



The B.E.L.L. Foundation, Inc.
Financial Statements
June 30, 2013
(with comparative totals for June 30, 2012)

 ANDBERG & CREEDEN, P.C.
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331 Page Street
Stoughton, MA 02072

THE B.E.L.L. FOUNDATION, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

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Governmental reports under separate cover

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To the Board of Directors of
The B.E.L.L. Foundation, Inc.
Dorchester, Massachusetts

Independent Auditor's Report

Report on Financial Statements

We have audited the accompanying financial statements of The B.E.L.L. Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 B.E.L.L. Foundation, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

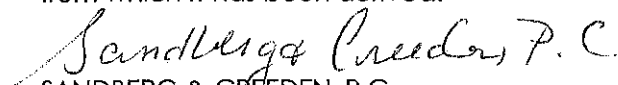
Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2013, on our consideration of The B.E.L.L. Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The B.E.L.L. Foundation, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited The B.E.L.L. Foundation, Inc.'s 2012 financial statements, and our report dated October 26, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended Year End Date, is consistent, in all material respects, with the audited financial statements from which it has been derived.


SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 5, 2013



THE B.E.L.L. FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>ASSETS</u>	
	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 8,222,780	\$ 11,590,873
Pledges receivable	1,500,977	1,191,259
Accounts receivable	2,491,880	1,698,109
Curriculum materials	907,738	1,247,019
Prepaid expenses	<u>230,449</u>	<u>337,548</u>
Total current assets	13,353,824	16,064,808
 <u>Property and Equipment</u>		
Leasehold improvements	174,716	153,494
Computers and software	1,472,381	1,411,016
Furniture and equipment	<u>796,576</u>	<u>740,457</u>
Subtotal	2,443,673	2,304,967
Less: accumulated depreciation	<u>2,167,001</u>	<u>2,002,837</u>
Total property and equipment	276,672	302,130
 <u>Other Assets</u>		
Deposits	169,291	162,408
Long-term pledges receivable (net of discount of \$58,937 and \$97,845, respectively)	<u>407,063</u>	<u>904,155</u>
Total other assets	<u>576,354</u>	<u>1,066,563</u>
 <u>Total Assets</u>	<u>\$ 14,206,850</u>	<u>\$ 17,433,501</u>
	 <u>LIABILITIES AND NET ASSETS</u>	
 <u>Current Liabilities</u>		
Accrued expenses	\$ 800,241	\$ 631,578
Accrued salaries and related expenses	1,081,567	1,527,108
Deferred service fees	<u>371,582</u>	<u>332,500</u>
Total current liabilities	2,253,390	2,491,186
 <u>Net Assets</u>		
Unrestricted	4,775,955	4,761,616
Temporarily restricted	<u>7,177,505</u>	<u>10,180,699</u>
Total net assets	<u>11,953,460</u>	<u>14,942,315</u>
 <u>Total Liabilities and Net Assets</u>	<u>\$ 14,206,850</u>	<u>\$ 17,433,501</u>

See accompanying notes. See Independent Auditor's Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.



THE B.E.L.L. FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Contributions:				
Individuals	\$ 83,734	\$ 69,368	\$ 153,102	\$ 925,335
Grants		7,646,499	7,646,499	13,331,236
In kind	1,217,330		1,217,330	1,904,503
Special events (net)	249,722		249,722	342,316
Released from restrictions	10,719,061	(10,719,061)		
Service fees:				
Contracts	9,742,256		9,742,256	13,273,452
Interest and dividends	617		617	505
Other	9,174		9,174	21,637
<u>Total Support and Revenue</u>	22,021,894	(3,003,194)	19,018,700	29,798,984
<u>Expenses</u>				
Program services	19,507,701		19,507,701	23,016,256
General and administrative	1,663,036		1,663,036	1,860,569
Fundraising	836,818		836,818	803,972
<u>Total Expenses</u>	22,007,555		22,007,555	25,680,797
<u>Change in Net Assets</u>	14,339	(3,003,194)	(2,988,855)	4,118,187
<u>Net Assets - Beginning of Year</u>	4,761,616	10,180,699	14,942,315	10,824,128
<u>Net Assets - End of Year</u>	\$ 4,775,955	\$ 7,177,505	\$ 11,953,460	\$ 14,942,315

See accompanying notes. See Independent Auditor's Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.





