

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

THE BOTTOM LINE, INC.

JUNE 30, 2009 AND 2008

THE BOTTOM LINE, INC.
JUNE 30, 2009 AND 2008

CONTENTS

| | Page |
|--|---------|
| Independent auditor's report | 1 |
| Financial statements: | |
| Statements of financial position | 2 |
| Statements of activities | 3 - 4 |
| Statements of functional expenses | 5 - 6 |
| Statements of cash flows | 7 |
| Notes to financial statements | 8 - 15 |
| Accompanying information: | |
| Independent auditor's report on accompanying information | 16 |
| Schedule I – expenses by program | 17 - 18 |

Independent Auditor's Report

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

We have audited the accompanying statements of financial position of The Bottom Line, Inc. (a non-profit organization) as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the management of The Bottom Line, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Cohen + Associates

Certified Public Accountants
September 24, 2009

THE BOTTOM LINE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

ASSETS

| | <u>2009</u> | <u>2008</u> |
|-----------------------------------|----------------------------|----------------------------|
| Current assets: | | |
| Cash | \$ 1,729,207 | \$ 1,275,363 |
| Restricted cash | 203,487 | 2,144 |
| Pledges receivable | 89,000 | 412,750 |
| Prepaid expenses and other assets | <u>19,966</u> | <u>11,173</u> |
| | <u>2,041,660</u> | <u>1,701,430</u> |
| Property and equipment: | | |
| Database | 104,563 | 37,103 |
| Furniture and equipment | 155,120 | 143,389 |
| Leasehold improvements | <u>51,552</u> | <u>5,343</u> |
| | 311,235 | 185,835 |
| Accumulated depreciation | <u>(79,968)</u> | <u>(85,701)</u> |
| | <u>231,267</u> | <u>100,134</u> |
| Other asset: | | |
| Deposits | <u>14,020</u> | <u>15,444</u> |
| TOTAL ASSETS | \$ <u>2,286,947</u> | \$ <u>1,817,008</u> |

LIABILITIES AND NET ASSETS

| | | |
|---|----------------------------|----------------------------|
| Current liabilities: | | |
| Accounts payable | \$ 60,951 | \$ 30,375 |
| Accrued expenses | 49,790 | 39,168 |
| Scholarships payable | <u>203,487</u> | <u>190,144</u> |
| | <u>314,228</u> | <u>259,687</u> |
| Deferred rent | <u>10,482</u> | <u>0</u> |
| Net assets: | | |
| Unrestricted | 1,829,790 | 1,348,083 |
| Temporarily restricted | <u>132,447</u> | <u>209,238</u> |
| | <u>1,962,237</u> | <u>1,557,321</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ <u>2,286,947</u> | \$ <u>1,817,008</u> |

See auditor's report and notes to financial statements.

THE BOTTOM LINE, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

| | Unrestricted | Temporarily Restricted | Total |
|---|--------------|---------------------------|--------------|
| Revenue and support: | | | |
| Contributions | \$ 564,896 | \$ 836,425 | \$ 1,401,321 |
| Scholarship contributions | 0 | 241,700 | 241,700 |
| Special events | 486,628 | 0 | 486,628 |
| Cost of special events | (105,772) | 0 | (105,772) |
| Program revenue | 27,500 | 0 | 27,500 |
| Interest | 13,907 | 0 | 13,907 |
| Net assets released from satisfaction of program restriction | 1,154,916 | (1,154,916) | 0 |
| | 2,142,075 | (76,791) | 2,065,284 |
| Expenses: | | | |
| Program services | 1,422,509 | 0 | 1,422,509 |
| Administration | 133,430 | 0 | 133,430 |
| Fundraising | 104,429 | 0 | 104,429 |
| | 1,660,368 | 0 | 1,660,368 |
| Change in net assets | 481,707 | (76,791) | 404,916 |
| Net assets, beginning of year | 1,348,083 | 209,238 | 1,557,321 |
| Net assets, end of year | \$ 1,829,790 | \$ 132,447 | \$ 1,962,237 |

See auditor's report and notes to financial statements.

