

**SILICON VALLEY EDUCATION FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INTRODUCTORY SECTION

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SILICON VALLEY EDUCATION FOUNDATION
Financial Statements
For the Year Ended December 31, 2023

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**SILICON VALLEY EDUCATION FOUNDATION
BOARD OF DIRECTORS**

DECEMBER 31, 2023

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
Coban Lopez
Cecil Mak
Maria Martinez
Brandon Middleton
D. John Miller
Thuy Nguyen
Justin Prettyman
Douglas Spreng
Marc Suidan
Tugba Yanaz
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

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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Pleasant Hill, California
March 13, 2024

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 2C)	\$ 1,446,111	\$ 2,370,655
Investments (Note 3)	2,852,143	1,838,386
Contributions and grants receivable (Note 4)	506,310	488,834
Other current assets	45,056	29,087
Total Current Assets	4,849,620	4,726,962
Non Current Assets:		
Long-term investments (Note 3)	1,057,762	1,108,669
Property and equipment, net (Note 5)	100,274	119,423
Total Non Current Assets	1,158,036	1,228,092
TOTAL ASSETS	\$ 6,007,656	\$ 5,955,054
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 113,517	\$ 122,570
Accrued expenses	260,437	502,818
Total Liabilities	373,954	625,388
Net Assets (Note 2I)		
Without donor restrictions:		
Undesignated	2,888,555	3,220,368
Invested in leasehold improvements, furniture and equipment	100,274	119,423
Total without donor restrictions	2,988,829	3,339,791
With donor restrictions (Note 6)	2,644,873	1,989,875
Total Net Assets	5,633,702	5,329,666
TOTAL LIABILITIES AND NET ASSETS	\$ 6,007,656	\$ 5,955,054

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
SUPPORT AND REVENUE				
Contributions and grants	\$ 411,551	\$ 5,050,820	\$ 5,462,371	\$ 4,096,530
Contribution of equipment and other in-kind contributions (Note 2J)	7,250	164,561	171,811	186,754
Net investment return (loss)	177,166	-	177,166	(22,382)
Special events, net (Note 7)	991,041	-	991,041	1,105,947
School fee income	-	1,736,824	1,736,824	2,839,045
Net assets released from restrictions (Note 6)	6,297,207	(6,297,207)	-	-
Total Support and Revenue	<u>7,884,215</u>	<u>654,998</u>	<u>8,539,213</u>	<u>8,205,894</u>
EXPENSES				
Program services	6,538,563	-	6,538,563	5,997,972
Support services:				
Management and general	727,624	-	727,624	722,434
Fundraising	968,990	-	968,990	789,059
Total Expenses	<u>8,235,177</u>	<u> </u>	<u>8,235,177</u>	<u>7,509,465</u>
Changes in net assets	(350,962)	654,998	304,036	696,429
Net assets at beginning of period	<u>3,339,791</u>	<u>1,989,875</u>	<u>5,329,666</u>	<u>4,633,237</u>
Net assets at end of period	<u>\$ 2,988,829</u>	<u>\$ 2,644,873</u>	<u>\$ 5,633,702</u>	<u>\$ 5,329,666</u>

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Totals	
				2023	2022
FUNCTIONAL EXPENSES					
Salaries and wages	\$ 3,793,418	\$ 380,365	\$ 480,853	\$ 4,654,636	\$ 4,858,932
Other employee benefits	19,627	26,659	24,584	70,870	41,199
Payroll tax expense	320,816	26,392	29,713	376,921	406,474
Insurance	230,335	30,461	41,533	302,329	276,054
Conferences and travel	20,772	671	4,626	26,069	9,918
Occupancy	287,852	26,454	30,591	344,897	266,078
Telecommunications	100,844	12,737	19,895	133,476	122,851
Office supplies and expense	-	127,963	-	127,963	89,180
Dues and memberships	14,198	5,983	4,667	24,848	30,382
Depreciation (Note 5)	15,552	24,125	5,290	44,967	42,953
Professional services	875,763	61,499	296,269	1,233,531	1,180,255
Contracted program services	525,191	-	-	525,191	-
Program costs and food	236,081	4,315	9,152	249,548	151,222
Facility rental	98,114	-	21,817	119,931	33,967
Total Functional Expenses	<u>\$ 6,538,563</u>	<u>\$ 727,624</u>	<u>\$ 968,990</u>	<u>\$ 8,235,177</u>	<u>\$ 7,509,465</u>

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	<u>\$ 304,036</u>	<u>\$ 696,429</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	44,967	42,953
Net realized and unrealized loss (gain) on investments	(151,320)	(22,554)
Changes in operating assets and liabilities:		
Contributions and grants receivable	(17,476)	143,336
Prepaid expenses and other	(15,969)	(13,179)
Accounts payable	(9,053)	56,579
Accrued expenses	<u>(242,381)</u>	<u>192,442</u>
Total Adjustments	<u>(391,232)</u>	<u>399,577</u>
Net Cash (Used) Provided by Operating Activities	<u>(87,196)</u>	<u>1,096,006</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase and reinvestment of investments	(2,972,206)	(1,989,228)
Redemption of investments	2,130,874	817,472
Purchase of equipment and software	(25,818)	(28,371)
Dividend and interest income	<u>29,802</u>	<u>4,510</u>
Net Cash (Used) by Investing Activities	<u>(837,348)</u>	<u>(1,195,617)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(924,544)	(99,611)
Cash and cash equivalents, beginning of year	<u>2,370,655</u>	<u>2,470,266</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,446,111</u></u>	<u><u>\$ 2,370,655</u></u>
Supplemental information:		
The Foundation paid no taxes or interest during the fiscal years ended December 31, 2023 and 2022, respectively.		
Noncash activities:		
Fair value of in-kind contributions received	<u><u>\$ 171,811</u></u>	<u><u>\$ 186,754</u></u>

See accompanying notes to financial statements

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

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]² 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, 2023

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, 2023

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 \$1,446,111 and \$2,370,655 at December 31, 2023 and 2022, 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, 2023

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, 2023

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, 2023, 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, 2023 and 2022 SVEF received the following in-kind contributions. These contributions are offset with corresponding expenses in the Statement of Functional Expense.

