JOUNCE PARTNERS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2015 AND 2014

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JOUNCE PARTNERS, INC.

JUNE 30, 2015 AND 2014

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Independent Auditor's Report

To: The Board of Directors
Jounce Partners, Inc.
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of ***Jounce Partners, Inc.***, which comprise the statement of assets and net assets - cash basis as of June 30, 2015 and 2014, and the related statement of revenue, support and expenses - cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of ***Jounce Partners, Inc.*** as of June 30, 2015 and 2014, and its revenue, support and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses - cash basis on page 10 and 11 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Renzi, Bernardi, Dury & Co

Collingswood, NJ
September 8, 2015

JOUNCE PARTNERS, INC.
STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS
JUNE 30,

	2015	2014
ASSETS		
Cash	$ 28,141	$ 18,839
Total assets	$ 28,141	$ 18,839
NET ASSETS		
Unrestricted	$ 28,141	$ 18,839
Temporarily restricted	-	-
Total net assets	$ 28,141	$ 18,839

The accompanying notes are an integral part of this statement.

JOUNCE PARTNERS, INC.
STATEMENT OF REVENUE, SUPPORT AND EXPENSES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

REVENUE AND SUPPORT	Unrestricted	Temporarily Restricted	Total
Grants	$ 45,000	$ -	$ 45,000
Contributions	19,886	-	19,886
Program fees	81,380	-	81,380
Special events, net of direct costs of $2,350	2,065		2,065
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
Total revenue and support	148,331	-	148,331
EXPENSES			
Program services	93,011	-	93,011
Supporting services			
Management and general	33,428	-	33,428
Development/fundraising	12,590	-	12,590
Total supporting services	46,018	-	46,018
Total expenses	139,029	-	139,029
Changes in net assets	9,302	-	9,302
Net assets, beginning of fiscal year	18,839	-	18,839
Net assets, end of fiscal year	$ 28,141	$ -	$ 28,141

The accompanying notes are an integral part of this statement.

JOUNCE PARTNERS, INC.
STATEMENT OF REVENUE, SUPPORT AND EXPENSES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014

REVENUE AND SUPPORT	Unrestricted	Temporarily Restricted	Total
Grants	$ 65,500	$ -	$ 65,500
Contributions	22,829	-	22,829
Program fees	79,000	-	79,000
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
Total revenue and support	167,329	-	167,329
EXPENSES			
Program services	109,910	-	109,910
Supporting services			
Management and general	33,786	-	33,786
Development/fundraising	17,760	-	17,760
Total supporting services	51,546	-	51,546
Total expenses	161,455	-	161,455
Changes in net assets	5,874	-	5,874
Net assets, beginning of fiscal year	12,965	-	12,965
Net assets, end of fiscal year	$ 18,839	$ -	$ 18,839

The accompanying notes are an integral part of this statement.

1. PROGRAMS AND ACTIVITIES

Jounce Partners, Inc. (the "Organization") is a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from tax under Section 501(a) of the Code. The Organization is located in Philadelphia, Pennsylvania, and is dedicated to training urban public school principals to accelerate learning for students in grades 5-8. Its mission is to improve student achievement in math and reading skills by instructing school principals in new teaching methods so that they may pass those methods on to teachers in their schools.

Revenues are derived from payments from schools with which it partners, and contributions from foundations and the general public.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below.

Basis of Presentation
The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized in the financial statements. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding amounts due at the date of the financial statements are not included in the financial statements.

The Organization prepares its financial statements in accordance with Accounting Standards Codification (ASC) No. 958, "Not-for-Profit Entities." Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes herein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. Annual corporate and individual contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded as revenue when promised.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. Grants, contracts and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor stipulation expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

statement of activities as net assets released from restrictions. The Organization had no temporarily restricted net assets as of June 30, 2015 or June 30, 2014.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investment for general or specific purposes. The Organization had no permanently restricted net assets as of June 30, 2015 or June 30, 2014.

