



**College Summit, Inc. d/b/a PeerForward**

**Financial Statements**

*For the Years Ended April 30, 2020 and 2019*



**and  
Report Thereon**



**COLLEGE SUMMIT, INC.  
d/b/a PeerForward**

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For the Years Ended April 30, 2020 and 2019**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
College Summit, Inc.  
d/b/a PeerForward

**Report on the Financial Statements**

We have audited the accompanying financial statements of College Summit, Inc. d/b/a PeerForward (PeerForward), which comprise the statements of financial position as of April 30, 2020 and 2019, 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.

***Auditors' Responsibility***

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 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 auditors' 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.

**Continued**

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College Summit, Inc. d/b/a PeerForward as of April 30, 2020 and 2019, 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.

*Marcum LLP*

Washington, DC  
December 2, 2020

**COLLEGE SUMMIT, INC.**  
**d/b/a PeerForward**

**STATEMENTS OF FINANCIAL POSITION**  
**April 30, 2020 and 2019**

	2020	2019
<b>ASSETS</b>		
Cash	\$ 1,078,900	\$ 1,984,343
Accounts receivable, net of allowance for doubtful accounts of \$0 and \$6,625	19,500	28,180
Grants and pledges receivable, net of discount	616,014	1,677,614
Prepaid expenses	16,311	59,904
Property and equipment, net	513,409	583,095
Deposits	54,226	53,701
<b>TOTAL ASSETS</b>	<b>\$ 2,298,360</b>	<b>\$ 4,386,837</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 261,333	\$ 219,361
Deferred rent and lease incentive	669,535	708,609
Deferred revenue	101,724	108,380
Line of credit	500,000	500,000
Loan payable	435,400	-
<b>TOTAL LIABILITIES</b>	<b>1,967,992</b>	<b>1,536,350</b>
<b>Net Assets</b>		
Without donor restrictions	66,152	994,623
With donor restrictions	264,216	1,855,864
<b>TOTAL NET ASSETS</b>	<b>330,368</b>	<b>2,850,487</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,298,360</b>	<b>\$ 4,386,837</b>

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

**COLLEGE SUMMIT, INC.**  
d/b/a PeerForward

**STATEMENTS OF ACTIVITIES**  
For the Years Ended April 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Grants and contributions						
Foundations, states, corporations and individuals	\$ 946,467	\$ 1,225,000	\$ 2,171,467	\$ 498,502	\$ 2,322,937	\$ 2,821,439
Special event	-	-	-	443,072	-	443,072
Program income						
School district, agency and school fees	1,017,906	-	1,017,906	1,054,781	-	1,054,781
Donated professional services	29,393	-	29,393	375,581	-	375,581
Net assets released from restrictions:						
Satisfaction of purpose restriction	2,310,648	(2,310,648)	-	1,314,257	(1,314,257)	-
Satisfaction of time restriction	380,000	(380,000)	-	2,656,500	(2,656,500)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>4,684,414</u>	<u>(1,465,648)</u>	<u>3,218,766</u>	<u>6,342,693</u>	<u>(1,647,820)</u>	<u>4,694,873</u>
<b>EXPENSES</b>						
Program Services:						
PeerForward	4,074,074	-	4,074,074	4,177,762	-	4,177,762
Innovation	1,028,588	-	1,028,588	355,241	-	355,241
Total Program Services	<u>5,102,662</u>	<u>-</u>	<u>5,102,662</u>	<u>4,533,003</u>	<u>-</u>	<u>4,533,003</u>
Supporting Services:						
Management and general	402,544	-	402,544	530,844	-	530,844
Development and fundraising	107,679	-	107,679	478,487	-	478,487
Fundraising – cost of direct benefit to donors	-	-	-	14,510	-	14,510
Total Development and Fundraising	<u>107,679</u>	<u>-</u>	<u>107,679</u>	<u>492,997</u>	<u>-</u>	<u>492,997</u>
Total Supporting Services	<u>510,223</u>	<u>-</u>	<u>510,223</u>	<u>1,023,841</u>	<u>-</u>	<u>1,023,841</u>
<b>TOTAL EXPENSES</b>	<u>5,612,885</u>	<u>-</u>	<u>5,612,885</u>	<u>5,556,844</u>	<u>-</u>	<u>5,556,844</u>
Change in net assets before						
loss on grants and pledge receivable	(928,471)	(1,465,648)	(2,394,119)	785,849	(1,647,820)	(861,971)
Loss on grants and pledge receivable	-	126,000	126,000	-	-	-
<b>CHANGE IN NET ASSETS</b>	<u>(928,471)</u>	<u>(1,591,648)</u>	<u>(2,520,119)</u>	<u>785,849</u>	<u>(1,647,820)</u>	<u>(861,971)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>994,623</u>	<u>1,855,864</u>	<u>2,850,487</u>	<u>208,774</u>	<u>3,503,684</u>	<u>3,712,458</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 66,152</u>	<u>\$ 264,216</u>	<u>\$ 330,368</u>	<u>\$ 994,623</u>	<u>\$ 1,855,864</u>	<u>\$ 2,850,487</u>

