

**SILICON VALLEY EDUCATION FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

This Page Left Intentionally Blank

## **INTRODUCTORY SECTION**

This Page Left Intentionally Blank

**SILICON VALLEY EDUCATION FOUNDATION**  
**Financial Statements**  
**For the Year Ended December 31, 2022**

**Table of Contents**

	<b><u>Page</u></b>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i
Silicon Valley Education Foundation Board of Directors and Administrative Personnel.....	ii
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b> .....	1
<b>Financial Statements:</b>	
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements.....	7

**SILICON VALLEY EDUCATION FOUNDATION  
BOARD OF DIRECTORS**

**DECEMBER 31, 2022**

**BOARD MEMBERS**

David House, Chairman  
Ike Adeyemi  
Esther Ayorinde  
Tom Baker  
Sahil Bhardwaj  
Stasi Brown  
Juan Cruz  
Jared Darby  
Cecile Galvez  
Carolyn Henry  
Amy Horng  
Paul Humphries  
Stephanie Kashima  
Maria Martinez  
Brandon Middleton  
D. John Miller  
Thuy Nguyen  
Justin Prettyman  
Faiyaz Shahpurwala  
Douglas Spreng  
Marc Suidan  
Tugba Yanaz  
Dr. John York  
Zia Yusuf

**CHIEF EXECUTIVE OFFICER**

Lisa Andrew

## **FINANCIAL SECTION**

This Page Left Intentionally Blank



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Silicon Valley Education Foundation  
San Jose, California

### ***Opinion***

We have audited the financial statements of the Silicon Valley Education Foundation (Foundation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Silicon Valley Education Foundation as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Finance Statements section of our report. We are required to be independent of the Silicon Valley Education Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management 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, and 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.

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 Foundation's ability to continue as a going concern for a reasonable period of time, generally within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 auditor's 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Foundation'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 Foundation'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.

### ***Report on Summarized Comparative Information***

We have previously audited the Silicon Valley Education Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Maz & Associates*

Pleasant Hill, California  
March 23, 2023

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022**  
**WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2021**

	2022	2021
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents (Note 2C)	\$ 2,370,655	\$ 2,470,266
Investments (Note 3)	1,838,386	794,001
Contributions and grants receivable (Note 4)	488,834	544,170
Other current assets	29,087	15,908
Total Current Assets	4,726,962	3,824,345
Non Current Assets:		
Contributions and grants receivable (Note 4)	-	88,000
Long-term investments (Note 3)	1,108,669	963,254
Property and equipment, net (Note 5)	119,423	134,005
Total Non Current Assets	1,228,092	1,185,259
<b>TOTAL ASSETS</b>	<b>\$ 5,955,054</b>	<b>\$ 5,009,604</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 122,570	\$ 65,991
Accrued expenses	502,818	310,376
Total Liabilities	625,388	376,367
Net Assets (Note 2I)		
Without donor restrictions:		
Undesignated	3,220,368	3,636,673
Invested in leasehold improvements, furniture and equipment	119,423	134,005
Total without donor restrictions	3,339,791	3,770,678
With donor restrictions (Note 6)	1,989,875	862,559
Total Net Assets	5,329,666	4,633,237
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,955,054</b>	<b>\$ 5,009,604</b>

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	<u>Totals</u>	
			2022	2021
<b>SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 373,234	\$ 3,723,296	\$ 4,096,530	\$ 3,279,941
Contribution of equipment and other in-kind contributions (Note 2J)	-	186,754	186,754	299,060
Net investment return (loss)	(22,382)	-	(22,382)	(7,128)
Special events, net (Note 7)	1,105,947	-	1,105,947	912,144
School fee income	-	2,839,045	2,839,045	2,560,870
Net assets released from restrictions (Note 6)	<u>5,621,779</u>	<u>(5,621,779)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>7,078,578</u>	<u>1,127,316</u>	<u>8,205,894</u>	<u>7,044,887</u>
<b>EXPENSES</b>				
Program services	5,997,972	-	5,997,972	5,526,473
Support services:				
Management and general	722,434	-	722,434	692,653
Fundraising	<u>789,059</u>	<u>-</u>	<u>789,059</u>	<u>616,444</u>
Total Expenses	<u>7,509,465</u>	<u>-</u>	<u>7,509,465</u>	<u>6,835,570</u>
Changes in net assets	(430,887)	1,127,316	696,429	209,317
Net assets at beginning of period	<u>3,770,678</u>	<u>862,559</u>	<u>4,633,237</u>	<u>4,423,920</u>
Net assets at end of period	<u>\$ 3,339,791</u>	<u>\$ 1,989,875</u>	<u>\$ 5,329,666</u>	<u>\$ 4,633,237</u>