Contributions
All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All of the Organization's expenses, including expenses relating to assets previously included among the temporarily restricted net assets class of accounts, are decreases in unrestricted net assets.

Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allocation of Functional Expenses
The costs of providing the Organization's programs and other supporting services have been summarized on a functional basis in the statement of functional expense. Accordingly, the expenses directly related to each function are combined with allocations of certain joint operating costs which have been allocated primarily based upon time spent and other estimates made by management.

Income Taxes
The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Effective January 1, 2009, management adopted the accounting standard, "Accounting for Uncertainty in Income Taxes." This standard clarifies the accounting and reporting for uncertainties in income tax positions taken or expected to be taken in filings with taxing jurisdictions, using minimum recognition and measurement thresholds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Management has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. These tax filings are subject to examination, generally for three years after they are filed.

Should settlement of an examination or other event result in a change in management's evaluation of a tax position taken or expected to be taken in filings that have not been closed by statute or examination, any interest and penalties related to the unrecognized tax benefit as a result of the uncertain tax position would be included in interest expense and administrative expenses, respectively.

Pledges Receivable

The Organization has pledges receivable, of which management believes that any uncollectible amounts are insignificant. Under generally accepted accounting principles, unconditional promises to give would be recognized as revenue in the period granted, and total net assets would be correspondingly increased. Because the Organization's financial statements are prepared using the cash basis, which is an other comprehensive basis of accounting, no impact of the pledges receivable is reflected on the financial statements.

3. PLEDGES RECEIVABLE

Although pledges receivable have no financial statement impact under the cash basis of accounting, management believes that a footnote disclosure of the pledges receivable would be useful to the user of the financial statements. Therefore, the schedule below details the impact which pledges receivable would have had on the financial statements, had the statements been prepared using the accrual basis of accounting rather than the cash basis of accounting.

Pledges receivable at June 30, are as follows:

	2015
Receivable in less than one year	$ 35,000
Receivable in one to five years	20,000
Total pledges receivables	55,000
Less: discount to present value	(2,160)
Net pledges receivable at June 30	$ 52,832

4. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through September 8, 2015, the date the financial statements were available to be issued. The Organization had the following significant or material subsequent events through September 8, 2015.

On July 11, 2015, the Organization received a three year award from a Foundation totaling $190,000. The first payment of this award was received in the amount of $45,000 in July 2015.

JOUNCE PARTNERS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

		Supporting Services		
	Program Services	Management and General	Development/ Fundraising	Total
Salaries	$ 75,483	$ 21,569	$ 10,781	107,833
Employee benefits	3,292	939	471	4,702
Payroll taxes	6,241	1,780	890	8,911
Insurance	1,096	1,243	-	2,339
Accounting fees	-	3,475	-	3,475
Bank fees	81	-	53	134
Data collection services	1,951	-	-	1,951
Marketing	-	862	-	862
Website fees	-	938	-	938
Website maintenance	-	900	-	900
Payroll service fees	808	234	116	1,158
Licenses and fees	1,750	910	-	2,660
Office supplies and postage	151	17	-	168
Professional development	193	-	-	193
Travel	1,965	561	279	2,805
Total expenses	$ 93,011	$ 33,428	$ 12,590	139,029

The accompanying notes are an integral part of this schedule.

JOUNCE PARTNERS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services	Supporting Services: Management and General	Supporting Services: Development/ Fundraising	Total
Salaries	$ 81,375	$ 23,250	$ 11,625	$ 116,250
Employee benefits	15,931	4,552	2,276	22,759
Payroll taxes	10,014	2,861	1,431	14,306
Insurance	870	1,345	124	2,339
Marketing	-	-	861	861
Miscellaneous	-	146	-	146
Payroll service fees	-	1,339	-	1,339
Program materials	1,461	-	-	1,461
Supplies	258	-	1,443	1,701
Travel	-	293	-	293
Total expenses	$ 109,910	$ 33,786	$ 17,760	$ 161,455

The accompanying notes are an integral part of this schedule.