



College Summit, Inc. d/b/a PeerForward

Financial Statements

For the Years Ended April 30, 2023 and 2022



**and
Report Thereon**



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

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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, 2023 and 2022, 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, 2023 and 2022, 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 17, 2023

COLLEGE SUMMIT, INC.
d/b/a PeerForward

STATEMENTS OF FINANCIAL POSITION
April 30, 2023 and 2022

	2023	2022
ASSETS		
Cash	\$ 500,581	\$ 1,956,124
Investments	7,009,626	-
Accounts receivable	256,037	326,442
Unbilled rent receivable	141,651	-
Grants and pledges receivable, net	5,538,372	2,240,021
Prepaid expenses	36,744	32,646
Operating right of use asset	1,444,016	-
Property and equipment, net	311,598	368,793
Deposits	52,651	52,651
	\$ 15,291,276	\$ 4,976,677
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 270,845	\$ 278,846
Deferred rent and lease incentive	-	572,032
Deferred revenue	56,378	82,799
Operating lease liability	1,954,565	-
Security deposits	33,306	33,306
Loans payable	152,575	156,288
	2,467,669	1,123,271
Net Assets		
Without donor restrictions	7,149,595	2,129,026
With donor restrictions	5,674,012	1,724,380
	12,823,607	3,853,406
	TOTAL NET ASSETS	3,853,406
	\$ 15,291,276	\$ 4,976,677
	\$ 15,291,276	\$ 4,976,677

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, 2023 and 2022

	2023			2022		
	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	\$ 5,282,645	\$ 7,080,000	\$ 12,362,645	\$ 1,533,083	\$ 2,439,833	\$ 3,972,916
Program income						
School district, agency and school fees	1,008,008	-	1,008,008	1,143,795	-	1,143,795
Donated professional services	24,855	-	24,855	292,136	-	292,136
Rental income	230,467	-	230,467	-	-	-
Other income	3,084	-	3,084	22,628	-	22,628
Investment income, net	59,626	-	59,626	-	-	-
Net assets released from restrictions:						
Satisfaction of purpose restriction	1,530,368	(1,530,368)	-	1,925,761	(1,925,761)	-
Satisfaction of time restriction	1,600,000	(1,600,000)	-	150,000	(150,000)	-
TOTAL REVENUE AND SUPPORT	9,739,053	3,949,632	13,688,685	5,067,403	364,072	5,431,475
EXPENSES						
Program Services:						
PeerForward	2,092,250	-	2,092,250	2,108,780	-	2,108,780
Innovation	91,100	-	91,100	974,782	-	974,782
Total Program Services	2,183,350	-	2,183,350	3,083,562	-	3,083,562
Supporting Services:						
Management and general	2,112,978	-	2,112,978	734,642	-	734,642
Development and fundraising	422,156	-	422,156	119,358	-	119,358
Total Supporting Services	2,535,134	-	2,535,134	854,000	-	854,000
TOTAL EXPENSES	4,718,484	-	4,718,484	3,937,562	-	3,937,562
Change in Net Assets from Operations	5,020,569	3,949,632	8,970,201	1,129,841	364,072	1,493,913
NONOPERATING ACTIVITIES						
Forgiveness of notes payable	-	-	-	938,657	-	938,657
CHANGE IN NET ASSETS	5,020,569	3,949,632	8,970,201	2,068,498	364,072	2,432,570
NET ASSETS, BEGINNING OF YEAR	2,129,026	1,724,380	3,853,406	60,528	1,360,308	1,420,836
NET ASSETS, END OF YEAR	\$ 7,149,595	\$ 5,674,012	\$ 12,823,607	\$ 2,129,026	\$ 1,724,380	\$ 3,853,406

