

**SILICON VALLEY EDUCATION FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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INTRODUCTORY SECTION

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SILICON VALLEY EDUCATION FOUNDATION
Financial Statements
For the Year Ended December 31, 2019

Table of Contents

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

**SILICON VALLEY EDUCATION FOUNDATION
BOARD OF DIRECTORS**

DECEMBER 31, 2019

BOARD MEMBERS

David House, Chairman

Ike Adeyemi

Tom Baker

Stasi Brown

Nancy Bush

Juan Cruz

Jared Darby

Patty Hatter

Bill Honig

Paul Humphries

Mujeeb Ijaz

Webb McKinney

Brandon Middleton

D. John Miller

David Neale

Justin Prettyman

Faiyaz Shahpurwala

Faysal Sohail

Douglas Spreng

Marc Suidan

Cora Tomalinas

Dr. John York

Zia Yusuf

CHIEF EXECUTIVE OFFICER

Lisa Andrew

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Silicon Valley Education Foundation (Foundation) which comprises the statements of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Foundation'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 Foundation'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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Silicon Valley Education Foundation as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Silicon Valley Education Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Maze & Associates

Pleasant Hill, California
March 25, 2020

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 2C)	\$ 1,309,188	\$ 1,798,167
Investments (Note 3)	1,706,422	1,833,432
Contributions and grants receivable (Note 4)	700,163	339,294
Other current assets	9,283	10,801
Total Current Assets	3,725,056	3,981,694
Non Current Assets:		
Long-term investments (Note 3)	306,841	39,523
Property and equipment, net (Note 5)	74,992	79,471
Total Non Current Assets	381,833	118,994
TOTAL ASSETS	\$ 4,106,889	\$ 4,100,688
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 83,887	\$ 107,625
Accrued expenses	324,802	354,787
Total Liabilities	408,689	462,412
Net Assets (Note 2I)		
Without donor restrictions:		
Undesignated	2,551,126	2,405,566
Invested in leasehold improvements, furniture and equipment	74,992	79,471
Total without donor restriction	2,626,118	2,485,037
With donor restriction (Note 6)	1,072,082	1,153,239
Total Net Assets	3,698,200	3,638,276
TOTAL LIABILITIES AND NET ASSETS	\$ 4,106,889	\$ 4,100,688

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
SUPPORT AND REVENUE				
Contributions and grants	\$ 269,664	\$ 3,747,989	\$ 4,017,653	\$ 3,201,736
Contribution of equipment and other in-kind contributions (Note 2J)		304,763	304,763	212,601
Net investment return (loss)	128,053		128,053	(47,333)
Special events, net (Note 7)	805,898		805,898	1,215,844
School fee income		1,776,137	1,776,137	1,259,437
Net assets released from restrictions (Note 6)	5,910,046	(5,910,046)		
Total Support and Revenue	<u>7,113,661</u>	<u>(81,157)</u>	<u>7,032,504</u>	<u>5,842,285</u>
EXPENSES				
Program services	5,719,914		5,719,914	5,394,931
Support services:				
Management and general	574,511		574,511	606,334
Fundraising	678,155		678,155	655,822
Total Expenses	<u>6,972,580</u>		<u>6,972,580</u>	<u>6,657,087</u>
Changes in net assets before Special Item	<u>141,081</u>	<u>(81,157)</u>	<u>59,924</u>	<u>(814,802)</u>
SPECIAL ITEM				
Residual equity transfer from merger				<u>1,086,034</u>
Changes in net assets	141,081	(81,157)	59,924	271,232
Net assets at beginning of period	<u>2,485,037</u>	<u>1,153,239</u>	<u>3,638,276</u>	<u>3,367,044</u>
Net assets at end of period	<u>\$ 2,626,118</u>	<u>\$ 1,072,082</u>	<u>\$ 3,698,200</u>	<u>\$ 3,638,276</u>

