

ONE SUMMIT, INC.

**Reviewed Financial Statements
and Supplementary Information**

Year Ended December 31, 2017

One Summit, Inc.

Contents

Independent Accountants' Review Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11
Supplementary Information	
Schedule of Functional Expenses	12



STAFFORD, GAUDET & ASSOCIATES, LLC
Certified Public Accountants

Independent Accountants' Review Report

To the Board of Trustees
One Summit, Inc.
North Andover, Massachusetts

We have reviewed the accompanying financial statements of One Summit, Inc., (a non-profit corporation) which comprise the statement of financial statement as of December 31, 2017 and the related statement of activities and net assets and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the accounting principles generally accepted in the United States.

Supplementary Information

The supplementary information included in the schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Stafford, Gaudet & Associates, LLC

STAFFORD, GAUDET & ASSOCIATES, LLC

Chelmsford, MA

November 12, 2018

One Summit, Inc.

Statement of Financial Position

<i>December 31,</i>	<i>2017</i>
Assets	
Current Assets	
Cash and cash equivalents	\$ 155,459
Investments	10,923
Prepaid expenses	1,163
Total Current Assets	167,545
Property and Equipment, net	18,866
Total Assets	\$ 186,411
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 7,121
Accrued expenses	14,214
Total Current Liabilities	21,335
Net Assets	
Unrestricted	165,076
Total Liabilities and Net Assets	\$ 186,411

One Summit, Inc.

Statement of Activities and Net Assets

<i>Year Ended December 31,</i>	<i>2017</i>
Unrestricted Net Assets	
Revenues and Support	
Contributions	\$ 215,723
Fundraising	60,836
Donated goods and services	57,418
Conferences	32,120
Grants	15,050
Loss on disposal of assets	(1,493)
Unrealized gains on investments	979
Total Revenues and Support	380,633
Net assets released from temporary restrictions	50,000
Total Revenues, Support and Releases	430,633
Functional Expenses	
Program services	271,937
Management and general	48,996
Fundraising	74,757
Total Functional Expenses	395,690
Increase in Unrestricted Net Assets	34,943
Temporarily Restricted Net Assets	
Net assets released from temporary restrictions	(50,000)
Decrease in Temporarily Restricted Net Assets	(50,000)
Decrease in Net Assets	(15,057)
Net Assets, Beginning of Year	
As previously stated	169,860
Prior period adjustment	10,273
Net Assets, Beginning of Year, as restated	180,133
Decrease in unrestricted net assets	(15,057)
Net Assets, End of Year	\$ 165,076

One Summit, Inc.

Statement of Cash Flows

<i>Years Ended December 31,</i>	2017
Cash Flows from Operating Activities	
Decrease in net assets	\$ (15,057)
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation and amortization	8,551
Unrealized gain on investments	(979)
(Increase) decrease in assets	
Pledges receivables	50,000
Prepaid expenses	(49)
Other receivables	11,962
Investments	(9,944)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(2,877)
Net Cash Provided by Operating Activities	41,607
Cash Flows from Investing Activities	
Purchase of property and equipment	(4,918)
Disposal of property and equipment, net	1,494
Net Cash Used in Investing Activities	(3,424)
Net Increase in Cash and Cash Equivalents	38,183
Cash and Cash Equivalents, Beginning of Year	117,276
Cash and Cash Equivalents, End of Year	\$ 155,459

NOTE A – ORGANIZATION AND PURPOSE

One Summit, Inc. (the “Organization”) is a Massachusetts not-for-profit corporation established in July 2015. The Organization’s mission is to help childhood cancer patients build courage, self-confidence, and resilience through experiential learning and mentorship with U.S. Navy SEAL. The Organization’s support comes primarily from individuals, corporations, and foundations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as unrestricted revenues. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations and may include net assets designated for specific purposes by action of the Organization.

Temporarily restricted net assets – Net assets that are available for use, but expendable only for those purposes specified by the donor.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with a maturity of three months or less when acquired to be cash equivalents. Cash is held in bank demand deposit accounts which may, at times, exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk with respect to cash and cash equivalents and has not experienced any losses in such accounts.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

The Organization adopted the authoritative guidance for Fair Value Measurement, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Adoption of these standards did not have a material effect on the Organizations financial statements.

These standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that the School has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 – Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included as a component of unrestricted activity unless the income or loss is restricted by donor or law.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments Risks

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the accompanying financial statements.

Property and Equipment

Property and equipment purchased by the Organization with unrestricted funds is recorded at cost. Donated property and equipment is recorded at fair value at the date of the gift. Depreciation is provided over the estimated useful lives of the assets using the straight-line method ranging from 3 to 5 years. Maintenance and repairs are charged to expense as incurred. Major expenditures for renewals and betterments are capitalized. When assets are sold or otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts and any gain and loss is included in the change in net assets. Depreciation expense for the year ended December 31, 2017 was \$299. Amortization expense for the year ended December 31, 2017 was \$8,252.

