

**ONE SUMMIT, INC.**

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**Reviewed Financial Statements**  
Year Ended December 31, 2020

**Audited Financial Statements**  
Year Ended December 31, 2019

# One Summit, Inc.

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**STAFFORD, GAUDET & ASSOCIATES, LLC**  
Certified Public Accountants

## **Independent Accountants' Review Report**

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

We have reviewed the accompanying financial statements of One Summit, Inc. (a corporation), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and net assets, functional expenses, 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 company 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 opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as 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 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Report on 2019 Financial Statements**

The 2019 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated November 13, 2020. We have not performed any auditing procedures since that date.

*Stafford, Gaudet & Associates, LLC*

STAFFORD, GAUDET & ASSOCIATES, LLC

Chelmsford, MA

May 25, 2021

# One Summit, Inc.

## Statements of Financial Position

| <i>December 31,</i>                     | 2020              | 2019              |
|---|-------------------|-------------------|
| <b>Assets</b>                           |                   |                   |
| <b>Current Assets</b>                   |                   |                   |
| Cash and cash equivalents               | \$ 319,592        | \$ 239,638        |
| Restricted cash and cash equivalents    | 17,073            | -                 |
| Investments - cash and cash equivalents | -                 | 5,183             |
| Pledges receivable                      | 60,775            | 72,467            |
| Prepaid expenses                        | 3,105             | 3,930             |
| Total Current Assets                    | 400,545           | 321,218           |
| <b>Property and Equipment, net</b>      | <b>5,667</b>      | <b>9,859</b>      |
| <b>Total Assets</b>                     | <b>\$ 406,212</b> | <b>\$ 331,077</b> |
| <b>Liabilities and Net Assets</b>       |                   |                   |
| <b>Current Liabilities</b>              |                   |                   |
| Accrued payroll and expenses            | \$ 11,185         | \$ 21,921         |
| Current portion of PPP loan             | 4,404             | -                 |
| Total Current Liabilities               | 15,589            | 21,921            |
| <b>Long-Term Debt</b>                   |                   |                   |
| PPP loan, net of current portion        | 40,496            | -                 |
| Total Long-Term Debt                    | 40,496            | -                 |
| <b>Net Assets</b>                       |                   |                   |
| Net assets without donor restrictions   | 333,054           | 309,156           |
| Net assets with donor restrictions      | 17,073            | -                 |
| Total Net Assets                        | 350,127           | 309,156           |
| <b>Total Liabilities and Net Assets</b> | <b>\$ 406,212</b> | <b>\$ 331,077</b> |

# One Summit, Inc.

## Statement of Activities and Net Assets

| <i>Year Ended December 31,</i>                  | <b>2020</b>                      |                            |                   |
|---|----------------------------------|----------------------------|-------------------|
|   | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | <b>Total</b>      |
| <b>Support and Revenues</b>                     |                                  |                            |                   |
| Contributions                                   | \$ 128,951                       | \$ 20,000                  | \$ 148,951        |
| Grants  | 123,775                          | -                          | 123,775           |
| Fundraising                                     | 52,692                           | -                          | 52,692            |
| Donated goods and services                      | 17,211                           | -                          | 17,211            |
| Realized gains on investments                   | 707                              | -                          | 707               |
| Net assets released from temporary restrictions | 2,927                            | ( 2,927 )                  | -                 |
| <b>Total Support and Revenues</b>               | <b>326,263</b>                   | <b>17,073</b>              | <b>343,336</b>    |
| <b>Expenses</b>                                 |                                  |                            |                   |
| Program services                                | 227,246                          | -                          | 227,246           |
| Management and general                          | 37,186                           | -                          | 37,186            |
| Fundraising                                     | 37,933                           | -                          | 37,933            |
| <b>Total Expenses</b>                           | <b>302,365</b>                   | <b>-</b>                   | <b>302,365</b>    |
| <b>Change in Net Assets</b>                     | <b>23,898</b>                    | <b>17,073</b>              | <b>40,971</b>     |
| <b>Net Assets, Beginning of Year</b>            | <b>309,156</b>                   | <b>-</b>                   | <b>309,156</b>    |
| <b>Net Assets, End of Year</b>                  | <b>\$ 333,054</b>                | <b>\$ 17,073</b>           | <b>\$ 350,127</b> |

