

**THE BOTTOM LINE, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 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 statements of financial position as of June 30, 2024 and 2023, 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, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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***

As discussed in Note 14 to the financial statements, cash, contributions receivable, change in net assets and net assets were not properly stated as of June 30, 2023. As a result, there was a restatement to these accounts. Our opinion was not modified with respect to that 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  
November 13, 2024

**THE BOTTOM LINE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	2024	Restated 2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 16,384,446	\$ 13,998,394
Investments	10,948,074	14,614,325
Contributions Receivable, Net	4,965,304	6,147,161
Prepaid Expenses	297,476	287,436
Total Current Assets	32,595,300	35,047,316
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and Equipment	615,848	688,955
Leasehold Improvements	383,507	396,817
Subtotal	999,355	1,085,772
Less: Accumulated Depreciation	(865,592)	(1,026,554)
Total Property and Equipment, Net	133,763	59,218
<b>LEASE ASSETS</b>		
Operating Lease Right of Use Assets, Net of Accumulated Amortization	1,396,380	1,704,392
Finance Lease Right of Use Assets, Net of Accumulated Amortization	-	78,505
Total Lease Assets	1,396,380	1,782,897
<b>INTANGIBLES</b>		
Database and Website	423,955	424,305
Less: Accumulated Amortization	(423,955)	(419,360)
Subtotal	-	4,945
Development In Progress	239,771	-
Total Intangibles, Net	239,771	4,945
<b>OTHER ASSETS</b>		
Deposits	217,596	118,322
Contributions Receivable, Long-Term, Net	2,699,209	771,393
Total Other Assets	2,916,805	889,715
Total Assets	\$ 37,282,019	\$ 37,784,091
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 501,235	\$ 77,462
Accrued Expenses	1,621,960	1,084,884
Operating Lease Obligation, Current Portion	585,379	777,424
Finance Lease Obligation, Current Portion	-	68,688
Total Current Liabilities	2,708,574	2,008,458
<b>LONG-TERM LIABILITIES</b>		
Operating Lease Obligation, Net of Current Portion	911,949	1,096,204
Total Long-Term Liabilities	911,949	1,096,204
Total Liabilities	3,620,523	3,104,662
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board Designated - Strategic Reserves	12,800,787	14,048,733
Undesignated	6,764,593	9,850,163
Total Without Donor Restrictions	19,565,380	23,898,896
With Donor Restrictions	14,096,116	10,780,533
Total Net Assets	33,661,496	34,679,429
Total Liabilities and Net Assets	\$ 37,282,019	\$ 37,784,091

See accompanying Notes to Financial Statements.

**THE BOTTOM LINE, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 6,887,266	\$ 13,034,199	\$ 19,921,465
Scholarship Contributions	-	1,022,082	1,022,082
Special Events:			
Revenue	1,766,035	-	1,766,035
Direct Expenses of Special Events	(552,160)	-	(552,160)
Special Events, Net	1,213,875	-	1,213,875
In-Kind Contributions	996,718	-	996,718
Investment and Other Income	1,236,107	29,813	1,265,920
Net Assets Released from Restriction	10,770,511	(10,770,511)	-
Total Revenue and Support	<u>21,104,477</u>	<u>3,315,583</u>	<u>24,420,060</u>
<b>EXPENSES</b>			
Program Services	17,943,074	-	17,943,074
Administration	3,579,962	-	3,579,962
Fundraising	3,914,957	-	3,914,957
Total Expenses	<u>25,437,993</u>	<u>-</u>	<u>25,437,993</u>
<b>CHANGES IN NET ASSETS</b>	(4,333,516)	3,315,583	(1,017,933)
Net Assets - Beginning of Year, As Restated	<u>23,898,896</u>	<u>10,780,533</u>	<u>34,679,429</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 19,565,380</u>	<u>\$ 14,096,116</u>	<u>\$ 33,661,496</u>

See accompanying Notes to Financial Statements.

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

	Restated		Total
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 20,043,863	\$ 15,060,243	\$ 35,104,106
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
Investment and Other Income	773,402	6,228	779,630
Net Assets Released from Restriction	8,929,772	(8,929,772)	-
Total Revenue and Support	32,754,899	6,474,638	39,229,537
<b>EXPENSES</b>			
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
<b>CHANGES IN NET ASSETS</b>	11,585,588	6,474,638	18,060,226
Net Assets - Beginning of Year, as Previously Stated	12,573,783	6,563,275	19,137,058
Prior Period Adjustment	(260,475)	(2,257,380)	(2,517,855)
Net Assets - Beginning of Year, Restated	12,313,308	4,305,895	16,619,203
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 23,898,896</u>	<u>\$ 10,780,533</u>	<u>\$ 34,679,429</u>

See accompanying Notes to Financial Statements.

