

THE BOTTOM LINE, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024



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THE BOTTOM LINE, INC.
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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, 2025 and 2024, 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, 2025 and 2024 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.

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

Lakeland, Florida
November 12, 2025

THE BOTTOM LINE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7,716,592	\$ 16,384,446
Investments	11,385,290	10,948,074
Contributions Receivable, Net	7,115,875	4,965,304
Prepaid Expenses	384,773	297,476
Total Current Assets	26,602,530	32,595,300
PROPERTY AND EQUIPMENT		
Furniture and Equipment	807,303	615,848
Leasehold Improvements	104,718	383,507
Subtotal	912,021	999,355
Less: Accumulated Depreciation	(597,191)	(865,592)
Total Property and Equipment, Net	314,830	133,763
LEASE ASSETS		
Operating Lease Right of Use Assets, Net of Accumulated Amortization	3,772,470	1,396,380
Finance Lease Right of Use Assets, Net of Accumulated Amortization	10,229	-
Total Lease Assets	3,782,699	1,396,380
INTANGIBLES		
Database and Website	1,043,062	423,955
Less: Accumulated Amortization	(388,297)	(423,955)
Subtotal	654,765	-
Development In Progress	-	239,771
Total Intangibles, Net	654,765	239,771
OTHER ASSETS		
Deposits	184,520	217,596
Contributions Receivable, Long-Term, Net	2,042,840	2,699,209
Total Other Assets	2,227,360	2,916,805
Total Assets	<u>\$ 33,582,184</u>	<u>\$ 37,282,019</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 387,494	\$ 501,235
Accrued Expenses	1,406,538	1,621,960
Operating Lease Obligation, Current Portion	428,403	585,379
Finance Lease Obligation, Current Portion	31,144	-
Total Current Liabilities	2,253,579	2,708,574
LONG-TERM LIABILITIES		
Operating Lease Obligation, Net of Current Portion	3,490,587	911,949
Finance Lease Obligation, Net of Current Portion	5,328	-
Total Long-Term Liabilities	3,495,915	911,949
Total Liabilities	5,749,494	3,620,523
NET ASSETS		
Without Donor Restrictions:		
Board Designated - Strategic Reserves	8,157,629	12,800,787
Undesignated	5,574,377	6,764,593
Total Without Donor Restrictions	13,732,006	19,565,380
With Donor Restrictions	14,100,684	14,096,116
Total Net Assets	27,832,690	33,661,496
Total Liabilities and Net Assets	<u>\$ 33,582,184</u>	<u>\$ 37,282,019</u>

See accompanying Notes to Financial Statements.

**THE BOTTOM LINE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 7,053,888	\$ 9,070,561	\$ 16,124,449
Scholarship Contributions	-	1,860,500	1,860,500
Special Events:			
Revenue	1,562,198	-	1,562,198
Direct Expenses of Special Events	(577,048)	-	(577,048)
Special Events, Net	985,150	-	985,150
In-Kind Contributions	528,693	-	528,693
Investment and Other Income	932,766	51,773	984,539
Net Assets Released from Restriction	10,978,266	(10,978,266)	-
Total Revenue and Support	20,478,763	4,568	20,483,331
EXPENSES			
Program Services	18,026,153	-	18,026,153
Administration	3,867,213	-	3,867,213
Fundraising	4,418,771	-	4,418,771
Total Expenses	26,312,137	-	26,312,137
CHANGES IN NET ASSETS	(5,833,374)	4,568	(5,828,806)
Net Assets - Beginning of Year	19,565,380	14,096,116	33,661,496
NET ASSETS - END OF YEAR	<u>\$ 13,732,006</u>	<u>\$ 14,100,684</u>	<u>\$ 27,832,690</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
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	21,104,477	3,315,583	24,420,060
EXPENSES			
Program Services	17,943,074	-	17,943,074
Administration	3,579,962	-	3,579,962
Fundraising	3,914,957	-	3,914,957
Total Expenses	25,437,993	-	25,437,993
CHANGES IN NET ASSETS	(4,333,516)	3,315,583	(1,017,933)
Net Assets - Beginning of Year	23,898,896	10,780,533	34,679,429
NET ASSETS - END OF YEAR	<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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services	Administration	Fundraising	Total
EXPENSES				
Salaries, Taxes, and Fringe Benefits:				
Salaries and Wages	\$ 10,348,594	\$ 1,798,257	\$ 2,510,874	\$ 14,657,725
Payroll Taxes and Fringe Benefits	2,125,885	407,112	450,712	2,983,709
Total Salaries, Taxes, and Fringe Benefits	12,474,479	2,205,369	2,961,586	17,641,434
Program-Related Expenses:				
Campus Travel	105,849	-	-	105,849
Student Fee and Expense Assistance	87,418	-	-	87,418
Supplies	100,752	-	-	100,752
Recruitment and Partnerships	117,212	-	-	117,212
Program Events	161,604	-	-	161,604
Other Program Expense	107,008	-	-	107,008
Bottom Line Scholarships	453,466	-	-	453,466
Designated Scholarships	1,295,978	-	-	1,295,978
Total Program-Related Expenses	2,429,287	-	-	2,429,287
Special Event Expense	-	-	552,048	552,048
In-Kind Services Expense	355,706	98,606	74,381	528,693
Operational Expenses:				
Advertising and Public Relations	150	1,588	66,529	68,267
Professional Fees	108,611	313,719	35,133	457,463
Consultants and Temporary Staffing	970,576	497,816	736,854	2,205,246
Staff Training, Travel and Development	329,709	201,721	160,513	691,943
Bank Fees, Dues, Insurance & Other Services	32,708	151,618	66,467	250,793
Office Supplies, Equipment, Telecomm & Internet	152,815	80,336	52,073	285,224
Technology	471,787	286,243	102,878	860,908
Bad Debt Expenses		848	85,688	86,536
Total Operational Expenses	2,066,356	1,533,889	1,306,135	4,906,380
Occupancy Expenses:				
Occupancy (Rent, Taxes, Utilities)	526,408	2,140	71,025	599,573
Repairs and Maintenance	57,318	8,904	7,423	73,645
Parking	9,347	529	1,240	11,116
Total Occupancy Expenses	593,073	11,573	79,688	684,334
Depreciation, Amortization, and Interest Expense:				
Interest Expense	-	1,784	-	1,784
Depreciation and Amortization	107,252	15,992	21,981	145,225
Total Depreciation, Amortization, and Interest Expense	107,252	17,776	21,981	147,009
Total Expenses	18,026,153	3,867,213	4,995,819	26,889,185
Less: Expenses Included in Revenue on the Statement of Activities	-	-	(577,048)	(577,048)
Total Expenses as Included on the Statement of Activities	\$ 18,026,153	\$ 3,867,213	\$ 4,418,771	\$ 26,312,137