THE B.E.L.L. FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013				2012	
	After School Program	Summer Program	Total Program	General and Administrative	Fundraising	Total
Salaries	\$ 4,548,375	\$ 7,532,179	\$ 12,080,554	\$ 920,150	\$ 511,040	\$ 13,511,744
Payroll taxes	470,833	646,589	1,117,422	98,894	48,405	1,264,721
Employee benefits	201,371	339,723	541,094	89,443	43,779	674,316
Subtotal	5,220,579	8,518,491	13,739,070	1,108,487	603,224	15,450,781
Assessments and evaluations	73,141	200,319	273,460			273,460
Books and curriculum	164,131	439,231	603,362			603,362
Depreciation/amortization	27,085	58,240	85,325	52,931	25,908	164,164
Enrollment and marketing	27,421	75,084	102,505			102,505
Field trips & Events	114,491	280,030	394,521			394,521
Fundraising expense					38,697	38,697
Human resources	42,962	80,108	123,070	42,364	20,736	186,170
Insurance	42,545	92,147	134,692	11,736	5,744	152,172
Interest	2,927	6,295	9,222	5,721	2,800	17,743
Occupancy	231,589	346,573	578,162	52,071	25,486	655,719
Office expense	125,219	231,581	356,800	60,708	29,715	447,223
Other direct program	145,637	370,521	516,158			516,158
Other miscellaneous	58,092	100,709	158,801	15,049	7,366	181,216
Professional fees	611,617	837,783	1,449,400	156,363		1,605,763
Program supplies	48,227	151,409	199,636			199,636
Recruiting	5,100	13,370	18,470			18,470
Staff training	52,568	119,021	171,589			171,589
Technology	79,510	181,338	260,848	109,455	53,574	423,877
Travel & transportation	101,749	230,861	332,610	48,151	23,568	404,329
Total	\$ 7,174,590	\$ 12,333,111	\$ 19,507,701	\$ 1,663,036	\$ 836,818	\$ 22,007,555
						\$ 25,680,797

See accompanying notes and Independent Auditors' Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.

THE B.E.L.L. FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>2013</u>	<u>2012</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	(\$ 2,988,855)	\$ 4,118,187
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	164,164	238,602
(Increase) decrease in:		
Pledges receivable	187,374	954,848
Accounts receivable	(793,771)	503,400
Curriculum materials	339,281	112,322
Prepaid expenses	107,099	(194,732)
Increase (decrease) in:		
Accrued expenses	168,663	251,824
Accrued salary	(445,541)	513,667
Deferred revenue	<u>39,082</u>	<u>(628,510)</u>
<u>Net Cash Provided by in Operating Activities</u>	<u>(3,222,504)</u>	<u>5,869,608</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of fixed assets	(138,706)	(185,144)
Increase in rental deposit	<u>(6,883)</u>	<u>(1,578)</u>
<u>Net Cash (Used) in Investing Activities</u>	<u>(145,589)</u>	<u>(186,722)</u>
<u>Cash Flows from Financing Activities</u>		
Proceeds from line of credit		6,000,000
Repayment of line of credit		<u>(6,000,000)</u>
<u>Net Cash Provided by in Financing Activities</u>	<u>0</u>	<u>0</u>
<u>Increase in Cash and Cash Equivalents</u>	(3,368,093)	5,682,886
<u>Cash and Cash Equivalents – Beginning</u>	<u>11,590,873</u>	<u>5,907,987</u>
<u>Cash and Cash Equivalents – Ending</u>	<u>\$ 8,222,780</u>	<u>\$ 11,590,873</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 17,743</u>	<u>\$ 26,908</u>

See accompanying notes. See Independent Auditor's Report on the Financial Statements and the Supplementary Schedule of Expenditures of Federal Awards.



