



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

**Financial Statements**

*For the Years Ended April 30, 2021 and 2020*



**and  
Report Thereon**



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

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For the Years Ended April 30, 2021 and 2020**

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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, 2021 and 2020, 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.

***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, 2021 and 2020, 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 29, 2021

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

**STATEMENTS OF FINANCIAL POSITION**  
April 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Cash	\$ 730,866	\$ 1,078,900
Accounts receivable	59,900	19,500
Grants and pledges receivable, net of discount	2,193,510	616,014
Prepaid expenses	12,532	16,311
Property and equipment, net	434,709	513,409
Deposits	52,651	54,226
<b>TOTAL ASSETS</b>	<b>\$ 3,484,168</b>	<b>\$ 2,298,360</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 267,652	\$ 261,333
Deferred rent and lease incentive	624,958	669,535
Deferred revenue	72,165	101,724
Line of credit	-	500,000
Loans payable	1,098,557	435,400
<b>TOTAL LIABILITIES</b>	<b>2,063,332</b>	<b>1,967,992</b>
<b>Net Assets</b>		
Without donor restrictions	60,528	66,152
With donor restrictions	1,360,308	264,216
<b>TOTAL NET ASSETS</b>	<b>1,420,836</b>	<b>330,368</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,484,168</b>	<b>\$ 2,298,360</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, 2021 and 2020

	2021			2020		
	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	\$ 1,431,750	\$ 2,090,025	\$ 3,521,775	\$ 946,467	\$ 1,225,000	\$ 2,171,467
Program income						
School district, agency and school fees	751,209	-	751,209	1,017,906	-	1,017,906
Donated professional services	43,923	-	43,923	29,393	-	29,393
Net assets released from restrictions:						
Satisfaction of purpose restriction	793,933	(793,933)	-	2,310,648	(2,310,648)	-
Satisfaction of time restriction	200,000	(200,000)	-	380,000	(380,000)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>3,220,815</b>	<b>1,096,092</b>	<b>4,316,907</b>	<b>4,684,414</b>	<b>(1,465,648)</b>	<b>3,218,766</b>
<b>EXPENSES</b>						
Program Services:						
PeerForward	1,850,906	-	1,850,906	4,074,074	-	4,074,074
Innovation	799,335	-	799,335	1,028,588	-	1,028,588
Total Program Services	<u>2,650,241</u>	<u>-</u>	<u>2,650,241</u>	<u>5,102,662</u>	<u>-</u>	<u>5,102,662</u>
Supporting Services:						
Management and general	500,821	-	500,821	402,544	-	402,544
Development and fundraising	75,377	-	75,377	107,679	-	107,679
Total Supporting Services	<u>576,198</u>	<u>-</u>	<u>576,198</u>	<u>510,223</u>	<u>-</u>	<u>510,223</u>
<b>TOTAL EXPENSES</b>	<b>3,226,439</b>	<b>-</b>	<b>3,226,439</b>	<b>5,612,885</b>	<b>-</b>	<b>5,612,885</b>
Change in net assets before						
loss on grants and pledge receivable	(5,624)	1,096,092	1,090,468	(928,471)	(1,465,648)	(2,394,119)
Loss on grants and pledge receivable	-	-	-	-	126,000	126,000
<b>CHANGE IN NET ASSETS</b>	<b>(5,624)</b>	<b>1,096,092</b>	<b>1,090,468</b>	<b>(928,471)</b>	<b>(1,591,648)</b>	<b>(2,520,119)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>66,152</b>	<b>264,216</b>	<b>330,368</b>	<b>994,623</b>	<b>1,855,864</b>	<b>2,850,487</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 60,528</b>	<b>\$ 1,360,308</b>	<b>\$ 1,420,836</b>	<b>\$ 66,152</b>	<b>\$ 264,216</b>	<b>\$ 330,368</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, 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
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
Telephone and internet	21,329	7,177	28,506	14,800	665	15,465	43,971
Bad debt expense	19,807	7,704	27,511	16,157	726	16,883	44,394
Travel	30,868	1,500	32,368	3,122	140	3,262	35,630
Donated professional services	5,428	-	5,428	27,995	-	27,995	33,423
Marketing	22,949	3,750	26,699	-	-	-	26,699
Printing and shipping	18,617	750	19,367	-	-	-	19,367
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
Stipends	12,560	-	12,560	-	-	-	12,560
Evaluation	425	10,000	10,425	-	-	-	10,425
Building operations and taxes	2,895	1,250	4,145	2,622	118	2,740	6,885
College hosting and program catering	4,813	1,140	5,953	146	7	153	6,106
Other employee expense	5,610	19	5,629	39	2	41	5,670
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,850,906</b>	<b>\$ 799,335</b>	<b>\$ 2,650,241</b>	<b>\$ 500,821</b>	<b>\$ 75,377</b>	<b>\$ 576,198</b>	<b>\$ 3,226,439</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, 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
Consulting and temporary services	155,104	286,396	441,500	55,487	3,035	58,522	500,022
Rent and other related fees	180,424	41,827	222,251	79,564	4,352	83,916	306,167
Office expenses	68,674	12,909	81,583	18,554	9,772	28,326	109,909
Depreciation and amortization	45,996	11,613	57,609	22,226	1,216	23,442	81,051
Professional fees	54,667	13,698	68,365	26,218	1,434	27,652	96,017
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
Bad debt expense	-	-	-	7,614	-	7,614	7,614
Travel	494,713	37,067	531,780	4,608	11,981	16,589	548,369
Donated professional services	21,172	2,724	23,896	5,213	285	5,498	29,394
Marketing	9,751	6,180	15,931	-	-	-	15,931
Printing and shipping	92,008	1,129	93,137	-	-	-	93,137
Supplies	39,981	2,690	42,671	2,094	116	2,210	44,881
Interest expense	12,870	3,249	16,119	6,219	340	6,559	22,678
Stipends	44,300	-	44,300	-	-	-	44,300
Evaluation	425	12,304	12,729	-	-	-	12,729
Building operations and taxes	23,544	5,822	29,366	11,144	610	11,754	41,120
College hosting and program catering	301,163	10,567	311,730	9,105	498	9,603	321,333
Other employee expense	20,032	2,522	22,554	3,897	213	4,110	26,664
<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