*See accompanying notes and independent accountants' review report.*

# One Summit, Inc.

## Statement of Activities and Net Assets

| <i>Year Ended December 31,</i>       | 2019                             |                            |                   |
|--------------------------------------|----------------------------------|----------------------------|-------------------|
|                                      | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total             |
| <b>Support and Revenues</b>          |                                  |                            |                   |
| Fundraising                          | \$ 254,016                       | \$ -                       | \$ 254,016        |
| Contributions                        | 134,862                          | -                          | 134,862           |
| Donated goods and services           | 94,024                           | -                          | 94,024            |
| Grants                               | 72,500                           | -                          | 72,500            |
| Conferences                          | 57,500                           | -                          | 57,500            |
| Interest and dividends               | 114                              | -                          | 114               |
| Realized gains on investments        | 62                               | -                          | 62                |
| Unrealized gains on investments      | ( 2 )                            | -                          | ( 2 )             |
| <b>Total Support and Revenues</b>    | <b>613,076</b>                   | <b>-</b>                   | <b>613,076</b>    |
| <b>Expenses</b>                      |                                  |                            |                   |
| Program services                     | 403,395                          | -                          | 403,395           |
| Management and general               | 63,507                           | -                          | 63,507            |
| Fundraising                          | 73,479                           | -                          | 73,479            |
| <b>Total Expenses</b>                | <b>540,381</b>                   | <b>-</b>                   | <b>540,381</b>    |
| <b>Change in Net Assets</b>          | <b>72,695</b>                    | <b>-</b>                   | <b>72,695</b>     |
| <b>Net Assets, Beginning of Year</b> | <b>236,461</b>                   | <b>-</b>                   | <b>236,461</b>    |
| <b>Net Assets, End of Year</b>       | <b>\$ 309,156</b>                | <b>\$ -</b>                | <b>\$ 309,156</b> |

# One Summit, Inc.

## Statement of Functional Expenses

| Year Ended December 31,          | Program          |                 |                  |                   |                   |                  | 2020             |                        |                   |         |
|----------------------------------|------------------|-----------------|------------------|-------------------|-------------------|------------------|------------------|------------------------|-------------------|---------|
|                                  | \$               | \$              | \$               | \$                | \$                | \$               |                  | Management and General | Fundraising       |         |
| Salaries                         | -                | -               | -                | -                 | -                 | 108,735          | 13,592           | 13,592                 | 13,592            | 135,919 |
| Employee benefits                | -                | -               | -                | -                 | -                 | 19,516           | 3,734            | 3,734                  | 2,439             | 25,689  |
| Supplies                         | 16,775           | 2,517           | 267              | -                 | -                 | 20,250           | 1,259            | 1,259                  | 1,573             | 23,082  |
| Payroll taxes                    | -                | -               | -                | -                 | -                 | 14,034           | 1,754            | 1,754                  | 1,778             | 17,566  |
| In-kind goods and services       | -                | -               | -                | -                 | -                 | 17,211           | -                | -                      | -                 | 17,211  |
| Professional services            | -                | -               | 14,200           | -                 | -                 | 14,898           | 698              | 698                    | 848               | 16,444  |
| Dues, fees and subscriptions     | -                | -               | 380              | -                 | -                 | 1,768            | 1,803            | 1,803                  | 7,188             | 10,759  |
| Rent                             | -                | -               | -                | -                 | -                 | 3,300            | 3,300            | 3,300                  | 3,300             | 9,900   |
| Insurance                        | -                | -               | -                | -                 | -                 | 2,337            | 3,286            | 3,286                  | 2,337             | 7,960   |
| Travel                           | 4,226            | -               | 246              | -                 | -                 | 4,472            | 175              | 175                    | 2,308             | 6,955   |
| Printing                         | -                | -               | 6,052            | -                 | -                 | 6,052            | 48               | 48                     | -                 | 6,100   |
| Lodging                          | 4,221            | -               | -                | -                 | -                 | 4,221            | -                | -                      | -                 | 4,221   |
| Depreciation and amortization    | -                | -               | -                | -                 | -                 | -                | 4,192            | 4,192                  | -                 | 4,192   |
| Processing fees                  | -                | -               | -                | -                 | -                 | 3,272            | 496              | 496                    | 369               | 4,137   |
| Marketing and communication      | 498              | -               | 588              | -                 | -                 | 1,837            | 993              | 993                    | 649               | 3,479   |
| Postage and mailing              | 36               | 332             | 1,089            | -                 | -                 | 2,021            | 361              | 361                    | 799               | 3,181   |
| Other                            | -                | -               | -                | -                 | -                 | 1,944            | 493              | 493                    | 327               | 2,764   |
| Utilities                        | -                | -               | -                | -                 | -                 | 358              | 546              | 546                    | 358               | 1,262   |
| Meals and entertainment          | 559              | 139             | 277              | -                 | -                 | 1,004            | 97               | 97                     | -                 | 1,101   |
| Interest                         | -                | -               | -                | -                 | -                 | -                | 303              | 303                    | -                 | 303     |
| Parking                          | -                | -               | -                | -                 | -                 | 16               | 56               | 56                     | 68                | 140     |
| <b>Total Functional Expenses</b> | <b>\$ 26,315</b> | <b>\$ 2,988</b> | <b>\$ 23,099</b> | <b>\$ 174,844</b> | <b>\$ 227,246</b> | <b>\$ 37,186</b> | <b>\$ 37,933</b> | <b>\$ 37,933</b>       | <b>\$ 302,365</b> |         |