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

**COLLEGE SUMMIT, INC.**  
d/b/a PeerForward

**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended April 30, 2020

	Program Services			Supporting Services			Total
	PeerForward	Innovation	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Personnel and benefits	\$ 2,431,047	\$ 558,484	\$ 2,989,531	\$ 122,481	\$ 72,289	\$ 194,770	\$ 3,184,301
Travel	494,713	37,067	531,780	4,608	11,981	16,589	548,369
Consulting and temporary services	155,104	286,396	441,500	55,487	3,035	58,522	500,022
College hosting and program catering	301,163	10,567	311,730	9,105	498	9,603	321,333
Rent and other related fees	180,424	41,827	222,251	79,564	4,352	83,916	306,167
Other expenses	68,674	12,909	81,583	18,554	9,772	28,326	109,909
Professional fees	54,667	13,698	68,365	26,218	1,434	27,652	96,017
Printing and shipping	92,008	1,129	93,137	-	-	-	93,137
Depreciation and amortization	45,996	11,613	57,609	22,226	1,216	23,442	81,051
Technology	42,481	12,170	54,651	14,498	793	15,291	69,942
Telephone and internet	35,722	7,237	42,959	13,622	745	14,367	57,326
Supplies	39,981	2,690	42,671	2,094	116	2,210	44,881
Stipends	44,300	-	44,300	-	-	-	44,300
Building operations and taxes	23,544	5,822	29,366	11,144	610	11,754	41,120
Donated professional services	21,172	2,724	23,896	5,213	285	5,498	29,394
Other employee expense	20,032	2,522	22,554	3,897	213	4,110	26,664
Interest expense	12,870	3,249	16,119	6,219	340	6,559	22,678
Marketing	9,751	6,180	15,931	-	-	-	15,931
Evaluation	425	12,304	12,729	-	-	-	12,729
Bad debt expense	-	-	-	7,614	-	7,614	7,614
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,074,074</b>	<b>\$ 1,028,588</b>	<b>\$ 5,102,662</b>	<b>\$ 402,544</b>	<b>\$ 107,679</b>	<b>\$ 510,223</b>	<b>\$ 5,612,885</b>

