

THE BOTTOM LINE, INC.

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018
(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

THE BOTTOM LINE, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6-7
Notes to Financial Statements	8-14

Bruce D. Norling, CPA, P.C.

INDEPENDENT AUDITORS' REPORT

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

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, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2019 and 2018, 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.

Bruce D. Norling, CPA, P.C.

September 23, 2019

THE BOTTOM LINE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,493,718	\$ 4,077,473
Contributions Receivable	4,048,312	3,925,373
Prepaid Expenses	145,094	133,712
Total Current Assets	9,687,124	8,136,558
PROPERTY AND EQUIPMENT		
Furniture and Equipment	798,782	727,641
Leasehold Improvements	424,851	424,851
Total Property and Equipment	1,223,633	1,152,492
Less: Accumulated Depreciation	(812,883)	(679,680)
Total Property and Equipment, Net	410,750	472,812
INTANGIBLES		
Database and Website	423,955	423,955
Less: Accumulated Amortization	(303,954)	(250,417)
Total Intangibles, Net	120,001	173,538
OTHER ASSETS		
Deposits	58,721	58,721
Contributions Receivable, Long-Term, Net	1,424,415	871,432
Total Other Assets	1,483,136	930,153
TOTAL ASSETS	\$ 11,701,011	\$ 9,713,061
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 107,592	\$ 61,387
Accrued Expenses	396,662	361,814
Total Current Liabilities	504,254	423,201
LONG-TERM LIABILITIES		
Deferred Rent	275,633	279,438
Total Long-Term Liabilities	275,633	279,438
TOTAL LIABILITIES	779,887	702,639
NET ASSETS		
Net Assets Without Donor Restrictions	5,572,439	4,245,076
Net Assets With Donor Restrictions	5,348,685	4,765,346
Total Net Assets	10,921,124	9,010,422
TOTAL LIABILITIES AND NET ASSETS	\$ 11,701,011	\$ 9,713,061

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

THE BOTTOM LINE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>			<u>2018</u>		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	\$ 8,195,614	\$ 3,759,887	\$ 11,955,501	7,200,652	3,096,217	10,296,869
Scholarship Contributions	-	168,777	168,777	-	194,200	194,200
Program Revenue	805,608	-	805,608	797,190	-	797,190
Special Events						
Revenue	2,084,829	-	2,084,829	2,231,241	-	2,231,241
Direct Expenses of Special Events	(405,587)	-	(405,587)	(426,655)	-	(426,655)
Special Events, Net	1,679,242	-	1,679,242	1,804,586	-	1,804,586
Interest and Other Income	29,145		29,145	14,759		14,759
Net Assets Released from Restriction	3,345,325	(3,345,325)	-	2,191,907	(2,191,907)	-
Total Revenue and Support	14,054,934	583,339	14,638,273	12,009,094	1,098,510	13,107,604
EXPENSES						
Program Services	10,407,183	-	10,407,183	9,573,042	-	9,573,042
Administration	569,883	-	569,883	554,587	-	554,587
Fundraising	1,750,505	-	1,750,505	1,703,522	-	1,703,522
Total Expenses	12,727,571	-	12,727,571	11,831,151	-	11,831,151
CHANGES IN NET ASSETS	1,327,363	583,339	1,910,702	177,943	1,098,510	1,276,453
NET ASSETS, BEGINNING OF YEAR	4,245,076	4,765,346	9,010,422	4,067,133	3,666,836	7,733,969
NET ASSETS, END OF YEAR	<u>\$ 5,572,439</u>	<u>\$ 5,348,685</u>	<u>\$ 10,921,124</u>	<u>4,245,076</u>	<u>4,765,346</u>	<u>9,010,422</u>

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

THE BOTTOM LINE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 1,910,702	\$ 1,276,453
Adjustments to Reconcile changes in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	186,740	184,096
Contributions Restricted for Long-Term Purposes	(923,251)	(768,500)
(Increase) Decrease Contributions Receivable	247,329	124,370
(Increase) Decrease Prepaid Expenses	(11,382)	15,146
(Increase) Decrease Deposits	-	7,596
Increase (Decrease) Accounts Payable	46,205	(41,735)
Increase (Decrease) Accrued Expenses	34,848	(44,861)
Increase (Decrease) Deferred Rent	(3,805)	12,146
Net Cash Provided by Operating Activities	1,487,386	764,711
 CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Purchase of Property, Equipment and Intangibles	(71,141)	(33,127)
 NET INCREASE IN CASH	1,416,245	731,584
 CASH, Beginning of year	4,077,473	3,345,889
 CASH, End of year	\$ 5,493,718	\$ 4,077,473
 Non-Cash Activity:		
Contributions Receivable Restricted for Long-Term Purposes	\$ 923,251	\$ 768,500