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and General	Fundraising	Totals	
				2019	2018
FUNCTIONAL EXPENSES					
Salaries and wages	\$ 2,873,262	\$ 338,845	\$ 353,501	\$ 3,565,608	\$ 2,470,121
Other employee benefits	32,989	9,230	9,219	51,438	52,528
Payroll tax expense	255,358	19,704	32,483	307,545	197,613
Insurance	151,682	19,691	42,315	213,688	207,431
Conferences and travel	50,907	13,131	4,344	68,382	65,831
Transportation and mileage	4,589	830	1,601	7,020	22,688
Occupancy	243,885	13,098	12,931	269,914	192,653
Telecommunications	36,844	5,690	6,263	48,797	72,739
Office supplies and expense		62,423		62,423	96,796
Dues and memberships	28,339	5,537	398	34,274	32,166
Depreciation (Note 5)	8,165	15,137	2,282	25,584	26,379
Professional services	1,424,937	36,105	177,588	1,638,630	2,621,320
Program marketing and promotion	10,656	670	1,251	12,577	4,351
Program supplies and expenses	134,467	34,020	33,979	202,466	378,623
Grants	463,834	400		464,234	134,483
Amortization of beneficial interest					81,365
Total Functional Expenses	<u>\$ 5,719,914</u>	<u>\$ 574,511</u>	<u>\$ 678,155</u>	<u>\$ 6,972,580</u>	<u>\$ 6,657,087</u>

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets before Special Item	\$ 59,924	\$ (814,802)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization of beneficial interest in use of facility		80,620
Depreciation expense	25,584	26,379
Net realized and unrealized loss (gain) on investments	(93,169)	49,222
Changes in operating assets and liabilities:		
Contributions and grants receivable	(360,869)	223,534
Prepaid expenses and other	1,518	16,970
Accounts payable	(23,738)	(75,988)
Accrued expenses	(29,985)	(107,725)
Total Adjustments	(480,659)	213,012
Net Cash (Used) by Operating Activities	(420,735)	(601,790)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments received in merger		1,119,452
Purchase and reinvestment of investments	(797,181)	(742,989)
Redemption of investments	808,841	135,500
Net (reinvestment) of dividend and interest income	(58,799)	(29,077)
Purchase of fixed assets	(21,105)	(76,460)
Net Cash (Used) Provided by Investing Activities	(68,244)	406,426
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(488,979)	(195,364)
Cash and cash equivalents, beginning of year	1,798,167	1,993,531
Cash and cash equivalents, end of year	\$ 1,309,188	\$ 1,798,167

Supplemental information:

The Foundation paid no taxes or interest during the fiscal year ended December 31, 2019 and 2018, respectively.

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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.

In March of 2018, SVEF merged with ALearn (a non-profit organization), bringing Catalyst to College to our college readiness portfolio and Math Advancement Program and Catalyst to High School to our STEM Education initiative.

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 improving public education.

STEM Education – Our STEM initiative focuses on the critical need for improvements in K-12 Science, Technology, Engineering, and Math Education. In 2018, SVEF delivered three math summer programs: Elevate [Math], Math Advancement Program and Catalyst to High School, focused on enhancing middle school and high school math performance. In 2019, these 3 programs were consolidated to form the current Elevate [Math] program, which covers grades 3 through 10. In addition, in 2019, SVEF introduced the Computer Science Institute, running a program of summer classes for 7th and 8th graders. The 49ers STEM Leadership Institute program provides an enhanced curriculum for students with high academic potential in the Santa Clara Unified School District.

Advocacy College and Career Readiness – SVEF’s College Readiness initiatives are designed to increase the number of students who have the option to go to college by accelerating pathways and eliminating barriers. We achieve this by engaging with districts to adopt policies that open more opportunities for students, hosting motivational events that promote college-going mindsets, providing support and resources to individual students and families to on track for college, and by managing scholarships with private partners to support college-bound students.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 1 – REPORTING ENTITY (Continued)

ArtsEd Connect Grants – ArtsEd Connect Grants - We award monetary grants of \$1,000 - \$1,500 to teachers or groups of teachers for innovative classroom instructional projects or STEM related field trips for students. Our ArtsEd Connect Grants program funds art materials, artist in the classroom projects, field trips to museums, and to music, dance, and theater performances. In January 2020, this program was transferred to Silicon Valley Creates in its entirety for better mission alignment.

Catalyst to College – The Catalyst to College program engages, supports and prepares high school students for college by creating a college-going culture at their high school campuses and a peer support system.

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.

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.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the County of Santa Clara and 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 \$1,309,188 and \$1,798,167 at December 31, 2019 and 2018, 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.

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 is 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.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

J. *Contributed Services and Equipment*

Donated services and equipment 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. Donated services and materials and equipment of \$304,763 and \$212,601 have been reflected in the accompanying financial statements as in-kind contributions for the years ended December 31, 2019 and 2018, respectively, with corresponding amounts included in materials and equipment and program costs or supporting services as in-kind 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, 2019 or 2018.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. 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, 2018, from which the summarized information was derived.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Subsequent Events

SVEF evaluated subsequent events for recognition and disclosure through March 25, 2020, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2019 that requires recognition or disclosure in such financial statements.