Compensated Absences

Employees of the Organization are entitled to paid vacation, depending on length of service. Management has determined that such amounts are not material to the financial position of the Organization and, therefore, there is no provision in these financial statements.

Income Taxes

The Organization is exempt from federal and state income taxes for general purpose operations under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation; therefore, no provision for income taxes has been made in these financial statements.

The Organization's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of these returns.

Revenues and Support Recognition

Program service revenues are recorded when received.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Support Recognition - continued

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Contributions received with donor-imposed restrictions are reported as revenues and as temporarily restricted when they are received. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues and as unrestricted when they are received. Contributions of cash or other assets to be used to acquire property and equipment with donor stipulations are reported as revenues and as temporarily restricted, and the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Contributions of services are reported as revenues and expenses and as unrestricted at the fair value of the services received only if the services create or enhance a non-financial asset or would typically need to be purchased by the Organization if they had not been provided by individuals with those skills. Contributions of materials to be used in program operations are reported as revenues and expenses of the unrestricted net asset category at the time the materials are received.

An allowance for uncollectible contributions and pledges receivable is provided based on management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contributions, and nature of fundraising activities. There is not allowance for uncollectible contributions at December 31, 2017.

Functional Allocation of Expenses

The costs of providing programs and other activities of the Organization have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

The Organization maintains all of its cash balances at one financial institution and the balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At December 31, 2017 the Organization had no balances that exceeded the FDIC limits.

NOTE C – INVESTMENTS

The Organization receives gifts of securities, which are retained at the discretion of the Organization. Realized gains and losses are recognized in the year the investments are sold, while unrealized gains and losses are recognized in the year of the change.

The marketable securities are intended to provide investment income to be used mainly for the Organization's program services. All investments and marketable securities at December 31, 2017 consisted of unrestricted amounts.

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures (see Note B). The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on recurring basis as of December 31, 2017:

Cost, market values, and fair value hierarchy classification for Level 1 at December 31, 2017, are summarized by category as follows:

	<u>2017</u>
Available for sale	
Cost	\$ 9,944
Gross unrealized gains	<u>979</u>
Total marketable securities	<u><u>\$ 10,923</u></u>

There were no level 2 or level 3 investments or marketable securities at December 31, 2017.

NOTE D – DONATED GOODS AND SERVICES

All donations of goods and services received by the Organization have been recorded as donations at their estimated fair value at the date of receipt. These in-kind materials and services totaled \$57,418 for the year ended December 31, 2017.

One Summit, Inc.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE E – PROPERTY AND EQUIPMENT

The major categories of property and equipment are summarized as follows at December 31:

		<u>2017</u>
Computer equipment	\$	1,518
Website design		<u>27,308</u>
		28,826
Accumulated depreciation and amortization		<u>(9,960)</u>
Property and equipment, net	\$	<u><u>18,866</u></u>

NOTE F – FUNDRAISING EVENTS

The Organization conducted the following fundraising events on the Statements of Activities and Net Assets for the year ended December 31, 2017:

		<u>Boston</u>			
		<u>Marathan</u>		<u>Post 390</u>	<u>Total</u>
Gross proceeds	\$	36,836	\$	24,000	\$ 60,836
Direct expenses		<u>(9,654)</u>		<u>(9,867)</u>	<u>(19,521)</u>
	\$	<u><u>27,182</u></u>	\$	<u><u>14,133</u></u>	<u><u>41,315</u></u>

NOTE G – PRIOR PERIOD ADJUSTMENT

Certain errors resulting in an understatement of previously reported contributions were discovered during the current year. Accordingly, a cumulative adjustment of \$10,273 was made to increase previously reported net assets at December 31, 2016.

NOTE H – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 12, 2018, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

One Summit, Inc.

Schedule of Functional Expenses

<i>Years Ended December 31,</i>	Program	Management and General	Fundraising	2017
Conference	\$ 123,915	\$ -	\$ -	\$ 123,915
Salaries	55,338	16,481	16,401	88,220
Donated goods and services	57,418	-	-	57,418
Professional services	9,608	9,608	11,108	30,324
Marketing and communication	363	3,558	16,081	20,002
Event - Post 390	-	-	9,867	9,867
Boston Marathon	-	-	9,654	9,654
Community engagements	8,793	-	-	8,793
Depreciation and amortization	-	8,551	-	8,551
Insurance	5,608	1,861	701	8,170
Rent	2,558	2,558	2,558	7,674
Payroll taxes	4,795	1,423	1,415	7,633
Dues, fees and subscriptions	1,021	1,153	1,018	3,192
Employee benefits	1,688	563	563	2,814
Travel	-	835	1,877	2,712
Processing fees	-	-	1,955	1,955
Postage and mailing	24	81	1,359	1,464
Supplies	-	994	200	1,194
Storage	808	-	-	808
Meals and entertainment	-	509	-	509
Professional development	-	369	-	369
Operating	-	227	-	227
Miscellaneous	-	225	-	225
Total Functional Expenses	\$ 271,937	\$ 48,996	\$ 74,757	\$ 395,690