
**AGILENT TECHNOLOGIES FOUNDATION
(A CALIFORNIA NON-PROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2012

**AGILENT TECHNOLOGIES FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED OCTOBER 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Agilent Technologies Foundation
Santa Clara, California

We have audited the accompanying statement of financial position of Agilent Technologies Foundation (a California non-profit corporation) as of October 31, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Agilent Technologies Foundation as of October 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The schedules of grants authorized on pages 9 - 13 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

NICHOLS, RICK & COMPANY

Nichols, Rick & Company, CPA's
May 31, 2013

Agilent Technologies Foundation
Statement of Financial Position
October 31, 2012

ASSETS

Assets:	
Cash	\$ 3,227,913
Cash equivalent - Schwab Value Advantage Money Fund	<u>2,221,167</u>
Cash & cash equivalents	5,449,080
Grant receivable from Agilent Corporation	<u>3,000,000</u>
Total current assets	8,449,080
Grant receivable from Agilent Corporation	3,800,000
Fixed Assets - archive display cases	19,581
Less: accumulated depreciation	<u>(15,387)</u>
Fixed assets, net	4,194
Collection - Agilent Company Archives	<u>3,326,000</u>
Total non-current assets	<u>7,130,194</u>
Total assets	<u>\$ 15,579,274</u>

LIABILITIES & NET ASSETS

Liabilities:	
Current liabilities	
Accounts payable	\$ 75,390
Grants payable	<u>1,595,592</u>
Total current liabilities	1,670,982
Long term liabilities	
Grants payable	<u>300,000</u>
Total liabilities	1,970,982
Net Assets:	
Unrestricted net assets	<u>13,608,292</u>
Total liabilities and net assets	<u>\$ 15,579,274</u>

Agilent Technologies Foundation
Statement of Activities
For the year ended October 31, 2012

Unrestricted Support and Revenue	
Interest income	\$ 174
Donation from Agilent Technologies, Inc.	9,800,000
Dividend income	<u>959</u>
Total unrestricted support and revenue	9,801,133
Expenses	
Grants	
Grant payments made	3,230,345
Decrease in grants authorized but unpaid	<u>(408,316)</u>
Total grant expense	2,822,029
Support services	
Administrative services	242,332
Depreciation expense	2,800
Professional services	27,403
Dues, subscriptions, and memberships	33,103
Filing fees	<u>160</u>
Total expenses	<u>3,127,827</u>
Increase in unrestricted net assets	6,673,306
Unrestricted net assets, November 1, 2011	<u>6,934,986</u>
Unrestricted net assets, October 31, 2012	<u>\$ 13,608,292</u>

Agilent Technologies Foundation
Statement of Cash Flows
For the year ended October 31, 2012

Cash flows from operating activities:	
Increase in net assets	\$ 6,673,306
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation expense	2,800
Changes in assets & liabilities:	
Increase in grant receivable	(6,800,000)
Increase in accounts payable	6,085
Decrease in grants payable	<u>(408,316)</u>
Net cash used by operating activities	(526,125)
Net cash from investing activities:	-
Net cash from financing activities:	<u>-</u>
Net decrease in cash	(526,125)
Cash and cash equivalents, November 1, 2011	5,975,205
Cash and cash equivalents, October 31, 2012	<u>\$ 5,449,080</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the period for:	
Interest	\$ 0
Income taxes	\$ 0

AGILENT TECHNOLOGIES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Agilent Technologies Foundation (“Foundation”), is a non-profit California corporation incorporated in September 1999. The Foundation was formed for the purpose of supporting various philanthropic organizations and activities. Resources for the Foundation’s activities are provided by donations from Agilent Technologies, Inc. and income earned from cash and cash equivalents.

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statements of the Foundation are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. In addition, pledges and unconditional promises to give are reported as temporarily restricted support upon date of notification and are then released from restrictions upon satisfaction of the time or use requirements. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

Donations

All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials, services, equipment, and supplies are reflected as contributions in the accompanying statements at their estimated value at date of notification. The Foundation receives from Agilent Technologies, Inc. the use of facilities, miscellaneous supplies, and some support services at no charge. The value of these items has not been determined. For the year ended October 31, 2012, no material amounts of services meeting the measurement requirements of FASB ASC 958-605-50 were contributed.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

Grants Receivable

Grants receivable are written off when they are deemed uncollectible. This method is not in accordance with generally accepted accounting principles, however, the Foundation’s experience with collections indicates that the direct write off method approximates the allowance method.

Income Taxes

The Foundation is exempt from Federal income taxes under Internal Revenue Code (“Code”) Section 501(c)(3), from California income taxes under Section 23701(d) of the California Bank and Corporation Tax Law, and has been determined to be an organization that is a private foundation. As a private foundation, the Code imposes an excise tax of 2% (reduced to 1% if certain conditions are met) on net taxable investment income of the Foundation. The tax years ending from October 2008 through current are still subject to potential examination by the appropriate authorities. Management has determined the implementation of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, did not have a material impact on its financial statements.