	2023	2022
Office space	\$ 144,241	\$ 166,434
Web and software licenses	20,320	20,320
Other	7,250	
	\$ 171,811	\$ 186,754

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, 2023 or 2022 respectively.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

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. *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, 2023, SVEF did not have any leases in excess of its established threshold.

SILICON VALLEY EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022, from which the summarized information was derived.

R. Subsequent Events

SVEF evaluated subsequent events for recognition and disclosure through March 13, 2024 the date which these financial statements were available to be issued. Management concluded that no material subsequent events occurred since December 31, 2023 that requires recognition or disclosure in such financial statements.

NOTE 3 – INVESTMENTS

Investments consist of the following as of December 31:

	2023	2022
<i>Short-Term Investments:</i>		
U.S. Treasuries	\$ 2,852,143	\$ 1,818,640
Certificates of Deposit	-	19,746
Sub-Totals	2,852,143	1,838,386
<i>Long-Term Investments:</i>		
U.S. Treasuries	1,057,762	1,108,669
Sub-Totals	1,057,762	1,108,669
<i>Investments included in Cash Equivalents:</i>		
Money Market Funds	23,348	34,878
Totals	\$ 3,933,253	\$ 2,981,933

The 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, 2023.

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, 2023

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, 2023 and 2022, respectively.

Contributions receivable consisted of the following at December 31:

	2023	2022
Receivable in less than one year	\$ 506,310	\$ 488,834
Receivable in one to five years	-	-
Total contributions and grants receivable	\$ 506,310	\$ 488,834

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, 2023	Additions	Balance December 31, 2023
Leasehold improvement	\$ 115,978	\$ -	\$ 115,978
Furniture and equipment	581,900	25,818	607,718
Sub-Total	697,878	25,818	723,696
Less accumulated depreciation	(578,455)	(44,967)	(623,422)
Fixed assets	\$ 119,423	\$ (19,149)	\$ 100,274

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$44,967 and \$42,953, respectively, and are included in the leasehold improvements, furniture and equipment and accumulated depreciation accounts.

SILICON VALLEY EDUCATION FOUNDATION
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NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
<i>Subject to expenditure for specified purpose:</i>		
Elevate [Math] programs	\$ 85,000	\$ 184,500
49ers STEM Leadership Institute	350,918	451,871
Computer science initiatives	178,000	411,000
East Side Alliance initiatives	96,483	65,895
East Side Education initiative	1,235,938	11,051
School2Home	698,534	831,511
Other	-	34,047
	<u>\$ 2,644,873</u>	<u>\$ 1,989,875</u>

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

Program	2023	2022
Elevate [Math] programs	\$ 2,197,292	\$ 2,957,817
49ers STEM Leadership Institute	1,268,910	1,183,819
Fiscal agent services	-	10,480
East Side Alliance initiatives	64,227	129,805
East Side Education initiative	1,296,718	138,949
In-Kind rent	144,241	194,187
Other in-kind services	20,320	20,058
Computer science	557,475	742,222
School2Home	703,977	228,489
All other	44,047	15,953
	<u>\$ 6,297,207</u>	<u>\$ 5,621,779</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:

	2023	2022
Contributions and sponsorships	\$ 1,042,161	\$ 1,119,486
Less cost of direct donor benefit	<u>(51,120)</u>	<u>(13,539)</u>
	<u>\$ 991,041</u>	<u>\$ 1,105,947</u>

SILICON VALLEY EDUCATION FOUNDATION
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NOTE 8 – PENSION PLANS/BENEFITS

During the fiscal years ended December 31, 2023 and 2022, SVEF accrued \$70,870 and \$41,199, 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:

	2023	2022
Total current financial assets:		
Cash and cash equivalents	\$ 1,446,111	\$ 2,370,655
Investments	2,852,143	1,838,386
Contributions and grants receivable	506,310	488,834
Total current financial assets	4,804,564	4,697,875
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions	(2,644,873)	(1,989,875)
Add back: non-current investments available for donor-specified expenditures in subsequent year(s)	1,057,762	1,108,669
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 3,217,453	\$ 3,816,669

As part of SVEF’s policy, cash in excess of daily requirements is invested in U.S. Treasuries and money market funds. In addition, donor-imposed restrictions are released once cash has been used for the intended purpose or meet the criteria to be released during the year.

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.

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NOTE 11 – 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 \$6,619 for fiscal year ended December 31, 2023. The Foundation does not intend to renew the lease at the end of its term. Future minimum lease payments are as follows:

Fiscal Year Ending December 31	Annual Payment
2024	\$ 5,516
Total	\$ 5,516

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 \$1.30 per square foot, totaling \$12,020 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, 2024, the rate for these expenses is \$6,289 per month.

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