

**SILICON VALLEY EDUCATION FOUNDATION  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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## **INTRODUCTORY SECTION**

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**SILICON VALLEY EDUCATION FOUNDATION**  
**Financial Statements**  
**For the Year Ended December 31, 2020**

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**SILICON VALLEY EDUCATION FOUNDATION  
BOARD OF DIRECTORS**

**DECEMBER 31, 2020**

**BOARD MEMBERS**

David House, Chairman

Ike Adeyemi

Tom Baker

Stasi Brown

Nancy Bush

Juan Cruz

Jared Darby

Cecile Galvez

Paul Humphries

Maria Martinez

Webb McKinney

Brandon Middleton

D. John Miller

Thuy Nguyen

Justin Prettyman

Faiyaz Shahpurwala

Faysal Sohail

Douglas Spreng

Marc Suidan

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, 2020, 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 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 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 opinion.

### *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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Maze & Associates*

Pleasant Hill, California  
March 19, 2021

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020**  
**WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2019**

	2020	2019
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents (Note 2C)	\$ 2,249,997	\$ 1,309,188
Investments (Note 3)	1,735,472	1,706,422
Contributions and grants receivable (Note 4)	621,949	700,163
Other current assets	9,159	9,283
Total Current Assets	4,616,577	3,725,056
Non Current Assets:		
Long-term investments (Note 3)	21,913	306,841
Property and equipment, net (Note 5)	163,714	74,992
Total Non Current Assets	185,627	381,833
<b>TOTAL ASSETS</b>	<b>\$ 4,802,204</b>	<b>\$ 4,106,889</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 46,746	\$ 83,887
Accrued expenses	331,538	324,802
Total Liabilities	378,284	408,689
Net Assets (Note 2I)		
Without donor restrictions:		
Undesignated	3,371,532	2,551,126
Invested in leasehold improvements, furniture and equipment	163,714	74,992
Total without donor restrictions	3,535,246	2,626,118
With donor restrictions (Note 6)	888,674	1,072,082
Total Net Assets	4,423,920	3,698,200
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,802,204</b>	<b>\$ 4,106,889</b>

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
<b>SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 1,391,276	\$ 2,859,316	\$ 4,250,592	\$ 4,017,653
Contribution of equipment and other in-kind contributions (Note 2J)		537,158	537,158	304,763
Net investment return (loss)	80,162		80,162	128,053
Special events, net (Note 7)	578,568		578,568	805,898
School fee income		1,605,772	1,605,772	1,776,137
Net assets released from restrictions (Note 6)	5,185,654	(5,185,654)		
<b>Total Support and Revenue</b>	<b>7,235,660</b>	<b>(183,408)</b>	<b>7,052,252</b>	<b>7,032,504</b>
<b>EXPENSES</b>				
Program services	5,135,109		5,135,109	5,719,914
Support services:				
Management and general	596,814		596,814	574,511
Fundraising	594,609		594,609	678,155
<b>Total Expenses</b>	<b>6,326,532</b>		<b>6,326,532</b>	<b>6,972,580</b>
Changes in net assets	909,128	(183,408)	725,720	59,924
Net assets at beginning of period	2,626,118	1,072,082	3,698,200	3,638,276
Net assets at end of period	\$ 3,535,246	\$ 888,674	\$ 4,423,920	\$ 3,698,200

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services	Management and General	Fundraising	Totals	
				2020	2019
FUNCTIONAL EXPENSES					
Salaries and wages	\$ 2,883,567	\$ 337,805	\$ 414,913	\$ 3,636,285	\$ 3,565,608
Other employee benefits	26,951	25,961	9,355	62,267	51,438
Payroll tax expense	267,429	18,509	34,930	320,868	307,545
Insurance	188,449	36,339	54,708	279,496	213,688
Conferences and travel	2,618	339	43	3,000	68,382
Transportation and mileage	59	53	-	112	7,020
Occupancy	275,986	5,703	5,573	287,262	269,914
Telecommunications	67,889	6,729	9,873	84,491	48,797
Office supplies and expense	-	77,154	-	77,154	62,423
Dues and memberships	17,805	9,406	5,948	33,159	34,274
Depreciation (Note 5)	4,827	16,825	1,313	22,965	25,584
Professional services	1,205,074	60,877	39,156	1,305,107	1,638,630
Program marketing and promotion	29,376	1,101	3,272	33,749	12,577
Program supplies and expenses	85,037	13	15,525	100,575	202,466
Grants	80,042	-	-	80,042	464,234
Total Functional Expenses	<u>\$ 5,135,109</u>	<u>\$ 596,814</u>	<u>\$ 594,609</u>	<u>\$ 6,326,532</u>	<u>\$ 6,972,580</u>