# One Summit, Inc.

## Statement of Functional Expenses

| Years Ended December 31,         | Program           |                       |                   |                   |                        | 2019              |
|----------------------------------|-------------------|-----------------------|-------------------|-------------------|------------------------|-------------------|
|                                  | \$                | \$                    | \$                | \$                | \$                     |                   |
|                                  | Conferences       | Community Engagements | Other             | Total             | Management and General | Fundraising       |
| Salaries                         | -                 | -                     | 120,826           | 120,826           | 16,274                 | 16,274            |
| In-kind goods and services       | -                 | -                     | 94,025            | 94,025            | -                      | -                 |
| Lodging                          | 36,569            | 474                   | 297               | 37,340            | -                      | 9,678             |
| Meals and entertainment          | 32,518            | 312                   | 1,149             | 33,979            | 926                    | 6,837             |
| Travel                           | 32,436            | 888                   | 2,851             | 36,175            | 62                     | 3,608             |
| Professional services            | -                 | -                     | 12,763            | 12,763            | 14,212                 | 5,168             |
| Employee benefits                | -                 | -                     | 18,767            | 18,767            | 1,813                  | 2,006             |
| Supplies                         | 10,524            | 103                   | 634               | 11,261            | 2,648                  | 6,196             |
| Processing fees                  | -                 | -                     | 3,290             | 3,290             | 2,609                  | 9,026             |
| Payroll taxes                    | -                 | -                     | 7,465             | 7,465             | 6,273                  | 970               |
| Depreciation and amortization    | -                 | -                     | -                 | -                 | 10,863                 | -                 |
| Rent                             | -                 | -                     | 3,533             | 3,533             | 3,533                  | 3,533             |
| Apparel                          | 8,148             | -                     | 1,890             | 10,038            | -                      | -                 |
| Dues, fees and subscriptions     | -                 | -                     | 1,663             | 1,663             | 1,862                  | 5,325             |
| Insurance                        | -                 | -                     | 6,375             | 6,375             | 768                    | 768               |
| Marketing and communication      | 2,397             | -                     | 813               | 3,210             | 495                    | 1,925             |
| Postage and mailing              | 1,116             | -                     | 66                | 1,182             | 195                    | 1,387             |
| Other                            | 111               | -                     | 971               | 1,082             | 622                    | 256               |
| Utilities                        | -                 | -                     | 352               | 352               | 352                    | 352               |
| Parking                          | -                 | -                     | 69                | 69                | -                      | 170               |
| <b>Total Functional Expenses</b> | <b>\$ 123,819</b> | <b>\$ 1,777</b>       | <b>\$ 277,799</b> | <b>\$ 403,395</b> | <b>\$ 63,507</b>       | <b>\$ 73,479</b>  |
|                                  |                   |                       |                   |                   |                        | <b>\$ 540,381</b> |

