SILICON VALLEY CREATES

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 and 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Silicon Valley Creates
San Jose, California

Opinion

We have audited the financial statements of Silicon Valley Creates (a California non-profit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Silicon Valley Creates as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are required to be independent of Silicon Valley Creates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Silicon Valley Creates' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Silicon Valley Creates' 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 Silicon Valley Creates' 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.

Abbott, Stringham & Lynch

October 28, 2025

SILICON VALLEY CREATES

STATEMENTS OF FINANCIAL POSITION

Assets

	June 30, 2025	June 30, 2024
Current assets:		
Cash and cash equivalents	$ 633,768	$ 463,755
Cash held for grant reserve	52,855	51,758
Certificate of deposit	-	300,000
Investments designated for operating reserves	655,378	603,998
Accounts receivable	800	148,121
Grants receivable	1,151,611	1,098,452
Prepaid expenses	3,980	12,093
Total current assets	2,498,392	2,678,177
Property and equipment, net of accumulated depreciation	7,134	11,159
Endowment investments	1,053,950	1,001,091
Operating lease right-of-use asset	14,241	47,399
Security deposit	8,871	9,371
	$ 3,582,588	$ 3,747,197

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$ 13,727	$ 1,927
Accrued liabilities	105,007	83,474
Deferred revenue	13,889	15,349
Operating lease liability	14,682	33,762
Total current liabilities	147,305	134,512
Operating lease liability, net of current portion	-	14,682
Net assets:		
Without donor restrictions	751,784	857,202
With donor restrictions:		
Restricted for specified purpose	1,384,307	1,411,692
Restricted to passage of time	245,242	328,018
Accumulated endowment gains	76,000	23,141
Endowment assets held in perpetuity	977,950	977,950
Total net assets with donor restrictions	2,683,499	2,740,801
Total net assets	3,435,283	3,598,003
	$ 3,582,588	$ 3,747,197

SILICON VALLEY CREATES

STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Grants and contributions	$ 485,777	$ 1,767,740	$ 2,253,517	$ 308,951	$ 1,419,644	$ 1,728,595
Fees and service contracts	81,018	-	81,018	116,598	-	116,598
Contributions in-kind	120,000	-	120,000	122,720	-	122,720
Net investment income	76,214	118,655	194,869	94,582	136,217	230,799
Net assets released from restrictions	1,943,697	(1,943,697)	-	2,432,053	(2,432,053)	-
Total support and revenue	2,706,706	(57,302)	2,649,404	3,074,904	(876,192)	2,198,712
Functional Expenses:						
Program services	2,274,953	-	2,274,953	2,492,291	-	2,492,291
Management and general	421,228	-	421,228	432,018	-	432,018
Fundraising	115,943	-	115,943	131,330	-	131,330
Total functional expenses	2,812,124	-	2,812,124	3,055,639	-	3,055,639
Change in net assets	(105,418)	(57,302)	(162,720)	19,265	(876,192)	(856,927)
Net assets, beginning of year	857,202	2,740,801	3,598,003	837,937	3,616,993	4,454,930
Net assets, end of year	$ 751,784	$ 2,683,499	$ 3,435,283	$ 857,202	$ 2,740,801	$ 3,598,003

See accompanying independent auditor's report and notes to financial statements.

