To The Board of Directors  
The Peninsula Bridge Program  
Palo Alto, California

I have reviewed the accompanying financial statements of The Peninsula Bridge Program (a non-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, 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 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, I do not express such an opinion.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my report.

Accountant’s Conclusion

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

[Signature]

Jones Accountancy  
February 19, 2016
THE PENINSULA BRIDGE PROGRAM
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

Cash and cash equivalents $589,244
 Marketable equity securities held for sale 51,499
 Prepaid expenses 4,831
 Pledges receivable $382,250
 Less: Discount for multi-year pledges (10,029)
 Less: Allowance for doubtful accounts (19,113) 353,108

TOTAL ASSETS $998,682

LIABILITIES

Accounts payable $4,462
 Summer school payable 149,429
 Accrued paid time off 34,984
 Payroll taxes payable 7,644
 Credit cards payable 4,566

TOTALS LIABILITIES 201,085

NET ASSETS

Unrestricted net assets 797,597
 Temporarily restricted net assets 0
 Permanently restricted net assets 0

TOTAL NET ASSETS 797,597

TOTAL LIABILITIES AND NET ASSETS $998,682
THE PENINSULA BRIDGE PROGRAM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

UNRESTRICTED NET ASSETS
Support
Unrestricted donations $1,213,179
Gala Fundraiser:
   Income $415,066
   Expenses (47,331) 367,735
   Interest 156
Total unrestricted revenue and other support 1,581,070

Expenses
Program expenses and grants 394,131
Supporting services
   General and administrative 67,247
   Fund raising 219,730
   Program services 566,051
Total expenses 1,247,159

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS 333,911

NET ASSETS, beginning of year 463,686

NET ASSETS, end of year $797,597
THE PENINSULA BRIDGE PROGRAM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>General &amp; Administrative</th>
<th>Fund Raising</th>
<th>Program Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td>$18,000</td>
<td>$36,000</td>
<td>$126,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>Other Salaries</td>
<td>1,896</td>
<td>98,738</td>
<td>174,351</td>
<td>274,985</td>
</tr>
<tr>
<td>Payroll taxes and fees</td>
<td>950</td>
<td>10,985</td>
<td>24,769</td>
<td>36,704</td>
</tr>
<tr>
<td>Other Employee Benefits</td>
<td></td>
<td>8,102</td>
<td></td>
<td>8,102</td>
</tr>
<tr>
<td>Donated Materials and Supplies</td>
<td>1,598</td>
<td>5,000</td>
<td>80,780</td>
<td>87,378</td>
</tr>
<tr>
<td>Rent</td>
<td>2,729</td>
<td>3,951</td>
<td>19,756</td>
<td>26,436</td>
</tr>
<tr>
<td>Contract Services</td>
<td>17,781</td>
<td>51,836</td>
<td>89,401</td>
<td>159,018</td>
</tr>
<tr>
<td>Supplies</td>
<td>4,126</td>
<td>245</td>
<td>10,659</td>
<td>15,030</td>
</tr>
<tr>
<td>Information Technology</td>
<td>2,907</td>
<td>348</td>
<td>15,949</td>
<td>19,204</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>17,260</td>
<td>12,627</td>
<td>16,284</td>
<td>46,171</td>
</tr>
</tbody>
</table>

|                      | $67,247                  | $219,730     | $566,051         | $853,028|

See accountant's report and accompanying notes.  Page 3
THE PENINSULA BRIDGE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM (TO) OPERATING ACTIVITIES

Increase (decrease) in net assets $333,911
Decrease (increase) in Marketable equity securities held for sale (51,499)
Decrease (increase) in Prepaid expenses (4,831)
Decrease (increase) in Pledges receivable (138,219)
Increase (decrease) in Discount on multi-year pledges 7,971
Increase (decrease) in Reserve for doubtful accounts 6,904
Increase (decrease) in Accounts payable 4,364
Increase (decrease) in Summer school payable 52,026
Increase (decrease) in Accrued paid time off (1,373)
Increase (decrease) in Payroll taxes payable (50,896)
Increase (decrease) in Credit cards payable 1,953

Net cash provided (used) by operating activities 160,311

CASH FLOWS FROM INVESTING ACTIVITIES 0

CASH FLOWS FROM FINANCING ACTIVITIES 0

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 160,311

CASH AND CASH EQUIVALENTS, beginning of year 428,933

CASH AND CASH EQUIVALENTS, end of year $589,244

See accountant's report and accompanying notes.
NOTE A - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Peninsula Bridge is a California Corporation qualified as a non-profit entity under Internal Revenue Code 501(c)(3) pursuant to a determination letter dated October 4, 1995. As an education organization, Peninsula Bridge provides a 12-year continuum of support from 5th grade through high school and college graduation, with an integration of non-cognitive skill development, STEM and project-based, hands-on learning. The comprehensive support ensures that our 100% low-income, highly motivated students have the academic and social-emotional skills to thrive in high school and college.