THE B.E.L.L. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

Note 1. Organization

The B.E.L.L. Foundation, Inc. ("BELL") is 501(c)3 nonprofit organization that partners with schools to expand learning time. Its mission is to transform the academic achievements, self-confidence, and life trajectories of children living in under-resourced, urban communities. Because BELL believes in the tremendous potential of all children to excel, it recognizes them as scholars.

BELL was founded in Boston in 1992, and has since served more than 100,000 students in grades K-8 in Massachusetts, New York, Maryland, Michigan, New Jersey, North Carolina, South Carolina, California, Florida, Connecticut, Illinois, and Georgia. In fiscal year 2013, approximately 12,800 elementary and middle school students benefited from BELL's summer and after school learning experiences.

BELL partners with schools to narrow opportunity and achievement gaps. Its program models are designed to serve scholars who read and perform math below grade-level, and who qualify for free or reduced-price lunch. BELL scholars achieve strong outcomes each year, and BELL's programs are recognized as models of excellence by school districts, policy makers, and leaders in the education and philanthropic communities.

BELL operates two programs in a year-round effort to help children excel. BELL Summer operates 5 days per week, 6.5-8 hours per day, for 5-8 weeks. BELL After School operates 3-5 days per week, 2.5-3 hours per day, for up to 30 weeks in school-based sites. BELL programs set high expectations for scholars and include elements that are proven to increase their time-on-task and accelerate learning, including small-group instruction in literacy and math; mentorship from teachers and college students; experiential learning through enrichment courses, field trips and community service; parental involvement; and ongoing training and professional development for staff.

Each year, BELL helps thousands of school children make significant academic and social gains. On average:

- Scholars gain at least one months of grade-equivalent reading and math skill in the summer.
- Scholars outpace national norms in acquiring new academic skills and narrow the achievement gap between them and their higher-income peers during the school year.
- The majority of BELL parents agree that BELL programs help increase their child's self-confidence and motivation to learn. Parents also report that they feel more engaged in their child's education as a result of BELL.

The consistent academic and social gains achieved by children in BELL programs have led to considerable national acclaim and opened up pathways for the organization to expand its impact.



THE B.E.L.L. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 1. Organization (Continued)

For example:

- In the summer of 2013, subsequent to the year under audit, BELL served roughly 7,942 scholars in 63 school and community sites across 12 cities – thanks to public-private partnerships with school districts, community organizations, donors, and federal agencies.
- Over the last several years, several school districts, including Boston Public Schools, Baltimore City Schools, and Winston-Salem / Forsyth County Schools, partnered with BELL to provide summer learning opportunities in place of traditional summer school. In 2013, BELL also tested out a new partnership model with The Y-USA and three of its Associations in Chicago, Hartford, and Orlando. BELL's partnership model is demonstrating to schools and districts throughout the country how summer learning can help all children excel and turn around low-performing schools.
- In the spring of 2011, BELL was selected to receive a three-year Social Innovation Fund grant from the Edna McConnell Clark Foundation and the Corporation for National and Community Service. This grant is helping BELL expand its programs nationally while further developing an evidence base second to none in the expanded learning field.

Through its work, BELL is helping make high quality expanded learning opportunities a fixture in schools throughout the country.

Note 2. Summary of Significant Accounting Policies

- a. Standards of Accounting and Reporting
The Organization follows standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-for-Profit Organizations."
- b. Financial Statement Presentation
The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 (formerly Statement of Financial Accounting Standards No. 117, Financial Statements for Not-for-Profit Organizations). Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.