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

**COLLEGE SUMMIT, INC.**  
d/b/a PeerForward

**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended April 30, 2019

	Program Services			Supporting Services			Total
	PeerForward	Innovation	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Personnel and benefits	\$ 2,347,028	\$ 227,731	\$ 2,574,759	\$ 180,214	\$ 102,377	\$ 282,591	\$ 2,857,350
Travel	430,829	19,143	449,972	5,054	16,923	21,977	471,949
Consulting and temporary services	169,209	52,167	221,376	75,091	162,438	237,529	458,905
College hosting and program catering	247,475	2,639	250,114	1,791	88,570	90,361	340,475
Rent and other related fees	184,874	14,294	199,168	90,986	19,837	110,823	309,991
Other expenses	59,747	3,031	62,778	18,066	25,854	43,920	106,698
Professional fees	65,285	3,849	69,134	24,500	5,342	29,842	98,976
Printing and shipping	60,126	-	60,126	-	-	-	60,126
Depreciation and amortization	45,619	3,878	49,497	24,683	5,381	30,064	79,561
Technology	42,764	11,416	54,180	16,135	10,768	26,903	81,083
Telephone and internet	35,805	2,473	38,278	15,743	3,437	19,180	57,458
Supplies	45,167	974	46,141	2,582	2,510	5,092	51,233
Stipends	42,100	-	42,100	-	-	-	42,100
Building operations and taxes	3,621	308	3,929	1,959	427	2,386	6,315
Donated professional services	294,551	8,906	303,457	56,687	15,437	72,124	375,581
Other employee expense	45,213	2,875	48,088	10,141	2,295	12,436	60,524
Interest expense	13,135	1,116	14,251	7,107	1,550	8,657	22,908
Marketing	37,338	16	37,354	105	29,851	29,956	67,310
Evaluation	7,876	425	8,301	-	-	-	8,301
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,177,762</b>	<b>\$ 355,241</b>	<b>\$ 4,533,003</b>	<b>\$ 530,844</b>	<b>\$ 492,997</b>	<b>\$ 1,023,841</b>	<b>\$ 5,556,844</b>

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

**COLLEGE SUMMIT, INC.**  
d/b/a PeerForward

**STATEMENTS OF CASH FLOWS**  
For the Years Ended April 30, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,520,119)	\$ (861,971)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	81,050	79,561
Change in the present value discount for grants and pledges	2,195	47,493
Change in the allowance for doubtful accounts	6,625	-
Change in assets and liabilities		
Accounts receivable	2,055	9,695
Grants and pledges receivable	1,059,405	1,169,838
Prepaid expenses	43,593	27,910
Deposits	(525)	885
Accounts payable and accrued expenses	41,972	(136,731)
Deferred rent and lease incentive	(39,074)	184,551
Deferred revenue	(6,656)	11,660
	<u>(1,329,479)</u>	<u>532,891</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(11,364)	(16,135)
	<u>(11,364)</u>	<u>(16,135)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	500,000	500,000
Proceeds from loan payable	435,400	-
Repayments of line of credit	(500,000)	-
	<u>435,400</u>	<u>500,000</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH</b>	(905,443)	1,016,756
<b>CASH, BEGINNING OF YEAR</b>	<u>1,984,343</u>	<u>967,587</u>
<b>CASH, END OF YEAR</b>	<u>\$ 1,078,900</u>	<u>\$ 1,984,343</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	<u>\$ 22,678</u>	<u>\$ 22,907</u>

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

**COLLEGE SUMMIT, INC.**  
**d/b/a PeerForward**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2020 and 2019**

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1. Organization and Summary of Significant Accounting Policies

**Organization**

College Summit, Inc. d/b/a PeerForward (PeerForward) was incorporated in the District of Columbia in December 1996 and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the IRC). PeerForward's mission is to unleash the positive power of peer influence to transform the lives of youth living in low-income communities by connecting them to college and career. To date, PeerForward has impacted some 350,000 students in high schools across the nation and is continuing to pursue its core mission in a new configuration designed for scale, sustainability and significant impact. Through its premier program, PeerForward supports students through a hybrid of in-person and remote coaching, maximizing the promise of technology to achieve scale and impact. PeerForward is uniquely financed by a combination of philanthropy and shared costs with high schools. In this model, schools pay an affordable rate, while philanthropic dollars fuel growth. With this new, leaner structure, costs come down and more schools become partners.

