

**BREAKTHROUGH SILICON VALLEY**

INDEPENDENT AUDITORS' REPORT

Financial Statements

January 31, 2020 and January 31, 2019

# BREAKTHROUGH SILICON VALLEY

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January 31, 2020 and January 31, 2019

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## **INDEPENDENT AUDITORS' REPORT**



The Board of Directors  
Breakthrough Silicon Valley

We have audited the accompanying financial statements of Breakthrough Silicon Valley (a nonprofit organization), which comprise the statements of financial position as of January 31, 2020 and January 31, 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

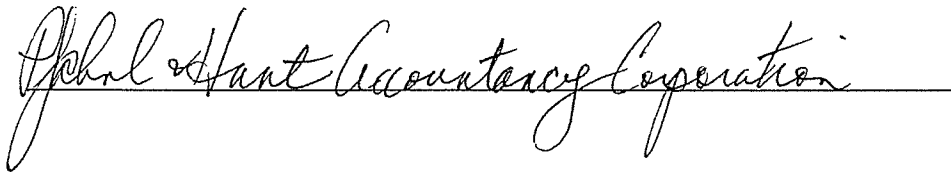
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Board of Directors  
Breakthrough Silicon Valley  
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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Breakthrough Silicon Valley as of January 31, 2020 and January 31, 2019, 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.



*PricewaterhouseCoopers*

San Jose, California  
September 23, 2020

# BREAKTHROUGH SILICON VALLEY

## STATEMENTS OF FINANCIAL POSITION

January 31, 2020 and January 31, 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,952,673	2,443,835
Pledges receivable, current portion	188,036	122,270
Prepaid expenses	<u>15,876</u>	<u>31,865</u>
Total current assets	2,156,585	2,597,970
<b>PLEDGES RECEIVABLE, net current portion</b>	<u>119,907</u>	<u>-</u>
	<u>\$ 2,276,492</u>	<u>2,597,970</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>  		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 55,587	55,379
Accrued vacation	<u>42,968</u>	<u>51,823</u>
Total current liabilities	<u>98,555</u>	<u>107,202</u>
<b>NET ASSETS:</b>		
Without donor restrictions	1,832,008	2,254,761
With donor restrictions	<u>345,929</u>	<u>236,007</u>
Total net assets	<u>2,177,937</u>	<u>2,490,768</u>
	<u>\$ 2,276,492</u>	<u>2,597,970</u>

See notes to financial statements.

# BREAKTHROUGH SILICON VALLEY

## STATEMENT OF ACTIVITIES

Year ended January 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>GRANTS AND SUPPORT:</b>			
Individuals	\$ 255,814	600	256,414
Corporations	215,451	30,000	245,451
Foundations	398,407	321,500	719,907
Governmental	-	42,196	42,196
Fundraising events	404,944	-	404,944
In-kind support	39,162	-	39,162
Other income	25,419	-	25,419
Net assets released from restrictions	<u>284,374</u>	<u>(284,374)</u>	<u>-</u>
Total revenue	<u>1,623,571</u>	<u>109,922</u>	<u>1,733,493</u>
<b>EXPENSES:</b>			
Programs:			
Middle school	926,190	-	926,190
High school	<u>609,446</u>	<u>-</u>	<u>609,446</u>
Total programs	1,535,636	-	1,535,636
Management and general	143,763	-	143,763
Fundraising	<u>366,925</u>	<u>-</u>	<u>366,925</u>
Total expenses	<u>2,046,324</u>	<u>-</u>	<u>2,046,324</u>
Change in net assets	(422,753)	109,922	(312,831)
NET ASSETS, beginning of year	<u>2,254,761</u>	<u>236,007</u>	<u>2,490,768</u>
NET ASSETS, end of year	<u>\$ 1,832,008</u>	<u>345,929</u>	<u>2,177,937</u>

See notes to financial statements.

# BREAKTHROUGH SILICON VALLEY

## STATEMENT OF ACTIVITIES

Year ended January 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>GRANTS AND SUPPORT:</b>			
Individuals	\$ 333,516	190,000	523,516
Corporations	210,490	2,688	213,178
Foundations	315,450	57,500	372,950
Governmental	-	47,338	47,338
Fundraising events	506,553	-	506,553
In-kind support	28,751	-	28,751
Other income	10,408	-	10,408
Net assets released from restrictions	<u>160,459</u>	<u>(160,459)</u>	<u>-</u>
Total revenue	<u>1,565,627</u>	<u>137,067</u>	<u>1,702,694</u>
<b>EXPENSES:</b>			
Programs:			
Middle school	809,059	-	809,059
High school	<u>445,859</u>	<u>-</u>	<u>445,859</u>
Total programs	1,254,918	-	1,254,918
Management and general	64,101	-	64,101
Fundraising	<u>328,399</u>	<u>-</u>	<u>328,399</u>
Total expenses	<u>1,647,418</u>	<u>-</u>	<u>1,647,418</u>
Change in net assets	(81,791)	137,067	55,276
NET ASSETS, beginning of year	<u>2,336,552</u>	<u>98,940</u>	<u>2,435,492</u>
NET ASSETS, end of year	\$ <u>2,254,761</u>	<u>236,007</u>	<u>2,490,768</u>

See notes to financial statements.