**THE BOTTOM LINE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	Program Services	Administration	Fundraising	Total
<b>EXPENSES</b>				
Salaries and Fringe Expenses:				
Salaries and Wages	\$ 9,845,720	\$ 1,609,104	\$ 2,040,482	\$ 13,495,306
Payroll Taxes and Benefits	<u>1,821,410</u>	<u>420,501</u>	<u>353,402</u>	<u>2,595,313</u>
Total Salaries and Fringe Expenses	11,667,130	2,029,605	2,393,884	16,090,619
Program-Related Expenses:				
Campus Travel	76,938	-	-	76,938
Student Fee and Expense Assistance	193,804	-	-	193,804
Supplies	96,032	-	-	96,032
Recruitment and Partnerships	47,484	-	-	47,484
Program Events	135,267	-	-	135,267
Other Program Expense	80,427	-	-	80,427
Bottom Line Scholarships	1,092,474	-	-	1,092,474
Designated Scholarships	<u>923,329</u>	<u>-</u>	<u>-</u>	<u>923,329</u>
Total Program-Related Expenses	2,645,755	-	-	2,645,755
Special Event Expense	-	-	524,660	524,660
In-Kind Services Expense	903,129	66,089	27,500	996,718
Operational Expenses:				
Advertising and Public Relations	123,374	20,157	25,331	168,862
Professional Fees	20,382	321,174	25,815	367,371
Consultants and Temporary Staffing	940,556	446,590	967,060	2,354,206
Staff Training, Travel and Development	279,973	385,467	101,807	767,247
Bank Fees, Dues, Insurance & Other Services	64,254	44,179	70,913	179,346
Office Supplies, Equipment, Telecomm & Internet Technology	131,653	57,829	28,369	217,851
Bad Debt Expenses	325,365	170,773	161,419	657,557
			<u>12,169</u>	<u>12,169</u>
Total Operational Expenses	<u>1,885,557</u>	<u>1,446,169</u>	<u>1,392,883</u>	<u>4,724,609</u>
Occupancy Expenses:				
Occupancy (Rent, Taxes, Utilities)	715,260	28,908	105,546	849,714
Repairs and Maintenance	24,619	1,795	3,764	30,178
Parking	<u>6,480</u>	<u>263</u>	<u>990</u>	<u>7,733</u>
Total Occupancy Expenses	<u>746,359</u>	<u>30,966</u>	<u>110,300</u>	<u>887,625</u>
Depreciation, Amortization, and Interest Expense:				
Interest Expense	-	117	-	117
Depreciation and Amortization	95,144	7,016	17,890	120,050
Total Depreciation, Amortization, and Interest Expense	<u>95,144</u>	<u>7,133</u>	<u>17,890</u>	<u>120,167</u>
Total Expenses	17,943,074	3,579,962	4,467,117	25,990,153
Less: Expenses Included in Revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>(552,160)</u>	<u>(552,160)</u>
Total Expenses as Included on the Statement of Activities	<u>\$ 17,943,074</u>	<u>\$ 3,579,962</u>	<u>\$ 3,914,957</u>	<u>\$ 25,437,993</u>

See accompanying Notes to Financial Statements.



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

<b>EXPENSES</b>	Program Services	Administration	Fundraising	Total
Salaries and Fringe Expenses:				
Salaries and Wages	\$ 8,158,736	\$ 1,613,789	\$ 1,034,426	\$ 10,806,951
Payroll Taxes and Benefits	<u>1,143,101</u>	<u>524,282</u>	<u>221,472</u>	<u>1,888,855</u>
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	<u>1,349,528</u>	<u>555</u>	<u>6,404</u>	<u>1,356,487</u>
Total Program-Related Expenses	1,808,873	6,455	11,546	1,826,874
Special Event Expense	-	-	462,412	462,412
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	<u>5,000</u>	<u>-</u>	<u>136,563</u>	<u>141,563</u>
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	<u>9,053</u>	<u>442</u>	<u>1,546</u>	<u>11,041</u>
Total Occupancy Expenses	720,120	16,635	134,882	871,637
Depreciation, Amortization, and Interest Expense:				
Interest Expense	-	372	-	372
Depreciation and Amortization	119,852	11,820	24,663	156,335
Total Depreciation, Amortization, and Interest Expense	<u>119,852</u>	<u>12,192</u>	<u>24,663</u>	<u>156,707</u>
Total Expenses	15,083,463	3,546,994	3,001,266	21,631,723
Less: Expenses Included in Revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>(462,412)</u>	<u>(462,412)</u>
Total Expenses as Included on the Statement of Activities	<u>\$ 15,083,463</u>	<u>\$ 3,546,994</u>	<u>\$ 2,538,854</u>	<u>\$ 21,169,311</u>

See accompanying Notes to Financial Statements.