PeerForward program activities include the following:

**PeerForward**

This program trains influential high school students to build a college-going culture by persuading and coaching their classmates and friends through the college admissions process. These students are known as Peer Leaders, and they are trained in powerful summer workshops and school-year training sessions.

This program supports the Peer Leaders and select educators, in each partner high school, as they conduct activities that raise awareness and provide guidance about the key actions students can take that will greatly enhance the likelihood they will attend college. The PeerForward teams conduct three campaigns that have been confirmed, by third-party research, to boost college enrollment:

- Connecting career aspirations to academic choices and planning.
- Applying to at least three postsecondary institutions, which research shows greatly improves the likelihood of enrollment.
- Applying early for financial aid and scholarships. Early filing can double the amount of grant funds awarded, and completing the federal form for financial aid makes a student 50% more likely to enroll in college.

In addition, PeerForward offers schools a flexible curriculum which can be integrated into existing courses or conducted as a stand-alone, depending on how the school chooses to use it.

A recent study conducted by researchers at the University of Pittsburgh demonstrated that PeerForward high schools experienced 25% higher early Free Application for Federal Student Aid completion rates than comparable schools without a peer-to-peer strategy. This rigorous third-party evaluation validates the significant impact of peer leadership on school wide results.

**COLLEGE SUMMIT, INC.**  
**d/b/a PeerForward**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2020 and 2019**

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1. Organization and Summary of Significant Accounting Policies (continued)

**Organization (continued)**

**Innovation**

This program designs and explores new ways to help all students in low-income communities navigate the college-going process by collaborating with government, technology companies, businesses, foundations and policy organizations. It creates new ways to reach students, such as through mobile applications that guide students and families through the college access process and supporting alumni of our program with information and encouragement to stay on track while in college.

**Accounts, Grants and Pledges Receivable**

Accounts, grants and pledges receivable are recorded at their present net realizable value. Accounts past due are individually analyzed for collectibility. When all collection efforts have been exhausted, the account is written off against an allowance account. Management annually adjusts the allowance account based upon its estimate of those accounts, grants and contributions receivable it believes to be uncollectible.

**Property and Equipment and Related Depreciation and Amortization**

Property and equipment are recorded at cost. PeerForward capitalizes all property and equipment with a cost of \$2,000 or more with an estimated useful life of greater than one year. Depreciation and amortization are provided for on a straight-line basis over the estimated useful lives of the assets, which range from three to seven years for equipment; three to five years for software; and 30 years for the building and building improvements. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization, and any gain or loss is reflected in revenue and support or expense in the accompanying statements of activities. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

**Classification of Net Assets**

PeerForward's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of PeerForward at the discretion of PeerForward's management and the Board of Directors (the Board).
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of PeerForward or by the passage of time.

**COLLEGE SUMMIT, INC.**  
**d/b/a PeerForward**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2020 and 2019**

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1. Organization and Summary of Significant Accounting Policies (continued)

**Revenue Recognition**

Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Conditional promises to give, that is those with a measurable performance or other barrier and right of return, are not recognized and included as revenue and support until the conditions on which they depend have been met. Any amounts received in advance of the condition being met are shown as refundable advance in the accompanying statements of financial position.

PeerForward earns program income by providing training, workshop and counseling services to educational institutions at various sites throughout the country for an agreed-upon fee. The performance of obligation of delivering these services are simultaneously received and consumed by the students referred to as peer leaders; therefore the revenue is recognized ratably over the course of the twelve month contract period of June through May. Billings that have been presented to educational institutions that have not been paid are included in the accompanying statements of financial position as accounts receivable. Payments received in advance of providing the services are included in the accompanying statements of financial position as deferred revenue.

**Donated Professional Services**

In-kind contributions of services are recognized as donated revenue and support and expense in the accompanying financial statements at their estimated fair value as provided by the donor at the date of receipt.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Expenses directly attributed to a specific functional area are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Personnel and benefits are allocated based on time and effort. Shared costs are management and general expenses which are pooled and allocated at year end. These costs primarily includes payroll and benefits, rent, depreciation, telephone, consulting and temporary services, donated facilities and services are allocated using an overhead rate that is based on ratio of total management and general expenses total expenses.