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, 2023

	Program Services			Supporting Services			Total
	PeerForward	Innovation	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Personnel and benefits	\$ 1,034,503	\$ 81,531	\$ 1,116,034	\$ 919,101	\$ 321,477	\$ 1,240,578	\$ 2,356,612
Consulting and temporary services	30,961	-	30,961	477,791	66,250	544,041	575,002
Rent and other related fees	-	-	-	261,073	-	261,073	261,073
Donated professional services	6,355	-	6,355	18,500	-	18,500	24,855
Travel	560,814	9,427	570,241	88,681	17,208	105,889	676,130
College hosting and program catering	282,721	-	282,721	7,906	14,607	22,513	305,234
Office expenses	5,815	-	5,815	55,153	1,275	56,428	62,243
Depreciation and amortization	-	-	-	67,562	-	67,562	67,562
Professional fees	-	-	-	86,475	-	86,475	86,475
Technology	2,446	-	2,446	92,612	577	93,189	95,635
Marketing	77,419	84	77,503	12,959	314	13,273	90,776
Telephone and internet	191	-	191	4,641	50	4,691	4,882
Printing and shipping	20,375	-	20,375	3,911	53	3,964	24,339
Supplies	18,813	58	18,871	3,973	345	4,318	23,189
Interest expense	-	-	-	4,009	-	4,009	4,009
Building operations and taxes	-	-	-	8,631	-	8,631	8,631
Bad debt expenses	43,504	-	43,504	-	-	-	43,504
Evaluation	8,333	-	8,333	-	-	-	8,333
TOTAL OPERATING EXPENSES	\$ 2,092,250	\$ 91,100	\$ 2,183,350	\$ 2,112,978	\$ 422,156	\$ 2,535,134	\$ 4,718,484

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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,970,201	\$ 2,432,570
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	67,562	72,800
Amortization of right of use asset	226,086	-
Net realized and unrealized gains on investments	(5,540)	-
Change in the present value discount for grants and pledges	112,840	11,734
Change in the allowance for doubtful accounts	43,504	-
Forgiveness of notes payable	-	(938,657)
Change in assets and liabilities		
Accounts receivable	26,901	(266,542)
Unbilled rent receivable	(141,651)	-
Grants and pledges receivable	(3,411,191)	(58,245)
Prepaid expenses	(4,098)	(20,114)
Accounts payable and accrued expenses	(8,001)	11,194
Deferred rent and lease incentive	-	(52,926)
Operating lease liability	(287,569)	-
Deferred revenue	(26,421)	10,634
Security Deposits	-	33,306
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,562,623	1,235,754
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(7,354,086)	-
Proceeds from sale of investments	350,000	-
Purchases of property and equipment	(10,367)	(6,884)
NET CASH USED IN INVESTING ACTIVITIES	(7,014,453)	(6,884)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loans payable	(3,713)	(3,612)
NET CASH USED IN FINANCING ACTIVITIES	(3,713)	(3,612)
NET INCREASE (DECREASE) IN CASH	(1,455,543)	1,225,258
CASH, BEGINNING OF YEAR	1,956,124	730,866
CASH, END OF YEAR	\$ 500,581	\$ 1,956,124
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 4,009	\$ 3,439
NON-CASH INVESTING ACTIVITIES		
Operating right of use asset	\$ 1,670,102	\$ -
Operating lease liability	(2,242,134)	-
Deferred rent and lease incentive	572,032	-
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, 2023 and 2022

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, 2023 and 2022

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.

Investments

PeerForward has investments in U.S. Government securities and money market funds. Investments are recorded at fair value, with gains and losses included in the accompanying statements of activities. Fair value is the price that would be received to sell an asset or liability through an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses are determined by a comparison of fair value at the beginning and end of the year.

Fair Value Measurement

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, PeerForward has measured its applicable financial instruments at fair value on a recurring basis based on the required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

The three levels of the fair value hierarchy are described as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that PeerForward has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include, among others, quoted prices for similar assets or liabilities in active markets or non-active markets.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2023 and 2022

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

Fair Value Measurement (continued)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

As of April 30, 2023, PeerForward’s investments, as described in Note 3 of the financial statements, were measured at fair value on a recurring basis.

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 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

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2023 and 2022

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

Revenue Recognition (continued)

until the conditions on which they depend have been met. Any amounts received in advance of the condition being met are shown as refundable advances 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 from the operating sublease agreement is recognized as revenue on a straight-line basis over the life of the lease.

Donated Professional Services

PeerForward's programs are furthered through unconditional contributions of services by various individuals and organizations. In-kind contributions are recorded at fair value as of the date of donation and are included in donated professional services revenue in the accompanying statements of activities. In-kind contributions consist of donated marketing and advertising services, which were used in program and management and general.