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Totals	
				2022	2021
FUNCTIONAL EXPENSES					
Salaries and wages	\$ 4,024,076	\$ 368,563	\$ 466,293	\$ 4,858,932	\$ 4,579,524
Other employee benefits	34,494	3,605	3,100	41,199	56,226
Payroll tax expense	334,105	31,711	40,658	406,474	394,040
Insurance	185,812	38,162	52,080	276,054	221,825
Conferences and travel	1,524	8,382	12	9,918	1,314
Occupancy	243,079	14,304	8,695	266,078	286,062
Telecommunications	91,132	14,079	17,640	122,851	102,427
Office supplies and expense	-	89,180	-	89,180	66,078
Dues and memberships	21,118	5,923	3,341	30,382	34,855
Depreciation (Note 5)	17,362	22,114	3,477	42,953	29,709
Professional services	894,781	111,506	173,968	1,180,255	881,415
Program costs	125,673	10,554	14,995	151,222	143,952
Grants	24,816	4,351	4,800	33,967	38,143
Total Functional Expenses	<u>\$ 5,997,972</u>	<u>\$ 722,434</u>	<u>\$ 789,059</u>	<u>\$ 7,509,465</u>	<u>\$ 6,835,570</u>

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	<u>\$ 696,429</u>	<u>\$ 209,317</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	42,953	29,709
Net realized and unrealized loss (gain) on investments	(22,554)	1,234
Changes in operating assets and liabilities:		
Contributions and grants receivable	143,336	(10,221)
Prepaid expenses and other	(13,179)	(6,749)
Accounts payable	56,579	19,245
Accrued expenses	<u>192,442</u>	<u>(21,162)</u>
Total Adjustments	<u>399,577</u>	<u>12,056</u>
Net Cash Provided by Operating Activities	<u>1,096,006</u>	<u>221,373</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase and reinvestment of investments	(1,989,228)	(1,673,817)
Redemption of investments	817,472	1,685,991
Purchase of equipment and software	(28,371)	
Net (reinvestment) of dividend and interest income	<u>4,510</u>	<u>(13,278)</u>
Net Cash (Used) Provided by Investing Activities	<u>(1,195,617)</u>	<u>(1,104)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(99,611)	220,269
Cash and cash equivalents, beginning of year	<u>2,470,266</u>	<u>2,249,997</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,370,655</u></u>	<u><u>\$ 2,470,266</u></u>

Supplemental information:

The Foundation paid no taxes or interest during the fiscal years ended December 31, 2022 and 2021, respectively.

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 1 – REPORTING ENTITY**

*Reporting Entity and Nature of Activities*

**Who We Are**

Silicon Valley Education Foundation (“SVEF”) leverages partnerships and resources for public education so all students can realize their full potential. By providing thought leadership and building coalitions to influence public policy, we focus on areas critical to student performance: Science, Technology, Engineering and Math (“STEM”). We strive to be the leading advocate for education at the local, state and regional levels, and are known for our clear focus on achieving results, forming strategic partnerships, and emphasizing creativity and innovation. Beyond serving students, teachers, and administrators, we provide value to the larger community of corporate, foundation and individual donors by making investing in education easy.