See accompanying Notes to Financial Statements.

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

	Program Services	Administration	Fundraising	Total
EXPENSES				
Salaries and Fringe Expenses:				
Salaries and Wages	\$ 9,845,720	\$ 1,609,104	\$ 2,040,482	\$ 13,495,306
Payroll Taxes and Fringe Benefits	1,821,410	420,501	353,402	2,595,313
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	923,329	-	-	923,329
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 & Other Services	64,254	44,179	70,913	179,346
Office Supplies and Equipment	131,653	57,829	28,369	217,851
Technology	325,365	170,773	161,419	657,557
Bad Debt Expenses			12,169	12,169
Total Operational Expenses	1,885,557	1,446,169	1,392,883	4,724,609
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	6,480	263	990	7,733
Total Occupancy Expenses	746,359	30,966	110,300	887,625
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	95,144	7,133	17,890	120,167
Total Expenses	17,943,074	3,579,962	4,467,117	25,990,153
Less: Expenses Included in Revenue on the Statement of Activities	-	-	(552,160)	(552,160)
Total Expenses as Included on the Statement of Activities	\$ 17,943,074	\$ 3,579,962	\$ 3,914,957	\$ 25,437,993

See accompanying Notes to Financial Statements.

THE BOTTOM LINE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (5,828,806)	\$ (1,017,933)
Adjustments to Reconcile Changes in Net Assets to		
Net Cash Used by Operating Activities:		
Bad Debt Expense	86,536	12,169
Depreciation and Amortization	94,076	41,545
Amortization on Financing Right of Use Assets	51,149	78,505
Gain on Investments	(974,540)	(1,259,945)
(Increase) Decrease in Assets:		
Contributions Receivable	(1,580,738)	(758,128)
Prepaid Expenses	(87,297)	(10,040)
Deposits	33,076	(99,274)
Operating Lease Right of Use Assets	(2,376,090)	308,012
Increase (Decrease) in Liabilities:		
Accounts Payable	(113,741)	423,773
Accrued Expenses	(215,422)	537,076
Operating Lease Obligation	2,421,662	(376,300)
Net Cash Used by Operating Activities	<u>(8,490,135)</u>	<u>(2,120,540)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(690,137)	(350,916)
Reinvestment in and Purchases of Investments	(31,247,159)	(26,596,802)
Proceeds from Sale of Investments	31,784,483	31,522,998
Net Cash Provided (Used) by Investing Activities	<u>(152,813)</u>	<u>4,575,280</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Finance Lease Obligation	(24,906)	(68,688)
Net Cash Used by Financing Activities	<u>(24,906)</u>	<u>(68,688)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,667,854)	2,386,052
Cash and Cash Equivalents- Beginning of Year	<u>16,384,446</u>	<u>13,998,394</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 7,716,592</u></u>	<u><u>\$ 16,384,446</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u><u>\$ 1,784</u></u>	<u><u>\$ 117</u></u>
NONCASH FINANCING ACTIVITIES:		
Acquisition of Finance Lease	<u><u>\$ 61,378</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, Ohio, and in the Fall of 2025, the Organization opened operations in Detroit, Michigan.