SILICON VALLEY CREATES

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended June 30, 2025				Year Ended June 30, 2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel expenses:								
Salaries	$ 444,744	$ 139,601	$ 80,110	$ 664,455	$ 430,939	$ 192,280	$ 83,992	$ 707,211
Employee benefits	69,560	20,238	8,589	98,387	59,872	26,846	3,255	89,973
Payroll taxes	34,839	10,661	5,657	51,157	31,644	14,390	5,195	51,229
Total personnel expenses	549,143	170,500	94,356	813,999	522,455	233,516	92,442	848,413
Grant and contract expense	1,077,822	-	-	1,077,822	1,312,436	-	-	1,312,436
Professional services	345,179	172,082	1,640	518,901	391,426	88,989	18,628	499,043
Donated rent and legal services	74,400	34,800	10,800	120,000	67,200	44,720	10,800	122,720
Conferences and meetings	73,911	3,598	-	77,509	54,688	13,546	-	68,234
Printing and publications	63,616	100	-	63,716	51,269	131	29	51,429
Occupancy	35,033	16,406	5,135	56,574	33,170	19,660	4,561	57,391
Miscellaneous	17,780	2,890	755	21,425	22,898	10,497	776	34,171
Insurance	6,252	8,506	916	15,674	4,973	7,176	680	12,829
Telephone	6,497	2,318	931	9,746	4,030	4,174	2,235	10,439
Depreciation	4,602	2,155	675	7,432	3,921	2,233	531	6,685
Membership dues	5,709	1,048	-	6,757	7,996	835	-	8,831
Postage and shipping	6,307	65	19	6,391	3,266	80	19	3,365
Bank fees	1,097	4,627	225	5,949	684	4,169	154	5,007
Supplies	3,747	1,597	491	5,835	7,530	2,003	468	10,001
Training	2,449	19	-	2,468	1,175	-	-	1,175
Advertising	1,409	517	-	1,926	3,018	258	-	3,276
Equipment maintenance and rent	-	-	-	-	156	31	7	194
Total expenses	$ 2,274,953	$ 421,228	$ 115,943	$ 2,812,124	$ 2,492,291	$ 432,018	$ 131,330	$ 3,055,639
Percentage of total	81%	15%	4%	100%	82%	14%	4%	100%

See accompanying independent auditor's report and notes to financial statements.

SILICON VALLEY CREATES

STATEMENTS OF CASH FLOWS

	Year Ended June 30, 2025	Year Ended June 30, 2024
Cash flows from operating activities:		
Change in net assets	$ (162,720)	$ (856,927)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	7,432	6,685
Non-cash operating lease expense	34,425	34,425
Net realized and unrealized gain on investments	(135,402)	(154,933)
Changes in operating assets and liabilities:		
Accounts receivable	147,321	(34,520)
Grants receivable	(53,159)	295,272
Prepaid expenses	8,113	6,890
Security deposit	500	(500)
Accounts payable	11,800	(8,802)
Grants payable	-	(425,000)
Accrued liabilities	21,533	1,540
Deferred revenue	(1,460)	2,997
Operating lease liability	(35,029)	(33,940)
Net cash used in operating activities	(156,646)	(1,166,813)
Cash flows from investing activities:		
Proceeds from sale of investments	172,948	216,197
Purchases of investments	(141,785)	(195,879)
Proceeds from certificate of deposit	300,000	300,000
Purchase of property and equipment	(3,407)	(3,611)
Net cash provided by investing activities	327,756	316,707
Net increase (decrease) in cash and cash equivalents	171,110	(850,106)
Cash and cash equivalents, beginning of year	515,513	1,365,619
Cash and cash equivalents, end of year	$ 686,623	$ 515,513
Reconciliation of cash and cash equivalents at end of year:		
Cash and cash equivalents	$ 633,768	$ 463,755
Cash held for grant reserve	52,855	51,758
Cash and cash equivalents at end of year	$ 686,623	$ 515,513

SILICON VALLEY CREATES

Notes to Financial Statements

June 30, 2025 and 2024

Note 1 - Nature of operations

Silicon Valley Creates (the "Organization") envisions a vibrant community fueled by a dynamic and diverse arts and culture ecosystem that: 1) has the power to heal, transform lives and drive social change; 2) connects us to our heritage, humanity and each other; 3) helps shape and define our community; 4) fuels creativity, innovation and self-expression; and 5) is vital to our social and economic well-being and integral to the healthy development of our children.

The mission of the Organization is to elevate Silicon Valley's creative culture through programs and initiatives that build the capacity of our arts and culture ecosystem, raise the value, visibility, and voice of our creative sector, and increase access to arts and creativity.