THE BOTTOM LINE, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|---------------------|
| Revenue and support: | | | |
| Contributions | \$ 511,427 | \$ 413,961 | \$ 925,388 |
| Scholarship contributions | 0 | 225,908 | 225,908 |
| Special events | 566,705 | 0 | 566,705 |
| Cost of special events | (112,355) | 0 | (112,355) |
| Program revenue | 17,105 | 0 | 17,105 |
| Interest | 20,766 | 0 | 20,766 |
| Net assets released from satisfaction of program restriction | 915,864 | (915,864) | 0 |
| | <u>1,919,512</u> | <u>(275,995)</u> | <u>1,643,517</u> |
| Expenses: | | | |
| Program services | 1,034,952 | 0 | 1,034,952 |
| Administration | 102,498 | 0 | 102,498 |
| Fundraising | 91,995 | 0 | 91,995 |
| | <u>1,229,445</u> | <u>0</u> | <u>1,229,445</u> |
| Change in net assets | 690,067 | (275,995) | 414,072 |
| Net assets, beginning of year | <u>658,016</u> | <u>485,233</u> | <u>1,143,249</u> |
| Net assets, end of year | <u>\$ 1,348,083</u> | <u>\$ 209,238</u> | <u>\$ 1,557,321</u> |

See auditor's report and notes to financial statements.

THE BOTTOM LINE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009

| | <u>Program Services</u> | <u>Administration</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------------|-----------------------------|-----------------------|--------------------|---------------------|
| EXPENSES: | | | | |
| Personnel: | | | | |
| Salaries and wages | \$ 646,807 | \$ 38,898 | \$ 63,235 | \$ 748,940 |
| Payroll taxes and benefits | 115,035 | 9,561 | 9,517 | 134,113 |
| | <u>761,842</u> | <u>48,459</u> | <u>72,752</u> | <u>883,053</u> |
| Occupancy | <u>141,473</u> | <u>5,340</u> | <u>5,686</u> | <u>152,499</u> |
| Scholarships | <u>236,700</u> | <u>0</u> | <u>0</u> | <u>236,700</u> |
| Operational: | | | | |
| Depreciation and amortization | 51,760 | 1,407 | 2,658 | 55,825 |
| Equipment maintenance | 6,584 | 1,211 | 422 | 8,217 |
| Insurance | 604 | 1,418 | 48 | 2,070 |
| Miscellaneous | 857 | 4,906 | 3,918 | 9,681 |
| Postage and shipping | 11,769 | 813 | 1,102 | 13,684 |
| Printing and publications | 10,439 | 694 | 8,306 | 19,439 |
| Professional fees | 27,734 | 53,046 | 1,905 | 82,685 |
| Staff recruitment and training | 5,022 | 8,764 | 1,356 | 15,142 |
| Supplies | 156,864 | 6,094 | 5,456 | 168,414 |
| Telecommunications | 10,861 | 1,278 | 820 | 12,959 |
| | <u>282,494</u> | <u>79,631</u> | <u>25,991</u> | <u>388,116</u> |
| Total expenses | <u>\$ 1,422,509</u> | <u>\$ 133,430</u> | <u>\$ 104,429</u> | <u>\$ 1,660,368</u> |

See auditor's report and notes to financial statements.

THE BOTTOM LINE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

| | <u>Program Services</u> | <u>Administration</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------------|-----------------------------|-----------------------|--------------------|---------------------|
| EXPENSES: | | | | |
| Personnel: | | | | |
| Salaries and wages | \$ 495,567 | \$ 47,774 | \$ 58,885 | \$ 602,226 |
| Payroll taxes and benefits | <u>83,988</u> | <u>6,944</u> | <u>15,046</u> | <u>105,978</u> |
| | <u>579,555</u> | <u>54,718</u> | <u>73,931</u> | <u>708,204</u> |
| Occupancy | <u>61,119</u> | <u>2,741</u> | <u>2,278</u> | <u>66,138</u> |
| Scholarships | <u>207,631</u> | <u>0</u> | <u>0</u> | <u>207,631</u> |
| Operational: | | | | |
| Depreciation and amortization | 16,695 | 949 | 1,328 | 18,972 |
| Equipment maintenance | 3,751 | 1,180 | 1,175 | 6,106 |
| Insurance | 945 | 1,326 | 57 | 2,328 |
| Miscellaneous | 833 | 2,835 | 3,261 | 6,929 |
| Postage and shipping | 8,344 | 611 | 2,095 | 11,050 |
| Printing and publications | 7,032 | 1,107 | 3,301 | 11,440 |
| Professional fees | 31,842 | 20,720 | 1,950 | 54,512 |
| Staff recruitment and training | 1,845 | 6,582 | 368 | 8,795 |
| Supplies | 106,968 | 8,355 | 1,183 | 116,506 |
| Telecommunications | <u>8,392</u> | <u>1,374</u> | <u>1,068</u> | <u>10,834</u> |
| | <u>186,647</u> | <u>45,039</u> | <u>15,786</u> | <u>247,472</u> |
| Total expenses | <u>\$ 1,034,952</u> | <u>\$ 102,498</u> | <u>\$ 91,995</u> | <u>\$ 1,229,445</u> |

See auditor's report and notes to financial statements.

