



College Summit, Inc. d/b/a PeerForward

Financial Statements

For the Years Ended April 30, 2024 and 2023



**and
Report Thereon**



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

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For the Years Ended April 30, 2024 and 2023**

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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, 2024 and 2023, 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, 2024 and 2023, 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 audits.

Marcum LLP

Washington, DC
October 9, 2024

COLLEGE SUMMIT, INC.
d/b/a PeerForward
STATEMENTS OF FINANCIAL POSITION
April 30, 2024 and 2023

	2024	2023
ASSETS		
Cash	\$ 928,592	\$ 500,581
Investments	5,016,239	7,009,626
Accounts receivable, net of allowance for credit losses of \$27,000 and \$43,504, respectively.	316,120	256,037
Unbilled rent receivable	142,882	141,651
Grants and pledges receivable, net	3,721,514	5,538,372
Prepaid expenses	103,007	36,744
Operating right of use asset	1,208,920	1,444,016
Property and equipment, net	261,804	311,598
Deposits	52,651	52,651
TOTAL ASSETS	\$ 11,751,729	\$ 15,291,276
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 184,667	\$ 270,845
Deferred revenue	87,634	56,378
Operating lease liability	1,649,212	1,954,565
Security deposits	33,306	33,306
Loans payable	148,758	152,575
TOTAL LIABILITIES	2,103,577	2,467,669
Net Assets		
Without donor restrictions	5,875,803	7,149,595
With donor restrictions	3,772,349	5,674,012
TOTAL NET ASSETS	9,648,152	12,823,607
TOTAL LIABILITIES AND NET ASSETS	\$ 11,751,729	\$ 15,291,276

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, 2024 and 2023

	2024			2023		
	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	\$ 283,345	\$ 765,500	\$ 1,048,845	\$ 5,282,645	\$ 7,080,000	\$ 12,362,645
Program income						
School district, agency and school fees	1,118,160	-	1,118,160	1,008,008	-	1,008,008
Donated professional services	85,451	-	85,451	24,855	-	24,855
Rental income	276,560	-	276,560	230,467	-	230,467
Other income	16,662	-	16,662	3,084	-	3,084
Investment income, net	306,624	-	306,624	59,626	-	59,626
Net assets released from restrictions:						
Satisfaction of purpose restriction	1,067,163	(1,067,163)	-	1,530,368	(1,530,368)	-
Satisfaction of time restriction	1,600,000	(1,600,000)	-	1,600,000	(1,600,000)	-
TOTAL REVENUE AND SUPPORT	4,753,965	(1,901,663)	2,852,302	9,739,053	3,949,632	13,688,685
EXPENSES						
Program Services:						
PeerForward	2,793,233	-	2,793,233	2,092,250	-	2,092,250
Innovation	103,829	-	103,829	91,100	-	91,100
Total Program Services	2,897,062	-	2,897,062	2,183,350	-	2,183,350
Supporting Services:						
Management and general	2,558,202	-	2,558,202	2,112,978	-	2,112,978
Development and fundraising	572,493	-	572,493	422,156	-	422,156
Total Supporting Services	3,130,695	-	3,130,695	2,535,134	-	2,535,134
TOTAL EXPENSES	6,027,757	-	6,027,757	4,718,484	-	4,718,484
CHANGE IN NET ASSETS	(1,273,792)	(1,901,663)	(3,175,455)	5,020,569	3,949,632	8,970,201
NET ASSETS, BEGINNING OF YEAR	7,149,595	5,674,012	12,823,607	2,129,026	1,724,380	3,853,406
NET ASSETS, END OF YEAR	\$ 5,875,803	\$ 3,772,349	\$ 9,648,152	\$ 7,149,595	\$ 5,674,012	\$ 12,823,607

