



College Summit, Inc. d/b/a PeerForward

Financial Statements

For the Years Ended April 30, 2022 and 2021



**and
Report Thereon**



COLLEGE SUMMIT, INC.
d/b/a PeerForward

TABLE OF CONTENTS
For the Years Ended April 30, 2022 and 2021

	Page
Independent Auditors' Report.....	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-16

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of College Summit, Inc. d/b/a PeerForward (PeerForward), which comprise the statements of financial position as of April 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PeerForward as of April 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PeerForward and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PeerForward's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PeerForward's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PeerForward's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marcum LLP

Washington, DC
November 3, 2022

COLLEGE SUMMIT, INC.
d/b/a PeerForward

STATEMENTS OF FINANCIAL POSITION
April 30, 2022 and 2021

	2022	2021
ASSETS		
Cash	\$ 1,956,124	\$ 730,866
Accounts receivable	326,442	59,900
Grants and pledges receivable, net of discount	2,240,021	2,193,510
Prepaid expenses	32,646	12,532
Property and equipment, net	368,793	434,709
Deposits	52,651	52,651
TOTAL ASSETS	\$ 4,976,677	\$ 3,484,168
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 278,846	\$ 267,652
Deferred rent and lease incentive	572,032	624,958
Deferred revenue	82,799	72,165
Security deposits	33,306	-
Loans payable	156,288	1,098,557
TOTAL LIABILITIES	1,123,271	2,063,332
Net Assets		
Without donor restrictions	2,129,026	60,528
With donor restrictions	1,724,380	1,360,308
TOTAL NET ASSETS	3,853,406	1,420,836
TOTAL LIABILITIES AND NET ASSETS	\$ 4,976,677	\$ 3,484,168

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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Grants and contributions						
Foundations, states, corporations and individuals	\$ 1,533,083	\$ 2,439,833	\$ 3,972,916	\$ 1,431,750	\$ 2,090,025	\$ 3,521,775
Program income						
School district, agency and school fees	1,143,795	-	1,143,795	751,209	-	751,209
Donated professional services	292,136	-	292,136	43,923	-	43,923
Other income	22,628	-	22,628	-	-	-
Net assets released from restrictions:						
Satisfaction of purpose restriction	1,925,761	(1,925,761)	-	793,933	(793,933)	-
Satisfaction of time restriction	150,000	(150,000)	-	200,000	(200,000)	-
TOTAL REVENUE AND SUPPORT	5,067,403	364,072	5,431,475	3,220,815	1,096,092	4,316,907
EXPENSES						
Program Services:						
PeerForward	2,108,780	-	2,108,780	1,850,906	-	1,850,906
Innovation	974,782	-	974,782	799,335	-	799,335
Total Program Services	3,083,562	-	3,083,562	2,650,241	-	2,650,241
Supporting Services:						
Management and general	734,642	-	734,642	500,821	-	500,821
Development and fundraising	119,358	-	119,358	75,377	-	75,377
Total Supporting Services	854,000	-	854,000	576,198	-	576,198
TOTAL EXPENSES	3,937,562	-	3,937,562	3,226,439	-	3,226,439
Change in Net Assets from Operations	1,129,841	364,072	1,493,913	(5,624)	1,096,092	1,090,468
NONOPERATING ACTIVITIES						
Forgiveness of notes payable	938,657	-	938,657	-	-	-
CHANGE IN NET ASSETS	2,068,498	364,072	2,432,570	(5,624)	1,096,092	1,090,468
NET ASSETS, BEGINNING OF YEAR	60,528	1,360,308	1,420,836	66,152	264,216	330,368
NET ASSETS, END OF YEAR	\$ 2,129,026	\$ 1,724,380	\$ 3,853,406	\$ 60,528	\$ 1,360,308	\$ 1,420,836