As venture culturists, the Organization's role is that of resource builder, investor, incubator, and steward of Silicon Valley's unique arts ecosystem. The Organization primarily serves Santa Clara County arts organizations and secondarily serves Silicon Valley's larger ecosystem of creative talent, opinion leaders, and consumers of the arts.

Note 2 - Program services

Silicon Valley Creates has a series of mission-aligned programs and initiatives that build the capacity of the creative sector, raise its value and visibility, and increase access to arts and creativity.

The Organization builds the creative sector's capacity by: 1) providing grants, workshops, and management tools to local arts organizations and artists; 2) nurturing the next generation of leaders through programs such as SVMindshare and genARTS; 3) conducting research studies of relevance to civic and arts leaders; and 4) championing and supporting the development of below market space solutions for the arts.

The Organization raises the visibility and voice of the creative sector by: 1) publishing Content Magazine; 2) promoting arts and cultural events through social media; 3) showcasing local artists through the Artist Laureate and Poet Laureate programs; 4) convening Pick Up Parties and 5) playing an active leadership role in advocating for arts public policy and funding.

The Organization increases access to arts and creativity by: 1) delivering art classes in court and community schools through the Studio program; 2) connecting teachers to arts education offerings through ArtsEdConnect; 3) providing Arts Access Grants to organizations serving high need communities; and 4) coordinating the national Poetry Out Loud program in Santa Clara County.

Note 3 - Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Note 3 - Summary of significant accounting policies (continued)

Financial statement presentation

Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

> *Without donor restrictions* - net assets that are not subject to donor-imposed restrictions. Includes the Operating Fund (undesignated) and reserves designated by the Board of Directors for specific purposes. These funds record the net assets over which the Board of Directors has discretionary control, and which are used to carry out operations of the Organization in accordance with its bylaws.
>
> *With donor restrictions* - net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Includes resources currently available for use, but expendable only for those operating purposes specified by the donor or funding source. Resources of this fund originate from gifts, grants, and bequests. Also included in this category are the endowment funds, which consist of gifts and bequests accepted with the donor stipulation that the principal be restricted in perpetuity. Investment income from these assets is recorded within this category until appropriated for expenditure by the Organization.

Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these financial statements include the allowance for doubtful grants receivable, allowance for credit losses, the fair market value of investments held, and functional expense allocations. It is at least reasonably possible that the significant estimates used will change within the next year.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less, and exclude amounts designated for long-term purposes. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Cash held for grant reserve

In 2023, the Organization established a Board designated grant reserve with the intention of building a reserve fund to supplement annual grantmaking in future years when external circumstances, lack of available funding or other situational occurrences might indicate a supplement is warranted. Additions and withdrawals from this reserve fund are at the discretion of the Organization’s Board of Directors.

Note 3 - Summary of significant accounting policies (continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Fair value measurements

The Organization measures and discloses fair value measurements as required by the Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, the FASB establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value. The three-tiers are defined as follows:

> Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The Organization's valuation methodology for Level 1 is based upon quoted market prices. Inputs are obtained from various sources including market participants, dealers, brokers, and financial institutions.
>
> Level 2 - inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
>
> Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurements.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Accounts receivable and allowance for credit losses

The Organization measures and records credit losses in accordance with FASB ASC Topic 326*, Financial Instruments - Credit Losses*. The standard was adopted on July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures.

Accounts receivable consist primarily of amounts billed for services provided and are stated at the amounts management expects to collect on outstanding balances. The Organization extends unsecured credit in the ordinary course of operations and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on management's assessment of the status of individual accounts. Balances that are still outstanding after management has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Note 3 - Summary of significant accounting policies (continued)

Accounts receivable and allowance for credit losses (continued)

The allowance estimate is derived from a review of the Organization's historical losses and is adjusted for management assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's customer base has remained consistent in the past years. Management has determined the allowance for credit losses was immaterial at June 30, 2025 and 2024.