THE B.E.L.L. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

b. Financial Statement Presentation (Continued)

Permanently Restricted – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2013 and 2012 and accordingly, these financials do not reflect any activity related to this class of net assets for 2013 and 2012.

c. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows and Statement of Financial Position, The B.E.L.L. Foundation, Inc. considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

d. Promises To Give

Unconditional promises to give 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 promises to give are recognized when the conditions on which they depend are substantially met.

e. Curriculum Materials

Curriculum materials consist of books for the various site libraries, kits and workbooks used by scholars, and other materials purchased for use in programs. These materials are estimated to have a useful content life of three years. All items are recorded at cost and subject to an annual inventory count at which time a determination is made on any continued useful life.

f. Property and Equipment

These assets are stated at cost or if donated, at fair market value at date of receipt. Maintenance repairs and minor renewals are expensed as incurred. All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized.

g. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted or temporarily restricted depending on the existence and/or nature of any donor restrictions. When a 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.



THE B.E.L.L. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

h. Contributed Goods and Services

Contributed services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by BELL. The Organization received and recorded the following donated goods and services:

	<u>FY 2013</u>	<u>FY 2012</u>
Professional Fees	\$ 25,000	\$ 196,735
Operation warm winter coats		51,000
Transportation	132,398	
Teachers, tutors, site managers	<u>1,059,932</u>	<u>1,656,768</u>
	<u>\$ 1,217,330</u>	<u>\$ 1,904,503</u>

i. Contracts

Financial awards from governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

j. Depreciation

Provisions for depreciation are made in the accounts using the straight-line method over the estimated useful life of the asset. The Organization depreciates over the following class life:

Leasehold improvements	7 years
Computers and software	3 years
Furniture and equipment	3-7 years

k. Allocated Expenses

Expenses by function have been allocated among program and supporting service classifications directly or on the basis of time records and on estimates made by the Organization's management.

l. Use of Estimates

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



THE B.E.L.L. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

m. Summarized Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Note 3. Tax Status

The B.E.L.L. Foundation, Inc. is exempt from federal and state income tax under Section 501 (c) (3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (a) and has been classified as an Organization that is not a private foundation under Section 509(a) (1).

Unrelated business income, of which the Organization had none for the year ending June 30, 2013, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Note 4. Concentrations of Credit Risk

The Organizations maintains its cash balances in various financial institutions. The operating balance, held at Sovereign Bank is fully insured through the Federal Deposit Insurance Corporation. The balance of \$5,354,379, held at Fidelity Investments, is insured by the Federal Deposit Insurance Corporation up to \$250,000. Investment accounts are invested in treasury-backed money market funds deemed to be low risk.

Credit risk with respect to receivables is considered low as a significant portion are from governmental entities.

In addition, credit risk with respect to pledges receivable is considered low as a significant portion are from foundations which have been in operation for a number of years and have reported significant assets.

Note 5. Pledges Receivable

Unconditional grants and promises to give at June 30, 2013 consist of the following:

Due 2014	\$ 1,500,977
Due 2015	158,000
Due 2016	158,000
Due 2017	<u>150,000</u>
Subtotal	1,966,977
Discount	<u>(58,937)</u>
Net pledges receivable	<u>\$ 1,908,040</u>



THE B.E.L.L. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 5. Pledges Receivable (Continued)

Due Current FY 2014	\$ 1,500,977
Due Long-term less discount	<u>407,063</u>
Total pledges receivable (net)	<u>\$ 1,908,040</u>

Promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 5%.

Note 6. Line of Credit

The Organization maintains a revolving line of credit from a local bank to help finance its short-term operating needs. The maximum amount available on the line of credit is \$7,000,000. The line is collateralized by the Organization's assets, and interest is payable monthly on the outstanding balance at an interest rate of 1.00% over prime. An unused fee of 25 basis points is charged for the unused portion of the line. At June 30, 2013, the Organization had no outstanding balance. The line of credit must be renewed annually; the current term expires January 31, 2014.

Note 7. Prepaid Expenses

Prepaid expenses consist of payments made to various vendors for services and program use in future fiscal year activities. At June 30, 2013, approximately 75% of the account balance consists of expenditures necessary in advance of program services to be provided in the Summer of 2013.