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, 2023 and 2022

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

Recently Adopted Accounting Pronouncements

Effective May 1, 2022, PeerForward adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases* (ASC 842). PeerForward determines if an arrangement contains a lease at inception based on whether PeerForward has the right to control the asset during the contract period and other facts and circumstances. PeerForward elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. PeerForward's lease at the time of adoption that required recognition in the accompanying 2023 statement of financial position was the Washington, DC office space lease as described in Note 9. PeerForward used the 7-year treasury rate as of May 2, 2022 of 3.04% when discounting future non-cancellable lease payments.

The adoption of ASC 842 resulted in the recognition of an operating right of use asset of \$1,670,102 and an operating lease liability of \$2,242,134 as of May 1, 2022. Results for periods beginning prior to May 1, 2022 continue to be reported in accordance with the PeerForward's historical accounting treatment.

In September 2020, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. ASU 2020-07 requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statements of activities and provide additional disclosures about contributions of nonfinancial assets. PeerForward adopted ASU 2020-07 retrospectively on May 1, 2021. The adoption of the standard did not result in a material change to the financial statements other than expanded disclosures (See Note 7).

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 3.75% and 4.8% for year ended April 30, 2023 and 2.7% and 2.87% for the year ended April 30, 2022.

As of April 30, 2023 and 2022, PeerForward's grants and pledges receivable were due to be received as follows:

	2023	2022
Due in less than one year	\$ 2,563,729	\$ 1,782,538
Due in one to five years	3,100,000	470,000
Gross Grants and Pledges Receivable	5,663,729	2,252,538
Less: Discount on Multiyear Grants and Pledges	(125,357)	(12,517)
Grants and Pledges Receivable, Net	\$ 5,538,372	\$ 2,240,021

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2023 and 2022

2. Grants and Pledges Receivable (continued)

All amounts were considered fully collectible as of April 30, 2023 and 2022.

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, 2023 and 2022, PeerForward's conditional grants from funders totaled approximately \$500,000 and \$1,000,000, respectively. The grants will be paid and recognized as revenue upon PeerForward's achievement of the agreed-upon milestones and program objectives.

3. Investments and Fair Value Measurement

The following table summarizes PeerForward's investments measured at fair value on a recurring basis as of April 30, 2023, aggregated by the fair value hierarchy level with which those measurements were made:

	<u>Total Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
U.S. Government securities	\$ 4,500,054	\$ -	\$ 4,500,054	\$ -
Money market funds	<u>2,509,572</u>	<u>2,509,572</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	<u>\$ 7,009,626</u>	<u>\$ 2,509,572</u>	<u>\$ 4,500,054</u>	<u>\$ -</u>

PeerForward used the following methods and significant assumptions to estimate fair value for assets measured at fair value:

Money market funds – Measured using quoted market prices for identical assets in active markets.

U.S. Government securities – Value is determined by the investment custodian using an outside data and pricing company that uses a market approach and spreads based on the credit risk of the issuer, maturity, current yield, trading frequency and other terms and conditions of each security. Management believes the estimates to be a reasonable approximation of the fair value of the investments.

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For the Years Ended April 30, 2023 and 2022

4. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment consisted of the following at April 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Furniture	\$ 91,439	\$ 91,439
Equipment	234,880	224,513
Leasehold Improvements	<u>502,714</u>	<u>502,714</u>
Total Property and Equipment	829,033	818,666
Less: Accumulated Depreciation and Amortization	<u>(517,435)</u>	<u>(449,873)</u>
Property and Equipment, Net	<u>\$ 311,598</u>	<u>\$ 368,793</u>

Depreciation and amortization expense totaled \$67,562 and \$72,800 for the years ended April 30, 2023 and 2022, respectively.

5. 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 a 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, 2023 and 2022, was 8.02% and 3.46%, respectively. There was no outstanding balance under the line of credit as of April 30, 2023 and 2022.

6. Loans Payable

On June 5, 2020, the Organization entered into a Small Business Administration loan with its financial institution under the Economic Injury Disaster Loan (EIDL) 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 commenced in June 2021, and may continue through the maturity date. As of April 30, 2023, the EIDL note had an outstanding principal balance of \$152,575.