Grants receivable

The Organization records grants receivable when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Unconditional promises to give that are expected to be collected in future years are recognized at fair value based on discounted cash flows. The discount on these amounts is computed using the rate applicable in the year the promises were received. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the original contribution. The Organization did not have any long-term grants receivable at June 30, 2025 and 2024.

The Organization records an allowance for doubtful contributed support receivables based on specifically identified amounts that it believes are uncertain as to collectability. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. At June 30, 2025 and 2024, the Organization did not record a provision for uncollectible grants receivables.

Grants payable

Grants are recognized as an expense when all significant conditions are met by grantees, all due diligence has been completed, and they are approved by staff or board committee. Conditional grants are expensed and considered payable only in the period the conditions are substantially satisfied.

Revenue recognition and deferred revenue

Service and fee contracts - Revenue from service and fee contracts is recognized when promised services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those services by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligation in the contract(s)
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenue when, or as, the Organization satisfies a performance obligation.

Note 3 - Summary of significant accounting policies (continued)

Revenue recognition and deferred revenue (continued)

The Organization enters into contracts where it is obligated to deliver multiple products and/or services (multiple performance obligations). In these contracts, the total transaction price for the contract is allocated to each performance obligation based on a relative standalone selling price. The Organization determines the standalone selling price using the adjusted market method. The service and fee revenue is recognized during the period in which services are performed.

All service and fee revenue is derived from services delivered in Silicon Valley. All of these revenue streams are short-term in nature and do not have any significant financing components as payments are generally received shortly after the services are provided.

Contract liabilities

Contract liabilities (deferred revenue) represent amounts received in advance for which the services have not yet been performed.

The following represents the Organization's opening and ending balances of accounts receivable and contract liabilities (deferred revenue):

	July 1, 2023	June 30, 2024	June 30, 2025
Accounts receivable	$ 113,601	$ 148,121	$ 800
Contract liability (deferred revenue)	$ 12,352	$ 15,349	$ 13,889

Grants and contributions and contributions in-kind

Grants and contributions are recognized when the donor makes a pledge to give, that is, in substance, an unconditional promise. Grants and contributions are recorded as with or without donor restrictions depending upon donor restrictions, if any. Restricted grants and contributions are reported as increases in net assets with donor restrictions. When the restriction is met the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions.

Contributions in-kind are recognized when received. Donated equipment and other goods are recorded at their estimated fair market value as of the date of the donation. Contributed professional services are recognized if the services received a) create or enhance long-lived assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation and are recorded at the estimated fair market value at the time the services are rendered. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses, or in the case of long-term assets, over the period benefited.

Note 3 - Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over $1,000 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is charged to the activity benefiting from the use of the property or equipment. Depreciation is computed using the straight-line method over the estimated useful lives of the underlying assets as follows:

Furniture and equipment	3 - 7 years

Expense allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Indirect expense allocations are based on salary expense. The allocation methodology is reviewed annually.

Advertising

The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expenses for the years ended June 30, 2025 and 2024 were $1,926 and $3,276 respectively.

Income taxes

The Organization is a nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is exempt from state tax under State of California Revenue and Taxation Code Section 23701(d). Only unrelated business income is subject to federal and state income tax. Since all the Organization's income is related to its exempt purpose, no provision for income taxes has been made in the accompanying financial statements.

The Organization has adopted the accounting standard related to uncertainties in income taxes. The Organization evaluates uncertain tax positions through its review of the source of revenue to identify unrelated business income and certain other matters, including those which may affect its tax-exempt status. Management believes their estimates related to income tax uncertainties are appropriate based on the current facts and circumstances.

The Organization’s federal Returns of Organization Exempt from Income Tax (Form 990) for years ended June 30, 2022 and after are subject to examination by the IRS, generally for three years after they are filed. The Organization’s state returns (Form 199) for the years ended June 30, 2021 and after could be subject to examination by state (California) taxing authorities, generally for four years after they are filed.