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	<u>\$ 725,720</u>	<u>\$ 59,924</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Noncash contributions	(111,687)	-
Depreciation expense	22,965	25,584
Net realized and unrealized loss (gain) on investments	(61,453)	(93,169)
Changes in operating assets and liabilities:		
Contributions and grants receivable	78,214	(360,869)
Prepaid expenses and other	124	1,518
Accounts payable	(37,141)	(23,738)
Accrued expenses	<u>6,736</u>	<u>(29,985)</u>
Total Adjustments	<u>(102,242)</u>	<u>(480,659)</u>
Net Cash Provided (Used) by Operating Activities	<u>623,478</u>	<u>(420,735)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase and reinvestment of investments	(196,614)	(797,181)
Redemption of investments	555,732	808,841
Net (reinvestment) of dividend and interest income	(41,787)	(58,799)
Purchase of fixed assets	<u>-</u>	<u>(21,105)</u>
Net Cash Provided (Used) by Investing Activities	<u>317,331</u>	<u>(68,244)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	940,809	(488,979)
Cash and cash equivalents, beginning of year	<u>1,309,188</u>	<u>1,798,167</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,249,997</u></u>	<u><u>\$ 1,309,188</u></u>
Supplemental information:		
The Foundation paid no taxes or interest during the fiscal years ended December 31, 2020 and 2019, respectively.		
Noncash investing activities:		
Donation of fixed assets	<u><u>\$ 111,687</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

**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] was developed during the COVID-19 pandemic as the school-year offering that leverages the summer program curriculum in an online environment.

**Computer Science Institute** – SVEF’s Computer Science Institute (“CSI”) program piloted in 2019, 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. Initially offered as a summer program, CSI is now also offered as a school-year program, virtually, as a result of the COVID-19 pandemic.

**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, 2020**

**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.
- School support, through our professional development for teachers and administrators.
- Financial support, through our partnership with Excite Credit Union to provide savings accounts to college-going seniors.

**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, artists in the classroom projects, field trips to museums, and to music, dance, and theater performances. In January 2002, this program was transferred to Silicon Valley Creates in its entirety for better mission alignment.

**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, 2020**

**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 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 \$2,249,997 and \$1,309,188 at December 31, 2020 and 2019, 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, 2020**

**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 \$537,158 and \$304,763 have been reflected in the accompanying financial statements as in-kind contributions for the years ended December 31, 2020 and 2019, 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, 2020 or 2019.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

**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, 2019, from which the summarized information was derived.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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

**Q. Subsequent Events**

SVEF evaluated subsequent events for recognition and disclosure through March 19, 2021, the date which these financial statements were available to be issued.

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% that matures 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 may qualify for forgiveness if SVEF uses the loan proceeds for forgivable purposes.

**NOTE 3 – INVESTMENTS**

Investments consist of the following as of December 31:

	Fair Value (Level 1)	
	2020	2019
<i>Investments:</i>		
U.S. Treasuries	\$ 315,343	\$ 594,005
Corporate Bonds	50,360	86,280
Certificates of Deposit	21,913	21,187
Equities	46,745	48,163
Bonds	21,304	20,654
Investment Pool with Silicon Valley Community Foundation	1,301,720	1,242,974
Sub-Totals	1,757,385	2,013,263
<i>Investments included in Cash Equivalents:</i>		
Money Market Funds	401,415	70,421
Totals	\$ 2,158,800	\$ 2,083,684

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, 2020, 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.

**SILICON VALLEY EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

**NOTE 3 – INVESTMENTS (Continued)**

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, 2020 and 2019, respectively.