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6. Loans Payable (continued)

As of April 30, 2023, the future maturities of the note was as follows:

For the Year Ending April 30,		
2024	\$	3,816
2025		3,923
2026		4,032
2027		4,144
2028		4,260
Thereafter		132,400
Total	\$	152,575

7. Donated Professional Services

Donated services are recognized if the services received create or enhance long lived assets or require specialized skills, that are provided by individuals possessing those skills and would typically need to be purchased if not donated. PeerForward received donated services from various corporations and individuals, primarily consisting of strategic consulting, marketing and advertising services. The donated professional services are recorded at the estimated fair value based on market rates for similar services in the United States. For the years ended April 30, 2023 and 2022, PeerForward recognized revenue and expenses of \$24,855 and \$292,136 respectively, for these services. There were no donor-imposed restrictions associated with the donated goods and services.

8. Net Assets

As of April 30, 2023 and 2022, net assets with donor restrictions were for the following purposes or time specifications:

	2023	2022
Subject to occurrence of specified events/ passage to time:		
Passage of time	\$ 4,200,000	\$ 300,000
Subject to expenditure for specified purpose:		
PeerForward Program	1,474,012	1,424,380
Total Net Assets With Donor Restrictions	\$ 5,674,012	\$ 1,724,380

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9. 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 are included in the monthly base rent which may increase in future years.

As described in Note 1, effective May 1, 2022, PeerForward adopted *Leases*, ASC 842, which requires lessees to recognize operating leases in the statement of financial position. PeerForward has recorded an operating right of use asset, net of prepaid lease payments and lease incentives, and lease obligations equal to the present value of the future lease payments due under the terms of the lease. As of April 30, 2023, PeerForward's operating right of use asset, net of accumulated amortization of \$226,086, was \$1,444,016, and PeerForward's operating lease liability was \$1,954,565. The operating right of use asset is being amortized on a straight-line basis over the lease term.

Operating lease costs totaled \$289,398 for the year ended April 30, 2023 and are included in rent and other related fees in the accompanying statement of functional expenses. Cash paid for operating lease for the year end April 30, 2023 totaled \$350,882.

On March 8, 2022, PeerForward entered into a noncancelable operating sublease agreement to sublet office space in the PeerForward's Washington, D.C. office, which commenced on July 1, 2022 and expires on November 29, 2028. The monthly base rent is \$22,204. For the years ended April 30, 2023, PeerForward recognized rental income of \$230,467. There was no rental income for the year ended April 30, 2022.

As of April 30, 2023, future minimum lease payments and receipts required under the agreements are as follows:

For the Year Ending April 30,	Minimum Rentals	Subtenant Payments	Net Payments
2024	\$ 359,654	\$ (275,330)	\$ 84,325
2025	368,646	(286,343)	82,303
2026	377,862	(297,796)	80,065
2027	387,308	(309,708)	77,600
2028	396,991	(322,097)	74,894
Thereafter	235,893	(194,505)	41,388
Total	2,126,354	\$ (1,685,779)	\$ 440,575
Less: Present Value Discount	(171,789)		
Lease Liability	\$ 1,954,565		

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10. 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, 2023 and 2022, PeerForward held approximately \$220,000 and \$1,700,000, respectively, in the financial institution, exceeding the \$250,000 per depositor per institution Federal Deposit Insurance Corporation insured limit.

11. 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, 2023 and 2022, were as follows:

	2023	2022
Cash	\$ 500,581	\$ 1,956,124
Investments	7,009,626	-
Grants and pledges receivable	5,538,372	2,240,021
Accounts receivable	256,037	326,442
Total Financial Assets Available Within One Year	\$ 13,304,616	4,522,587
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(5,674,012)	(1,724,380)
Financial Assets Available to Meet General Expenditures Within One Year	\$ 7,630,604	\$ 2,798,207

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, 2023 and April 30, 2022, respectively.

12. 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

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12. Pension Plan (continued)

employee's contributions between 3% and 5% of the employee's annual salary. During the years ended April 30, 2023 and 2022 PeerForward contributed \$50,599 and \$47,771, respectively, to the plan.

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023, the statute of limitations for tax years 2020 through 2022 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, 2023 and 2022, 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 November 17, 2023, 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.