Sunlight Giving
Financial Statements
December 31, 2022

Frank, Rimerman + Co. LLP

Board of Directors
Sunlight Giving
Palo Alto, California

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Sunlight Giving (the Foundation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the change 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe 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 within one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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.

Frank, Rimerman & Co. LLP

San Jose, California
October 12, 2023

Sunlight Giving
Statement of Financial Position
December 31, 2022

ASSETS	
Cash and Cash Equivalents	$ 11,055,684
Investment Income Receivable	337,941
Investments, at fair value	441,726,612
Prepaid Expenses and Other Assets, net	305,754
Total assets	$ 453,425,991
LIABILITIES AND NET ASSETS	
Accrued Expenses and Accounts Payable	$ 432,548
Grants Payable, net	16,909,924
Deferred Federal Excise Tax	482,512
Total liabilities	17,824,984
Commitments (Notes 4, 5 and 6)	
Net Assets Without Donor Restrictions	435,601,007
Total liabilities and net assets	$ 453,425,991

See Notes to Financial Statements

Sunlight Giving
Statement of Activities and Change in Net Assets
Year Ended December 31, 2022

Support and Investment Return (Loss)	
Contributed cash and other financial assets	$ 11,210,000
Net realized and unrealized gains (losses) on investments	(64,272,668)
Interest and dividends	5,427,715
Total support and investment return (loss), net	(47,634,953)
Expenses	
Program services:	
Charitable grants	27,840,970
Salaries and benefits	1,062,685
Professional fees	138,334
Other business	157,745
Total program services	29,199,734
Support services:	
Salaries and benefits	638,428
Professional services	550,802
Travel related expenses	17,108
Excise and other taxes	260,123
Other	122,327
Total support services	1,588,788
Total expenses	30,788,522
Change in Net Assets	(78,423,475)
Net Assets Without Donor Restrictions, December 31, 2021	514,024,482
Net Assets Without Donor Restrictions, December 31, 2022	$ 435,601,007

Sunlight Giving
Statement of Cash Flows
Year Ended December 31, 2022

Cash Flows from Operating Activities	
Change in net assets	$ (78,423,475)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net realized and unrealized gains on investments	64,272,668
Discount on long term grants payable	91,995
Changes in operating assets and liabilities:	
Investment income receivable	174,565
Prepaid expenses and other assets, net	(104,154)
Accrued expenses and accounts payable	(67,485)
Grants payable	1,178,510
Capital calls payable	(4,167,464)
Deferred federal excise tax	(977,685)
Net cash used in operating activities	(26,748,275)
Cash Flows from Investing Activities	
Proceeds from sale of investments	161,817,978
Purchase of investments	(159,750,751)
Distributions from investments	20,952,566
Net cash provided by investing activities	23,019,793
Net decrease in cash and cash equivalents	(3,728,482)
Cash and Cash Equivalents, December 31, 2021	14,784,166
Cash and Cash Equivalents, December 31, 2022	$ 11,055,684

Supplemental Disclosure of Cash Flow Information	
Cash paid for excise taxes	$ 1,375,272

See Notes to Financial Statements

1. Organization

Sunlight Giving (the Foundation) is a non-profit private foundation founded in September 2014 by Tegan and Brian Acton (Founders). Sunlight Giving seeks to build vibrant, diverse, and safe communities where all families have access to stable shelter, food security, quality health care, joy, and opportunity. The Foundation is dedicated to supporting not-for-profit organizations to help ensure young children and their families living in poverty in greater Silicon Valley have access to the resources they need to thrive. The Foundation's geographic footprint includes the following California counties: Alameda, Contra Costa, Merced, Monterey, San Benito, San Joaquin, San Mateo, Santa Clara, Santa Cruz, and Stanislaus. The Foundation also makes select grants to state and national advocacy efforts on behalf of its programs' areas of focus.

2. Significant Accounting Policies

Basis of Presentation:

The Foundation prepares its financial statements in accordance with accounting standards for not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America (US GAAP). The standards require not-for-profit organizations to segregate assets, liabilities and operations into two categories: without donor restrictions and with donor restrictions. Net assets without donor restrictions consist of net assets for which there are no donor-imposed restrictions. Net assets with donor restrictions consist of amounts restricted by the donor for specific purposes or for subsequent periods. The Foundation's net assets are without donor restrictions at December 31, 2022.

