

THE SUMMIT COUNSELING CENTER, INC.

**FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

**with
INDEPENDENT AUDITORS' REPORT**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	3-4
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	6-7
STATEMENTS OF FUNCTIONAL EXPENSES	8-9
STATEMENTS OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11-18



INDEPENDENT AUDITORS' REPORT

Board of Directors
The Summit Counseling Center, Inc.

Opinion

We have audited the accompanying financial statements of The Summit Counseling Center, Inc. (the "Summit"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Summit as of June 30, 2025 and 2024, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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 the Summit 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 the Summit's ability to continue as a going concern for one year after the date of this report.

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 can arise from fraud or error and 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 the Summit'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 the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Smith and Howard, PC

Atlanta, GA
January 20, 2026

THE SUMMIT COUNSELING CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 617,669	\$ 1,029,676
Investments	1,290,105	1,326,158
Accounts receivable	238,518	159,284
Employee Retention Tax Credit receivable (Note 9)	-	247,085
Right-of-use assets	359,993	477,515
Property and equipment, net	<u>148,829</u>	<u>201,873</u>
 Total Assets	 <u>\$ 2,655,114</u>	 <u>\$ 3,441,591</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 183,649	\$ 16,862
Accrued payroll	115,213	105,973
Contract liabilities - unearned fees	44,119	26,529
Due to related entity	1,502	44,169
Operating lease liability obligations	<u>372,878</u>	<u>487,025</u>
 Total Liabilities	 <u>717,361</u>	 <u>680,558</u>
 Net Assets		
Without Donor Restrictions		
Board designated	1,133,692	1,133,692
Undesignated	<u>416,098</u>	<u>1,167,325</u>
Total Without Donor Restrictions	1,549,790	2,301,017
 With Donor Restrictions	 <u>387,963</u>	 <u>460,016</u>
	<u>1,937,753</u>	<u>2,761,033</u>
	 <u>\$ 2,655,114</u>	 <u>\$ 3,441,591</u>

The accompanying notes are an integral part of these financial statements.

THE SUMMIT COUNSELING CENTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Counseling fees, net of discount of \$566,975	\$ 2,183,992	\$ -	\$ 2,183,992
Contributions	16,233	210,807	227,040
Government grants	1,650,883	-	1,650,883
In-kind contributions	259,660	-	259,660
Investment income, net	132,912	-	132,912
Special events, net of direct donor benefits	495,398	138,881	634,279
Net assets released from restrictions	<u>421,741</u>	<u>(421,741)</u>	<u>-</u>
	<u>5,160,819</u>	<u>(72,053)</u>	<u>5,088,766</u>
Expenses:			
Program	5,187,726	-	5,187,726
Management and general	579,624	-	579,624
Fundraising	<u>144,696</u>	<u>-</u>	<u>144,696</u>
	<u>5,912,046</u>	<u>-</u>	<u>5,912,046</u>
Change in Net Assets	(751,227)	(72,053)	(823,280)
Net Assets at Beginning of Year	<u>2,301,017</u>	<u>460,016</u>	<u>2,761,033</u>
Net Assets at End of Year	<u>\$ 1,549,790</u>	<u>\$ 387,963</u>	<u>\$ 1,937,753</u>

The accompanying notes are an integral part of these financial statements.

THE SUMMIT COUNSELING CENTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Counseling fees, net of discount of \$618,843	\$ 2,150,345	\$ -	\$ 2,150,345
Contributions	172,842	154,287	327,129
Government grants	1,057,441	252,167	1,309,608
Client assistance fund revenue	-	6,348	6,348
In-kind contributions	258,098	-	258,098
Investment income, net	97,161	-	97,161
Special events, net of direct donor benefits	364,995	387,891	752,886
Net assets released from restrictions	<u>676,848</u>	<u>(676,848)</u>	<u>-</u>
	<u>4,777,730</u>	<u>123,845</u>	<u>4,901,575</u>
Expenses:			
Program	4,756,841	-	4,756,841
Management and general	455,143	-	455,143
Fundraising	<u>119,975</u>	<u>-</u>	<u>119,975</u>
	<u>5,331,959</u>	<u>-</u>	<u>5,331,959</u>
Change in Net Assets	(554,229)	123,845	(430,384)
Net Assets at Beginning of Year	<u>2,855,246</u>	<u>336,171</u>	<u>3,191,417</u>
Net Assets at End of Year	<u>\$ 2,301,017</u>	<u>\$ 460,016</u>	<u>\$ 2,761,033</u>

The accompanying notes are an integral part of these financial statements.