**COLLEGE SUMMIT, INC.**  
**d/b/a PeerForward**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2020 and 2019**

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1. Organization and Summary of Significant Accounting Policies (continued)

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB Accounting Standards Codification 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation adopted ASU 2014-09 and related amendments on January 1, 2019, using the modified retrospective method and elected to apply the standard only to contracts that were not completed as of that date. The adoption of the standard did not impact the results of operations or change in net assets.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides additional guidance to be used to determine whether a contribution is conditional and when a transaction should be accounted for as a contribution versus an exchange. The Foundation adopted ASU 2018-08 as of January 1, 2019, and has applied the amendments of this standard on a modified prospective basis and elected to apply the standard only to agreements that were entered into after the effective date. This standard did not result in a material change to the financial statements or the timing of revenue recognition for the Foundation grants and contributions.

2. Grants and Pledges Receivable

Grants and pledges receivable represent unconditional promises to give, as well as conditional promises whose conditions have been fulfilled during the fiscal year. The discount rates used to calculate the present value component of grants and pledges receivable were between 0.16% and 2.24% for the years ended April 30, 2020 and 2019, respectively.

**COLLEGE SUMMIT, INC.**  
**d/b/a PeerForward**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2020 and 2019**

2. Grants and Pledges Receivable (continued)

As of April 30, 2020 and 2019, PeerForward's grants and pledges receivable were due to be received as follows:

	2020	2019
Due in less than one year	\$ 532,813	\$ 1,575,942
Due in one to five years	83,334	104,000
Gross Grants and Pledges Receivable	616,147	1,679,942
Less: Discount on Multiyear Grants and Pledges	(133)	(2,328)
Grants and Pledges Receivable, Net	\$ 616,014	\$ 1,677,614

All amounts were considered fully collectible as of April 30, 2020 and 2019.

PeerForward has received various grants contingent upon the achievement of certain goals and milestones that were mutually agreed upon with the donors. As of April 30, 2020 and 2019, PeerForward's conditional grants from funders totaled approximately \$13,500 and \$25,300, respectively. The grants will be paid and recognized as revenue upon PeerForward's achievement of the agreed-upon milestones.

3. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment consisted of the following at April 30, 2020 and 2019:

	2020	2019
Furniture	\$ 91,439	\$ 91,439
Equipment	217,628	206,264
Leasehold Improvements	502,714	502,714
Total Property and Equipment	811,781	800,417
Less: Accumulated Depreciation and Amortization	(298,373)	(217,322)
Property and Equipment, Net	\$ 513,409	\$ 583,095

Depreciation and amortization expense totaled \$81,050 and \$79,561 for the years ended April 30, 2020 and 2019, respectively.

**COLLEGE SUMMIT, INC.**  
**d/b/a PeerForward**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2020 and 2019**

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4. Line of Credit

PeerForward has a secured revolving line of credit with a financial institution in the amount of \$500,000. Interest on borrowed funds accrues at the one-month London Interbank Offered Rate (LIBOR) plus .75% per annum and is payable monthly. The line of credit is subject to continuation based on satisfactory annual review by the financial institution scheduled to occur 150 days after the fiscal year-end and an annual thirty-day, a pay down of the full outstanding principal balance. Existing and future liabilities associated with the line of credit are secured by blanket lien on all assets of PeerForward including but not limited to accounts receivable, inventory, equipment and general intangibles. The interest rate as of April 30, 2020 and 2019, was 3.49% and 5.48%, respectively. For the year ended April 30, 2020, PeerForward borrowed \$500,000 and had an outstanding balance of \$500,000 as of April 30, 2020. For the year ended April 30, 2019, PeerForward borrowed \$500,000 and had an outstanding balance of \$500,000 as of April 30, 2019. The full amount was repaid on May 14, 2020 and May 6, 2019 for the year ended April 30, 2020 and 2019, respectively, leaving \$500,000 available to draw upon in the current year of operations. All bank financial covenants required by the line of credit were met.