THE BOTTOM LINE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Operating activities: | | |
| Change in net assets: | \$ 404,916 | \$ 414,072 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation | 55,825 | 18,972 |
| (Increase) decrease in assets: | | |
| Restricted cash | (201,343) | 97,856 |
| Pledges receivable | 323,750 | (120,500) |
| Prepaid expenses and other assets | (8,793) | (3,202) |
| Deposits | 1,424 | (13,020) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 30,576 | 18,871 |
| Accrued expenses | 10,622 | 26,293 |
| Scholarship grants payable | 13,343 | 90,144 |
| Deferred rent | 10,482 | 0 |
| Net cash provided by operating activities | <u>640,802</u> | <u>529,486</u> |
| Investing activity: | | |
| Purchase of property and equipment | <u>(186,958)</u> | <u>(77,906)</u> |
| Net cash used in investing activity | <u>(186,958)</u> | <u>(77,906)</u> |
| Net increase in cash | 453,844 | 451,580 |
| Cash, beginning of year | <u>1,275,363</u> | <u>823,783</u> |
| Cash, end of year | <u>\$ 1,729,207</u> | <u>\$ 1,275,363</u> |

See auditor's report and notes to financial statements.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. Nature of activities:

The Bottom Line, Inc. (the "Organization"), a not-for-profit corporation located in Boston, Massachusetts, was formed in January 1997 under the laws of the Commonwealth of Massachusetts. The mission of the organization is to provide "at risk" students with assistance in applying to college, succeeding at college and finding financial assistance to meet the costs of higher education. The Organization operates exclusively for charitable and educational purposes.

2. Summary of significant accounting policies:

Financial statement presentation:

The financial statements have been prepared on the accrual basis of accounting.

The Bottom Line's net assets and changes in net assets are required to be reported into three classes; unrestricted, temporarily restricted and permanently restricted; according to externally (donor) imposed restrictions as follows:

Unrestricted Net Assets - Assets and contributions that are not subject to donor-imposed restrictions or for which restrictions have expired.

Temporarily Restricted Net Assets - carry specific, donor-imposed restrictions on the expenditures or other use of contributed funds. Temporary restrictions may expire either because of the passage of time or because certain actions are taken which fulfill the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets - are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be retained permanently to use or expend part or all of the economic benefits derived from the donated assets.

The organization currently has no net assets reportable as permanently restricted net assets.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

2. Summary of significant accounting policies (Continued):

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

The Organization considers all short-term debt securities purchased with a maturity of three months or less, when purchased, to be cash equivalents.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The company has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on such accounts.

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 charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations.

The useful lives of property and equipment for purposes of computing depreciation are as follows:

| | |
|------------------------|---------------|
| Equipment | 5 – 10 years |
| Leasehold improvements | Life of Lease |

Depreciation expense totaled \$55,825 and \$18,972 in 2009 and 2008, respectively.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

2. Summary of significant accounting policies (Continued):

Fair value of financial instruments

The Organization believes that the carrying value of its financial instruments approximates their fair value because of the short term maturity of those instruments.

Recognition of donor restrictions:

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. Contributions and pledges intended for use in future periods are recorded as temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted 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 unrestricted 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.

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 recorded \$27,987 and \$3,595 of donated goods and services in 2009 and 2008, respectively. Substantially all of the donated services were professional fees for administrative purposes in 2009 and 2008.

The Organization received 13% of its contributions from 1 major donor in 2009 and 11% of its contributions from 1 major donor in 2008.

Income taxes:

The Organization is a tax-exempt entity, qualifying under section 501(c)(3) of the Internal Revenue Code. The tax exempt status qualifies for both Federal and State taxing authorities.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

2. Summary of significant accounting policies (Continued):

Income taxes (Continued):

The Organization may be subject to a new accounting pronouncement, Financial Accounting Standards Board Interpretation Number 48 “Accounting for Uncertainty in Income Taxes” (FIN 48), the purpose of FIN 48 is to clarify whether companies may include tax benefits from uncertain tax positions in their financial statements.

The Organization is not subject to income taxes at a corporate level. As such, it may not be affected by FIN 48. The Organization is in the process of identifying areas in its activities which might be subject to actions by the Internal Revenue Service or state taxing authorities.

The Organization has elected to defer the application of FIN 48, as recently permitted by the Financial Accounting Standards Board Staff Position FIN 48-3, until the fiscal year ending June 30, 2010. This will allow the Organization to benefit from guidance on implementation currently being developed by the Financial Accounting Standards Board.