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, 2022

	Program Services			Supporting Services			Total
	PeerForward	Innovation	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Personnel and benefits	\$ 1,222,595	\$ 402,785	\$ 1,625,380	\$ 321,116	\$ 56,994	\$ 378,110	\$ 2,003,490
Consulting and temporary services	195,925	66,609	262,534	164,950	46,606	211,556	474,090
Rent and other related fees	114,622	52,984	167,606	132,012	6,488	138,500	306,106
Donated professional services	-	292,136	292,136	-	-	-	292,136
Travel	196,637	5,204	201,841	6,737	331	7,068	208,909
College hosting and program catering	69,533	91,173	160,706	948	47	995	161,701
Office expenses	68,585	17,302	85,887	2,828	2,431	5,259	91,146
Depreciation and amortization	27,260	12,601	39,861	31,396	1,543	32,939	72,800
Professional fees	26,803	12,390	39,193	30,870	1,517	32,387	71,580
Technology	33,923	9,126	43,049	18,586	2,163	20,749	63,798
Stipends	42,619	-	42,619	-	-	-	42,619
Marketing	27,597	1,074	28,671	1,261	62	1,323	29,994
Telephone and internet	16,053	4,044	20,097	9,329	458	9,787	29,884
Printing and shipping	26,096	1,631	27,727	1,926	95	2,021	29,748
Other employee expense	17,954	696	18,650	1,245	61	1,306	19,956
Supplies	13,438	1,021	14,459	1,458	72	1,530	15,989
Interest expense	4,806	2,222	7,028	5,535	272	5,807	12,835
Building operations and taxes	4,334	1,784	6,118	4,445	218	4,663	10,781
TOTAL OPERATING EXPENSES	\$ 2,108,780	\$ 974,782	\$ 3,083,562	\$ 734,642	\$ 119,358	\$ 854,000	\$ 3,937,562

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, 2021

	Program Services			Supporting Services			Total
	PeerForward	Innovation	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Personnel and benefits	\$ 1,264,587	\$ 605,697	\$ 1,870,284	\$ 114,290	\$ 9,606	\$ 123,896	\$ 1,994,180
Consulting and temporary services	172,657	50,426	223,083	93,799	52,718	146,517	369,600
Rent and other related fees	127,909	52,402	180,311	109,897	4,941	114,838	295,149
Donated professional services	5,428	-	5,428	27,995	-	27,995	33,423
Travel	30,868	1,500	32,368	3,122	140	3,262	35,630
College hosting and program catering	4,813	1,140	5,953	146	7	153	6,106
Office expenses	35,811	12,960	48,771	37,505	2,836	40,341	89,112
Depreciation and amortization	33,091	14,291	47,382	29,970	1,348	31,318	78,700
Professional fees	28,914	12,487	41,401	26,187	1,178	27,365	68,766
Technology	26,720	13,130	39,850	16,467	740	17,207	57,057
Stipends	12,560	-	12,560	-	-	-	12,560
Marketing	22,949	3,750	26,699	-	-	-	26,699
Telephone and internet	21,329	7,177	28,506	14,800	665	15,465	43,971
Printing and shipping	18,617	750	19,367	-	-	-	19,367
Other employee expense	5,610	19	5,629	39	2	41	5,670
Supplies	10,182	2,176	12,358	2,632	118	2,750	15,108
Interest expense	5,734	2,476	8,210	5,193	234	5,427	13,637
Building operations and taxes	2,895	1,250	4,145	2,622	118	2,740	6,885
Bad debt expense	19,807	7,704	27,511	16,157	726	16,883	44,394
Evaluation	425	10,000	10,425	-	-	-	10,425
TOTAL OPERATING EXPENSES	\$ 1,850,906	\$ 799,335	\$ 2,650,241	\$ 500,821	\$ 75,377	\$ 576,198	\$ 3,226,439