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

THE BOTTOM LINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

EXPENSES	Program Services	Administration	Fundraising	Total
Salaries and Related Expenses				
Salaries and Wages	\$ 6,730,525	\$ 389,914	\$ 1,197,696	\$ 8,318,135
Payroll Taxes and Benefits	1,146,761	66,434	204,066	1,417,261
Payroll Processing Fees	22,905	1,327	4,076	28,308
Total Salaries and Related Expenses	<u>7,900,191</u>	<u>457,675</u>	<u>1,405,838</u>	<u>9,763,704</u>
Program Expenses				
Events	59,800	-	-	59,800
Scholarships	203,395	-	-	203,395
Fee Assistance	5,563	-	-	5,563
Campus Travel	129,369	-	-	129,369
Supplies	165,831	-	-	165,831
Student Recruitment	6,155	-	-	6,155
Total Program Expenses	<u>570,113</u>	<u>-</u>	<u>-</u>	<u>570,113</u>
Occupancy				
Rent	737,847	42,758	131,340	912,173
Utilities	17,240	999	3,068	21,307
Repairs and Maintenance	36,054	2,089	6,416	44,559
Depreciation and Amortization	151,099	8,753	26,888	186,740
Total Occupancy Expenses	<u>942,240</u>	<u>54,599</u>	<u>167,712</u>	<u>1,164,779</u>
Operational				
Consultants and Temporary Staffing	289,940	16,797	51,595	358,332
Bank and Credit Card Fees	40,772	2,362	7,256	50,390
Advertising and Public Relations	5,192	301	924	6,417
Insurance	42,420	2,457	7,549	52,426
Training and Development	41,448	2,401	7,376	51,225
Dues and Subscriptions	31,166	1,805	5,546	38,517
Postage and Printing	24,910	1,443	4,433	30,786
Professional Fees	37,933	2,198	6,750	46,881
Leases - Equipment Rental	24,038	1,393	4,278	29,708
Staff Training and Events	61,028	3,535	10,860	75,423
Staff Travel	152,362	8,827	27,113	188,302
Staff Recruitment	51,936	3,009	9,242	64,187
Office Supplies	32,671	1,880	5,773	40,096
Computer Supplies and Software	94,403	5,469	16,799	116,671
Telecommunications	55,510	3,216	9,878	68,604
Board Expenses	7,784	451	1,385	9,620
Licenses and Fees	1,125	65	200	1,390
Total Operational Expenses	<u>994,639</u>	<u>57,608</u>	<u>176,955</u>	<u>1,228,975</u>
TOTAL EXPENSES	<u><u>\$ 10,407,183</u></u>	<u><u>\$ 569,883</u></u>	<u><u>\$ 1,750,505</u></u>	<u><u>\$ 12,727,571</u></u>