**THE BOTTOM LINE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	Restated 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ (1,017,933)	\$ 18,060,226
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Bad Debt Expense	12,169	141,563
Depreciation and Amortization	41,545	83,682
Amortization on Financing Right of Use Assets	78,505	72,653
Contributions Received for Endowment	-	(299,544)
Gain on Investments	(1,259,945)	(277,339)
(Increase) Decrease in Assets:		
Contributions Receivable	(758,128)	(2,632,098)
Prepaid Expenses	(10,040)	(103,856)
Deposits	(99,274)	(44,833)
Operating Lease Right of Use Assets	308,012	(1,704,392)
Finance Lease Right of Use Assets	-	(151,158)
Increase (Decrease) in Liabilities:		
Accounts Payable	423,773	(225,081)
Accrued Expenses	537,076	296,712
Deferred Rent	-	(217,491)
Operating Lease Obligation	(376,300)	1,873,628
Finance Lease Obligation	-	151,158
Net Cash Provided (Used) by Operating Activities	(2,120,540)	15,023,830
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(350,916)	(28,311)
Reinvestment in and Purchases of Investments	(26,596,802)	(59,322,508)
Proceeds from Sale of Investments	31,522,998	44,985,522
Net Cash Provided (Used) by Investing Activities	4,575,280	(14,365,297)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Finance Lease Obligation	(68,688)	(82,470)
Contributions Received for Endowment	-	299,544
Net Cash Provided (Used) by Financing Activities	(68,688)	217,074
<b>NET CHANGE IN CASH</b>	2,386,052	875,607
Cash and Cash Equivalents- Beginning of Year	13,998,394	13,122,787
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 16,384,446	\$ 13,998,394

See accompanying Notes to Financial Statements.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**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 in the Fall of 2024, the Organization opened operations in Dayton, Ohio.

The mission of the Organization is to partner with first-generation college students from low-income backgrounds to assist them in getting into college, graduating and to 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.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**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, 2024, the uninsured balance is \$15,821,635.

**Contributions Receivable**

Unconditional promises to give are recorded as contributions receivable in the statements 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 statements of financial position. Net investment return/loss is reported in the statements 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 statements 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 \$5,000 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 \$36,600 and \$83,682 in the years ended June 30, 2024 and 2023, respectively.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 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 statements of financial position. Finance leases are included in finance lease right-of-use (ROU) assets and finance lease obligation on the statements 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, 2024 and 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, 2024 and 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 reported in the accompanying statements of activities as net assets without donor restrictions.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**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. No donor concentration for the year ended June 30, 2024. For the year ended 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 statements 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, 2024 and 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 years ended June 30, 2024 and 2023, \$996,718 and \$1,935,087, respectively, 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.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

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.

*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 has received a determination letter from the Internal Revenue Service (IRS) indicating that it is exempt from federal income taxes, except for taxes pertaining to unrelated business income under section 501(c)(3) of the Internal Revenue Code.

As required by the uncertain tax position guidance, the Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. As of June 30, 2024 and 2023, the Organization does not believe there is any uncertainty with respect to its tax positions and there were no interest or penalties related to income taxes that have been accrued or recognized as of and for those years. Tax years remain open for years in which any unrelated business income tax return has not been filed.

**Advertising**

Advertising costs are expensed as incurred. Advertising expense totaled \$168,863 and \$234,737 in the years ended June 30, 2024 and 2023, respectively.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expense Allocation**

The cost of providing the various programs and other activities of the Organization has been summarized on a functional basis in the statements 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. No donated rental space in the years ended June 30, 2024 and 2023.

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.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no effect on previously reported net assets or changes in net assets.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 13, 2024, the date the financial statements were available to be issued.