Contributed Cash and Other Financial Assets:

The Foundation records contributions and promises to give, in accordance with accounting standards for not-for-profit organizations. US GAAP requires contributions received, including unconditional promises to give (pledges), are to be recognized as support revenue in the period the pledge is made. The standards also require not-for-profit organizations to distinguish between contributions received that increase net assets without donor restrictions and net assets with donor restrictions, with recognition being made of expiration of donor-imposed restrictions in the period in which the restrictions expire. Historically, all contributions and promises to give received by the Foundation have been without donor restrictions.

2. Significant Accounting Policies (continued)

Contributed Nonfinancial Assets:

Effective January 1, 2022, the Foundation adopted the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-For Profit Entities for Contributed Nonfinancial Assets.* ASU 2020-07 requires contributions from donors be reported on the statement of activities as either contributions of cash and other financial assets or nonfinancial assets. The ASU requires not-for-profit entities to provide details as to the types of nonfinancial assets received, any donor-imposed restrictions on the assets, whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, the entity's accounting policy for monetizing the assets instead of utilizing the assets, and a description of the valuation techniques and inputs used to arrive at a fair value measurement for the donated assets under FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement* (Topic 820), at initial recognition. There were no material contributed nonfinancial assets in 2022.

Donated Services:

Donated services are recognized as contributions at their fair value if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased by the Foundation if not donated. The Foundation has recorded no donated services through December 31, 2022.

Use of Estimates:

The preparation of financial statements in conformity with US 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 revenue, investment income (loss) and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses:

The costs of providing the various program and support services have been summarized on a functional basis in the Statement of Activities. Directly identifiable expenses are charged to the related program or service benefited. Additionally, the Foundation has reviewed fees for management of the Foundation and all overhead costs and determined it is appropriate to allocate a portion of these costs to program services. Salaries and management fees have been allocated 60% to program and 40% to support services based on the level of effort of Foundation personnel in 2022. Management fees are included in professional services on the Statement of Activities.

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents:

Cash and cash equivalents consist of cash, money market funds and highly liquid investments purchased with maturities of three months or less.

Investments and Investment Return (Loss):

Equity and fixed income securities are presented at fair value based on prices quoted on established securities exchanges. The Foundation's non-marketable investments are valued by the general partners and managing members using the net asset value (NAV) per share of the entity's underlying assets as a practical expedient for measuring fair value.

Investment return (loss) represents interest and dividends earned and investment gains (losses), net of internal direct and external investment related expenses. Realized gains and losses on investments are calculated as the difference between proceeds received and the original cost of the investment. Unrealized gains and losses represent the difference between the current fair value of the investments and their cost basis, if purchased during the year, or their fair value at the beginning of the year.

Concentration of Credit Risk:

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash and cash equivalents and investments. The Foundation maintains its cash and cash equivalents and marketable securities with two major domestic financial institutions, which are insured by the Federal Deposit Insurance Corporation up to $250,000 at each financial institution. Marketable securities are insured up to $500,000 by the Securities Investor Protection Corporation. The non-marketable investments are not insured. The Foundation's investments and cash and cash equivalents are managed by an independent financial advisor selected by the Foundation's Board of Directors.

2. Significant Accounting Policies (continued)

Excise and Income Taxes:

The Foundation has been determined to be exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) of the Code and has been classified as a private foundation within the meaning of Section 509(a) of the Code. The Foundation is exempt from California income taxes under Section 23701 of the California Revenue and Taxation Code.

The Foundation is subject to a federal excise tax on its net investment income at a rate of 1.39% under Section 4940(a) of the Code. In 2022, the Foundation recorded $970,000 of federal excise tax expense at a rate of 1.39% on the sale of investments, which was off set by a reduction in deferred federal excise tax of $977,000. Deferred federal excise tax of $482,512 was accrued at December 31, 2022.

Under Section 4942 of the Code, the Foundation is required to annually distribute 5% of the aggregate fair value of the Foundation's assets other than those used or held directly in carrying out the Foundation's exempt purpose. A tax of 30% is imposed if the Foundation does not make the required distributions over a two-year period. No such tax was imposed in 2022. In addition, the Foundation is subject to Federal and California income tax rate of 21% and 8.84%, respectfully, for any unrelated business income (UBTI) generated by its non-marketable investments.