Contributions receivable consisted of the following at December 31:

	2020	2019
Receivable in less than one year	\$ 621,949	\$ 700,163
Total contributions and grants receivable	\$ 621,949	\$ 700,163

**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, 2020**

**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, 2020	Additions	Balance December 31, 2020
Leasehold improvement	\$ 115,978	\$ -	\$ 115,978
Furniture and equipment	441,842	111,687	553,529
	<u>557,820</u>	<u>111,687</u>	<u>669,507</u>
Less accumulated depreciation	(482,828)	(22,965)	(505,793)
Fixed assets	<u>\$ 74,992</u>	<u>\$ 88,722</u>	<u>\$ 163,714</u>

Depreciation expense for the years ended December 31, 2020 and 2019 amounted to \$22,965 and \$25,584, 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:

	2020	2019
<i>Subject to expenditure for specified purpose:</i>		
Elevate [Math] programs	\$ 121,227	\$ 784,000
49ers STEM Leadership Institute	418,641	-
Computer science initiatives	166,832	150,000
Fiscal agent services	5,014	6,796
East Side Alliance initiatives	<u>176,960</u>	<u>131,286</u>
Total net assets with donor restrictions	<u>\$ 888,674</u>	<u>\$ 1,072,082</u>

**SILICON VALLEY EDUCATION FOUNDATION**  
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**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

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

Program	2020	2019
Elevate [Math] programs	\$ 2,898,410	\$ 2,832,627
49ers STEM Leadership Institute	1,045,782	1,350,028
Fiscal agent services	5,424	106,886
East Side Alliance initiatives	318,185	404,397
Teacher grants (ArtsEd Connect)	-	233,744
In-Kind rent	194,187	194,187
Other in-kind services	334,200	110,576
Computer science	326,966	421,220
iHub	-	210,000
All other	62,500	46,381
Total	<u>\$ 5,185,654</u>	<u>\$ 5,910,046</u>

**NOTE 7 – SPECIAL EVENTS**

Income from SVEF’s annual Wine Auction and DreamMakers events consisted of the following for the years ended December 31:

	2020	2019
Contributions and sponsorships	\$ 593,592	\$ 850,898
Less cost of direct donor benefit	<u>(15,024)</u>	<u>(45,000)</u>
Total	<u>\$ 578,568</u>	<u>\$ 805,898</u>

**NOTE 8 – PENSION PLANS/BENEFITS**

During the fiscal years ended December 31, 2020 and 2019, SVEF accrued \$62,267 and \$51,439, 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**  
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**NOTE 9 – PAYCHECK PROTECTION PROGRAM**

On April 30, 2020, SVEF received a \$350,000 loan from the U.S. Small Business Administration Paycheck Protection Program (PPP), with an interest rate of 1.0% set to mature on April 30, 2022. 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 provided 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, 2020, 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:

	2020	2019
Total current financial assets:		
Cash and cash equivalents	\$ 2,249,997	\$ 1,309,188
Investments	1,735,472	1,706,422
Contributions and grants receivable	621,949	700,163
Total current financial assets	4,607,418	3,715,773
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions	(888,674)	(1,072,082)
Add back: non-current investments available for donor-specified expenditures in subsequent year(s)	21,913	306,841
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 3,740,657	\$ 2,950,532

**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**  
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**NOTE 12 – COMMITMENTS**

In May 2015, SVEF entered into a sixty-month lease for a document processor. The monthly minimum lease payments for the document processor were \$225 and was terminated as of December 31, 2020.

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.

In November 2020, SVEF entered into a one-year lease agreement with The Sobrato Foundation for its office, commencing January 1, 2021. The lease 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 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). During fiscal year 2020, the Sobrato Foundation waived nine months of common area related expenses. As a result, SVEF has recorded the waived expenses as in-kind contributions.

The lease expense under these leases was \$25,501 for fiscal year ended December 31, 2020. Future minimum lease payments are as follows:

Fiscal Year Ending December 31	Annual Payment
2021	\$ 59,890
2022	6,619
2023	6,619
2024	5,516
Total	<u>\$ 78,644</u>

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