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, 2024

	Program Services			Supporting Services			Total
	PeerForward	Innovation	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Personnel and benefits	\$ 1,255,069	\$ 89,834	\$ 1,344,903	\$ 1,338,920	\$ 379,939	\$ 1,718,859	\$ 3,063,762
Travel	605,915	13,411	619,326	118,471	35,896	154,367	773,693
Consulting and temporary services	166,663	-	166,663	279,347	124,800	404,147	570,810
College hosting and program catering	471,035	545	471,580	30,337	12,486	42,823	514,403
Rent and other related fees	-	-	-	289,398	-	289,398	289,398
Marketing	93,632	-	93,632	46,160	-	46,160	139,792
Professional fees	-	-	-	104,994	-	104,994	104,994
Technology	12,117	-	12,117	85,358	6,317	91,675	103,792
Donated professional services	19,781	-	19,781	54,245	11,424	65,669	85,450
Office expenses	6,700	-	6,700	70,660	1,236	71,896	78,596
Evaluation	74,398	-	74,398	-	-	-	74,398
Depreciation and amortization	-	-	-	73,451	-	73,451	73,451
Printing and shipping	52,066	-	52,066	5,510	22	5,532	57,598
Supplies	21,110	39	21,149	14,261	62	14,323	35,472
Building operations and taxes	-	-	-	30,717	-	30,717	30,717
Bad debt expenses	14,725	-	14,725	-	-	-	14,725
Telephone and internet	22	-	22	12,459	311	12,770	12,792
Interest expense	-	-	-	3,914	-	3,914	3,914
TOTAL OPERATING EXPENSES	\$ 2,793,233	\$ 103,829	\$ 2,897,062	\$ 2,558,202	\$ 572,493	\$ 3,130,695	\$ 6,027,757

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
Travel	560,814	9,427	570,241	88,681	17,208	105,889	676,130
Consulting and temporary services	30,961	-	30,961	477,791	66,250	544,041	575,002
College hosting and program catering	282,721	-	282,721	7,906	14,607	22,513	305,234
Rent and other related fees	-	-	-	261,073	-	261,073	261,073
Marketing	77,419	84	77,503	12,959	314	13,273	90,776
Professional fees	-	-	-	86,475	-	86,475	86,475
Technology	2,446	-	2,446	92,612	577	93,189	95,635
Donated professional services	6,355	-	6,355	18,500	-	18,500	24,855
Office expenses	5,815	-	5,815	55,153	1,275	56,428	62,243
Evaluation	8,333	-	8,333	-	-	-	8,333
Depreciation and amortization	-	-	-	67,562	-	67,562	67,562
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
Building operations and taxes	-	-	-	8,631	-	8,631	8,631
Bad debt expenses	43,504	-	43,504	-	-	-	43,504
Telephone and internet	191	-	191	4,641	50	4,691	4,882
Interest expense	-	-	-	4,009	-	4,009	4,009
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, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,175,455)	\$ 8,970,201
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	73,451	67,562
Amortization of right of use asset	235,096	226,086
Net realized and unrealized gains on investments	(27,186)	(5,540)
Change in the present value discount for grants and pledges	(27,494)	112,840
Change in the allowance for credit loss	(16,504)	43,504
Change in assets and liabilities		
Accounts receivable	(43,579)	26,901
Unbilled rent receivable	(1,231)	(141,651)
Grants and pledges receivable	1,844,352	(3,411,191)
Prepaid expenses	(66,263)	(4,098)
Accounts payable and accrued expenses	(86,178)	(8,001)
Operating lease liability	(305,353)	(287,569)
Deferred revenue	31,256	(26,421)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(1,565,088)	5,562,623
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(279,438)	(7,354,086)
Proceeds from sale of investments	2,300,011	350,000
Purchases of property and equipment	(23,657)	(10,367)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,996,916	(7,014,453)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loans payable	(3,817)	(3,713)
NET CASH USED IN FINANCING ACTIVITIES	(3,817)	(3,713)
NET INCREASE (DECREASE) IN CASH	428,011	(1,455,543)
CASH, BEGINNING OF YEAR	500,581	1,956,124
CASH, END OF YEAR	\$ 928,592	\$ 500,581
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 3,914	\$ 4,009
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

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, 2024 and 2023

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, 2024 and 2023

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 PeerForward's program with information and encouragement to stay on track while in college.

