

THE PENINSULA BRIDGE PROGRAM

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

JONES ACCOUNTANCY

DAVID D. JONES, CPA, MS



To The Board of Directors
The Peninsula Bridge Program
Menlo Park, California

I have reviewed the accompanying statement of financial position of The Peninsula Bridge Program (a non-profit organization) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Peninsula Bridge Program.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

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 conformity with generally accepted accounting principles.

Jones Accountancy

June 7, 2010

THE PENINSULA BRIDGE PROGRAM
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS

Cash and cash equivalents		\$267,403
Pledges receivable	\$320,303	
Less: Discount for multi-year pledges	(9,245)	
Less: Allowance for doubtful accounts	(18,663)	
		<u>292,395</u>

TOTAL ASSETS \$559,798

LIABILITIES

Accounts Payable		\$758
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NET ASSETS

Unrestricted net assets		559,040
Temporarily restricted net assets		0
Permanently restricted net assets		<u>0</u>

TOTAL NET ASSETS 559,040

TOTAL LIABILITIES AND NET ASSETS \$559,798

THE PENINSULA BRIDGE PROGRAM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support				
Donations	\$687,436	\$0	\$0	\$687,436
Interest	1,031	0	0	1,031
Net assets released from restrictions				
Assets released from donor imposed restrictions	0	0	0	0
Restrictions satisfied by payments	0	0	0	0
Total revenue and other support	688,467	0	0	688,467
Expenses				
Program expenses and grants	319,213	0	0	319,213
Supporting services				
General and administrative	43,595	0	0	43,595
Fund raising	109,194	0	0	109,194
Program services	213,218	0	0	213,218
Total expenses	685,220	0	0	685,220
INCREASE (DECREASE) IN NET ASSETS	3,247	0	0	3,247
NET ASSETS, beginning of year	555,794	0	0	555,794
NET ASSETS, end of year	\$559,041	\$0	\$0	\$559,041

See accompanying notes to financial statements.

THE PENINSULA BRIDGE PROGRAM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General & Administrative</u>	<u>Fund Raising</u>	<u>Program Services</u>	<u>Total</u>
Executive Director	\$15,600	\$15,600	\$72,800	\$104,000
Other Salaries	7,700	59,825	75,117	142,642
Payroll taxes and fees	2,892	2,892	13,495	19,279
Rent	2,538	2,539	11,846	16,923
Accounting	5,950			5,950
Insurance	2,265	2,267	10,572	15,104
Events			5,860	5,860
Office Expenses	3,829	3,829	17,870	25,528
Other Expenses	2,821	1,216	5,658	9,695
Doubtful Accounts		21,026		21,026
	<u>\$43,595</u>	<u>\$109,194</u>	<u>\$213,218</u>	<u>\$366,007</u>

THE PENINSULA BRIDGE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM (TO) OPERATING ACTIVITIES	
Increase (decrease) in net assets	\$3,247
Decrease (increase) in Pledges receivable	66,176
Increase (decrease) in Discount on multi-year pledges	(2,792)
Increase (decrease) in Reserve for doubtful accounts	(1,909)
Increase (decrease) in Accounts Payable	<u>752</u>
Net cash provided (used) by operating activities	65,474
CASH FLOWS FROM INVESTING ACTIVITIES	
	0
CASH FLOWS FROM FINANCING ACTIVITIES	
	0
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	65,474
CASH AND CASH EQUIVALENTS, beginning of year	<u>201,929</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$267,403</u></u>

THE PENINSULA BRIDGE PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE A - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Peninsula Bridge Program 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-based organization, Peninsula Bridge works with three public school districts, two community-based private schools and seven independent schools to provide rigorous enrichment programs for promising students in grades five through eight, in order to motivate and prepare these students for success in the next step of their education.

The target participants are students who are at risk of failing to achieve their academic and personal potential because of the social and economic conditions into which they were born. The program brings students from nearby public schools to the campuses of seven independent schools for summer and select year-round programs. The independent school participants include Sacred Heart Prep, Woodside Priory, Menlo School, Castilleja School, Crystal Springs-Upland School, St. Joseph's School and St. Matthew's Episcopal School.

During 2009, the Program served 268 middle school students from East Palo Alto, east Menlo Park, Redwood City and San Mateo. The Program's focus is to improve math and English proficiency in order to prepare students for college track classes in high school. In 2009, 88% of the Program's graduates were placed in Algebra I in 8th grade – which is one of the Program's indicators of success.

The Program also works with the families of the students in order to stress the importance of a quality education and the environmental issues that affect these students. The Program supports these families with tools and education in order to improve the educational opportunities of the students.

Since 1989, Peninsula Bridge Program has raised and dispersed over \$8,000,000 in funds which was used to serve over 4,800 middle school 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.

THE PENINSULA BRIDGE PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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 Foundation 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, 2009

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, 2009, totaling \$321,374. Many of the receivables are multi-year pledges with approximately \$122,680 due in years after 2010. 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 \$9,245. In addition, management has recorded a provision for potential doubtful accounts of approximately 6% of the net discounted receivables, or \$18,663. The accompanying table summarizes the gross outstanding pledges receivable by year, the discount by year and the allowance for doubtful accounts:

	2010	2011	2012	2013	2014	Total
Pledges by Year	\$198,694	\$70,580	\$32,050	\$14,779	\$4,200	\$320,303
Discount - 5%		(3,361)	(2,980)	(2,159)	(745)	(9,245)
Subtotal	198,694	67,219	29,070	12,620	3,455	311,058
Allowance for doubtful accounts						(18,663)
Net Pledges						\$292,395

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).

THE PENINSULA BRIDGE PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE B - Contributions and Restricted Assets

The Program elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made" effective April 1, 1998. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending of the existence and/or nature of any donor restrictions. Temporarily restricted funds are reduced either by compliance with donor restrictions or by payment.

During 2009 the Program received no funds which were restricted by the donor. Accordingly, at December 31, 2009, the Program had no temporarily or permanently restricted funds.

NOTE C - Accounts Payable

Accounts payable at December 31, 2009 consist of an unpaid credit card invoice for miscellaneous expenses.