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, 2025 AND 2024

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, 2025, the uninsured balance is approximately \$7,404,000.

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 approximately \$34,500 and \$36,600 in the years ended June 30, 2025 and 2024, respectively.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 and 2024, 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. 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, 2025 AND 2024

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 years ended June 30, 2025 and 2024.

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, 2025 and 2024. 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, 2025 and 2024, in-kind contributions were donated services rendered by professional service organizations for legal 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, 2025 AND 2024

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, 2025 and 2024, 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 \$68,267 and \$168,862 in the years ended June 30, 2025 and 2024, respectively.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 and 2024.

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.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 12, 2025, the date the financial statements were available to be issued.

Subsequent to June 30, 2025, The Organization's Board of Directors unanimously approved to move forward with a business combination transaction with The Get Schooled Foundation, another 501(c)3 non-profit organization in the education-access industry, pending legal, financial and operational due diligence. Due diligence is underway, with an aim to contractually execute this transaction by December 31, 2025 and begin the operational merger of these two organizations in calendar year 2026.

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:

	2025	2024
Financial Assets:		
Cash and Cash Equivalents	\$ 7,716,592	\$ 16,384,446
Investments	11,385,290	10,948,074
Contributions Receivable, Net	7,115,875	4,965,304
Total Financial Assets	<u>26,217,757</u>	<u>32,297,824</u>
Less: Financial Assets Held to Meet		
Donor-Imposed Restrictions:		
Net Assets With Donor Restrictions	(14,100,684)	(14,096,116)
Long Term Time Restrictions	<u>2,042,840</u>	<u>2,699,209</u>
Total Financial Assets Held to Meet		
Donor-Imposed Restrictions	(12,057,844)	(11,396,907)
Less: Board Designated - Strategic Reserves	<u>(8,157,629)</u>	<u>(12,800,787)</u>
Financial Assets Available to Meet Cash Needs		
for General Expenditures within One Year	<u>\$ 6,002,284</u>	<u>\$ 8,100,130</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 \$2,129,000 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.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 CONTRIBUTIONS RECEIVABLE

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

	2025		
	Due within 1 Year	Due in 1-5 Years	Total
Contributions Receivable	\$ 7,190,383	\$ 2,042,840	\$ 9,233,223
Less: Allowance for Uncollectible Receivables	(74,508)	-	(74,508)
Net Contributions Receivable	<u>\$ 7,115,875</u>	<u>\$ 2,042,840</u>	<u>\$ 9,158,715</u>
	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	<u>\$ 4,965,304</u>	<u>\$ 2,699,209</u>	<u>\$ 7,664,513</u>

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.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 FAIR VALUE (CONTINUED)

Fair Value Measurements

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

2025				
	Market and Carrying Value	Level 1	Level 2	Level 3
Investments:				
Stocks	686,733	686,733	-	-
Fixed Income & Preferred Securities	10,698,557	10,698,557	-	-
Total	<u>\$ 11,385,290</u>	<u>\$ 11,385,290</u>	<u>\$ -</u>	<u>\$ -</u>

2024				
	Market and Carrying Value	Level 1	Level 2	Level 3
Investments:				
Stocks	486,954	486,954	-	-
Fixed Income & Preferred Securities	10,461,120	10,461,120	-	-
Total	<u>\$ 10,948,074</u>	<u>\$ 10,948,074</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 INVESTMENTS

Investments consist of the following at June 30:

2025		2024	
	Cost	Fair Value	
Stocks	\$ 622,063	\$ 686,733	\$ 462,877
Fixed Income & Preferred Securities	10,698,555	10,698,557	10,275,922
Total	<u>\$ 11,320,618</u>	<u>\$ 11,385,290</u>	<u>\$ 10,738,799</u>

NOTE 7 LINE OF CREDIT

The Organization has a revolving line of credit for \$1,000,000 with a maturity date of May 1, 2026. As of June 30, 2025 and 2024, there were no advances on this line of credit.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	2025		
	Scholarship	Programs	Total
Subject to Expenditure of Specified Purpose:			
Massachusetts	\$ 643,005	\$ 2,677,785	\$ 3,320,790
New York	341,828	1,751,305	2,093,133
Chicago	86,837	970,931	1,057,768
National	1,103,500	4,029,993	5,133,493
Ohio	-	153,046	153,046
Detroit	-	1,705,793	1,705,793
Total	2,175,170	11,288,853	13,464,023
Endowment:			
Subject to Endowment Spending Policy and Appropriation:	-	636,661	636,661
Total Donor-Restricted Net Assets	<u>\$ 2,175,170</u>	<u>\$ 11,925,514</u>	<u>\$ 14,100,684</u>
	2024		
	Scholarship	Programs	Total
Subject to Expenditure of Specified Purpose:			
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	<u>\$ 1,129,159</u>	<u>\$ 12,966,957</u>	<u>\$ 14,096,116</u>