# One Summit, Inc.

## Statements of Cash Flows

| <i>Years Ended December 31,</i>   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| <b>Cash Flows from Operating Activities</b>   |                   |                   |
| Increase (Decrease) in net assets   | \$ 40,971         | \$ 72,695         |
| Adjustments to reconcile increase in net assets<br>to net cash provided by operating activities |                   |                   |
| Depreciation and amortization   | 4,192             | 10,863            |
| Realized gains on investments   | 707               | 62                |
| Unrealized (gain) loss on investments   | -                 | ( 2 )             |
| (Increase) decrease in assets   |                   |                   |
| Pledges receivables   | 11,692            | ( 72,467 )        |
| Prepaid expenses  | 825               | ( 891 )           |
| Other receivables   | -                 | 128               |
| Investments   | -                 | ( 5,183 )         |
| Increase (decrease) in liabilities:   |                   |                   |
| Accounts payable  | -                 | ( 1,834 )         |
| Accrued expenses  | ( 11,039 )        | ( 4,262 )         |
| Accrued PPP loan interest   | 303               | -                 |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>47,651</b>     | <b>( 891 )</b>    |
| <b>Cash Flows from Investing Activities</b>   |                   |                   |
| Proceeds from PPP loan  | 44,900            | -                 |
| Proceeds from sale of investments   | ( 707 )           | 5,236             |
| Investment income reinvested  | -                 | ( 113 )           |
| <b>Net Cash Provided in Investing Activities</b>  | <b>44,193</b>     | <b>5,123</b>      |
| <b>Net Increase in Cash and Cash Equivalents and Restricted Cash</b>                            | <b>91,844</b>     | <b>4,232</b>      |
| <b>Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>                         | <b>244,821</b>    | <b>240,589</b>    |
| <b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>                               | <b>\$ 336,665</b> | <b>\$ 244,821</b> |

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

|  |      |      |
|--|------|------|
| Cash paid during the year for interest | \$ - | \$ - |
|--|------|------|

## **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 Accounting**

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation incurred.

### **Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

### **Cash and Cash Equivalents and Restricted 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. Amounts included in restricted cash represent those required to be set aside by donor restrictions. 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 and has not experienced any losses in such accounts. Cash and cash equivalents as shown on the statements of cash flows as of December 31, 2020 and 2019 were \$319,592 and \$239,638, respectively. Restricted cash and cash equivalents as shown on the statements of cash flows as of December 31, 2020 and 2019 were \$17,073 and \$0, respectively.

### **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.

**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.

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.

**Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. Donated property and equipment are 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

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Property and Equipment - continued**

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 and amortization expense for the year ended December 31, 2020 and 2019 was \$4,192 and \$10,863, respectively.

**Revenues Recognition**

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their used is restricted y explicit donor stipulation or by law.

**Support Recognition**

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 net assets with donor restrictions restricted when they are received. A reclassification to net assets without donor restrictions 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 net assets without donor restrictions.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues and as net assets without donor restrictions 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 net assets with donor restrictions, 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 net asset without donor restrictions 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 was no allowance for uncollectible contributions at December 31, 2020.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**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.

**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.

**Forgivable Loans – Paycheck Protection Program (PPP)**

The Organizations' policy is to account for forgivable loans received through the Small Business Administration (SBA) under Coronavirus Aid, Relief and Economic Security Act (CARES Act) Paycheck Protection Program (PPP), as debt in accordance with Accounting Standards Codification (ASC) 470, Debt, and other related accounting pronouncements. The forgiveness of debt, in whole or in part, is recognized once the debt is extinguished, which occurs when the Companies are legally released from the liability by the SBA. Any portion of debt forgiven, adjusted for accrued interest costs, is recorded as a gain on extinguishment of debt, and presented in the other income section of the statement of income and members' equity.