**THE SUMMIT COUNSELING CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 4,101,201	\$ 364,097	\$ 112,795	\$ 4,578,093
Occupancy	402,806	107,415	26,854	537,075
Information technology	131,201	43,734	-	174,935
Advertising	140,612	-	-	140,612
Banking	103,874	1,060	1,060	105,994
Clinical program	89,061	1,818	-	90,879
Office	58,503	15,601	3,900	78,004
Other	70,107	1,273	-	71,380
Depreciation	50,334	16,778	-	67,112
Professional fees	34,375	25,964	87	60,426
Administrative	<u>5,652</u>	<u>1,884</u>	<u>-</u>	<u>7,536</u>
 Total Expenses	 <u>\$ 5,187,726</u>	 <u>\$ 579,624</u>	 <u>\$ 144,696</u>	 <u>\$ 5,912,046</u>

The accompanying notes are an integral part of these financial statements.

**THE SUMMIT COUNSELING CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 3,751,291	\$ 268,859	\$ 89,043	\$ 4,109,193
Occupancy	427,238	113,930	28,483	569,651
Information technology	87,880	29,293	-	117,173
Advertising	169,569	-	-	169,569
Banking	96,856	988	988	98,832
Clinical program	122,513	2,428	73	125,014
Office	19,359	5,162	1,291	25,812
Other	3,073	44	-	3,117
Depreciation	37,164	12,388	-	49,552
Professional fees	26,295	16,850	97	43,242
Administrative	<u>15,603</u>	<u>5,201</u>	<u>-</u>	<u>20,804</u>
 Total Expenses	 <u>\$ 4,756,841</u>	 <u>\$ 455,143</u>	 <u>\$ 119,975</u>	 <u>\$ 5,331,959</u>

The accompanying notes are an integral part of these financial statements.

THE SUMMIT COUNSELING CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (823,280)	\$ (430,384)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Required) by Operating Activities:		
Depreciation	67,112	49,552
Net realized and unrealized gains on investments	(13,853)	(60,776)
Operating lease expense	117,522	113,850
Payments on operating lease obligations	(114,147)	(107,406)
Change in operating assets and liabilities:		
Accounts receivable	(79,234)	(13,673)
Employee Retention Tax Credit receivable (Note 9)	247,085	519,283
Other assets	-	1,633
Accounts payable and accrued expenses	166,787	(21,703)
Accrued payroll	9,240	3,694
Contract liabilities - unearned fees	17,590	6,103
Due to related entity	<u>(42,667)</u>	<u>4,196</u>
Total adjustments	<u>375,435</u>	<u>494,753</u>
Net Cash Provided (Required) by Operating Activities	<u>(447,845)</u>	<u>64,369</u>
Cash Flows from Investing Activities:		
Purchases of investments	(975,074)	(2,086,643)
Sales of investments	1,024,980	1,585,000
Purchases of property and equipment	<u>(14,068)</u>	<u>(57,449)</u>
Net Cash Provided (Required) by Investing Activities	<u>35,838</u>	<u>(559,092)</u>
Net Change in Cash and Cash Equivalents	(412,007)	(494,723)
Cash and Cash Equivalents at Beginning of Year	<u>1,029,676</u>	<u>1,524,399</u>
Cash and Cash Equivalents at End of Year	<u>\$ 617,669</u>	<u>\$ 1,029,676</u>

The accompanying notes are an integral part of these financial statements.

THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – ORGANIZATIONAL MATTERS

Nature of Organization

The Summit Counseling Center, Inc. (the “Summit”) is a private, nonprofit community-focused organization providing professional counseling services by state licensed and/or certified mental health professionals to the North Metro Atlanta community. The Summit’s mission is to provide professional counseling, psychological services, mental health awareness and suicide prevention services utilizing an integrated approach to care for the whole person-body, mind, spirit and community. A wide spectrum of services is provided for adults, children, teens, and families including services for anxiety, depression, grief, trauma, and other mental health and substance abuse disorders. The Summit is committed to providing care for those who cannot afford the full cost of services through the Client Assistance Funds – subsidies composed of private donations, event-based fundraising proceeds, and partnerships.