The Foundation applies the provisions set forth in FASB ASC Topic 740, *Income Taxes,* to account for the uncertainty in income taxes. The Foundation has assessed all of its income tax positions taken where the statute of limitations remains open. The Foundation believes its income tax filing positions will be sustained upon tax examinations; therefore, no liability for uncertain income tax positions has been recorded at December 31, 2022. The Foundation does not anticipate any significant increases or decreases to uncertain income tax positions during the next twelve months.

Charitable Grants:

Charitable grants are recognized as an expense when the unconditional promise to give is approved by the Board of Directors and communicated to the recipient. Conditional promises to give are recognized as charitable grants in the period in which the recipient meets the terms of the condition.

2. Significant Accounting Policies (continued)

Fair Value Measurement:

The Foundation accounts for its investments under Topic 820. The Foundation uses a three-level hierarchy under Topic 820 for fair value measurement based on the nature of inputs used in the valuation of an asset or liability at the measurement date. The three-level hierarchy prioritizes within the measurement of fair value, the use of market-based information over entity-specific information. Fair value focuses on an exit price and 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. The inputs or methodology used for valuing financial assets and liabilities are not necessarily an indication of the risk associated with those assets and liabilities.

The three-level hierarchy for fair value measurement is defined as follows:

Level I: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level II: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level III: Inputs to the valuation methodology, which are significant to the fair value measurement, are unobservable.

An investment's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Foundation's equity and fixed income securities are classified under Level I of the three-level hierarchy.

The Foundation's non-marketable investments valued using the NAV per share of the entity's underlying assets as a practical expedient are not categorized within the fair value hierarchy under US GAAP. The value of these non-marketable investments are not necessarily indicative of amounts the Foundation could realize upon liquidation of the investments and the difference between the recorded value and the amount realized could be material to the financial statements.

2. Significant Accounting Policies (continued)

Fair Value Measurement: (continued)

NAV Practical Expedient Valuation Techniques

Investment fund interest – The fair value of investments in funds is estimated, as a practical expedient, based on the Foundation's percentage interest in the net asset value (NAV) of the funds. The funds also hold stocks which are not currently traded in a public market and are subject to restrictions on resale. These investments are carried by the funds at estimated fair value as determined by the general partners and managing members of the funds after giving consideration to operating results, financial condition, recent sales prices of issuers' securities and other pertinent information. Because of the uncertainty of valuations, however, these estimated values may differ from the values that would have been used had a ready market for the securities existed, and the differences could be material. The funds may also have risk associated with their concentration in certain geographic regions and in certain industries. The Foundation may recognize cash distributions from investment funds as return of capital.

Operating Lease:

Effective January 1, 2022 (the Adoption Date), the Foundation adopted the requirements of FASB ASC Topic 842, Leases, which requires all entities that lease assets with terms greater than twelve months to capitalize the assets and related liabilities on the statement of assets, liabilities, and members' capital, which had not previously required capitalization. The Foundation adopted Topic 842 using the modified retrospective approach for each lease at the Adoption Date. Leases are classified as either an operating or finance lease under Topic 842, with classification affecting the pattern of expense recognition in operations.

The Foundation elected to utilize practical expedients under Topic 842 allowing management to not reassess the existing lease or lease classification and to use hindsight in determining the lease term. The Foundation has also elected an accounting policy to not capitalize assets with a lease term of twelve months or less if the underlying lease does not provide an option to purchase the assets at the end of the lease term or an option to extend the lease longer than twelve months that management is reasonably certain to exercise. As a result, management determined the Foundation's facility lease did not meet the requirements for capitalization under Topic 842 at the Adoption Date.

2. Significant Accounting Policies (continued)

Operating Lease: (continued)

Upon entering into an operating lease requiring capitalization, the Foundation would record an operating lease right-of-use (ROU) asset (ROU asset) or operating lease liability on the statement of assets, liabilities and members' capital. A ROU asset represents the right to use a specified asset for the stated lease term, and a lease liability represents the legal obligation to make lease payments. A ROU asset and liability are recognized at the lease commencement date based on the present value of lease payments over the expected lease term. The Foundation uses the implicit interest rate in a lease when it is readily determinable. Since most operating leases will not provide the lessor's implicit interest rate to determine the present value of lease payments, management has elected an accounting policy election to use the risk-free discount rate for a period comparable to the lease term at the lease commencement date in the application of Topic 842 for future operating leases with terms of more than twelve months.