**Why We Matter**

There has never been a more critical time to improve our schools. We must ensure our future workforce is prepared to take on the technological and business challenges that lie ahead by increasing the percentage of high school graduates who are prepared to complete post-secondary education. With an increasing gap of qualified workers to take over Silicon Valley jobs, our future as the heart of U.S. innovation is at risk.

**What We Do**

SVEF improves public education. We establish effective relationships with the private sector, the education community, and other organizations to support specific areas of need in public education.

**How We Do It**

SVEF delivers programs and partners with organizations that support our mission of inspiring underserved students to succeed in college and careers.

**Elevate [Math]** – Elevate [Math] is a summer intervention program designed to elevate student achievement in math. This program front-loads curriculum designed to align with students’ next year Common Core math classes. By providing a summer program focused on building both math skills and student confidence, Elevate [Math] helps prepare more students for success in college and careers. Elevate [Math]<sup>2</sup> was developed during the COVID-19 pandemic as the school-year offering that leverages the summer program curriculum in an online environment.

**[Computer Science] Innovate** – SVEF’s [Computer Science] Innovate (“CSI”) program provides learning experiences to communities furthest from opportunity by introducing the foundations of computer science through the lens of making and design thinking in order to promote the continued pursuit of computer science learning in the future. Like Elevate [Math], CSI is offered as a summer program and as a school-year program.

**49ers STEM Leadership Institute** – The 49ers STEM Leadership Institute (“SLI”) provides multi-year, year-round academic support, STEM enrichment, skills training, and leadership opportunities to students in middle and high school. In the program from 7th through 12th grade, students enroll at Cabrillo Middle School and then Santa Clara High School, where they take SLI-specific math & science classes and then AP Seminar and AP Research their junior and senior years, respectively.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 1 – REPORTING ENTITY (Continued)**

**East Side Alliance** – The East Side Alliance (“ESA”) consists of eight districts: East Side Union High School District and the seven elementary partner districts. With partnerships with San Jose State University and Evergreen Community College, SVEF provides a Pre-K through 16 aligned system. Through the ESA, SVEF offers:

- Academic preparation, through our championing of A-G default curriculum and the Spartan East Side Promise.
- Our Assessment for Learning program offers professional development for teachers and administrators. The program highlights performance assessments in which students carry out tasks that require them to show evidence of their learning.
- Financial support, through our partnership with Excite Credit Union to provide savings accounts to college-going seniors.

**School2Home** – School2Home aims to close the Achievement gap and the Digital Divide by integrating computers and online access into teaching and learning at low-performing middle schools in California. SVEF manages the Northern California arm of the program.

**Eastside Education Initiative** – The Eastside Education Initiative (“EEI”) aims to address a significant funding gap that exists between schools in East San Jose and other, more well-resourced, school districts in the Bay Area, where property taxes are greater. This disparity in funding makes it extremely difficult for San Jose schools to offer more than basic academic programs. As such, A-G completion rates are lower, college persistence rates are dropping and living wages are less achievable. EEI aims to do two things: (i) advocate for equal funding for East San Jose schools, and (ii) provide supplemental educational services in order to promote a college and career readiness culture

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting and Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without 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 use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Foundation has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.



**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***B. Grants and Contracts***

Contributions and grants are recorded as revenue with, or without, donor restrictions when received, or pledged when there is a reasonable expectation of collection. All contributions are considered to be available for the unrestricted use unless specifically restricted by the donor. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of receipt. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions with donor restrictions are generally recognized as revenue with donor restrictions. Generally, donors place restrictions on contributions for a specific time period and/or a specific use or purpose. Once donor restrictions have been satisfied, the revenue is released from net assets with donor restrictions and reclassified to net assets without donor restrictions. Restrictions on gifts of property or equipment or gifts restricted to the purchase of property or equipment are satisfied when the assets are placed in service. Grants consist primarily of amounts received from private corporations, foundations and individuals, and are utilized to support SVEF's programs.

***C. Cash and Cash Equivalents***

For purposes of reporting cash flows, SVEF considers highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents were \$2,370,655 and \$2,470,266 at December 31, 2022 and 2021, respectively.