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, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,432,570	\$ 1,090,468
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	72,800	78,700
Change in the present value discount for grants and pledges	11,734	(650)
Forgiveness of notes payable	(938,657)	-
Change in assets and liabilities		
Accounts receivable	(266,542)	(40,400)
Grants and pledges receivable	(58,245)	(1,576,846)
Prepaid expenses	(20,114)	3,779
Deposits	-	1,575
Accounts payable and accrued expenses	11,194	6,319
Deferred rent and lease incentive	(52,926)	(44,577)
Deferred revenue	10,634	(29,559)
Security Deposits	33,306	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,235,754	(511,191)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,884)	-
NET CASH USED IN INVESTING ACTIVITIES	(6,884)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	-	663,157
Repayments of loans payable	(3,612)	-
Repayments of line of credit	-	(500,000)
NET CASH USED IN (PROVIDED BY) FINANCING ACTIVITIES	(3,612)	163,157
NET INCREASE (DECREASE) IN CASH	1,225,258	(348,034)
CASH, BEGINNING OF YEAR	730,866	1,078,900
CASH, END OF YEAR	\$ 1,956,124	\$ 730,866
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 3,439	\$ 13,638
NON-CASH FINANCING ACTIVITIES		
Loans forgiveness	\$ 938,657	\$ -

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, 2022 and 2021

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 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, 2022 and 2021

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 collectability. 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.

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

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2022 and 2021

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

Revenue Recognition (continued)

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.

Rental income is recognized as revenue on a straight-line basis over the life of the lease.

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 and are allocated using an overhead rate that is based on the ratio of total management and general expenses to total expenses.

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.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2022 and 2021

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 2.7% and 2.87% for year ended April 30, 2022 and was 0.05% and 0.86% for the year ended April 30, 2021.

As of April 30, 2022 and 2021, PeerForward's grants and pledges receivable were due to be received as follows:

	2022	2021
Due in less than one year	\$ 1,782,538	\$ 1,446,060
Due in one to five years	470,000	748,232
Gross Grants and Pledges Receivable	2,252,538	2,194,292
Less: Discount on Multiyear Grants and Pledges	(12,517)	(782)
Grants and Pledges Receivable, Net	\$ 2,240,021	\$ 2,193,510

All amounts were considered fully collectible as of April 30, 2022 and 2021.

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, 2022 and 2021, PeerForward's conditional grants from funders totaled approximately \$1,000,000 and \$1,500,000, respectively. The grants will be paid and recognized as revenue upon PeerForward's achievement of the agreed-upon milestones and program objectives.

3. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment consisted of the following at April 30, 2022 and 2021:

	2022	2021
Furniture	\$ 91,439	\$ 91,439
Equipment	224,513	217,628
Leasehold Improvements	502,714	502,714
Total Property and Equipment	818,666	811,781
Less: Accumulated Depreciation and Amortization	(449,873)	(377,073)
Property and Equipment, Net	\$ 368,793	\$ 434,709

Depreciation and amortization expense totaled \$72,800 and \$78,700 for the years ended April 30, 2022 and 2021, respectively.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2022 and 2021

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 3% 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, 2022 and 2021, was 3.46% and 3.11%, respectively. For the year ended April 30, 2021, PeerForward repaid \$500,000 and had no outstanding balance as of April 30, 2022 and April 30, 2021, respectively.

5. Loans 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. On June 5, 2021, SBA approved PeerForward's application for forgiveness of the PPP loan. As a result, PeerForward recognized the forgiveness of the loan principal and accrued interest in the amount of \$435,400 in the accompanying statements of activities.

On February 19, 2021, PeerForward entered into a second Small Business Administration loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of \$503,257. The loan will mature on February 23, 2026, with a fixed interest rate of 1% per annum. Monthly payments of principal and interest will commence on February 23, 2023 with 36 consecutive monthly payments through the maturity date. Both loan amounts 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. On January 14, 2022, SBA approved PeerForward's application for forgiveness of the PPP loan. As a result, PeerForward recognized the forgiveness of the loan principal and accrued interest in the amount of \$503,257 in the accompanying statements of activities.