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

THE BOTTOM LINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

EXPENSES	Program Services	Administration	Fundraising	Total
Salaries and Related Expenses				
Salaries and Wages	\$ 6,475,223	\$ 315,864	\$ 1,105,526	\$ 7,896,613
Payroll Taxes and Benefits	1,033,022	50,391	176,369	1,259,782
Payroll Processing Fees	13,284	10,590	2,268	26,142
Total Salaries and Related Expenses	<u>7,521,529</u>	<u>376,845</u>	<u>1,284,163</u>	<u>9,182,537</u>
Program Expenses				
Events	39,815	-	-	39,815
Scholarships	200,667	-	-	200,667
Fee Assistance	5,616	-	-	5,616
Campus Travel	133,757	-	-	133,757
Supplies	131,074	-	-	131,074
Student Recruitment	3,699	-	-	3,699
Total Program Expenses	<u>514,628</u>	<u>-</u>	<u>-</u>	<u>514,628</u>
Occupancy				
Rent	730,727	54,644	161,608	946,979
Utilities	25,470	1,233	4,446	31,149
Repairs and Maintenance	26,067	1,295	3,580	30,942
Depreciation and Amortization	150,966	7,364	25,766	184,096
Parking	4,495	197	-	4,692
Total Occupancy Expenses	<u>937,725</u>	<u>64,733</u>	<u>195,400</u>	<u>1,197,858</u>
Operational				
Consultants and Temporary Staffing	107,816	10,727	19,281	137,824
Bank and Credit Card Fees	2,042	1,817	22,472	26,331
Advertising and Public Relations	-	-	14,837	14,837
Insurance	31,558	2,042	6,293	39,893
Training and Development	25,420	4,240	5,881	35,541
Dues and Subscriptions	12,744	5,256	11,788	29,788
Postage and Printing	11,222	3,793	17,580	32,595
Professional Fees	25,315	10,283	9,681	45,279
Leases - Equipment Rental	23,682	1,260	4,672	29,614
Staff Training and Events	70,774	6,099	9,074	85,947
Staff Travel	65,626	33,237	47,502	146,365
Staff Recruitment	83,263	6,511	16,020	105,794
Office Supplies	28,952	5,936	5,639	40,527
Computer Supplies and Software	64,642	16,328	16,566	97,536
Telecommunications	45,696	2,975	13,759	62,430
Board Expenses	408	987	2,914	4,309
Licenses and Fees	-	1,518	-	1,518
Total Operational Expenses	<u>599,160</u>	<u>113,009</u>	<u>223,959</u>	<u>936,128</u>
TOTAL EXPENSES	<u><u>\$ 9,573,042</u></u>	<u><u>\$ 554,587</u></u>	<u><u>\$ 1,703,522</u></u>	<u><u>\$ 11,831,151</u></u>

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

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. SUMMARY OF OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

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

Net Assets

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

Net Assets without Donor Restrictions

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

Net Assets with Donor Restrictions

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

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying Net Assets with Donor Restrictions to Net Assets without Donor Restrictions.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Revenue Recognition

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions and/or time restrictions. Revenues are reported as net assets without donor restrictions if the donor-imposed restrictions are met in the same reporting period. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Contributions, Gifts and Grants

The Organization records contributions, gifts and grants as receivables and revenue. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions are recorded as revenue when the pledge is verified or received. Contributions are considered to be available for use unless specifically restricted by the donor or grantor. Contributions of assets other than cash are recorded at their fair value, and as of the date the gift is received. Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recognized when the conditions on which they depend are substantially met.

During 2019, a significant amount of contributions were provided by a few contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

Contributions Receivable

Contributions receivable within one year are recorded at carrying value. Contributions receivable over periods greater than one year are discounted and recorded at the present value of the estimated future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are made, commensurate with expected future payments. Management has determined the amounts are collectible and no allowance for uncollectible contributions receivable is needed.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Cash and Cash Equivalents

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

The Organization maintains cash balances at three financial institutions. The Organization maintains its cash in bank deposit accounts which exceed federally insured limits and in uninsured money market mutual funds. Accounts at each institution are insured by the

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. As of June 30, 2019, the uninsured balance is \$5,199,428. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Property and Equipment

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

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

Depreciation and amortization expense totaled \$128,607 and \$58,133 in 2019, and \$62,545 and \$121,551 in 2018, respectively.

Fair Value of Financial Instruments

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

Deferred Rent

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

Nonprofit Status and Income Taxes

The Organization is exempt from income taxes as an organization (not a private foundation) formed for charitable purposes and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Company within Internal Revenue Code regulations. The Organization is subject to federal and state tax on income from any unrelated business. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2019.

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

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$0 and \$14,837 in 2019 and 2018, respectively.

Expense Recognition and Allocation

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

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

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

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

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

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

Change in Accounting Principles

The Organization implemented FASB ASU No. 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called Net Assets with Donor Restrictions.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

- The unrestricted net asset class has been renamed Net Assets without Donor Restrictions.
- The financial statements include a disclosure about liquidity and availability of resources.