***D. Investments***

Investments are measured at fair value on the statements of financial position. Unless donor or law restricts the income or loss, investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the increase in net assets without donor restrictions.

***E. Concentration of Credit Risk***

The Federal Deposit Insurance Corporation ("FDIC") insures account balances at each insured institution. SVEF maintains deposit accounts with four financial institutions and frequently carries balances that exceed FDIC insurance limits. Management believes the Foundation is not exposed to any significant credit risk related to cash.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***F. Property and Equipment***

Property and equipment are recorded at cost when purchased or at estimated fair value at the date of receipt, if donated. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. SVEF's capitalization policy is to capitalize property and equipment with an original cost in excess of \$2,500. Property and equipment are depreciated by using the straight-line method over the assets' estimated useful lives. Leasehold improvements are amortized over the shorter of the assets estimated useful lives or the remaining lease term. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in changes in net assets. Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered, SVEF, using its best estimates and projections, reviews for impairment the carrying value of the long-lived identifiable assets to be held and used in the future, and records an adjustment to the carrying value as applicable.

***G. Estimates***

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

***H. Accrued Personal Time Off***

Accrued personal time off is composed of unpaid personal time off. Personal time off is accrued as earned. All accrued personal time off is considered to be a current liability.

***I. Net Asset Classifications***

SVEF is required to report information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions:* Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions:* Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restrictions expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***J. In-Kind Contributions***

SVEF receives donations of office space, equipment, supplies and auction items for fundraisers, etc. as well as volunteer services.

Donated services are reflected in the financial statements at the fair value of the services received only if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Donated rent and goods are recorded at their fair values on the Statement of Activities in the period received. In valuing these in-kind contributions, SVEF estimates the fair value based on comparable costs. Typically these donations are without donor restrictions, and are either utilized by SVEF within the reporting period, or soon thereafter.

For the year ended December 31, 2022, SVEF received in-kind contributions of office space and web and software license fees valued at \$166,434 and \$20,320, respectively, for a total of \$186,754. These contributions are offset with corresponding expenses in the Statement of Functional Expense.

***K. Allowance for Uncollectible Contribution Receivable***

SVEF receives contributions and grants in the normal course of business, maintaining allowances for potential credit losses which, when realized, have been within management's expectations. Contributions and grants receivable are considered delinquent when an account has been outstanding for more than 30 days. Additionally, contributions and grants receivables are determined to be uncollectible when all collection efforts have been exhausted and collection appears unlikely.

***L. Income Taxes***

SVEF is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, SVEF qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. SVEF paid no taxes on unrelated business income in the years ended December 31, 2022 or 2021, respectively.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that SVEF does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that SVEF's tax returns will not be challenged by the taxing authorities and that SVEF will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, SVEF tax returns remain open for federal income tax examination for three years from the date of filing.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***M. Functional Allocation of Expenses***

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Those expenses which cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage. For certain such expenses, such as payroll costs, these estimates are based on time incurred in different activities. For other expenses, such as insurance, an allocation has been made based upon headcount by department.

***N. Advertising Costs***

Advertising costs, if any, are expensed as incurred.

***O. Fair Value Measurements***

Fair value is defined 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. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect the management's judgment about the assumptions that market participants would use in pricing the asset or liability.

***P. Lease Accounting***

SVEF recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. SVEF determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of the existing contract are changed. SVEF's policy is to recognize leases in excess of \$50,000. As of December 31, 2022, SVEF did not have any leases in excess of its established threshold.

***Q. Prior Year Totals***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Subsequent Events**

SVEF evaluated subsequent events for recognition and disclosure through March 23, 2023, the date which these financial statements were available to be issued. Management concluded that no material subsequent events occurred since December 31, 2022 that requires recognition or disclosure in such financial statements, other than the following:

On March 10, 2023, Silicon Valley Bank (SVB), the nation’s 16<sup>th</sup> largest bank, collapsed, and was taken over by regulators, and the Federal Deposit Insurance Corporation (F.D.I.C.) was named as the receiver. On March 12, 2023, the Federal Reserve, Treasury Department and the F.D.I.C. announced jointly that depositors would have access to all of their money starting Monday, March 13<sup>th</sup> and that no losses from the bank’s failure would be borne by the taxpayer.