Our students participate in the summer portion of our year-round program on the campuses of our independent school partners: Castilleja School, Crystal Springs Uplands School, Menlo School, Sacred Heart Schools, St. Matthew’s Episcopal Day School and Woodside Priory.

All Peninsula Bridge programs are rigorous and engaging. Our primary goal is to provide educational access and support, while fostering the personal confidence, sense of belonging and self-esteem needed to pursue educational and lifetime dreams. With a high-quality teaching staff, mentoring and tutoring, an innovative curriculum and long-term commitment from participants, Peninsula Bridge prepares students—one at a time—to meet the challenges of academic success.

During 2015, the program served 400 middle school students, 42 high school students and 10 college students.

The program also works closely with the families of the students in order to improve the educational opportunities of students. We offer parent education workshops and community building opportunities during the year. Our program staff maintains ongoing communications with parents, students and schools in the middle school and high school programs.

Since 1989, Peninsula Bridge Program has raised and disbursed over $11,922,000 in funds which were used to serve thousands of low-income students.

Basis of Accounting

The accounts of the Program are maintained and the financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.
Use of Estimates

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Program considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property, Furniture and Equipment

The Program currently has not incurred any significant expenses for Property, Furniture and Equipment. Acquisitions in excess of $1,000 per item will be capitalized and depreciated over estimated lives ranging from 3 to 40 years.

Revenue and Support

Revenues are recognized when earned. Resources restricted by the donor, grantor, or other outside party for particular purposes are deemed to be earned when the Program has complied with specific restrictions.

Income Taxes

The Peninsula Bridge Program is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.
THE PENINSULA BRIDGE PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Program that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire during the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Program had pledges receivable at December 31, 2015, totaling $382,250. Many of the receivables are multi-year pledges with $168,700 due in years after 2016. Those pledges were discounted to their net present value using a discount rate of 5% per year resulting in a net reduction in the carrying amount of $10,029. In addition, management has recorded a provision for potential doubtful accounts of approximately 5% of the net discounted receivables, or $19,112. The accompanying table summarizes the gross outstanding pledges receivable by year, the discount by year and the allowance for doubtful accounts:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges by Year</td>
<td>$213,550</td>
<td>$145,600</td>
<td>$12,100</td>
<td>$11,300</td>
<td>$ -</td>
<td>$382,250</td>
</tr>
<tr>
<td>Discount - 5%</td>
<td>(7,280)</td>
<td>(1,180)</td>
<td>(1,569)</td>
<td>-</td>
<td>(10,029)</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>213,550</td>
<td>138,320</td>
<td>10,920</td>
<td>9,431</td>
<td>-</td>
<td>372,221</td>
</tr>
<tr>
<td>Allowance for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(19,113)</td>
</tr>
<tr>
<td>doubtful accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Pledges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$353,108</td>
</tr>
</tbody>
</table>

Investment Risks

Investments which potentially subject the foundation to risk consist primarily of cash and cash equivalents. By policy, the Program places cash and other liquid investments with banking institutions. At year end the balance in this account did not exceed the insurance limits of the Federal Deposit Insurance Corporation (FDIC).
NOTE B - Contributions and Restricted Assets

The accompanying financial statements have been prepared in accordance with standards set forth in Statements of Financial Accounting Standards Board ("FASB") Accounting Standards Codifications ("ASC") 958-605 "Revenue Recognition," ASC 958-205 "Presentation of Financial Statements" and the guidelines set forth in the industry audit guide and accounting guide "Not-for-Profit Entities" issued by the American Institute of Certified Public Accountants. Under these guidelines, contribution of cash and other assets are classified as one of the following categories:

*Unrestricted* – Unrestricted net assets represent resources that are not subject to donor-imposed stipulations and are available to support all activities of the organization.

*Temporarily restricted* – Temporarily restricted net assets represent contributions that are limited in use in accordance with donor imposed restrictions. These restrictions may expire with time and/or may be satisfied by the actions of the organization according to the intention of the donor. Upon satisfaction of such restrictions, the associated net assets are released from temporarily restricted net assets and reported as unrestricted. If a restriction is fulfilled in the same fiscal year in which the contribution was received, the contribution is reported as temporarily restricted support and net assets released from restriction in that period.

*Permanently restricted* – Permanently restricted net assets represent contributions to be invested and held in perpetuity as directed by the donor.

NOTE C – Accounts Payable

The Program had several large accounts payable to their partnering schools outstanding at December 31 2015 related to unpaid costs associated with the 2015 summer school program. The debts were retired in early 2016.