AGILENT TECHNOLOGIES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Depreciation

Fixed assets, consisting of display cases for the collection, are reported at cost, and depreciated using the straight-line method over the estimated seven year useful life of the asset. The Foundation's policy is to capitalize expenditures of this nature equal to or in excess of \$1,000. Fixed asset additions for the year ended October 31, 2012 totaled \$0 and depreciation expense for the year ended October 31, 2012 was \$2,800.

Fair Value

Management has adopted FASB ASC 820-10, *Fair Value Measurements*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. For cash and cash equivalents, the Association utilized Level 1 inputs, consisting of unadjusted quoted prices in active markets for identical assets and having the highest priority. Level 2 and Level 3 inputs were not utilized. The carrying amounts of accounts and grants payable approximate fair value because of the relative terms and/or short maturity of these financial instruments.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. GRANT RECEIVABLE:

Grant receivable is reported net of an unamortized discount of \$200,000, based on an interest rate of 5%. Estimated collections on the grant receivable, net of discount, are as follows:

Less than one year	\$ 3,000,000
One to five years	<u>3,800,000</u>
Total	<u>\$ 6,800,000</u>

3. COLLECTION:

The Foundation has capitalized collections since its inception. The Collection consists of printed materials and equipment detailing the legacy of Agilent Technologies, Inc.'s former parent company, Hewlett-Packard, and more specifically the history of David Packard and William Hewlett. The materials include publications, news clippings, photographs, laboratory notebooks, manuscripts, and other historical records. The Collection is stated at the estimated fair market value at the time of donation, based on an independent appraisal. Gains and losses on the deaccession of donated collection items are classified in the statement of activities based on the absence or existence and nature of donor restrictions placed on the item at the time of donation.

4. RELATED PARTY TRANSACTIONS and ACCRUED COMPENSATION:

The Foundation reimburses Agilent Technologies, Inc. for the actual salary cost incurred by individuals performing services for the Foundation plus an additional 31% for benefits and related payroll costs. Agilent Technologies, Inc. employees accrue 15 to 30 days of flexible time off (FTO), depending upon length of service, up to a maximum accrual of 22½ to 45 days. The FTO hours may be used for vacation, sick leave, holidays, family emergencies, religious observances, preventive health or dental care, and personal time. Upon termination, employees are compensated for unused FTO hours. Benefited part-time employees receive the FTO benefits on a pro-rated basis.

For the year ended October 31, 2012, the Foundation paid a total of \$227,789 for the reimbursement of services performed by Agilent Technologies, Inc. employees.

**AGILENT TECHNOLOGIES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012**

5. GRANTS PAYABLE:

Grants payable represents all unconditional grants that have been authorized prior to year-end, but remain unpaid as of October 31, 2012. Conditional grants are expensed and considered payable in the period the conditions are substantially met. There were no conditional grants at October 31, 2012. The carrying amounts for current grants payable reported in the statement of financial position approximate fair values as all amounts are due within one year. The carrying amount for long term grants payable, due during the year ending October 31, 2014, is reported at gross, which approximates fair value.

Included in grants payable is an estimate of \$1,000,000 for contributions to various non-profit organizations based on pledges received by October 31, 2012 from Agilent Technologies, Inc.'s employees. The provisions of this contribution stipulate the Foundation will match Agilent Technologies, Inc. employees' contributions, up to a maximum of \$5,000 per employee with a total annual maximum of \$1,000,000.

6. CONCENTRATIONS AND CONTINGENCIES:

At times during the fiscal year ended October 31, 2012, the Foundation maintained balances in excess of insured limits at one financial institution.

The Foundation, during the normal course of operating its business, may be subject to various lawsuits and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Foundation's insurance policy or are immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Foundation.

7. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through May 31, 2013, the date on which the financial statements were available to be issued.