# BREAKTHROUGH SILICON VALLEY

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended January 31, 2020

	Programs			Management and General	Fundraising	Total
	Middle School	High School	Total			
Salaries	\$ 437,128	338,479	775,607	61,388	236,529	1,073,524
Payroll taxes	36,453	27,549	64,002	4,863	18,659	87,524
Employee benefits	38,773	36,676	75,449	6,586	22,194	104,229
Teacher stipends	165,180	48,577	213,757	5,590	-	219,347
Curriculum	29,854	598	30,452	30	72	30,554
Student events	8,201	18,180	26,381	-	-	26,381
Field trips and tours	12,677	31,921	44,598	-	-	44,598
Food	32,540	2,033	34,573	77	22,745	57,395
Scholarships	-	18,420	18,420	-	-	18,420
Student workshops	2,388	7,684	10,072	1	4	10,077
Student transportation	30,815	1,357	32,172	238	1,839	34,249
Recruitment and recognition	38,933	8,651	47,584	2,685	4,771	55,040
Alumni services	-	24,005	24,005	-	-	24,005
Supplies and equipment	12,291	11,840	24,131	3,246	6,594	33,971
Marketing materials	5,249	3,895	9,144	982	7,122	17,248
Professional services	1,176	2,162	3,338	51,850	635	55,823
Consulting	23,253	11,357	34,610	2,442	7,471	44,523
In-kind space rental	30,438	5,539	35,977	1,940	1,245	39,162
Insurance	10,934	7,123	18,057	1,480	4,742	24,279
Postage	592	444	1,036	110	279	1,425
Other	<u>9,315</u>	<u>2,956</u>	<u>12,271</u>	<u>255</u>	<u>32,024</u>	<u>44,550</u>
	<u>\$ 926,190</u>	<u>609,446</u>	<u>1,535,636</u>	<u>143,763</u>	<u>366,925</u>	<u>2,046,324</u>

See notes to financial statements.



# BREAKTHROUGH SILICON VALLEY

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended January 31, 2019

	Programs			Management and General	Fundraising	Total
	Middle School	High School	Total			
Salaries	\$ 378,068	255,849	633,917	45,162	200,015	879,094
Payroll taxes	30,078	20,880	50,958	2,654	15,705	69,317
Employee benefits	32,509	28,061	60,570	2,536	19,927	83,033
Teacher stipends	149,502	15,951	165,453	1,500	-	166,953
Curriculum	10,648	2,618	13,266	-	-	13,266
Student events	7,721	13,018	20,739	-	-	20,739
Field trips and tours	4,926	20,896	25,822	-	-	25,822
Food	30,859	639	31,498	34	21,485	53,017
Scholarships	-	10,230	10,230	-	-	10,230
Student workshops	1,587	5,160	6,747	-	-	6,747
Student transportation	39,682	1,931	41,613	78	1,177	42,868
Recruitment and recognition	29,504	15,296	44,800	3,078	7,109	54,987
Alumni services	-	8,622	8,622	-	-	8,622
Supplies and equipment	14,994	6,994	21,988	802	4,910	27,700
Marketing materials	4,393	2,286	6,679	309	7,726	14,714
Professional services	25,801	16,276	42,077	4,857	11,155	58,089
Consulting	15,060	7,765	22,825	1,116	15,545	39,486
In-kind space rental	18,919	6,242	25,161	2,186	1,404	28,751
Insurance	9,967	5,649	15,616	769	4,299	20,684
Postage	809	284	1,093	119	664	1,876
Other	<u>4,032</u>	<u>1,212</u>	<u>5,244</u>	<u>(1,099)</u>	<u>17,278</u>	<u>21,423</u>
	<u>\$ 809,059</u>	<u>445,859</u>	<u>1,254,918</u>	<u>64,101</u>	<u>328,399</u>	<u>1,647,418</u>

See notes to financial statements.

