$ -	$ 305,772	$ 305,772
Promises to Give Restricted to Endowment	-	300,000	300,000
Total	$ -	$ 605,772	$ 605,772
Total Donor-Restricted Net Assets	$ 428,950	$ 12,015,143	$ 12,444,093

NOTE 8 RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions during the year ended June 30, 2023 as follows:

	Scholarship	Programs	Total
Massachusetts	$ 46,000	$ 3,017,200	$ 3,063,200
New York	55,087	1,125,462	1,180,549
Chicago	-	1,669,318	1,669,318
National	-	3,016,705	3,016,705
Total	$ 101,087	$ 8,828,685	$ 8,929,772

NOTE 9 ENDOWMENT

In December 2022, the Organization received funding from The Solon E. Summerfield Foundation to start the Emergency Fund Endowment. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds.

The Organization has adopted an investment policy for endowment assets. Under this policy, as approved by the board, the primary long-term financial objective is to preserve the value of the endowment investment portfolio.

Massachusetts state law allows the trustees to appropriate as much of the net asset appreciation of donor-restricted endowments as is prudent considering the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. The Organization had no such deficiencies of this nature for the year ended June 30, 2023.

Changes in endowment net asset composition by type of fund as of June 30, 2023, is as follows:

	With Donor Restrictions	Total
Net Assets as of June 30, 2022	$ -	$ -
Contributions	$ 299,544	299,544
Investment Return		
Investment Income	3,702	3,702
Realized and Unrealized Gains	2,526	2,526
Net Assets as of June 30, 2023	$ 305,772	$ 305,772

NOTE 10 LEASES

Operating Lease

The Organization leases office space in four locations under various long-term, non-cancelable lease agreements. The leases expire at various dates through December 2028. The leases provide for annual rental payments with escalating monthly or quarterly with base rent payments ranging from $466 to $30,478.

Finance Lease

The Organization leases office equipment. The lease expires in May of 2024. The monthly lease payment is $6,255, including an annual interest rate of .34%. The equipment is amortized over the term of the lease. Amortization of the equipment is included in amortization expense for 2023.

Right of use assets consist of the following at June 30, 2023:

	Operating	Finance
Right of Use Assets	$ 2,517,403	$ 217,958
Less: Accumulated Amortization	(813,011)	(139,453)
Total Right of Use Assets, Net	$ 1,704,392	$ 78,505

The following table provides quantitative information concerning the Organization's leases:

Lease Cost	
Finance Lease Cost:	
Amortization of Right of Use Asset	$ 72,653
Interest on Lease Obligation	371
Operating Lease Cost	699,496
Total Lease Cost	$ 772,520
Other Information	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Finance Lease	$ 371
Operating Cash Flows from Operating Leases	$ 738,153
Financing Cash Flows from Finance Lease	$ 74,689
Right of Use Assets Obtained in Exchange for New Finance Lease Liabilities	$ -
Right of Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 2,553,529
Weighted-Average Remaining Financing Lease Term	0.9 years
Weighted-Average Remaining Operating Lease Term	4.2 years
Weighted-Average Discount Rate - Finance Lease	0.34%
Weighted-Average Discount Rate - Operating Leases	2.86%

NOTE 10 LEASES (CONTINUED)

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for the lease liabilities as of June 30, 2023, is as follows:

Year Ending June 30,	Operating	Finance
2024	$ 777,424	$ 68,805
2025	551,158	-
2026	264,003	-
2027	244,587	-
2028	250,213	-
Thereafter	126,531	-
Total Minimum Lease Payments	2,213,916	68,805
Less: Amount Representing Interest	(340,288)	(117)
Present Value of Lease Obligation	$ 1,873,628	$ 68,688

NOTE 11 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 $261,250 for the year ended June 30, 2023.

NOTE 12 RELATED PARTY TRANSACTIONS

The Organization recognized contributions from related parties in the amount of $126,231 for the year ended June 30, 2023.

NOTE 13 PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2023, it was determined there were several accounts that were not properly stated as of June 30, 2022. In order to correct the errors, contributions receivable, accrued expenses and net assets were adjusted. There was also a change to the change in net assets as of June 30, 2022, as a result of the restatement. The following table describes the adjustment:

	Contributions Receivable	Accrued Expenses	Change in Net Assets	Net Assets
Balance as of June 30, 2022, As Previously Reported	$ 7,535,579	$ 1,106,050	$ 3,274,235	$ 19,669,360
Correction of Errors	(850,180)	(317,878)	(532,302)	(532,302)
Balance as of June 30, 2022, As Restated	$ 6,685,399	$ 788,172	$ 2,741,933	$ 19,137,058