The changes have the following effect on net assets at July 1, 2018:

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 4,245,076	
Temporarily restricted net assets	4,765,346	
Net Assets without Donor Restrictions		\$ 4,245,076
Net Assets with Donor Restrictions		4,765,346
Total net assets	\$ 9,010,422	\$ 9,010,422

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, 2019 are:

Financial assets:	
Cash and cash equivalents	\$ 5,493,718
Contributions receivable	4,048,312
Prepaid expenses	<u>145,094</u>
Total financial assets	\$ 9,687,124
Less accrued liabilities	(396,662)
Less accounts payable	<u>(107,592)</u>
Amount available for general expenditures within one year	<u>\$ 9,182,870</u>

Bottom Line has a goal to maintain financial assets to meet at least 120 days of normal operating expenses, which are, on average, approximately \$4,500,000. Bottom line has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. LINE OF CREDIT

The Organization has a revolving line of credit for \$800,000 which is due on demand. As of June 30, 2019, there were no advances on this line of credit. The Organization obtained a Letter of Credit, which is linked to the line of credit, for a landlord in the amount of \$132,411 in lieu of a security deposit for rental space.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

5. DONATED SERVICES

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, as provided by individuals possessing those skills, and would typically need to be purchased if not donated. The Organization did not recognize any donated services in 2019 and 2018.

6. CONTRIBUTIONS RECEIVABLE

The Organization had unconditional contributions receivable from several donors at June 30, 2019 and 2018. In 2019 and 2018, pledges receivable with a due date extending beyond one year are discounted at a rate of .45% and .58%, depending on the year due. The Organization believes all pledges are collectible as of June 30, 2019.

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

	2019	2018
Receivable in one year or less	\$4,048,312	\$ 3,925,373
Receivable in over one year and up to five years	<u>1,430,000</u>	<u>877,017</u>
Total pledges to be received in the future	5,478,312	4,802,390
Discount to net present value	<u>(5,585)</u>	<u>(5,585)</u>
Net pledges to be received in the future	<u>\$5,472,727</u>	<u>\$ 4,796,805</u>

As of June 30, 2019 and 2018, respectively, the Organization had cumulative restricted grant agreements outstanding totaling \$4,446,250 and \$7,146,250 that contained donor conditions regarding matching fund requirements and future program goals and benchmarks to be achieved after year-end. Since these grants represent conditional promises to give, they are not recorded as contributions until donor conditions are met. As of June 30, 2019 and 2018, respectively, \$1,046,250 and \$3,248,750 of these conditions had been met and recorded as revenue. The remaining balances of these conditional promises to give as of June 30, 2019 and 2018, respectively, of \$3,400,000 and \$3,897,500 had not yet been recorded as revenue.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are released from donor restrictions by satisfying the purpose or time restriction specified by the donors. At June 30, 2019, net assets with donor restrictions were available for the following purposes:

	2019	2018
Scholarships	\$ 253,470	\$ 17,456
Programs	<u>5,095,215</u>	<u>4,759,060</u>
Total Net Assets with Donor Restrictions:	<u>\$ 5,348,685</u>	<u>\$ 4,765,346</u>

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

8. OPERATING LEASES

The Organization leases its premises under various operating leases. The Organization is obligated to pay a share of the property's operating expenses and real estate taxes. The Organization also leases space for program events on a short term as needed basis and office equipment. Rent expense totaled \$914,303 in 2019 and \$946,979 in 2018. Minimum future rental payments under all non-cancelable operating leases and lease extensions are as follows:

Year ending June 30,	
2020	783,655
2021	801,820
2022	770,397
2023	629,665
2024	605,231
Thereafter	<u>1,161,651</u>
Total	<u>\$4,752,429</u>

9. RETIREMENT PLAN

The Organization maintains a qualified retirement plan (the Plan) under Section 403(b) of the Internal Revenue code. Under the provisions of the Plan, employees can elect to have a portion of their salary withheld and contributed to the Plan, subject to Internal Revenue Service limitations. The Organization made a 3% matching contribution of \$153,862 for the year ended June 30, 2019 and \$90,252 for the year ended June 30, 2018.

10. SUBSEQUENT EVENTS

The Organization did not have any recognized or non-recognized subsequent events after June 30, 2019, the date of the statement of financial position. Subsequent events have been evaluated through September 23, 2019, the date the financial statements were available to be issued.