**STATEMENTS OF CASH FLOWS**  
For the Years Ended April 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,090,468	\$ (2,520,119)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	78,700	81,050
Change in the present value discount for grants and pledges	(650)	2,195
Change in the allowance for doubtful accounts	-	6,625
Change in assets and liabilities		
Accounts receivable	(40,400)	2,055
Grants and pledges receivable	(1,576,846)	1,059,405
Prepaid expenses	3,779	43,593
Deposits	1,575	(525)
Accounts payable and accrued expenses	6,319	41,972
Deferred rent and lease incentive	(44,577)	(39,074)
Deferred revenue	(29,559)	(6,656)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(511,191)</b>	<b>(1,329,479)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	(11,364)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>(11,364)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	-	500,000
Proceeds from loans payable	663,157	435,400
Repayments of line of credit	(500,000)	(500,000)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>163,157</b>	<b>435,400</b>
<b>NET DECREASE IN CASH</b>	<b>(348,034)</b>	<b>(905,443)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>1,078,900</b>	<b>1,984,343</b>
<b>CASH, END OF YEAR</b>	<b>\$ 730,866</b>	<b>\$ 1,078,900</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	<b>\$ 13,638</b>	<b>\$ 22,678</b>

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, 2021 and 2020**

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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 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, 2021 and 2020**

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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 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, 2021 and 2020**

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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.

**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, 2021 and 2020

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 0.05% and 0.86% for year ended April 30, 2021 and was 0.16% for the year ended April 30, 2020.