Accounts Receivable and Credit Policies

Accounts receivable are primarily derived from contracts with customers and are recorded at net realizable value. At each statement of financial position date, PeerForward recognizes an allowance for expected credit losses. In addition, also at the reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The estimate is calculated on a pooled basis where similar risk characteristics exist. PeerForward utilized the loss rate methodology to determine historical credit losses for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations as well as current and future economic conditions. Uncollectable accounts are written off when all efforts to collect these receivables have been exhausted and there is no possibility of recovery. Recoveries of accounts receivable previously written off are recorded when received as an offset to credit loss expense in the year of recovery, in accordance with PeerForward's accounting policy election. As of April 30, 2024 and 2023, PeerForward recorded an allowance for expected credit losses of \$27,000 and \$43,504, respectively.

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.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2024 and 2023

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

Fair Value Measurement (continued)

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.

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, 2024, 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.

Right-Of-Use Assets and Lease Liabilities

At inception of an agreement, PeerForward determines whether the agreement meets the criteria for a lease. Leases, excluding those with terms of one year or less, are included in operating right-of-use asset and operating lease liability in the accompanying statements of financial position. The operating right-of-use asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using the treasury rate and are adjusted for lease incentives. The operating right-of-use asset is amortized on a straight-line basis over the lease term and is reflected in rent and other related fees in the accompanying statements of functional expenses. The operating lease liability is reduced as cash payments are made under the terms of the lease. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the accompanying statements of financial position. Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the term.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2024 and 2023

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

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 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. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at net present value when the discount is significant to the financial statements. Amortization of the discount is included in grants and contributions in the accompanying statements of activities.

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 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 contract period. 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.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2024 and 2023

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

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 legal, consulting, marketing, and advertising services and event spaces, which were used in program and management and general expenses.

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.

Recently Adopted Accounting Pronouncements

In June 2016, FASB issued ASC Topic 326, *Financial Instruments – Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by PeerForward that are subject to the guidance in FASB ASC 326 were accounts receivable. PeerForward adopted the standard effective May 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2024 and 2023

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 5.04% and 5.25% for year ended April 30, 2024 and 3.75% and 4.8% for the year ended April 30, 2023.

As of April 30, 2024 and 2023, PeerForward's grants and pledges receivable were due to be received as follows:

	2024	2023
Due in less than one year	\$ 1,819,377	\$ 2,563,729
Due in one to five years	2,000,000	3,100,000
Gross Grants and Pledges Receivable	3,819,377	5,663,729
Less: Discount on Multiyear Grants and Pledges	(97,863)	(125,357)
Grants and Pledges Receivable, Net	\$ 3,721,514	\$ 5,538,372

All amounts were considered fully collectible as of April 30, 2024 and 2023.

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 PeerForward's conditional grants from funders totaled \$500,000. The grants are paid and recognized as revenue upon PeerForward's achievement of the agreed-upon milestones and program objectives. As of April 30, 2024, PeerForward had no conditional grants from funders.

COLLEGE SUMMIT, INC.
d/b/a PeerForward

NOTES TO FINANCIAL STATEMENTS
For the Years Ended April 30, 2024 and 2023

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, 2024, 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	\$ 1,986,239	\$ -	\$ 1,986,239	\$ -
Money market funds	<u>3,030,000</u>	<u>3,030,000</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	<u>\$ 5,016,239</u>	<u>\$ 3,030,000</u>	<u>\$ 1,986,239</u>	<u>\$ -</u>

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.

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3. Investments and Fair Value Measurement (continued)

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.

4. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment consisted of the following at April 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture	\$ 91,439	\$ 91,439
Equipment	258,537	234,880
Leasehold Improvements	<u>502,714</u>	<u>502,714</u>
Total Property and Equipment	852,690	829,033
Less: Accumulated Depreciation and Amortization	<u>(590,886)</u>	<u>(517,435)</u>
Property and Equipment, Net	<u>\$ 261,804</u>	<u>\$ 311,598</u>

Depreciation and amortization expense totaled \$73,451 and \$67,562 for the years ended April 30, 2024 and 2023, 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 prime rate minus the applicable margin and is payable monthly. The line of credit is subject to continuation based on satisfactory annual review by the financial institution scheduled to occur 180 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, 2024 and 2023, was 8.40% and 8.02%, respectively. There was no outstanding balance under the line of credit as of April 30, 2024 and 2023.

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%

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6. Loans Payable (continued)

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, 2024, the EIDL note had an outstanding principal balance of \$148,758.

As of April 30, 2024, the future maturities of the note was as follows:

For the Year Ending April 30,		
2025	\$	3,923
2026		4,032
2027		4,144
2028		4,260
2029		4,378
Thereafter		128,021
Total	\$	148,758

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 legal, consulting, marketing, and advertising services and event spaces. 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, 2024 and 2023, PeerForward recognized revenue and expenses of \$85,451 and \$24,855 respectively, for these services. There were no donor-imposed restrictions associated with the donated goods and services.

8. Net Assets

As of April 30, 2024 and 2023, net assets with donor restrictions were for the following purposes or time specifications:

	2024	2023
Subject to occurrence of specified events/ passage to time:		
Passage of time	\$ 3,100,000	\$ 4,200,000
Subject to expenditure for specified purpose:		
PeerForward Program	672,349	1,474,012
Total Net Assets With Donor Restrictions	\$ 3,772,349	\$ 5,674,012

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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.

PeerForward has recorded a right-of-use asset and operating lease liability for its Washington, DC office space operating lease in accordance with ASC 842 *Leases*. 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. PeerForward used the 7-year treasury rate as of May 2, 2022 of 3.04% when discounting future non-cancellable lease payments. As of April 30, 2024 and 2023, PeerForward's operating right of use asset, net of accumulated amortization of \$235,096 and \$226,086, was \$1,208,920 and \$1,444,016, respectively and PeerForward's operating lease liability was \$1,649,212 and \$1,954,565, respectively. 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, 2024 and 2023 and are included in rent and other related fees in the accompanying statements of functional expenses. Cash paid for operating lease for the year end April 30, 2024 and 2023 totaled \$359,654 and \$350,882, respectively.

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, 2024 and 2023, PeerForward recognized rental income of \$276,560 and \$230,467, respectively.

As of April 30, 2024, 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
2025	\$ 368,646	\$ (286,343)	\$ 82,303
2026	377,862	(297,796)	80,066
2027	387,308	(309,708)	77,600
2028	396,991	(322,097)	74,894
2029	235,893	(194,505)	41,388
Total	1,766,700	\$ (1,410,449)	\$ 356,251
Less: Present Value Discount	(117,488)		
Lease Liability	\$ 1,649,212		

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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, 2024 and 2023, PeerForward held approximately \$623,000 and \$220,000, 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, 2024 and 2023, were as follows:

	2024	2023
Cash	\$ 928,592	\$ 500,581
Investments	5,016,239	7,009,626
Grants and pledges receivable	3,721,514	5,538,372
Accounts receivable	316,120	256,037
Total Financial Assets Available Within One Year	9,982,465	13,304,616
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(3,772,349)	(5,674,012)
Financial Assets Available to Meet General Expenditures Within One Year	\$ 6,210,116	\$ 7,630,604

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, 2024 and April 30, 2023, 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. Effective January 1, 2024, the plan is funded by employer contributions equal to 4% of salary. Prior to January 1, 2024, the plan was 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, 2024 and 2023 PeerForward contributed \$65,367 and \$50,599, respectively, to the plan.

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13. Income Taxes

Under Section 501(c)(3) of the IRC, PeerForward is exempt from taxes on income other than net unrelated business income. For the years ended April 30, 2024 and 2023, 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, 2024 and 2023, 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, 2024, the statute of limitations for tax years 2021 through 2023 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, 2024 and 2023, 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 October 9, 2024, 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.