Advertising:

The company expenses advertising costs as incurred.

Functional expenses:

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

3. Restricted cash:

The Organization received a donation to fund scholarships which required that the funds be segregated until used to fund the scholarships.

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

4. Pledges receivable:

The Organization has unconditional pledges from several donors at June 30, 2009 and 2008. 0% and 74% of the pledges receivable were from major donors at June 30, 2009 and 2008, respectively. The allowance for uncollectible pledges is recorded as a reduction in restricted contributions in 2008.

The Organizations future benefit from pledges at June 30, is as follows:

| | 2009 | 2008 |
|--|-----------|------------|
| Receivable in one year or less | \$ 89,000 | \$ 412,750 |
| Receivable in over one year and up in five years | 0 | 84,000 |
| Total pledges to be received in the future | 89,000 | 496,750 |
| Allowances for uncollectible pledges | 0 | (84,000) |
| Net pledges to be received in the future | \$ 89,000 | \$ 412,750 |

During 2008, the Organization received restricted grants totaling \$795,000 that contained donor conditions regarding matching fund requirements and future program goals and benchmarks in 2009 through 2012. Since these grants represent conditional promises to give they are not recorded as contributions until donor conditions are met. As of June 30, 2009 \$265,000 of these conditions had been met and the remaining balances of these conditional promises to give were \$530,000.

5. Note payable, bank:

Bank of America provides short term financing to a maximum of \$150,000 through a revolving demand note. Interest is paid monthly at the banks floating prime rate plus 100 basis points. The note is secured by a security interest on all business assets. The note matures February, 2010. As of June 30, 2009, there were no advances on this note.

6. Scholarships:

Scholarships authorized but unpaid at year-end are reported as liabilities. Scholarships authorized and payable at June 30, are as follows:

| | 2009 | 2008 |
|----------------------------------|-------------------|-------------------|
| To be paid in less than one year | \$ <u>203,487</u> | \$ <u>190,144</u> |

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

7. Restrictions on net assets:

Temporarily restricted net assets are available for the following purposes:

| | <u>2009</u> | <u>2008</u> |
|---|-------------------|-------------------|
| Time restriction | \$ 12,000 | \$ 103,000 |
| Specific purpose restrictions: | | |
| Success program | 52,411 | 16,752 |
| Boston programs | 0 | 20,000 |
| Worcester programs | <u>68,036</u> | <u>69,486</u> |
| Total temporarily restricted net assets | <u>\$ 132,447</u> | <u>\$ 209,238</u> |

8. Net assets released from restrictions:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

| | <u>2009</u> | <u>2008</u> |
|--------------------------------------|---------------------|-------------------|
| Purpose of restriction accomplished: | | |
| Time | \$ 103,000 | \$ 313,000 |
| Technology | 60,000 | 15,233 |
| Student programs | 276,042 | 210,500 |
| Access program | 60,000 | 40,000 |
| Success program | 284,550 | 61,748 |
| Scholarships | 236,700 | 194,369 |
| Worcester programs | 134,624 | 10,514 |
| Other | <u>0</u> | <u>70,500</u> |
| Total restrictions released | <u>\$ 1,154,916</u> | <u>\$ 915,864</u> |

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

9. Special fundraising events:

The following schedule represents the results of the Organization's special fundraising events:

Year ended June 30, 2009

| | <u>Gross Revenues</u> | <u>Direct Costs</u> | <u>Net Revenues</u> |
|------------------------------------|---------------------------|-------------------------|-------------------------|
| Get in, graduate and go far dinner | \$ 390,615 | \$ 89,033 | \$ 301,582 |
| Marathon | 77,074 | 11,666 | 65,408 |
| Auction | 18,439 | 2,535 | 15,904 |
| Other | 500 | 2,538 | (2038) |
| | <u>\$ 486,628</u> | <u>\$ 105,772</u> | <u>\$ 380,856</u> |

Year ended June 30, 2008

| | <u>Gross Revenues</u> | <u>Direct Costs</u> | <u>Net Revenues</u> |
|------------------------------------|---------------------------|-------------------------|-------------------------|
| Get in, graduate and go far dinner | \$ 471,951 | \$ 99,930 | \$ 372,021 |
| Marathon | 74,257 | 6,922 | 67,335 |
| Auction | 19,747 | 2,889 | 16,858 |
| Other | 750 | 2,614 | (1,864) |
| | <u>\$ 566,705</u> | <u>\$ 112,355</u> | <u>\$ 454,350</u> |

THE BOTTOM LINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

10. Operating leases:

The Organization leases its premises in Boston and Worcester, Massachusetts under operating leases expiring on December 31, 2018 and June 30, 2011, respectively. 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.