As of April 30, 2021 and 2020, PeerForward's grants and pledges receivable were due to be received as follows:

	2021	2020
Due in less than one year	\$ 1,446,060	\$ 532,813
Due in one to five years	748,232	83,334
Gross Grants and Pledges Receivable	2,194,292	616,147
Less: Discount on Multiyear Grants and Pledges	(783)	(133)
Grants and Pledges Receivable, Net	\$ 2,193,509	\$ 616,014

All amounts were considered fully collectible as of April 30, 2021 and 2020.

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, 2021 and 2020, PeerForward's conditional grants from funders totaled approximately \$1,500,000 and \$13,500, 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, 2021 and 2020:

	2021	2020
Furniture	\$ 91,439	\$ 91,439
Equipment	217,628	217,628
Leasehold Improvements	502,714	502,714
Total Property and Equipment	811,781	811,781
Less: Accumulated Depreciation and Amortization	(377,073)	(298,373)
Property and Equipment, Net	\$ 434,709	\$ 513,409

Depreciation and amortization expense totaled \$78,699 and \$81,050 for the years ended April 30, 2021 and 2020, respectively.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2021 and 2020**

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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 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, 2021 and 2020, was 3.11% and 3.49%, respectively. For the year ended April 30, 2021, PeerForward repaid \$500,000 and had no outstanding balance as of April 30, 2021. For the year ended April 30, 2020, PeerForward borrowed \$500,000 and had an outstanding balance of \$500,000 as of April 30, 2020. The full amount was repaid on March, 2021 and May 2020 for the year ended April 30, 2021 and 2020, 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. 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, PeerForward received notification of forgiveness of the full loan balance of \$435,400.

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 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, 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, 2021, the EIDL note had an outstanding principal balance of \$159,900.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended April 30, 2021 and 2020**

5. Loans Payable (continued)

As of April 30, 2021, the future maturities of the note was as follows:

For the Year Ending April 30,		
2022	\$	3,612
2023		3,713
2024		3,816
2025		3,923
2026		4,032
Thereafter		140,804
Total	\$	159,900

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, 2021 and 2020, PeerForward recognized revenue and expenses of \$43,923 and \$29,393, respectively, for these services.

7. Net Assets

As of April 30, 2021 and 2020, net assets with donor restrictions were for the following purposes or time specifications:

	2021	2020
Subject to occurrence of specified events/ passage to time:		
Passage of time	\$ 450,000	\$ -
Subject to expenditure for specified purpose:		
PeerForward Program	910,308	264,217
Total Net Assets With Donor Restrictions	\$ 1,360,308	\$ 264,217

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

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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, 2021, future minimum rental obligations under the operating lease were as follows:

<u>For the Year Ending</u> <u>April 30,</u>	
2022	\$ 342,324
2023	350,882
2024	359,654
2025	368,646
2026	377,862
Thereafter	<u>1,020,192</u>
Total	<u>\$ 2,819,560</u>

Rent expense totaled \$295,149 and \$306,165 for the years ended April 30, 2021 and 2020, respectively, and is included in rent and other related fees in the accompanying statements of functional expenses.

**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, 2021 and 2020, PeerForward held \$484,030 and \$836,619, respectively, in the financial institution, exceeding the \$250,000 per depositor per institution Federal Deposit Insurance Corporation insured limit.

**COVID-19**

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.



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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, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 730,886	\$ 1,078,900
Grants and pledges receivable	2,193,510	616,014
Accounts receivable	<u>59,900</u>	<u>19,500</u>
Total Financial Assets Available Within One Year	2,984,296	1,714,414
Less amounts not available to be used within one year: Net assets with donor restrictions	<u>(1,360,308)</u>	<u>(264,216)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,623,988</u>	<u>\$ 1,450,198</u>

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, 2021. As of April 30, 2020, the outstanding balance was \$500,000.

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, 2021 and 2020, PeerForward contributed \$53,608 and \$82,495, respectively, to the plan.

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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, 2021 and 2020, 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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, 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 December 29, 2021, the date the financial statements were available to be issued. Except as described in Note 5 regarding the forgiveness of the first PPP loan, there were no other subsequent events identified that require recognition or disclosure in these financial statements.