Note 3 - Summary of significant accounting policies (continued)

Leases

The Organization measures and records lease transactions using FASB ASC Topic 842, *Leases*.

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the statements of financial position. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, management uses the risk free interest rate based on the information available at the commencement date in determining the present value of the lease payments. The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Subsequent events

In preparing its financial statements, the Organization has evaluated subsequent events through October 28, 2025 which is the date the financial statements were available to be issued.

Note 4 - Liquidity and availability of resources

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditure within one year from these dates. Financial assets are considered to be unavailable when illiquid or not readily convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

	June 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	$ 686,623	$ 515,513
Certificate of deposit	-	300,000
Investments designated for operating reserves	655,378	603,998
Accounts receivable	800	148,121
Grants receivable	1,151,611	1,098,452
Endowment investments	1,053,950	1,001,091
Financial assets	3,548,362	3,667,175
Less: amounts unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Accounts payable and accrued liabilities	(118,734)	(85,401)
Restricted for a specific purpose	(1,384,307)	(1,411,692)
Endowment assets held in perpetuity	(977,950)	(977,950)
Accumulated endowment gains	(76,000)	(23,141)
	(2,556,991)	(2,498,184)
Total financial assets and liquidity resources available within one year	$ 991,371	$ 1,168,991

Note 5 - Property and equipment

Property and equipment consisted of the following:

	June 30, 2025	June 30, 2024
Furniture and equipment	$ 24,394	$ 20,987
Less: accumulated depreciation	(17,260)	(9,828)
	$ 7,134	$ 11,159

Depreciation expense for the years ended June 30, 2025 and 2024 was $7,432 and $6,685, respectively.

Note 6 - Investments and fair value measurement

Investments consisted of the following:

	June 30, 2025	June 30, 2024
Investments desginated for operating reserves	$ 655,378	$ 603,998
Endowment investments	1,053,950	1,001,091
	$ 1,709,328	$ 1,605,089

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2025 and 2024:

	Assets at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Fair Value
Cash held for investments	$ 120,054	$ -	$ -	$ 120,054
Money market funds	111,111	-	-	111,111
Fixed income	109,655	-	-	109,655
Exchange-traded funds	1,368,508	-	-	1,368,508
	$ 1,709,328	$ -	$ -	$ 1,709,328

Note 6 - Investments and fair value measurement (continued)

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Fair Value
Money market funds	$ 119,982	$ -	$ -	$ 119,982
Equity funds	76,217	-	-	76,217
Bond funds	46,583	-	-	46,583
Fixed income	56,681	-	-	56,681
Exchange-traded funds	1,305,626	-	-	1,305,626
	$ 1,605,089	$ -	$ -	$ 1,605,089

Note 7 - Accrued liabilities

Accrued liabilities consisted of the following:

	June 30,	
	2025	2024
Vacation	$ 35,014	$ 45,778
Payroll and related expenses	4,985	3,947
Fiscal sponsorship	39,860	30,985
Other	25,148	2,764
	$ 105,007	$ 83,474

Note 8 - Net assets with donor restrictions

Net assets with donor restrictions consisted of the following:

	June 30,	
	2025	2024
Community grants program	$ 1,384,307	$ 1,411,692
Endowment investments held in perpetuity	977,950	977,950
General operating support in future periods	245,242	328,018
Accumulated endowment gains	76,000	23,141
	$ 2,683,499	$ 2,740,801

Note 8 - Net assets with donor restrictions (continued)

Net assets released from donor restrictions by incurring expenses satisfying donor restricted purposes or by the passage of time are as follows:

	June 30,	
	2025	2024
Community grants program	$ 1,549,883	$ 1,926,126
General operating support released from time restriction	328,018	455,309
Appropriations of endowment funds	65,796	50,618
	$ 1,943,697	$ 2,432,053

Note 9 - Endowment

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Directors of the Organization has interpreted the California version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the California version of UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Note 9 - Endowment (continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the permanent value of the endowed funds. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions.