Note 8. Deferred Service Fees

Deferred service fees are comprised of funds received in advance of the approved service delivery of the contracted activity as follows:

New York SummerQuest Programs	\$ 134,828
Charlotte, NC Summer Program (A Child's Place)	54,554
Baltimore, MD 2012 and 2013 Summer Programs	<u>182,200</u>
Total Deferred Service Fees	<u>\$ 371,582</u>

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets consists of contributions received or receivable that contain written donor restrictions on their use limited to a program or time period not met by the Organization in FY2013 as follows:

	<u>Total</u>
Summer program location:	
Boston, MA	\$ 772,000
New York, NY	976,000
Newark, NJ	40,000
Baltimore, MD	160,000
Carolinas	1,700,000
California	560,000



THE B.E.L.I. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 9. Temporarily Restricted Net Assets (Continued)

Temporarily restricted net assets consists of the following: (Continued)

	<u>Total</u>
Capacity Building Campaign	\$ 2,379,500
Alumni Scholarship Fund	80,600
Time restrictions	<u>568,342</u>
Subtotal	7,236,442
Less discount	<u>(58,937)</u>
Total temporarily restricted net assets	<u>\$ 7,177,505</u>

Note 10. Occupancy

The Organization received the free use of space from some of its local educational partners for the program. No reasonable basis exists to value the use for 2013 and 2012.

The Organization entered into a 60-month renewable lease for the Boston location commencing on February 1, 2010 and expiring on January 31, 2015. The lease requires monthly payments of the following:

July 2013 – January 2014	\$ 15,215
February 2014 – January 2015	\$ 16,599

The Organization entered into 60-month renewable lease for the New York location which expires on September 30, 2015. The lease requires monthly payments of the following:

July 2013 – September 2013	\$ 21,068
October 2013 – September 2014	\$ 21,489
October 2014 – September 2015	\$ 21,919

The Organization entered into a lease in Baltimore which expires August 2016. The lease requires monthly payments as follows:

July 2013 – August 2013	\$ 3,678
September 2013 – August 2014	\$ 1,725
September 2014 – August 2015	\$ 1,777
September 2015 – August 2016	\$ 1,830

The Organization entered into a 26-month lease in California which expires May 31, 2014. The lease requires monthly payments as follows:

July 2013 – May 2014	\$ 2,115
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In addition, the Organization rents storage space and other short-term space on a monthly basis.



THE B.E.L.L. FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 10. Occupancy (Continued)

Future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>New York</u>	<u>Baltimore MD</u>	<u>Boston</u>	<u>California</u>	<u>Total</u>
2014	\$ 256,605	\$ 24,606	\$ 189,500	\$ 23,265	\$ 493,976
2015	261,738	21,220	116,193		399,151
2016	65,757	21,854			87,611
2017		3,660			3,660

Rent expense for 2013 and 2012 totaled \$551,818 and \$466,232, respectively.

Security and last month rental deposits on various sites are as follows:

New York	\$ 130,854
Boston	28,599
Detroit	3,492
Baltimore, MD	3,268
North Carolina	1,025
California	<u>2,053</u>
Total	<u>\$ 169,291</u>

Note 11. Pension Plan

The Organization offers a 401(k) plan available to all employees after one full year of employment. Through this Plan, each pay period eligible employees may make contributions from their salaries on a pre-tax basis, up to the maximum annual amount permitted by applicable law. The Organization provides a matching contribution equal to twenty five percent (25%) of the first four percent (4%) of the employee's contribution. During 2013 and 2012, BELL contributed \$17,387 and \$18,046 to the Plan, respectively.

Note 12. Related Party Transactions

The CEO of the Organization is President of the Board of Directors. Compensation for her services as the CEO is approved annually by the Board of Directors without her vote. One board member leases program space to the Organization in Baltimore at market rates. One board member provided executive search services to the Organization at market rates. Both of the described transactions were deemed to be arms-length transactions.

Note 13. The Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 10, 2013, the date which the financial statements were available to be issued.

There was no subsequent events to be disclosed based on this evaluation.