**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.

**Functional Allocation of Expenses**

The costs of providing programs and other activities of the Organization have been summarized on a functional basis in the statements of activities and net assets, and statements of functional expenses. Certain costs have been allocated among the programs and supporting services benefitted. These expenses include salaries and related payroll taxes, travel, lodging, meals and entertainment, professional services, apparel, insurance, event expenses, and rent. Other expenses are allocated based on estimates of time and effort.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Fundraising and Special Events**

Fundraising costs are recorded as an expense when incurred and the related revenue is included as revenue and support from fundraising events.

**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, 2020 and 2019, the Organization's bank balances that exceeded the FDIC limits were \$86,665 and \$0, respectively.

The Organization maintains all of its donated common stock investments at one finance service company and is exposed to the risks of the uncertainty in market fluctuations. Due to the level of risk associated with these investments, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the accompanying financial statements.

**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, 2020 and 2019 consisted of amounts without donor restrictions.

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, 2020 and 2019:

Cost, market values, and fair value hierarchy classification for Level 1 at December 31, 2020 and 2019, are summarized by category as follows:

|                      | <u>2020</u>               | <u>2019</u>             |
|----------------------|---------------------------|-------------------------|
| Cash and Equivalents | \$ <u>          </u> - \$ | <u>          </u> 5,183 |

There were no level 2 or level 3 investments or marketable securities at December 31, 2020.

One Summit, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2020 and 2019

**NOTE D – DONATED GOODS AND SERVICES**

The Organization regularly receives goods for fundraising events and general operations, and services of mentoring, team leadership and volunteering for program and fundraising events. 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. Donated goods and services received for the years ended December 31:

|          | <u>2020</u>      | <u>2019</u>      |
|----------|------------------|------------------|
| Services | \$ 11,216        | \$ 39,288        |
| Legal    | 5,920            |                  |
| Signage  | 75               | -                |
| Supplies | -                | 54,736           |
|          | <u>\$ 17,211</u> | <u>\$ 94,024</u> |

**NOTE E – PROPERTY AND EQUIPMENT**

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

|   | <u>2020</u>     | <u>2019</u>     |
|---|-----------------|-----------------|
| Computer equipment                        | \$ 2,367        | \$ 2,367        |
| Furniture and fixtures                    | 4,900           | 4,900           |
| Website design                            | <u>33,808</u>   | <u>33,808</u>   |
|   | 41,075          | 41,075          |
| Accumulated depreciation and amortization | <u>(35,408)</u> | <u>(31,216)</u> |
| Property and equipment, net               | <u>\$ 5,667</u> | <u>\$ 9,859</u> |

**NOTE F – LONG-TERM DEBT – PAYCHECK PROTECTION PROGRAM**

Long-term debt – Paycheck Protection Program consists of the following as of December 31, 2020:

|                      |                  |
|----------------------|------------------|
| Note balance         | \$ 44,900        |
| Less current portion | <u>4,404</u>     |
| Long-term debt- PPP  | <u>\$ 40,496</u> |

As of December 31, 2020, the Organization has an unsecured loan outstanding in the amount of \$44,900, due to the Small Business Administration (SBA) and administered by a local bank, as



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**NOTE F – LONG-TERM DEBT – PAYCHECK PROTECTION PROGRAM - continued**

part of the *Coronavirus Aid, Relief and Economic Security Act (CARES Act)* Paycheck Protection Program (PPP).

Under the terms of the notes dated May 2, 2020, loan payments are deferred until the Organization receives notification from the SBA as to the amount of the loans forgiven. Thereafter, total monthly payments are due in the amount of \$1,030, including interest at one percent per annum, which approximates the effective interest rate. The notes are due on April 30, 2025.

The loan terms provide that a portion or all of the loan is forgivable to the extent that the Companies use the loan proceeds to fund qualifying payroll and other expenses during a designed 24-week period.

Annual maturities of long-term debt – PPP are as follows:

|      |    |               |
|------|----|---------------|
| 2021 | \$ | 4,404         |
| 2022 |    | 12,007        |
| 2023 |    | 12,128        |
| 2024 |    | 12,250        |
| 2025 |    | 4,111         |
|      | \$ | <u>44,900</u> |

On January 12, 2021, the Organization received notification from the SBA that the entire loan balance of \$44,900 has been forgiven. Interest expense was \$303 for the year ending December 31, 2020.

**NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

The organizations restricted net assets include the following at December 31:

|                 |    |               |    |             |
|-----------------|----|---------------|----|-------------|
|                 |    | <u>2020</u>   |    | <u>2019</u> |
| Love Your Melon | \$ | <u>17,073</u> | \$ | <u>-</u>    |

The Love Your Melon donation was established to support the Virginia Beach Climb for Courage.

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**NOTE H – FUNDRAISING EVENTS**

The Organization conducted the following fundraising events on the statements of activities and net assets for the year ended December 31:

|                 | <u>Boston</u>    |                  | <u>Adam LeReau</u> |                  |                   |
|-----------------|------------------|------------------|--------------------|------------------|-------------------|
|                 | <u>Marathan</u>  | <u>Post 390</u>  | <u>Weston</u>      | <u>Other</u>     | <u>Total</u>      |
| <u>2020</u>     |                  |                  |                    |                  |                   |
| Gross proceeds  | \$ 23,928        | \$ -             | \$ -               | \$ 28,764        | \$ 52,692         |
| Direct expenses | <u>(2,481)</u>   | <u>-</u>         | <u>-</u>           | <u>(2,381)</u>   | <u>(4,862)</u>    |
|                 | <u>\$ 21,447</u> | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 26,383</u> | <u>\$ 47,830</u>  |
| <u>2019</u>     |                  |                  |                    |                  |                   |
| Gross proceeds  | \$ 53,516        | \$ 52,288        | \$ 127,600         | \$ 20,612        | \$ 254,016        |
| Direct expenses | <u>(10,713)</u>  | <u>(7,856)</u>   | <u>(3,960)</u>     | <u>(6,549)</u>   | <u>(29,078)</u>   |
|                 | <u>\$ 42,803</u> | <u>\$ 44,432</u> | <u>\$ 123,640</u>  | <u>\$ 14,063</u> | <u>\$ 224,938</u> |

**NOTE I – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization’s primary source of support is from contributions and fundraising. Support and fundraising without donor restrictions represents 100% of total net assets are held for the purpose of supporting the Organization’s budget. The Organization monitors its liquidity so it is able to meet its operating needs and other contractual commitments.

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise of the following as of December 31:

|                           | <u>2020</u>       | <u>2019</u>       |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 336,665        | \$ 244,821        |
| Other receivables         | <u>60,775</u>     | <u>72,467</u>     |
|                           | <u>\$ 397,440</u> | <u>\$ 317,288</u> |

**NOTE J – LEASES**

The Organization leased its office facility under a one-year operating lease effective August 1, 2018 at a rate of \$800 per month. Rental expense under this lease for the year ending December 31, 2019 was \$5,600.

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**NOTE J – LEASES - continued**

The Organization extended its office facility under an additional one-year lease effective August 1, 2019 at a rate of \$825 per month. Rental expense under this lease for the year ending December 31, 2020 and 2019 was \$5,775 and \$4,125, respectively.

The Organization extended its second extension for its office facility under an additional one-year lease effective August 1, 2020 at a rate of \$825 per month. Rental expense under this lease for the year ending December 31, 2020 was \$4,125.

Future minimum rent under the Organization’s operating leases for its office facilities is as follows for the years ending December 31:

|      |                 |
|------|-----------------|
| 2021 | \$ <u>5,775</u> |
|------|-----------------|

**NOTE K – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 25, 2021, which represents the date the financial statements were available to be issued.

On January 12, 2021, the Organization received notification from the SBA that the entire loan balances totaling \$44,900 has been forgiven. On the forgiveness date, the Organization removed the loan balance and related accounts, and recorded in other income on their statement of activities and net assets, a gain on the extinguishment of debt in the amount of \$45,203, reflective of the \$44,900 loan forgiven and \$303 of accrued interest forgiven.

On February 10, 2021, the Organization received its second PPP loan in the amount of \$44,900 from the Small Business Administration (SBA) as part of *Coronavirus Aid, Relief and Economic Security Act’s* Paycheck Protection Plan, as amended by the *Consolidated Appropriations Act, 2021*.

Under the terms of the loan, a portion or all of the loan is forgivable to the extent that loan proceeds are used to fund eligible expenses and the Organization satisfies other conditions.

Subsequent events after that date have not been evaluated.