# BREAKTHROUGH SILICON VALLEY

## STATEMENTS OF CASH FLOWS

Years ended January 31, 2020 and January 31, 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (312,831)	55,276
Adjustments to reconcile change in net assets to cash provided by operating activities:		
(Increase) decrease in:		
Pledges receivable	(185,673)	(17,053)
Prepaid expenses	15,989	(12,624)
Increase (decrease) in:		
Accounts payable and accrued expenses	208	15,111
Accrued vacation	<u>(8,855)</u>	<u>3,855</u>
Net cash provided (used) by operating activities	<u>(491,162)</u>	<u>44,565</u>
Net increase (decrease) in cash and cash equivalents	(491,162)	44,565
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>2,443,835</u>	<u>2,399,270</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 1,952,673</u>	<u>2,443,835</u>

See notes to financial statements.

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS

January 31, 2020

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Date of Management's Review

Subsequent events were evaluated through September 23, 2020, which is when the financial statements were available to be issued.

#### Nature of Activities

Breakthrough Silicon Valley (the "Organization") is a nonprofit public benefit corporation formed in 2007. Its mission is two-fold:

- To prepare academically motivated middle and high school students with limited educational opportunities for success in rigorous college-preparatory high school programs and four-year colleges.
- To inspire outstanding high school and college students to enter careers in education.

To that end, the Organization provides a tuition-free academic and college readiness program that launches students on the road to college. Breakthrough Silicon Valley operates as an out-of-school time organization, providing summer and after-school academic enrichment and intensive college guidance to students from 7<sup>th</sup> through 12<sup>th</sup> grade. The Organization also provides summer teaching internships for talented high school and college students.

The Organization is an affiliate of Breakthrough Collaborative, a national organization. Breakthrough Silicon Valley offers its program in the San Jose, California area.

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

Petty cash on hand, cash in bank accounts and short-term investments with a maturity date of less than 24 months are considered cash and cash equivalents.

#### Pledges Receivable

Current promises to give are those expected to be received within 12 months. Long-term promises to give are those expected to be received in one to four years.

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2020

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### Allowance for Doubtful Accounts

The Organization considers pledges receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

#### Fair Value of Financial Instruments

The Organization's financial instruments are cash, pledges receivable, accounts payable and accrued expenses. The recorded values approximate their fair values based on their short-term nature. If a pledge is not expected to be collected within one year, it is discounted to its estimated fair value using a present value technique.

#### Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### Expiration of Donor-Imposed Restrictions

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires, and at that time the related resources are reclassified to net assets without donor restrictions. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization follows the policy of reporting donor-imposed restricted contributions whose restrictions are met in the same period as received as support without donor restrictions.

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2020

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### Contributed Support

The Organization recognizes all unconditional gifts and promises to give in the period notified. Contributed support is reported as with or without donor restrictions depending on the existence of donor stipulations that limit the use of the support. Conditional promises to give are recognized as revenue when the conditions are met.

Unconditional promises to give are recorded as pledges receivable and revenue when the promise is made. In the first year a pledge is made, the pledge receivable is recorded at its fair value by applying a discount rate using a present value calculation. In subsequent years, amortization of the discount is recognized as contribution income. Pledges that are expected to be received within one year are reported without a discount.

#### In-kind Support

The Organization records various types of in-kind support including space rental and professional services. 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. Space rental is recognized at fair value.

Additionally, the Organization receives contributed time which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

#### Other Income

The Organization has certificate of deposit (CD) accounts with the California Bank of Commerce and Avid Bank. The CD's are expected to be held to maturity, at which time the Organization can withdraw the funds and interest is paid. The Organization records interest earned on CD accounts as other income without donor restrictions.

Additionally, the Organization receives income that does not meet the recognition criteria for contributed support described above. Accordingly, this income is recorded as other income.

The following represents Breakthrough Silicon Valley's other income at January 31, 2020 and January 31, 2019:

	<u>2020</u>	<u>2019</u>
Interest earned	\$ 23,988	7,604
Other revenue	<u>1,431</u>	<u>2,804</u>
	\$ <u>25,419</u>	<u>10,408</u>

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2020

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### Functional Expenses

The costs of providing program 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 middle school program, high school program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes	Time and effort
Employee benefits	Time and effort
Teacher stipends	Actual usage
Curriculum	Actual usage
Student events	Actual usage
Field trips and tours	Actual usage
Food	Actual usage
Scholarships	Actual usage
Student workshops	Actual usage
Student transportation	Actual usage
Recruitment and recognition	Percent of direct costs
Alumni services	Actual usage
Supplies and equipment	Percent of direct costs
Marketing materials	Percent of direct costs
Professional services	Percent of direct costs
Consulting	Actual usage
In-kind space rental	Percent of direct costs
Insurance	Percent of direct costs
Postage	Actual usage
Others	Percent of direct costs

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2020

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### Income Taxes

Breakthrough Silicon Valley is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

#### New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information regarding liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

### (2) RELATED PARTY TRANSACTIONS

Breakthrough Silicon Valley made payments of \$6,000 for membership dues to Breakthrough Collaborative for the years ended January 31, 2020 and January 31, 2019 and received donations of \$400 from them in the year ended January 31, 2019.