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS

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

	2025		
	Scholarship	Programs	Total
Subject to Expenditure of Specified Purpose:			
Massachusetts	\$ 575,385	\$ 2,988,792	\$ 3,564,177
New York	101,565	1,999,433	2,100,998
Chicago	57,339	1,952,013	2,009,352
National	-	2,750,159	2,750,159
Ohio	-	1,954	1,954
Detroit	-	494,207	494,207
Total	734,289	10,186,558	10,920,847
Endowment:			
Subject to Endowment Spending Policy and Appropriation:	-	57,419	57,419
Total Donor-Restricted Net Assets	<u>\$ 734,289</u>	<u>\$ 10,243,977</u>	<u>\$ 10,978,266</u>
	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	<u>\$ 190,873</u>	<u>\$ 10,579,638</u>	<u>\$ 10,770,511</u>
Endowment:			
Subject to Endowment Spending Policy and Appropriation:	-	-	-
Total Donor-Restricted Net Assets	<u>\$ 190,873</u>	<u>\$ 10,579,638</u>	<u>\$ 10,770,511</u>

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 and 2024.

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

	With Donor Restrictions
Net Assets as of June 30, 2023	\$ 305,772
Contributions	156,722
Investment Return	
Investment Income	11,828
Realized and Unrealized Gains	21,464
Expenses	(3,479)
Net Assets as of June 30, 2024	<u>\$ 492,307</u>
Contributions	150,000
Investment Return	
Investment Income	13,696
Realized and Unrealized Gains	42,703
Expenses	(4,626)
Released from Restrictions	(57,419)
Net Assets as of June 30, 2025	<u><u>\$ 636,661</u></u>

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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 November 2035. The leases provide for annual rental payments with escalating monthly or quarterly with base rent payments ranging from \$617 to \$34,266. \$185 to \$27,834

Finance Lease

The Organization leases office equipment. The Organization entered into a finance lease as in September of 2024 that will expire in August of 2026. The monthly lease payment is \$2,669, including an annual interest rate of 4.5%. The equipment is amortized over the term of the lease.

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

	2025		2024	
	Operating	Finance	Operating	Finance
Right of Use Assets	\$ 4,514,782	\$ 61,378	\$ 2,663,329	\$ -
Less: Accumulated Amortization	(742,312)	(51,149)	(1,266,949)	-
Total Right of Use Assets, Net	<u>\$ 3,772,470</u>	<u>\$ 10,229</u>	<u>\$ 1,396,380</u>	<u>\$ -</u>

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

<u>Lease Costs</u>	2025	2024
Finance Lease Cost:		
Amortization of Right of Use Asset	\$ 51,149	\$ 78,505
Interest on Lease Obligation	1,784	117
Operating Lease Cost	608,486	717,827
Total Lease Cost	<u>\$ 661,419</u>	<u>\$ 796,449</u>

Other Information

Cash Paid for Amounts Included in the

Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Lease	\$ 1,784	\$ 117
Operating Cash Flows from Operating Leases	618,309	778,743
Financing Cash Flows from Finance Lease	24,906	68,688
Right of Use Assets Obtained in Exchange for New Finance Lease Liabilities	61,378	-
Right of Use Assets Obtained in Exchange for New Operating Lease Liabilities	2,940,645	145,926
Weighted-Average Remaining Financing Lease Term	1.2 years	N/A
Weighted-Average Remaining Operating Lease Term	8.2 Years	3.4 Years
Weighted-Average Discount Rate - Finance Lease	4.50%	N/A
Weighted-Average Discount Rate - Operating Leases	3.95%	2.97%

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 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, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>	<u>Finance</u>
2026	\$ 570,523	\$ 32,028
2027	609,678	5,338
2028	621,429	-
2029	508,313	-
2030	392,284	-
Thereafter	1,987,308	-
Total Minimum Lease Payments	4,689,535	37,366
Less: Amount Representing Interest	(770,545)	(894)
Present Value of Lease Obligation	<u>\$ 3,918,990</u>	<u>\$ 36,472</u>

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 approximately \$415,000 and \$373,000 for the years ended June 30, 2025 and 2024, respectively.

NOTE 13 RELATED PARTY TRANSACTIONS

The Organization recognized contributions from board of directors of approximately \$578,900 and \$166,600 for the years ended June 30, 2025 and 2024, respectively.



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