As a result of market gains, there were no endowment funds with deficiencies at June 30, 2025 and 2024.

Return objectives and risk parameters

The Organization has adopted investment policies for endowment assets to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Organization.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy

For the purpose of making distributions, the fund shall make use of a total-return-based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of investments.

The Board may, at its discretion, authorize disbursement each year up to 7% of the fair market value (determined on the average fair market value of the prior 12 quarters through the fiscal year preceding the fiscal year in which the distribution is planned) from donor-restricted endowment funds. In the event that income from a donor-restricted endowment fund exceeds 5% in any given year, the Board shall have the discretion whether to appropriate for expenditure such excess up to an amount not to exceed seven percent (7%) of the donor-restricted endowment fund's average fair market value of the prior 12 quarters as described above. For the purposes of this paragraph the term "income" shall include, but not be limited to interest, dividends, and appreciation of assets within the donor-restricted endowment fund. The Board may also at its discretion authorize appropriations above the 7% if special circumstances arise. However, no appropriation should impair the fair value of the original gift. The provisions herein shall at all times be subject to the donor's restrictions, unless modified as provided in UPMIFA, and shall at all times be subject to the prudence standards of UPMIFA. The Organization’s investment committee will review its spending assumptions annually for the purpose of deciding whether any changes require amending the fund's spending policy, its target asset allocation, or both.

Note 9 - Endowment (continued)

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor-restricted amount required to be held in perpetuity	$ -	$ 977,950	$ 977,950
Accumulated endowment gains	-	76,000	76,000
	$ -	$ 1,053,950	$ 1,053,950

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor-restricted amount required to be held in perpetuity	$ -	$ 977,950	$ 977,950
Accumulated endowment gains	-	23,141	23,141
	$ -	$ 1,001,091	$ 1,001,091

Changes in endowment net assets for the fiscal year ended June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2024	$ -	$ 1,001,091	$ 1,001,091
Investment return			
Interest and dividends	-	24,233	24,233
Net realized and unrealized gain	-	102,010	102,010
Investment fees	-	(7,588)	(7,588)
Appropriations	-	(65,796)	(65,796)
Balance, June 30, 2025	$ -	$ 1,053,950	$ 1,053,950

Note 9 - Endowment (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2023	$ -	$ 915,492	$ 915,492
Investment return			
Interest and dividends	-	19,708	19,708
Net realized and unrealized gain	-	123,571	123,571
Investment fees	-	(7,062)	(7,062)
Appropriations	-	(50,618)	(50,618)
Balance, June 30, 2024	$ -	$ 1,001,091	$ 1,001,091

Note 10 - Contributions in-kind

The following table summarizes the categories of contributed non-financial assets and other required qualitative disclosures:

	Utilization in Programs/Activities	Valuation Techniques and Inputs	Revenue Recognized Year ended June 30, 2025	2024
Donated rent	Program support	Valuation is provided annually by the donor and is based on comparable rental prices in San Jose Bay Area real estate market.	$ 120,000	$ 120,000
Legal services	Operations	Valuation is provided by the legal institution based on attorney rates.	-	2,720
			$ 120,000	$ 122,720

Note 11 - Pro-bono support provided to other arts groups

In addition to direct grants, the Organization provides pro-bono promotional support to local arts organizations by providing free promotional space in the Organization's magazine, called Content Magazine. This promotional support is not reported in the financial statements since it does not meet the criteria for recognition. During the year ended June 30, 2025, the total estimated pro-bono support provided was valued at $73,710. There was no pro-bono support provided during the year ended June 30, 2024.

Note 12 - Leases

On July 24, 2019, the Organization entered into a lease agreement for its office space in San Jose, California, commencing on August 27, 2019, and ending on August 31, 2020, after which the lease became monthly. The base rent is recognized as in-kind revenue and expense, which amounted to a total of $120,000 for both June 30, 2025 and 2024.