The Summit partners with a wide range of community partners including churches, schools, businesses, foundations, individuals, and other nonprofit organizations to serve the north Metro Atlanta community. In 2024-25 and 2023-24, the Summit provided community-based therapy services through 7 and 6 community-based offices with a total clinical staff of 38 and 36 therapists seeing 2,041 and 1,836 office-based clients, respectively. Additionally, through the innovative Summit OnSite (“SOS”) School-Based Therapy Program, in 2024-2025 and 2023-2024, the Summit placed 33 and 33 SOS therapists in 31 and 31 elementary, middle and high public schools and 1 private school throughout the north Atlanta suburbs. The SOS Therapists provided services to 840 and 670 students, respectively. In 2023, the Fulton County Commissioners awarded an independent contract to the Summit to continue the OnSite School-Based Therapy Program as partners and providers with the Fulton County Behavioral Health Network. This annually renewable contract provides increased long-term sustainability for the Summit OnSite Program. The Summit is accredited by the Solihnten Institute, Denver, Colorado.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Summit follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts recorded and disclosed in these financial statements. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform with the 2025 financial statements.

THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

Net assets, revenue, and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Included within this category are Board-designated net assets, which are funds not specifically restricted by outside donors, but designated by the Board of Directors for a specific purpose.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

Functional Allocation of Expenses

The Summit allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly. Expenses common to several functions are allocated according to the formula developed by management.

Advertising

Advertising costs are expensed as incurred. For the years ended June 30, 2025 and 2024, advertising expense totaled \$140,612 and \$169,569, respectively.

Revenue Recognition

Counseling Fees

Counseling center fees are due after services are performed and revenue is recognized in the period in which the services are provided. These services consist of a single performance obligation and the counseling center most often collects fees in advance of services being performed and records as contract liabilities-earned fees. The revenue is recognized when services are performed in the following fiscal year. Counseling center fees collected but unearned at June 30, 2025 and 2024 were \$24,219 and \$26,529, respectively.

To ensure accessibility, the Summit offers a sliding scale price concession for eligible clients. Price concessions, such as pro bono and partner discounts, are treated as a reduction of the standard fees. For the years ended June 30, 2025 and June 30, 2024, respectively, counseling services consisted of gross services billed of \$2,750,967 and \$2,769,188, price concessions of \$566,975 and \$618,843, resulting in net counseling fees of \$2,183,992 and \$2,150,345. The amount of concessions is recognized based on the eligibility of clients under the sliding-scale fee structure.

THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contribution Revenue and Contributions Receivable

Contributions, government grants and special events revenue, which include unconditional promises to give, are recognized as revenues in the period the contributions are received and reported at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Net assets received as contributions are recorded without donor restrictions or with donor restrictions, depending on the donor's stipulation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Government Grants

A portion of the Summit's revenue is derived from government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Summit has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Client Assistance Fund Revenue

Client Assistance Funds are funds received to provide fee subsidies for those clients who cannot afford the full cost of therapy. After providing a discounted rate, the Summit subsidizes this care with Client Assistance Funds. These funds are obtained from a variety of sources including private donations, a portion of event-based fundraising proceeds, and partnerships with congregations, corporations and foundations.

Gifts-In-Kind

The Summit receives the use of donated facilities for its program operations and supporting services. The Summit recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the average price per square foot of rental listings in the Summit's service area. The total amount recognized for donated facilities was \$259,660 and \$258,098 for the years ended June 30, 2025 and 2024, respectively, and is allocated among program and supporting services based upon the square footage occupied.

**THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less from the date of purchase.

Investments

Investments consist of treasury bills and money market mutual funds that have been classified as held-to-maturity and trading according to management's intent. Therefore, the Summit holds these investments at historical cost and fair value. The recorded value of these investments at June 30, 2025 and 2024 was \$1,290,105 and \$1,326,163, respectively.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,500 are capitalized. Property, equipment and leasehold improvements are depreciated and amortized using the straight-line method over the estimated useful lives of the assets of 3-30 years.

Property and equipment of the Summit consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Building Improvements	\$ 71,964	\$ 71,964
Furniture and Equipment	218,945	213,152
Computers and Software	228,710	221,850
Leasehold Improvements	<u>97,486</u>	<u>96,070</u>
	617,105	603,036
Less Accumulated Depreciation and Amortization	<u>(468,276)</u>	<u>(401,163)</u>
	<u>\$ 148,829</u>	<u>\$ 201,873</u>

Depreciation expense was \$67,112 and \$49,552 for the years ending June 30, 2025 and 2024, respectively.

Income Taxes

The Summit is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for incomes taxes has been made.

The Summit annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Summit takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. Management believes the Summit is no longer subject to income tax examinations for tax years ending before June 30, 2022.

THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Summit's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and receivables. The Summit places its cash and cash equivalents and investments with high quality credit institutions. As with any institution that holds cash, investments and receivables, if liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that changes in risks in the near term could occur which in turn could materially affect the amounts reported in the accompanying financial statements. Management has proactively diversified its cash and cash equivalent holdings, continually monitors receivable balances and the composition of its investments and believes that its exposure to credit risk is limited.

Fair Value of Investments

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quotes prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under GAAP are described below:

Basis of Fair Value Measurement

Level 1 – Unadjusted quote process in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Summit's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment.

At December 31, 2025 and 2024, the Summit's money market mutual funds are classified as Level 1 investments.

NOTE 3 – LINE OF CREDIT

The Summit has a line of credit with maximum borrowings of \$250,000 and an interest rate of SOFR plus 2.0% (an effective rate of 6.70% at June 30, 2025), and matures in December 2025. There were no outstanding borrowings under the line of credit at June 30, 2025 and 2024.

THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – RELATED PARTY TRANSACTIONS

The \$1,502 and \$44,169 balance due to a related entity at June 30, 2025 and June 30, 2024, respectively, represents transactions with an affiliated entity which are paid on a monthly basis.

The Summit shares operating expenses with an affiliated entity. Total shared operating expenses of \$20,000 and \$10,000, respectively, were allocated to the Summit during the years ended June 30, 2025 and 2024.

The Summit uses certain facilities owned by affiliated entities at no cost. See Note 2 for Gifts-In-Kind.

NOTE 5 – EMPLOYEE BENEFIT PLAN

The Summit provides a discretionary retirement program to its employees by utilization of an Internal Revenue Code Section 403(b) plan. The Summit matches the employees' contributions to a maximum of 4% of gross wages. Employees become eligible for this program after one year of employment and with a minimum of 1,000 hours of service. The Summit contributed and expensed approximately \$78,000 and \$86,000 to this program for the year ended June 30, 2025 and 2024, respectively.

NOTE 6 – NET ASSETS

The Board has designated net assets without donor restrictions for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Operating reserve	\$ <u>1,133,692</u>	\$ <u>1,133,692</u>

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Counseling	\$ <u>387,963</u>	\$ <u>460,016</u>

NOTE 7 – OPERATING LEASES

The Summit leases office space under noncancelable operating leases. As of June 30, 2025, the weighted average remaining lease term was 3.48 years and the weighted average discount rate was 3.46%.

At June 30, 2025, the Summit's operating lease liabilities were comprised of the following:

Gross operating lease liability	\$ 396,872
Less: imputed interest	<u>(23,994)</u>
Present value of operating lease liability	<u>\$ 372,878</u>

THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – OPERATING LEASES (Continued)

Future minimum payments for operating lease liabilities as of June 30, 2025 were as follows:

2026	\$	115,446
2027		106,552
2028		109,748
2029		65,126
		<u>396,872</u>
	\$	<u>396,872</u>

NOTE 8 – LIQUIDITY AND AVAILABILITY

The Summit's financial assets available within one year for general expenditure are as follows at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 617,669	\$ 1,029,676
Investments	1,290,105	1,326,158
Accounts receivable	238,518	159,284
Employee Retention Tax Credit receivable	-	247,085
	<u>2,146,292</u>	<u>2,762,203</u>
Board designated restrictions	(1,133,692)	(1,133,692)
Donor imposed restrictions	<u>(387,963)</u>	<u>(460,016)</u>
	<u>(1,521,655)</u>	<u>(1,593,708)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 624,637</u>	<u>\$ 1,168,495</u>

As part of the Summit's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. In the event of an unanticipated liquidity need, the Summit can also draw upon its available line of credit as further discussed in Note 3. The Summit also has board designated funds available for general expenditures as discussed in Note 6. Although the Summit does not intend to spend these funds as part of its annual budget, these funds could be made available if necessary.

NOTE 9 – EMPLOYEE RETENTION TAX CREDIT

As part of the Coronavirus Aid, Relief and Economic Stabilization Act (the "CARES" Act), employers are provided the Employee Retention Tax Credit ("ERTC"). The ERTC is a benefit provided through payroll tax credits to encourage maintaining employee headcounts throughout the Coronavirus pandemic. The Summit treated the ERTC as a conditional grant and revenue was recorded when the conditions were substantially met. At June 30, 2024, the remaining ERTC receivable was \$247,085. During the year ended June 30, 2025, the remaining ERTC receivable was received in full.

THE SUMMIT COUNSELING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 20, 2026, the date the financial statements were available to be issued.