At December 31, 2022, SVEF had approximately \$54 thousand in a money market account in SVB. Following the collapse on March 10, 2023, management transferred its funds held in SVB to its operating account with Fremont Bank, leaving a minimal amount in its SVB account. As such, management deems the risk of exposure as minimal, and no contingency has been recorded in these financial statements.

**NOTE 3 – INVESTMENTS**

Investments consist of the following as of December 31:

	Fair Value (Level 1)	
	2022	2021
<i>Short-Term Investments:</i>		
U.S. Treasuries	\$ 1,818,640	\$ 749,696
Certificates of Deposit	19,746	-
Equities	-	44,305
Sub-Totals	1,838,386	794,001
 <i>Long-Term Investments:</i>		
U.S. Treasuries	1,108,669	942,157
Certificates of Deposit	-	21,097
Sub-Totals	1,108,669	963,254
 <i>Investments included in Cash Equivalents:</i>		
Money Market Funds	34,878	1,570
Totals	\$ 2,981,933	\$ 1,758,825

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 3 – INVESTMENTS (Continued)**

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in methodologies used at December 31, 2022.

*Cash Equivalents* – consist primarily of money market funds and are valued at the closing prices reported on the active markets in which the securities are traded at fiscal year-end.

*Investments* – are valued at quoted market prices in active markets.

All investments of SVEF are valued using Level 1 inputs. The valuation methodologies used by SVEF may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although SVEF’s management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**NOTE 4 – CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions receivable, grants receivable, and promised use of building are reflected in the accompanying financial statements as a receivable and contribution revenue of the appropriate net asset category. Contributions and grants receivable arising from unconditional promises to give that are expected to be collected within one year of the financial statement date are measured at their net realizable value. There were no allowances for uncollectible contributions receivable at December 31, 2022 and 2021, respectively.

Contributions receivable consisted of the following at December 31:

	2022	2021
Receivable in less than one year	\$ 488,834	\$ 544,170
Receivable in one to five years	-	88,000
Total contributions and grants receivable	\$ 488,834	\$ 632,170

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment are depreciated using the straight-line method:

<u>Description</u>	<u>Life</u>
Leasehold improvement	10 years
Furniture	7 years
Equipment	5 years

Depreciation is computed by the straight-line method over the estimated useful lives of the assets. Depreciation is charged as an expense against operations, and accumulated depreciation is reported on the statement of financial position.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 5 – PROPERTY AND EQUIPMENT (Continued)**

At December 31, assets and accumulated depreciation of SVEF’s leasehold improvement, furniture and equipment were:

	Balance January 1, 2022	Additions	Balance December 31, 2022
Leasehold improvement	\$ 115,978	\$ -	\$ 115,978
Furniture and equipment	553,529	28,371	581,900
	669,507	28,371	697,878
Less accumulated depreciation	(535,502)	(42,953)	(578,455)
Fixed assets	<u>\$ 134,005</u>	<u>\$ (14,582)</u>	<u>\$ 119,423</u>

Depreciation expense for the years ended December 31, 2022 and 2021 amounted to \$42,953 and \$29,709, respectively, and are included in the leasehold improvements, furniture and equipment and accumulated depreciation accounts.