In January 2023, the Organization entered into an agreement to assume the remaining lease of another entity. The remaining term of the lease is for 35 months and expires in November 2025. Monthly lease payments are $2,959 and $2,866 for the years ended June 30, 2025 and 2024. During September of 2025 the Organization entered into an amendment to extend the lease until November 2028.

Rental expense, other than in-kind rent, for the years ended June 30, 2025 and 2024 was $56,574 and $57,391 respectively, which includes the Organization's portion of utilities, janitorial services and other operating expenses of the property.

Other information related to the operating lease (excluding the in-kind lease) are as follows:

	June 30, 2025	June 30, 2024
Operating cash flows from operating leases	$ 35,029	$ 33,940
Weighted-average remaining lease term in years for operating leases	0.42	1.42
Weighted-average discount rate for operating leases	4.18%	4.18%

Future minimum lease payments are as follows:

For the Years Ending June 30,	Amount
2026	$ 14,784
Total undiscounted cash flows	14,784
Less: present value discount	(102)
Total operating lease liability	14,682
Less: current portion of operating lease liability	-
	$ 14,682

Note 13 - Retirement plan

The Organization has a defined contribution plan for all full-time employees who have completed one year of service and all part-time employees who have completed 1,000 hours of service. Benefit payments are calculated based on the employees' compensation. The funding policy of the Organization is to make monthly contributions. Employer contributions totaling $29,963 and $32,158 were made for the year ended June 30, 2025 and 2024, respectively.

Note 14 - Contingencies

Grants and contracts awarded to the Organization are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged and are subject to audit under such terms, regulations, and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs.

Management does not anticipate any material questioned costs for the contracts and grants administered during the period. The Organization would be responsible for the absorption of any over-expenditure of its restricted grants which cannot be covered by additional grant funds or contributions from other sources.

Note 15 - Concentrations

Silicon Valley Creates relies on funding received from the County of Santa Clara Transient Occupancy Tax (“TOT”). The voters in Santa Clara County by Measure A, ratified in 1988, directed TOT funds to promote art and culture in the county. Guests generate this tax when staying in hotels in the unincorporated areas of the county. Nationally and in California, these funds support local art and culture. For the years ended June 30, 2025 and 2024, funding received as a result of TOT revenue consisted of 30% and 43% of total support and revenue, respectively.

The Organization had grants and contributions revenue from one donor representing 36% of the total grants and contributions revenue for the year ended June 30, 2025. The Organization had grants receivable from two donors representing 100% at June 30, 2025.

The Organization had grants and contributions revenue from one donor representing 55% of the total grants and contributions revenue for the year ended June 30, 2024. The Organization had grants receivable from two donors representing 96% at June 30, 2024.

Note 16 - Arts partners endowment fund trust

Silicon Valley Creates (formerly Arts Council Silicon Valley) is the recipient of investment earnings on approximately $500,000 of endowment funds held in trust by the Arts Partners Endowment Fund as of June 30, 2025 and 2024. These funds are not reflected in the accompanying statements of financial position, as the Organization does not exercise control over these monies. The trust was established with funds from the National Endowment for the Arts, the Community Foundation, the David and Lucile Packard Foundation, the William and Flora Hewlett Foundation and other contributors. During the years ended June 30, 2025 and 2024, distributions received of these funds totaled $32,478 and $33,213, respectively, and were reported as grants and contributions in the statements of activities.

Note 17 - Related party transactions

The Organization received $19,175 and $5,200 in contributions from members of the Board of Directors for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, there were no outstanding contributions receivable from members of the Board of Directors.

Note 18 - Risks and uncertainties

Various uncertainties exist in the current global, economic, and political environment. Domestic and international economies continue to face uncertainty related to geopolitical tensions, economic instability and changes in international trade policies, including the imposition of new tariffs. The extent of the impact of these uncertainties on the Organization's operational and financial performance and on its employees and vendors, many of which are exposed to foreign activities, will depend on future developments that cannot be predicted. At this point, the extent to which such uncertainties may impact the Organization's financial condition or results of operations is uncertain.