NOTE 3 – INVESTMENTS

Investments consist of the following as of December 31:

	Fair Value (Level 1)	
	2019	2018
<i>Investments:</i>		
U.S. Treasuries	\$ 594,005	\$ 519,186
Corporate Bonds	86,280	128,780
Certificates of Deposit	21,187	19,923
Equities	48,163	45,785
Bonds	20,654	
Investment Pool with Silicon Valley Community Foundation	1,242,974	1,159,281
Sub-Totals	2,013,263	1,872,955
<i>Investments included in Cash Equivalents:</i>		
Money Market Funds	70,421	39,351
Totals	\$ 2,083,684	\$ 1,912,306

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, 2019, respectively.

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.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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, 2019 and 2018, respectively.

Contributions receivable consisted of the following at December 31:

	2019	2018
Receivable in less than one year	\$ 700,163	\$ 339,294
Total contributions and grants receivable	\$ 700,163	\$ 339,294

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.

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

	Balance January 1, 2019	Additions	Balance December 31, 2019
Leasehold improvement	\$ 115,978	\$ -	\$ 115,978
Furniture and equipment	420,737	21,105	441,842
	536,715	21,105	557,820
Less accumulated depreciation	(457,244)	(25,584)	(482,828)
Fixed assets	\$ 79,471	\$ (4,479)	\$ 74,992

Depreciation expense for the years ended December 31, 2019 and 2018 amounted to \$25,584 and \$26,379, respectively, and are included in the leasehold improvements, furniture and equipment and accumulated depreciation accounts.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2019	2018
<i>Subject to expenditure for specified purpose:</i>		
Elevate [Math] programs	\$ 784,000	\$ 401,999
Fiscal agent services	6,796	10,133
Advocacy for school requirements	111,013	62,686
Teacher grants	-	131,550
iHub	150,000	341,000
Merger-related grants	-	18,631
Catalyst to College	20,273	187,240
	\$ 1,072,082	\$ 1,153,239

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

Program	2019	2018
Elevate [Math] programs	\$ 2,832,627	\$ 1,970,606
49ers STEM Leadership Institute	1,350,028	1,217,997
Fiscal agent services	106,886	123,064
Advocacy for school requirements	237,430	275,933
Teacher grants	233,744	93,302
In-Kind rent	194,187	114,021
Other in-kind services	110,576	97,358
iHub	631,220	377,776
Catalyst to College	166,967	109,511
Merger-related grants	18,631	331,369
Beneficial interest in use of facility	-	81,365
All other	27,750	68,377
	\$ 5,910,046	\$ 4,860,679

NOTE 7 – SPECIAL EVENTS

Income from the Foundation's annual Wine Auction, Pioneers & Purpose and DreamMakers events consisted of the following for the years ended December 31:

	2019	2018
Contributions and sponsorships	\$850,898	\$1,283,344
Less cost of direct donor benefit	(45,000)	(67,500)
	\$805,898	\$1,215,844

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 8 – PENSION PLANS/BENEFITS

During the fiscal years ended December 31, 2019 and 2018, SVEF accrued \$51,439 and \$52,528, 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.

NOTE 9 – 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:

	2019	2018
Total current financial assets:		
Cash and cash equivalents	\$ 1,309,188	\$ 1,798,167
Investments	1,706,422	1,833,432
Contributions and grants receivable	700,163	339,294
Total current financial assets	3,715,773	3,970,893
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions	(1,072,082)	(1,153,239)
Add back: non-current investments available for donor-specified expenditures in subsequent year(s)	306,841	39,523
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 2,950,532	\$ 2,857,177

NOTE 10 – 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.

NOTE 11 – COMMITMENTS

In May 2015, SVEF entered into a sixty-month lease for a document processor. The monthly minimum lease payments for the document processor are \$225.

In June 2018, SVEF entered into a three-year lease renewal agreement with The Sobrato Foundation for its office, commencing June 1, 2018 and expiring May 31, 2021. The lease is for 9,247 rentable square feet with a fair value of \$1.75 per square foot, totaling \$16,182 per month. The Sobrato Foundation has waived this monthly base rent during the term of this lease. 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, totaling \$5,919 per month (\$0.64 per square foot).

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

NOTE 11 – COMMITMENTS (Continued)

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.

The lease expense under these leases was \$78,772 for fiscal year ended December 31, 2019. Future minimum lease payments are as follows:

Fiscal Year Ending December 31	Annual Payment
2020	\$ 78,772
2021	36,214
2022	6,619
2023	6,619
2024	5,516
Total	<u>\$ 121,605</u>