**Agilent Technologies Foundation
Schedule of Grants Authorized
October 31, 2012**

Grants Authorized Summary

Recipient - Purpose	Total Amount Authorized	<u>Amounts Paid During Fiscal Years Ended:</u>			Amount Authorized Remaining Balance
		10/31/10 & Prior	10/31/11	10/31/12	
<i>Grants Authorized Through October 31, 2011</i>	\$ 34,837,714	\$ 28,710,171	\$ 3,823,635	\$ 1,554,010	\$ 749,898
<i>Grants Authorized During Fiscal Year Ending October 31, 2012:</i>					
<i>Foreign Charities - Government Entities or Equivalency Determination - page 10</i>	527,647	-	-	487,851	39,796
<i>Foreign Charities - Expenditure Responsibility - page 11</i>	165,898	-	-	75,000	90,898
<i>U.S. Charities - University Research - page 12</i>	397,250	-	-	397,250	-
<i>U.S. Charities - Projects and Employee Match - page 13</i>	1,731,234	-	-	716,234	1,015,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Sub-totals - Grants Authorized During Fiscal Year Ending October 31, 2012:</i>	<u>2,822,029</u>	<u>-</u>	<u>-</u>	<u>1,676,335</u>	<u>1,145,694</u>
<i>Totals - Grants Authorized as of October 31, 2012:</i>	<u>\$ 37,659,743</u>	<u>\$ 28,710,171</u>	<u>\$ 3,823,635</u>	<u>\$ 3,230,345</u>	<u>\$ 1,895,592</u>

Agilent Technologies Foundation
Schedule of Grants Authorized
For the year ended October 31, 2012
Foreign Charities - Government Entities or Equivalency Determination

Recipient	Purpose	Total Amount Authorized	Total Amount Paid	Amount Authorized Remaining Balance
Cardiff University	Microarray based genotoxicity method for screening a defined range of chemicals that can identify the presence of DNA damage and DNA repair events.	\$ 40,000	\$ 40,000	\$ -
Curtin University	Fundamental study of inductively coupled plasma sample introduction by lower velocity nebulization/desolvation.	42,000	42,000	-
Foerdereverein Science und Technologie e.V.	Science Teacher Training Prg. & Science Mobil.	12,000	12,000	-
Institute of Mechanics, Chinese Academy of Sciences	Experimental research on the energy-based instrumented indentation testing method for determining fracture toughness of brittle materials.	30,000	30,000	-
Ludwig Maximilian University	Mid-infrared frequency combs based on crystalline microresonators.	45,000	45,000	-
Tsinghua University	Cordless measurement system for antenna radiation pattern.	25,000	25,000	-
United Way International	Employee Match- Japan Giving Campaign 2012	28,883	28,883	-
University of Antwerp	Integrating transcriptomic & proteomic data to unravel obesogenic mechanisms of action of endocrine disruptive compounds in the 3&3-L1 adipocyte cell system.	38,300	38,300	-
University of Freiburg	Channel-Free Microfluidic CE System.	40,000	40,000	-
University of Gothenburg	Optimal cold probe performance with salty samples in various NMR tubes.	40,000	40,000	-
University of Southampton	Integrated ultrasonic, microfluidic HPLC-chip & mass spectrometry technologies for quantitative sonoporation.	50,000	50,000	-
University of Strathclyde	Investigation into high performance Ethernet probes using COTS technology for packet analysis and intrusion detection.	14,668	14,668	-
Vrije Universiteit Brussel	Density Estimators for the Disturbing Noise In Sampling Oscilloscopes.	22,000	22,000	-
Japan Philanthropic Association	12th Japan Science Education Volunteer Research Conference.	15,000	15,000	-
International Art & Technology Cooperation Organization (ArTech)	Kids' ISO 14000 Programme.	10,000	10,000	-
Jugendforschungszentrum Schwarzwald- ScÖbuch e.v.	out-of-class workshops for students and teachers working with engineers to develop projects involving hands-on experiments which improve student engagement and learning in Science & Eng.	20,000	20,000	-
Southeast University	SEU Diversity Program	15,000	15,000	-
United Way International	Employee Match- China Giving Campaign 2013	9,975	-	9,975
United Way International	Employee Match- India Giving Campaign 2013	11,750	-	11,750
United Way International	Employee Match- Taiwan Giving Campaign 2013	18,071	-	18,071
		-	-	-
Totals - Foreign Charities - Government Entities or Equivalency Determination - to page 9		\$ 527,647	\$ 487,851	\$ 39,796

Agilent Technologies Foundation
Schedule of Grants Authorized
For the year ended October 31, 2012
Foreign Charities - Expenditure Responsibility Grants

Recipient	Purpose	Total Amount Authorized	Total Amount Paid	Amount Authorized Remaining Balance
Beijing Adolescence Science & Technology Activity Center	To support an innovation contest which focus is to inspire interests to Science & Technology.	\$ 55,000	\$ 55,000	\$ -
NPO The Committee of Japan Physics Olympiad	Organization of "Physics Challenge" of high school students for sending students to International Physics Olympiad.	20,000	20,000	-
Agastya International Foundation	District Rural Science Educ. Program (DRSEP)	43,958		43,958
SNS Foundation	Monitoring of systems & facilities set up under Eureka I & II. Make shift to Live & Interactive Library.	22,940		22,940
SNS Foundation	Build aspects of Life-Skills Edu. Imparted to adolescent female students (grade 8 & 9) across four schools.	24,000		24,000
		<u>-</u>	<u>-</u>	<u>-</u>
<i>Totals - Foreign Charities - Expenditure Responsibility Grants - to page 9</i>		<u>\$ 165,898</u>	<u>\$ 75,000</u>	<u>\$ 90,898</u>