3. Liquidity and Availability of Resources

The table below represents assets available for general expenditures within one year at December 31, 2022:

Cash and cash equivalents	$ 11,055,684
Investment income receivable	337,941
Investments	441,726,612
Total financial assets	453,120,237
Less: Financial assets not available within one year:	
Investments in non-marketable investments (Note 4)	268,385,357
	$ 184,734,880

As part of its liquidity management, the Foundation structures its financial assets to be available for regular rebalancing redemptions that align with the timing of grant disbursements. At December 31, 2022, the Foundation has $184,734,880 in financial assets available to meet general expenditures within one year.

4. Investments

The following table presents the Foundation's investments at December 31, 2022:

	Level I	NAV	Total
Equity securities	$ 124,151,108	$ -	$ 124,151,108
Fixed income securities	49,190,147	-	49,190,147
Non-marketable investments	-	268,385,357	268,385,357
	$ 173,341,255	$ 268,385,357	$ 441,726,612

The non-marketable investments consist of the following:

	Investment Strategy Focus	Redemption	Unfunded Commitment at December 31, 2022	Fair Value of Investment at December 31, 2022
Jordan Park Access Solutions Private Assets 2018 – A L.P.	Multiple Industries	Not Permitted	$ 14,163,084	$ 62,015,198
Jordan Park Access Solutions Strategic Equity Partners – A S.P.	Multiple Industries	Permitted	-	30,415,534
Jordan Park Access Solutions Early Stage Opportunities – A S.P.	Multiple Industries	Permitted	1,459,269	6,667,552
Jordan Park Access Solutions Emerging Markets – A S.P.	Multiple Industries	Permitted	-	47,317,897
Jordan Park Access Solutions Impact 2020 – A S.P.	Multiple Industries	Permitted	3,225,655	9,242,537
Jordan Park Access Solutions Private Equity 2020 – A S.P.	Multiple Industries	Permitted	9,951,893	27,298,447
Jordan Park Access Solutions Crypto Infrastructure-A S.P.	Multiple Industries	Permitted	-	1,102,685
Jordan Park Access Solutions Credit-A S.P.	Multiple Industries	Permitted	-	40,372,447
Jordan Park Access Solutions Life Sciences-A S.P.	Multiple Industries	Permitted	4,818,170	2,617,765
Jordan Park Access Solutions Venture Capital 2022-A S.P.	Multiple Industries	Permitted	4,014,296	4,095,778

4. Investments (continued)

	Investment Strategy Focus	Redemption	Unfunded Commitment at December 31, 2022	Fair Value of Investment at December 31, 2022
Jordan Park Access Solutions Impact 2022-A S.P.	Multiple Industries	Permitted	15,043,895	6,444,166
Jordan Park Access Solutions Semi Liquid Assets LLC – Real Assets-A Series	Multiple Industries	Permitted	24,634,946	24,816,470
Jordan Park Access Solutions Alternative-Private Equity 2022	Multiple Industries	Permitted	19,226,905	5,978,881
			$ 96,538,113	$ 268,385,357

5. Operating Lease

The Foundation leased its facility in Palo Alto, California under a non-cancelable lease agreement which expires in October 2023 that was not required to be capitalized under Topic 842. Rent expense in 2022 was $88,365. Future lease payments under the lease agreement are $157,920 in 2023.

6. Grants Payable

Grants payable over more than one year are discounted using an average risk adjusted rate of 4.58% at grant date. Grants, net of discount, are payable as follows at December 31:

2023	$ 11,262,500
2024	5,885,000
	17,147,500
Less: discount	(237,576)
	$ 16,909,924

7. Subsequent Events

Subsequent events have been evaluated through October 12, 2023, which is the date the financial statements were approved by the Foundation and available to be issued.

Board of Directors
Sunlight Giving
Palo Alto, California

Certified
Public
Accountants

In planning and performing our audit of the financial statements of Sunlight Giving (the Foundation) as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility a material misstatement of the Foundation’s financial statements will not be prevented, or detected and corrected, on a timely basis.