**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**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 the financial position date comprise the following:

	2024	Restated 2023
Financial Assets:		
Cash and Cash Equivalents	\$ 16,384,446	\$ 13,998,394
Contributions Receivable, Net	4,965,304	6,147,161
Investments	10,948,074	14,614,325
Total Financial Assets	32,297,824	34,759,880
Less: Financial Assets Held to Meet Donor-Imposed Restrictions:		
Net Assets With Donor Restrictions	(14,096,116)	(10,780,533)
Long Term Time Restrictions	2,699,209	771,393
Total Financial Assets Held to Meet Donor-Imposed Restrictions	(11,396,907)	(10,009,140)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 20,900,917	\$ 24,750,740

Bottom Line has a goal to maintain financial assets to meet at least 120 days of normal operating expenses, which are, on average, approximately \$2,025,745 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. The anticipated schedule of receipts at June 30 is as follows:

	2024		
	Due within 1 Year	Due in 1-5 Years	Total
Contributions Receivable	\$ 5,046,596	\$ 2,699,209	\$ 7,745,805
Less: Allowance for Uncollectible Receivables	(81,292)	-	(81,292)
Net Contributions Receivable	\$ 4,965,304	\$ 2,699,209	\$ 7,664,513
	2023 - Restated		
	Due within 1 Year	Due in 1-5 Years	Total
Contributions Receivable	\$ 6,281,724	\$ 771,393	\$ 7,053,117
Less: Allowance for Uncollectible Receivables	(134,563)	-	(134,563)
Net Contributions Receivable	\$ 6,147,161	\$ 771,393	\$ 6,918,554

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**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:

	2024			
	Market and Carrying Value	Level 1	Level 2	Level 3
Assets:				
Contributions Receivable	\$ 7,664,513	\$ -	\$ -	\$ -
Investments:				
Stocks	486,954	486,954	-	-
Fixed Income & Preferred Securities	10,461,120	10,461,120	-	-
Total	<u>\$ 18,612,587</u>	<u>\$ 10,948,074</u>	<u>\$ -</u>	<u>\$ -</u>
	2023 - Restated			
	Market and Carrying Value	Level 1	Level 2	Level 3
Assets:				
Contributions Receivable	\$ 6,918,554	\$ -	\$ -	\$ -
Investments:				
Stocks	137,441	137,441	-	-
Fixed Income & Preferred Securities	14,476,884	14,476,884	-	-
Total	<u>\$ 21,532,879</u>	<u>\$ 14,614,325</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 6 INVESTMENTS**

Investments consist of the following at June 30:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Stocks	\$ 462,877.0	\$ 486,954	\$ 131,526	\$ 137,441
Fixed Income & Preferred Securities	10,275,922	10,461,120	14,325,293	14,476,884
Total	<u>\$ 10,738,799</u>	<u>\$ 10,948,074</u>	<u>\$ 14,456,819</u>	<u>\$ 14,614,325</u>

**NOTE 7 LINE OF CREDIT**

The Organization has a revolving line of credit for \$1,000,000 with a maturity date of June 1, 2025. As of June 30, 2024 and 2023, there were no advances on this line of credit.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

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

	2024		
Subject to Expenditure of Specified Purpose:	Scholarship	Programs	Total
Massachusetts	\$ 598,390	\$ 4,007,869	\$ 4,606,259
New York	373,593	1,037,185	1,410,778
Chicago	53,676	1,110,944	1,164,620
National	103,500	5,168,652	5,272,152
Detroit	-	1,000,000	1,000,000
Total	1,129,159	12,324,650	13,453,809
Endowment:			
Subject to Endowment Spending Policy and Appropriation:	-	492,307	492,307
Promises to Give Restricted to			
Endowment	-	150,000	150,000
Total	-	642,307	642,307
Total Donor-Restricted Net Assets	\$ 1,129,159	\$ 12,966,957	\$ 14,096,116
	2023 - Restated		
Subject to Expenditure of Specified Purpose:	Scholarship	Programs	Total
Massachusetts	\$ 134,000	\$ 5,926,720	\$ 6,060,720
New York	294,950	886,648	1,181,598
Chicago	-	934,613	934,613
National	-	1,987,500	1,987,500
Ohio	-	10,330	10,330
Total	428,950	9,745,811	10,174,761
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	\$ 10,351,583	\$ 10,780,533

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 9 RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were released from donor restrictions during the years ended June 30:

	2024		
	Scholarship	Programs	Total
Massachusetts	\$ 75,610	\$ 3,584,684	\$ 3,660,294
New York	83,439	1,584,105	1,667,544
Chicago	31,824	1,733,656	1,765,480
National	-	3,116,543	3,116,543
Ohio	-	560,650	560,650
Total	\$ 190,873	\$ 10,579,638	\$ 10,770,511
	2023 - Restated		
	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	-	2,433,215	2,433,215
Ohio	-	583,490	583,490
Total	\$ 101,087	\$ 8,828,685	\$ 8,929,772