5. Loan payable

On April 7, 2020, PeerForward entered into a Small Business Administration loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of \$435,400. The loan will mature on April 20, 2022, with a fixed interest rate of 1% per annum. Monthly payments of principal and interest will commence on November 16, 2022 with 18 consecutive monthly payments through the maturity date. The loan amount may be eligible for forgiveness pursuant to the PPP, which established minimum amounts of the loan to be used to cover payroll costs and the remainder can be used for mortgage interest, rent and utility costs over a specified period of time after the loan is made; and the number of employees and compensation levels are maintained.

6. Donated Professional Services

PeerForward received donated services from various corporations and individuals, primarily consisting of customer relationship management services and strategic project services. These services were valued at fair value and/or the cost it would take to acquire the services from similar providers of the services. For the years ended April 30, 2020 and 2019, PeerForward recognized revenue and expenses of \$29,393 and \$375,581, respectively, for these services.

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7. Net Assets

As of April 30, 2020 and 2019, net assets with donor restrictions were for the following purposes or time specifications:

	2020	2019
Subject to occurrence of specified events/ passage to time:		
Passage of time	\$ -	\$ 620,000
Subject to expenditure for specified purpose:		
Innovation	-	759,864
PeerForward Program	264,217	476,000
Total Net Assets With Donor Restrictions	\$ 264,217	\$ 1,855,864

8. Office Lease

On July 12, 2017, PeerForward entered into an office space lease agreement in Washington, D.C., with a lease term of 130 months, which commenced in February 2018 and expires in November 2028. PeerForward is required to pay a monthly base rent of \$26,326 and provide a security deposit of \$52,651. The lease agreement contains a fixed escalation clause for increases in the annual minimum rent at a rate of 2.5% per year, along with certain incentives consisting of rent abatements and improvement allowances in the amount of \$451,495. The proportionate share of real estate taxes and operating and maintenance costs is included in the monthly base rent which may increase in future years.

Under GAAP, all lease incentives and fixed rent increases are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and lease incentive in the accompanying statements of financial position.

As of April 30, 2020, future minimum rental obligations under the operating lease were as follows:

For the Year Ending April 30,	
2021	\$ 333,975
2022	342,324
2023	350,882
2024	359,654
2025	368,646
Thereafter	1,398,054
Total	\$ 3,153,535

Continued

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**NOTES TO FINANCIAL STATEMENTS**  
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8. Office Lease (continued)

Rent expense totaled \$306,165 and \$309,991 for the years ended April 30, 2020 and 2019, respectively, and is included in rent and other related fees in the accompanying statements of functional expenses.

9. Concentration of Credit Risk

PeerForward's cash is held in a financial institution. PeerForward has never experienced, nor does management anticipate, any losses on its funds. As of April 30, 2020 and 2019, PeerForward held \$836,619 and \$1,773,166, respectively, in the financial institution, exceeding the \$250,000 per depositor per institution Federal Deposit Insurance Corporation insured limit.

10. Liquidity and Availability of Funds

PeerForward regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal. PeerForward's financial assets available within one year of the statements of financial position date for general expenditures at April 30, 2020 and 2019, were as follows:

	2020	2019
Cash	\$ 1,078,900	\$ 1,984,343
Grants and pledges receivable	616,014	1,677,614
Accounts receivable	19,500	28,180
Total Financial Assets Available Within One Year	1,714,414	3,690,137
Less:		
Grants and receivable not collectible within one year	(83,334)	(104,000)
Financial Assets Available to Meet General Expenditures Within One Year	\$ 1,631,080	\$ 3,586,137

For purposes of analyzing resources available to meet general expenditures over a 12-month period, PeerForward considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended April 30, 2020 and 2019, donor restricted contributions of \$180,883 and \$2,751,737 were included in financial assets available to meet cash needs for general expenditures within one year.