During the years ended January 31, 2020 and January 31, 2019, \$228,558 and \$180,583 was received in donations from board members, respectively.

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2020

### (3) AVAILABILITY AND LIQUIDITY

The following represents Breakthrough Silicon Valley's financial assets at January 31, 2020 and January 31, 2019:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,952,673	2,443,835
Pledges receivable	<u>307,943</u>	<u>122,270</u>
Total financial assets	<u>2,260,616</u>	<u>2,566,105</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	345,929	236,007
Less net assets with purpose restrictions to be met in less than a year	(75,000)	(30,000)
Board-designated funds for future use	<u>781,000</u>	<u>781,000</u>
	<u>1,051,929</u>	<u>987,007</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>1,208,687</u>	<u>1,579,098</u>

Breakthrough Silicon Valley's goal is generally to maintain financial assets to meet six months of operating expenses (approximately \$1,020,000). As part of its liquidity plan, excess cash is invested in short-term investments, including certificates of deposit.



# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2019

(4) **NET ASSETS**

Net assets without donor restrictions for the years ended January 31, 2020 and January 31, 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 1,051,008	1,473,761
Board-designated net assets	<u>781,000</u>	<u>781,000</u>
	<u>\$ 1,832,008</u>	<u>2,254,761</u>

The board has designated funds to be set aside as an operating reserve.

Net assets with donor restrictions were as follows for the years ended January 31, 2020 and January 31, 2019:

	<u>2020</u>	<u>2019</u>
Specific purpose:		
Middle school program	\$ 47,197	34,242
High school program	98,732	150,000
Science, Technology, Engineering and Math (STEM) program	-	21,765
Passage of time -		
Stipulated time restriction - general operations	<u>200,000</u>	<u>30,000</u>
	<u>\$ 345,929</u>	<u>236,007</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:		
Middle school program	\$ 81,242	119,553
High school program	146,368	10,000
STEM program	21,764	6,205
Stipulated time restriction - general operations	<u>35,000</u>	<u>24,701</u>
	<u>\$ 284,374</u>	<u>160,459</u>

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2020

### (5) IN-KIND SUPPORT

The Organization receives in-kind support in the form of space rental at Hoover Middle School and Franklin-McKinley School District. The value of support was \$39,162 and \$28,751 for the years ended January 31, 2020 and January 31, 2019.

### (6) RETIREMENT PLAN

The Organization has a 401(k) profit sharing plan (the Plan) that covers all eligible employees. Employees are eligible to participate in the Plan immediately upon reaching age 21. Each participant may elect to contribute up to the maximum allowed by federal law. The Organization makes a 3% matching contribution and may also make discretionary contributions. Employer contributions totaled \$23,060 and \$18,911 for the years ended January 31, 2020 and January 31, 2019, respectively.

### (7) CONCENTRATIONS OF CREDIT RISK

Cash includes accounts at Wells Fargo Bank, California Bank of Commerce and Avid Bank in excess of \$250,000. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Therefore, a portion of the Organization's cash balance is uninsured at January 31, 2020.

### (8) SUBSEQUENT EVENTS

Subsequent to the Organization's year-end, the Novel Coronavirus (COVID-19) was declared a public health emergency. Mandates from various international, federal, state and local authorities required closures of schools, businesses and other facilities and organizations. Although the closures are expected to be temporary, the financial impact to the Organization cannot be estimated at this time. Should the closures continue for an extended period of time, or should the coronavirus continue to spread, the effects could have a materially adverse impact on the Organization's activities, financial position and cash flows.

On May 3, 2020, the Organization received \$202,058 under the Small Business Administration's Paycheck Protection Program (PPP) through Wells Fargo Bank. The terms of the Promissory Note and Funding Agreement state that the loan proceeds must be used to fund or offset qualifying expenses over an eight-week period. Principal and accrued interest are due in two years (May 3, 2022). The loan, including accrued interest, may be forgiven in whole or in part upon completion of agreed-upon terms by the Organization. The amount forgiven will be considered a contribution to the Organization. Management believes the entire loan will be forgiven and will apply for 100% loan forgiveness when the forgiveness program commences.

# BREAKTHROUGH SILICON VALLEY

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

January 31, 2020

### (8) SUBSEQUENT EVENTS, CONTINUED

In April and May, 2020, the Organization received \$40,000 in COVID relief funds from three foundations. In addition, another foundation increased an approved grant from \$75,000 to \$100,000 and the funds were received earlier than the originally scheduled funding date. All contributions were donations without restrictions and used for program services.