Agilent Technologies Foundation
Schedule of Grants Authorized
For the year ended October 31, 2012
United States Charities - University Research

Recipient	Purpose	Total Amount Authorized	Total Amount Paid	Amount Authorized Remaining Balance
Indiana University	University Research	\$ 45,000	\$ 45,000	\$ -
Regents of the Univ. of Ca. (Lawrence Berkeley National Lab)	University Research	50,000	50,000	-
South Dakota State University	University Research	40,000	40,000	-
Stanford University	University Research	50,000	50,000	-
The University of Manchester	University Research	50,000	50,000	-
University of Connecticut	University Research	35,000	35,000	-
University of Delaware	University Research	34,000	34,000	-
University of Maryland Foundation	University Research	43,250	43,250	-
Yale University	University Research	50,000	50,000	-
		<u>-</u>	<u>-</u>	<u>-</u>
<i>Totals - U.S. Charities - University Research - to page 9</i>		<u>\$ 397,250</u>	<u>\$ 397,250</u>	<u>\$ -</u>

Agilent Technologies Foundation
Schedule of Grants Authorized
For the year ended October 31, 2012

United States Charities - Projects and Agilent Corporation Employee Contribution Matching

Recipient	Purpose	Total Amount Authorized	Total Amount Paid	Amount Authorized Remaining Balance
American Red Cross	Colorado Fire Relief efforts	\$ 100,000	\$ 100,000	\$ -
American Red Cross	Colorado Fire Relief efforts - Matching employee donations	22,198	22,198	-
Audubon Canyon Ranch	Enhance the science training component of ACR's Junior Naturalist Program in Sonoma County.	15,000	15,000	-
Children's Discovery Museum of San Jose	A science support initiative for teachers identifying effective communication methods, easier access to resources and providing teacher prof. development.	50,000	50,000	-
Delaware Foundation for Science and Mathematics Education	Training teachers to build competence in and enthusiasm for mathematics in students.	25,000	25,000	-
Denver Museum of Nature & Science	A blended course to improve 6-8th grade science teachers' ability to increase science learning among 2500 students.	15,000	15,000	-
MentorNet	One-on-one mentoring program in Eng. & Science.	10,000	10,000	-
National Engineers Week Foundation	Introduce a Girl to Engineering Day 2012	10,000	10,000	-
RAFT (Resource Area For Teachers)	Creative Teachers Innovation Institute	15,000	15,000	-
Regents of the University of California	K-12 Partnership to improve science education in urban secondary schools.	20,000	20,000	-
San Jose Museum of Art	Multi-Part Art	5,000	5,000	-
Santa Clara Unified School District-GAIN	Girls Achieving in Non-Traditional Subjects (GAINS) Program.	5,000	5,000	-
Santa Rosa Junior College Foundation	Propel grades 9-14 STEM stds along a path from STEM career interest, to a declared STEM transfer major, to Univ-based res. experience.	20,000	20,000	-
Society for Science & the Public	ISEF 2012 Science Fair	125,000	125,000	-
Society of Women Engineers	SWE Collegiate Leadership Program	25,000	25,000	-
Stanford University	Stanford Institutes of Medicine Summer Research Program. (SMIR)	10,000	10,000	-
Stanford University	Raising Interest in Sci. & Eng. (RISE) places low income, under-represented HS students into paid research experiences	5,000	5,000	-
SV Education Foundation	Step up to Algebra Program	5,000	5,000	-
The JK Group, Inc.-Agilent Fdn. Trustees	University Match	91,181	91,181	-
The JK Group, Inc.-Agilent Fdn. Trustees	University Match	77,055	77,055	-
The JK Group, Inc.-Agilent Fdn. Trustees	U.S. University Match	4,200	4,200	-
The Keystone Center	CSI: Climate Status Investigations	5,000	5,000	-
The Partnership, Inc	Recognizes and rewards educators for their unique & creative teaching.	15,000	15,000	-
Tower Foundation of San Jose State	Frosh Summer EXCEED Program	20,000	20,000	-
UC Santa Cruz	UCSC Cal Teach Student Support Program	21,600	21,600	-
UCSF Foundation	2012 North Bay Science Festival	15,000	-	15,000
The JK Group, Inc.-Agilent Fdn. Trustees	Employee Match - Americas Giving Campaign for 2013	1,000,000	-	1,000,000
		-	-	-
Totals - U.S. Charities - Projects and Agilent Corporation Employee Contribution Matching - to page 9		\$ 1,731,234	\$ 716,234	\$ 1,015,000