**NOTE 10 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 years ended June 30, 2024 and 2023.

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 10 ENDOWMENT (CONTINUED)**

Changes in endowment net asset composition by type of fund as of June 30, 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	<u>\$ 305,772</u>	<u>\$ 305,772</u>
Contributions	156,722	156,722
Investment Return		
Investment Income	11,828	11,828
Realized and Unrealized Gains	21,464	21,464
Expenses	(3,479)	(3,479)
Net Assets as of June 30, 2024	<u>\$ 492,307</u>	<u>\$ 492,307</u>

**NOTE 11 LEASES**

**Operating Lease**

The Organization leases office space in four locations and various office equipment under various long-term, noncancelable lease agreements. The leases expire at various dates through December 2028. Two of the four locations were extended subsequent to year-end for an additional eight to ten years. 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 expired in May of 2024. The monthly lease payment is \$6,255, including an annual interest rate of 0.34%. The equipment is amortized over the term of the lease.

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

	2024		2023	
	Operating	Finance	Operating	Finance
Right of Use Assets	\$ 2,663,329	\$ -	\$ 2,517,403	\$ 217,958
Less: Accumulated Amortization	(1,266,949)	-	(813,011)	(139,453)
Total Right of Use Assets, Net	<u>\$ 1,396,380</u>	<u>\$ -</u>	<u>\$ 1,704,392</u>	<u>\$ 78,505</u>

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 11 LEASES (CONTINUED)**

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

<u>Lease Costs</u>	<u>2024</u>	<u>2023</u>
Finance Lease Cost:		
Amortization of Right of Use Asset	\$ 78,505	\$ 72,653
Interest on Lease Obligation	117	371
Operating Lease Cost	<u>717,827</u>	<u>699,496</u>
Total Lease Cost	<u>\$ 796,449</u>	<u>\$ 772,520</u>
<u>Other Information</u>		
Cash Paid for Amounts Included in the		
Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Lease	\$ 117	\$ 371
Operating Cash Flows from Operating Leases	778,743	738,153
Financing Cash Flows from Finance Lease	68,688	82,470
Right of Use Assets Obtained in Exchange for New		
Finance Lease Liabilities	-	-
Right of Use Assets Obtained in Exchange for New		
Operating Lease Liabilities	145,926	2,553,529
Weighted-Average Remaining Financing Lease Term	N/A	0.9 Years
Weighted-Average Remaining Operating Lease Term	3.4 Years	4.2 Years
Weighted-Average Discount Rate - Finance Lease	N/A	0.34%
Weighted-Average Discount Rate - Operating Leases	2.97%	2.86%

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, 2024, is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>
2025	\$ 618,659
2025	325,847
2026	249,864
2027	250,213
2028	126,530
Thereafter	-
Total Minimum Lease Payments	<u>1,571,113</u>
Less: Amount Representing Interest	<u>(73,785)</u>
Present Value of Lease Obligation	<u>\$ 1,497,328</u>

**THE BOTTOM LINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 12 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 \$373,121 and \$261,250 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 13 RELATED PARTY TRANSACTIONS**

The Organization recognized contributions from related parties in the amount of \$166,600 and \$126,231 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 14 PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2024, it was determined there were several accounts that were not properly stated as of June 30, 2023. In order to correct the errors, cash, contributions receivable, and net assets in the Statement of Financial Position, and contributions and changes in net assets in the Statement of Activities were adjusted. The adjustment to correct cash was due to aged, outstanding reconciling items. Additionally, the adjustments to the other financial statement captions were related to a single grant which was determined to have certain annual donor-imposed conditions. All of the conditions have been met, resulting in annual recognition of contribution revenue as the cash has been timely received each year. The following table summarizes the adjustment:

	Cash	Contributions Receivable	Contributions	Change in Net Assets	Net Assets
Balance as of June 30, 2023, As Previously Reported	\$ 14,258,869	\$ 8,582,114	\$ 34,510,286	\$ 17,466,406	\$ 36,603,464
Correction of Errors	<u>(260,475)</u>	<u>(1,663,560)</u>	<u>593,820</u>	<u>593,820</u>	<u>(1,924,035)</u>
Balance as of June 30, 2023, As Restated	<u>13,998,394.00</u>	<u>6,918,554.00</u>	<u>\$ 35,104,106</u>	<u>\$ 18,060,226</u>	<u>\$ 34,679,429</u>



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