PeerForward has various sources of liquidity at its disposal which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of PeerForward throughout the year. This is done through monitoring and reviewing PeerForward's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of PeerForward's cash flow related to

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10. Liquidity and Availability of Funds (continued)

PeerForward's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. To help manage unanticipated liquidity needs, PeerForward has a committed line of credit of \$500,000, which was fully drawn as of April 30, 2020. Subsequent to year end, the full amount was repaid on May 14, 2020 leaving \$500,000 available to draw upon for the next year of operations.

11. Pension Plan

PeerForward sponsors a defined contribution pension plan under Section 401(k) of the IRC which covers substantially all full-time employees. Employees may elect to defer and contribute to the plan a portion of their compensation in amounts up to the maximum permitted by law. The plan is funded by employer contributions equal to 3% of salary plus 50% of the employee's contributions between 3% and 5% of the employee's annual salary. During the years ended April 30, 2020 and 2019, PeerForward contributed \$82,495 and \$73,604, respectively, to the plan.

12. Strategic Rebranding

PeerForward created a new, higher-impact/lower-cost program model, restructured the organization, and rebranded from College Summit over the past three-and-a-half years. The new approach and name matches the singular focus on peer leadership to create better outcomes for low-income high school students. PeerForward has made important structural changes to its operating model and program in strategic response to changes in the low-income high school market and shifts in patterns of philanthropy. PeerForward now serves a significantly greater number of students at a much lower and more affordable cost. The restructuring of the organization through the introduction of an innovative, research-validated model enabled PeerForward to decrease operational costs by approximately 40%. Peerforward's model has been recognized and promoted by the New York Times, Stanford Social Innovation Review, Nasdaq, the PBS NewsHour, and the Bridgespan Group.

Excited by the potential to scale Peerforward's new model, a new generation of high-net-worth supporters, including the Bill & Melinda Gates Foundation are demonstrating interest and commitment, and PeerForward has retained the engagement of many long-term supporters. The Gates Foundation has made a multi-year commitment to test a new method for scaling PeerForward, and the ECMC Foundation is supporting a pilot of PeerForward in College. Both efforts promise not only exciting opportunities to reach more students, but also to add sustainable revenue streams through cost-sharing and to attract new donors to our funder base. Additional Interest is growing across private and public sectors and foundations, as evidenced by the support of PeerForward's recent Youth Activation Summit, which promoted the research and core principles of the PeerForward Method. The Summit was held in partnership with Facebook Education and sponsored by Deloitte, Ford Foundation, Carnegie Corporation, Fossil Foundation and New Profit.

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**NOTES TO FINANCIAL STATEMENTS**  
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13. Income Taxes

Under Section 501(c)(3) of the IRC, PeerForward is exempt from taxes on income other than net unrelated business income. For the years ended April 30, 2020 and 2019, no provision for income taxes was made, as PeerForward had no significant net unrelated business income and did not identify any uncertainty in income taxes requiring recognition or disclosure in these financial statements.

PeerForward has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. PeerForward evaluated its uncertainty in income taxes for the years ended April 30, 2020 and 2019, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of April 30, 2020, the statute of limitations for tax years 2017 through 2019 remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which PeerForward files tax returns; however, there are currently no examinations in progress. It is PeerForward's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of April 30, 2020 and 2019, PeerForward had no accruals for interest and/or penalties.

14. Subsequent Events

PeerForward management has evaluated events and transactions for potential recognition or disclosure through December 2, 2020, the date the financial statements were available to be issued. Except as in Notes 4, 10 and described below, there were no subsequent events identified that require recognition or disclosure in these financial statements.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. PeerForward has been able to continue operations in a remote environment; however, at this point, the extent to which COVID-19 will impact PeerForward's financial condition or results of operations is uncertain and being evaluated by management and the Board.