On June 5, 2020, the Organization entered into a Small Business Administration loan with its financial institution under the Economic Injury Disaster Loan program funding for the amount of \$159,900. The loan will mature on April 5, 2049, with a fixed interest rate of 2.75% per annum. Monthly installment payments of principal and interest of \$641 will commence in June 2021, and may continue through the maturity date. As of April 30, 2022, the EIDL note had an outstanding principal balance of \$156,288.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2022 and 2021

5. Loans Payable (continued)

As of April 30, 2022, the future maturities of the note was as follows:

For the Year Ending April 30,		
2023	\$	3,713
2024		3,816
2025		3,923
2026		4,032
2027		4,144
Thereafter		136,660
Total	\$	156,288

6. Donated Goods and Professional Services

PeerForward received donated goods and services from various corporations and individuals, primarily consisting of customer relationship management services, strategic project services and legal 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, 2022 and 2021, PeerForward recognized revenue and expenses of \$292,136 and \$43,923, respectively, for these services.

7. Net Assets

As of April 30, 2022 and 2021, net assets with donor restrictions were for the following purposes or time specifications:

	2022	2021
Subject to occurrence of specified events/ passage to time:		
Passage of time	\$ 300,000	\$ 450,000
Subject to expenditure for specified purpose:		
PeerForward Program	1,424,380	910,308
Total Net Assets With Donor Restrictions	\$ 1,724,380	\$ 1,360,308

8. Commitments and Risks

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

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2022 and 2021

8. Commitments and Risks (continued)

Office Lease (continued)

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, 2022, future minimum rental obligations under the operating lease were as follows:

For the Year Ending <u>April 30,</u>	
2023	\$ 350,882
2024	359,654
2025	368,646
2026	377,862
2027	387,308
Thereafter	<u>632,884</u>
Total	<u>\$ 2,477,236</u>

Rent expense totaled \$306,106 and \$295,149 for the years ended April 30, 2022 and 2021, respectively, and is included in rent and other related fees in the accompanying statements of functional expenses.

Sublease Agreement

On March 8, 2022, PeerForward entered into a noncancelable operating sublease agreement with GCS, Inc. (GCS) to sublet office space in the PeerForward's Washington, D.C. office, which commenced on July 1, 2022 and expires on November 29, 2028. GCS is required to pay a monthly base rent of \$22,204 and provide a security deposit of \$33,306. The sublease agreement contains a fixed escalation clause for increases in the annual minimum rent at a rate of 4% per year, along with certain incentives consisting of rent abatements in the amount of \$133,224. There was no rental income for the year ended April 30, 2022.

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, 2022 and 2021, PeerForward held \$1,699,614 and \$484,030, respectively, in the financial institution, exceeding the \$250,000 per depositor per institution Federal Deposit Insurance Corporation insured limit.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2022 and 2021

9. 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, 2022 and 2021, were as follows:

	2022	2021
Cash	\$ 1,956,124	\$ 730,886
Grants and pledges receivable	2,240,021	2,193,510
Accounts receivable	326,442	59,900
Total Financial Assets Available Within One Year	4,522,587	2,984,296
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(1,724,380)	(1,360,308)
Financial Assets Available to Meet General Expenditures Within One Year	\$ 2,798,207	\$ 1,623,988

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 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 had no outstanding balance as of April 30, 2022 and April 30, 2021, respectively.

10. 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, 2022 and 2021 PeerForward contributed \$47,771 and \$53,608, respectively, to the plan.

11. 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, 2022 and 2021, 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.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2022 and 2021

11. Income Taxes (continued)

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, 2022 and 2021, 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, 2022, the statute of limitations for tax years 2018 through 2020 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, 2022 and 2021, PeerForward had no accruals for interest and/or penalties.

12. Subsequent Events

PeerForward management has evaluated events and transactions for potential recognition or disclosure through November 3, 2022, the date the financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in these financial statements.