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or time periods at December 31:

	2022	2021
<i>Subject to expenditure for specified purpose:</i>		
Elevate [Math] programs	\$ 184,500	\$ 285,037
49ers STEM Leadership Institute	451,871	379,981
Computer science initiatives	411,000	96,632
East Side Alliance initiatives	65,895	65,895
East Side Education initiative	11,051	-
School2Home	831,511	-
Other	34,047	35,014
Total net assets with donor restrictions	<u>\$ 1,989,875</u>	<u>\$ 862,559</u>

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

For the years ended December 31, net assets were released from restriction for the following:

Program	2022	2021
Elevate [Math] programs	\$ 2,957,817	\$ 3,047,669
49ers STEM Leadership Institute	1,183,819	1,061,754
Fiscal agent services	10,480	6,965
East Side Alliance initiatives	129,805	202,332
East Side Education initiative	138,949	-
In-Kind rent	194,187	194,187
Other in-kind services	20,058	95,806
Computer science	742,222	522,600
School2Home	228,489	147,864
All other	15,953	-
Total	<u>\$ 5,621,779</u>	<u>\$ 5,279,177</u>

**NOTE 7 – SPECIAL EVENTS**

Income from SVEF’s annual DreamMakers and Women in STEM event consisted of the following for the years ended December 31:

	2022	2021
Contributions and sponsorships	\$ 1,119,486	\$ 957,810
Less cost of direct donor benefit	<u>(13,539)</u>	<u>(45,666)</u>
Total	<u>\$ 1,105,947</u>	<u>\$ 912,144</u>

**NOTE 8 – PENSION PLANS/BENEFITS**

During the fiscal years ended December 31, 2022 and 2021, SVEF accrued \$41,199 and \$56,226, respectively, for the employer matching contribution to its 403(b) Plan. All full time employees are eligible to participate in the 403(b) Plan. The employer match is determined annually, and SVEF is not obligated to provide a match in any given year.



**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 9 – PAYCHECK PROTECTION PROGRAM**

On January 26, 2021, SVEF received a \$678,587 loan from the U.S. Small Business Administration Paycheck Protection Program (PPP), with an interest rate of 1.0% set to mature on January 26, 2026. The loan was made pursuant to Section 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 1106 of the CARES Act provides that up to the full principal amount plus interest accrued on loans guaranteed under the PPP would qualify for forgiveness if SVEF used the loan proceeds for forgivable purposes. As of December 31, 2021, the total amount of the loan has been forgiven and recognized as grant revenue.

**NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

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

	2022	2021
Total current financial assets:		
Cash and cash equivalents	\$ 2,370,655	\$ 2,470,266
Investments	1,838,386	794,001
Contributions and grants receivable	488,834	544,170
Total current financial assets	4,697,875	3,808,437
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions	(1,989,875)	(862,559)
Add back: non-current investments available for donor-specified expenditures in subsequent year(s)	1,108,669	963,254
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 3,816,669	\$ 3,909,132

**NOTE 11 – CONTINGENT LIABILITIES**

Conditions contained within grants awarded to the SVEF are subject to the funding entity's criteria under which expenditures may be charged against the grant. Should costs incurred against the grants not comply with the established criteria that govern the grants, SVEF could be held responsible for the repayments to the funding source for any disallowed costs or be subject to reductions of future funding in the amount of the disallowed costs. Management is not aware of any material questioned costs for any such grants.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**NOTE 12 – COMMITMENTS**

In November 2019, SVEF entered into a sixty-month lease for three document processors. The monthly minimum lease payments for the document processors are \$552. Lease expense under this lease was \$7,804 for fiscal year ended December 31, 2022. Future minimum lease payments are as follows:

Fiscal Year Ending December 31	Annual Payment
2023	\$ 6,619
2024	5,516
Total	<u>\$ 12,135</u>

The total lease amount falls below SVEF’s \$50,000 threshold and therefore, it is not recorded on the Statement of Financial Position.

In November 2020, SVEF entered into a one-year agreement with The Sobrato Foundation for its office, commencing January 1, 2021. The lease provides for automatic one-year renewals unless terminated earlier by either party. The agreement is for 9,247 rentable square feet with a fair value of \$1.50 per square foot, totaling \$13,870 per month. The Sobrato Foundation has waived this monthly base rent during the term of this agreement. As a result, SVEF records the monthly rent as in-kind contributions, offset by occupancy expense. Also included in the lease agreement, SVEF is responsible for expenses related to the common areas of the building. Effective January 1, 2023, the rate for these expenses is \$6,097 per month.