In Appendix A, we have noted a certain deficiency we believe constitutes a material weakness.

In Appendix B, we have included communications that we are required to communicate to those charged with governance. We are available to discuss these matters in greater detail if you desire.

This communication is intended solely for the information and use of the Foundation's management, Board of Directors and others within the organization, and is not intended to be, and should not be used by anyone other than these specified parties.

We would like to take this opportunity to thank Foundation personnel for their assistance during our audit.

Frank, Rimerman & Co. LLP

San Jose, California
October 12, 2023

Accrual Basis Accounting

During our audit, we noted a certain instance where the Foundation maintained its books and records on an income tax basis, specifically regarding the value of donated securities. As such, a material journal entry was needed to adjust the Foundation's accounts on the income tax basis, which incorrectly represented the donor cost basis of the donated securities, to the accrual basis, which is in accordance with accounting principles generally accepted in the United States of America (GAAP). We recommend the Foundation maintain its records on an accrual basis and designate an employee with knowledge of GAAP to review the books and records for completeness and accuracy.

Management's Response

Sunlight Giving accounting is currently managed by a third-party provider, Pacific Foundation Services, LLC (PFS). PFS has provided Sunlight Giving and the Auditors with the following explanation of the underlying issues and the corrective measures that have been implemented to address them and prevent any recurrence:

There was a misunderstanding of GAAP principles with specific regard to how to account for donated securities within the Foundation's books, both on the part of the PFS staff member reconciling the activity each month and on the assigned PFS reviewer of the monthly financials. Both parties have been trained on this since the issue came to light.

In addition, the process of performing a review of the Year End Adjustments – which is done by the PFS Controller and thus by someone with the knowledge required to ensure that they are complete and accurate – had a gap within it which allowed this issue to get missed. PFS systems and processes for reviewing the Year End Adjustments have been improved to ensure that this gap is completely removed.

Significant Audit Findings:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 2 to the financial statements. Effective January 1, 2022, the Foundation adopted the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-For Profit Entities for Contributed Nonfinancial Assets.* ASU 2020-07 requires contributions from donors be reported on the statement of activities as either contributions of cash and other financial assets or nonfinancial assets. The adoption of ASU 2020-07 dis not have a material impact on the financial statements as there were no material contributed nonfinancial assets in 2022. No other new accounting policies were adopted, and the application of existing policies was not changed during the year.

We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period after management recorded the material audit misstatements discussed below.

Accounting estimates are an integral part of the financial statement preparation and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements relate to the valuation of non-marketable investments. We evaluated the key factors and assumptions used to develop these estimates in determining they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures of fair value measurement of investments and adoption of Topic 842 in Notes 2 and 3 to the financial statements that describe issues and judgments used in determining fair value and formulating the required note disclosures.

The financial statement disclosures are neutral, consistent and clear.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The misstatements noted were to record appreciation of investments and excise taxes. These adjustments were necessary to adjust the Foundation's general ledger maintained using the income tax basis of accounting in order to present the Foundation's financial statements under GAAP. The adjustments increased the change in net assets in fiscal 2022 by $9,829,605. These adjustments are as follows:

Adjusting Journal Entries				
Adjusting Journal Entries JE # 2				
To record the FMV of stock contributions per GAAP requirements				
	1400	Equities - Cost	8,725,750.00	
	4000	Contributions		8,725,750.00
Total			**8,725,750.00**	**8,725,750.00**
Adjusting Journal Entries JE # 3				
To true up alternative investments based off audited financial statements net assets				
	1650	Alternative Investments - Changes in Market Value	1,103,855.00	
	4400	Unrealized Gains / (Losses)		1,103,855.00
Total			**1,103,855.00**	**1,103,855.00**
		Total Adjusting Journal Entries	**9,829,605.00**	**9,829,605.00**

There were no uncorrected misstatements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, which could be significant to the financial statements or the auditors' report. We are pleased to report that no disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2023.

Independence of Outside Auditors

Professional standards require outside auditors to be independent, in fact and in appearance, from the entities they audit. To the best of our knowledge, there are no circumstances or relationships between the Foundation and Frank, Rimerman + Co. LLP that would impair our independence in reporting on the financial statements.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no consultations with other accountants.