Minimum future rental payments under all non-cancelable operating leases and lease extensions are as follows:

| | |
|------------|---------------------|
| 2010 | \$ 133,440 |
| 2011 | 142,176 |
| 2012 | 128,112 |
| 2013 | 131,022 |
| Thereafter | <u>617,614</u> |
| | \$ <u>1,306,296</u> |

Rent expense totaled \$152,498 and \$66,138 in 2009 and 2008, respectively.

11. Retirement plan:

The Organization maintains a qualified retirement plan (the Plan) under Section 403(b) of the Internal Revenue Code. Under the provisions of the Plan, employees can elect to have a portion of their salary withheld and contributed to the Plan, subject to Internal Revenue Service limitations. The plan does not allow contributions by the Organization.

ACCOMPANYING INFORMATION

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

INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION

Our report on our audit of the basic financial statements of The Bottom Line, Inc. for 2009 and 2008 appears on page one. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Accompanying Information on Expenses by Program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedure applied in the audit of the basic financial statements and accordingly, we do not express an opinion on it.

Cohen + Associates

Certified Public Accountants
September 24, 2009

THE BOTTOM LINE, INC.
SCHEDULE I - EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 2009

| | <u>Access Program</u> | <u>Success Program</u> | <u>Total Programs</u> |
|--------------------------------|---------------------------|----------------------------|---------------------------|
| EXPENSES: | | | |
| Personnel: | | | |
| Salaries and wages | \$ 373,309 | \$ 273,498 | \$ 646,807 |
| Payroll taxes and benefits | 65,574 | 49,461 | 115,035 |
| | <u>438,883</u> | <u>322,959</u> | <u>761,842</u> |
| Occupancy | <u>75,315</u> | <u>66,158</u> | <u>141,473</u> |
| Scholarships | <u>0</u> | <u>236,700</u> | <u>236,700</u> |
| Operational: | | | |
| Depreciation and amortization | 26,685 | 25,075 | 51,760 |
| Equipment maintenance | 3,582 | 3,002 | 6,584 |
| Insurance | 309 | 295 | 604 |
| Miscellaneous | 13 | 844 | 857 |
| Postage and shipping | 5,184 | 6,585 | 11,769 |
| Printing and publications | 5,224 | 5,215 | 10,439 |
| Professional fees | 15,300 | 12,434 | 27,734 |
| Staff recruitment and training | 3,933 | 1,089 | 5,022 |
| Supplies | 43,623 | 113,241 | 156,864 |
| Telecommunications | 5,965 | 4,896 | 10,861 |
| | <u>109,818</u> | <u>172,676</u> | <u>282,494</u> |
| Total expenses | <u>\$ 624,016</u> | <u>\$ 798,493</u> | <u>\$ 1,422,509</u> |

See auditor's report on accompanying information .

THE BOTTOM LINE, INC.
SCHEDULE I - EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 2008

| | <u>Access Program</u> | <u>Success Program</u> | <u>Total Programs</u> |
|--------------------------------|---------------------------|----------------------------|---------------------------|
| EXPENSES: | | | |
| Personnel: | | | |
| Salaries and wages | \$ 271,527 | \$ 224,040 | \$ 495,567 |
| Payroll taxes and benefits | 53,355 | 30,633 | 83,988 |
| | <u>324,882</u> | <u>254,673</u> | <u>579,555</u> |
| Occupancy | <u>27,076</u> | <u>34,043</u> | <u>61,119</u> |
| Scholarships | <u>0</u> | <u>207,631</u> | <u>207,631</u> |
| Operational: | | | |
| Depreciation and amortization | 8,537 | 8,158 | 16,695 |
| Equipment maintenance | 2,304 | 1,447 | 3,751 |
| Insurance | 478 | 467 | 945 |
| Miscellaneous | 38 | 795 | 833 |
| Postage and shipping | 4,146 | 4,198 | 8,344 |
| Printing and publications | 2,934 | 4,098 | 7,032 |
| Professional fees | 0 | 31,842 | 31,842 |
| Staff recruitment and training | 56 | 1,789 | 1,845 |
| Supplies | 11,955 | 95,013 | 106,968 |
| Telecommunications | 4,319 | 4,073 | 8,392 |
| | <u>34,767</u> | <u>151,880</u> | <u>186,647</u> |
| Total expenses | <u>\$ 386,725</u> | <u>\$ 648,227</u> | <u>\$ 1,034,952</u> |

See auditor's report on accompanying information .