

BRITEPATHS, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)**

BRITEPATHS, INC.
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

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Bernard M. Gordon, CPA, PLC

Certified Public Accountant and Consultant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Britepaths, Inc.

I have audited the accompanying financial statements of Britepaths, Inc. (a not-for-profit corporation), which consist of the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor's 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 auditor considers 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Britepaths, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

I have previously audited Britepaths, Inc.'s 2017 financial statements, and my report dated April 25, 2018 expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bernard M. Gordon, CPA, PLC

April 27, 2019

BRITEPATHS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION AT DECEMBER 31, 2017)

ASSETS	2018	2017
Cash and cash equivalents	\$ 320,244	\$ 277,993
Non-government grants receivable	55,076	40,775
Receivable for costs recoverable under government grants	11,571	2,758
Contributions and other receivables	23,636	87,239
Gift cards	3,805	2,346
Inventory	9,216	10,256
Prepaid expenses	10,924	476
Loans receivable - clients	4,487	2,962
Property and equipment, net	42,845	31,456
Intangible assets, net	12,762	27,792
Tenant security deposit	6,765	-
TOTAL ASSETS	\$ 501,331	\$ 484,053
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 46,841	\$ 22,729
Accrued payroll and payroll taxes	13,747	6,709
Deferred revenue	-	7,500
Deferred rent payable	17,477	-
Deposit payable	6,765	-
TOTAL LIABILITIES	84,830	36,938
NET ASSETS		
Without donor restrictions	386,501	412,115
With donor restrictions	30,000	35,000
TOTAL NET ASSETS	416,501	447,115
TOTAL LIABILITIES AND NET ASSETS	\$ 501,331	\$ 484,053

See notes to financial statements.

BRITEPATHS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>2018 Total</u>	<u>2017 Total</u>
REVENUE AND OTHER SUPPORT				
Donated goods, services, and facilities use	\$ 404,446	\$ -	\$ 404,446	\$ 236,002
Contributions	408,566	-	408,566	482,850
Government grants	294,791	-	294,791	213,595
Non-government grants	238,700	30,000	268,700	143,628
Donated gift cards	19,727	-	19,727	25,037
Special events	71,223	-	71,223	88,758
Less: Costs of direct benefits to donors	(22,535)	-	(22,535)	(31,985)
Interest and other revenue	72	-	72	101
Net assets released from restrictions				
Satisfaction of purpose restrictions	<u>35,000</u>	<u>(35,000)</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE AND OTHER SUPPORT	1,449,990	(5,000)	1,444,990	1,157,986
EXPENSES				
Program services				
Financial Empowerment Center	291,028	-	291,028	123,170
Seasonal Programs	209,875	-	209,875	123,537
Financial Literacy	188,613	-	188,613	165,157
Food Bridge	156,276	-	156,276	258,115
Community Education	149,535	-	149,535	139,514
Financial Assistance	96,414	-	96,414	99,016
Workforce Development	56,583	-	56,583	13,881
Project BRIDGE	37,935	-	37,935	39,736
Naomi Project	33,593	-	33,593	38,762
Advocacy	<u>1,911</u>	<u>-</u>	<u>1,911</u>	<u>5,167</u>
	1,221,763	-	1,221,763	1,006,055
Fundraising	129,274	-	129,274	26,054
General and administrative	<u>124,567</u>	<u>-</u>	<u>124,567</u>	<u>83,770</u>
TOTAL EXPENSES	1,475,604	-	1,475,604	1,115,879
CHANGE IN NET ASSETS	(25,614)	(5,000)	(30,614)	42,107
NET ASSETS AT BEGINNING OF YEAR	<u>412,115</u>	<u>35,000</u>	<u>447,115</u>	<u>405,008</u>
NET ASSETS AT END OF YEAR	<u>\$ 386,501</u>	<u>\$ 30,000</u>	<u>\$ 416,501</u>	<u>\$ 447,115</u>

See notes to financial statements.

BRITEPATHS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

	Financial Empower- ment Center	Seasonal Programs	Financial Literacy	Food Bridge	Community Education	Financial Assistance	Workforce Develop- ment	Project BRIDGE	Naomi Project	Ad- vocacy	Total Program Services	Fund- raising	General and Admin- istrative	Indirect Expenses	2018 Grand Total	2017 Grand Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 1,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,421	\$ 65	\$ -	\$ -	\$ 1,486	\$ 1,224
Audit and accounting fees	-	-	-	-	-	-	-	-	-	-	-	-	12,500	-	12,500	10,500
Bank and transaction fees	-	-	-	23	64	-	-	-	-	-	87	-	-	4,283	4,370	4,628
Conferences and meetings	82	-	-	-	2,313	-	-	-	70	-	2,465	441	161	-	3,067	2,879
Consultant/professional services	8,662	-	-	-	1,275	-	-	-	-	-	9,937	750	2,842	646	14,175	7,654
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	28,479	28,479	26,410
Dues and subscriptions	794	-	-	-	2,072	-	-	-	-	-	2,866	1,027	1,825	235	5,953	7,539
Financial assistance grants	-	-	100	-	-	63,258	-	3,223	-	-	66,581	-	-	-	66,581	62,639
Information technology	4,660	1,200	-	-	-	-	-	-	-	-	5,860	499	-	15,325	21,684	13,378
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	7,215	7,215	5,177
In-kind donations																
Facilities use	13,844	-	-	-	5,665	-	-	-	-	-	19,509	-	-	26,850	46,359	53,476
Food	-	-	-	41,473	-	-	-	-	-	-	41,473	-	-	-	41,473	37,504
Gift cards	-	-	-	7,768	-	-	-	-	-	-	7,768	-	-	-	7,768	6,560
Holiday items and other	100	91,864	-	5,892	5,136	-	-	180	294	-	103,466	-	3,138	4,750	111,354	38,828
Services	58,479	-	51,776	-	-	125	-	1,544	-	-	111,924	-	23,154	62,779	197,857	89,635
Maintenance and repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	160	160	372
Miscellaneous	2,077	-	527	30	-	-	-	-	264	-	2,898	-	619	2	3,519	1,509
Moving	-	-	-	-	-	-	-	-	-	-	-	-	3,820	-	3,820	-
Office supplies	2,299	64	39	39	404	-	644	30	31	-	3,550	484	5,771	-	9,805	5,276
Payroll processing fees	-	-	-	-	-	-	-	-	-	-	-	-	-	3,602	3,602	3,200
Postage and shipping	30	588	74	268	1,889	-	-	-	9	-	2,858	1,299	1,011	-	5,168	7,470
Printing and copying	149	115	28	195	3,030	-	-	-	-	-	3,517	1,238	5,073	-	9,828	15,264
Program support																
Gift cards distributed	675	51,175	116	50,102	100	-	461	283	100	-	103,012	-	4,733	-	107,745	150,636
Our Daily Veggie vouchers	-	-	-	3,697	-	460	-	-	-	-	4,157	-	-	-	4,157	2,528
Goods and supplies	-	27,672	520	436	-	-	-	-	-	-	28,628	-	-	-	28,628	29,880
Property taxes and licenses	-	-	-	-	-	-	-	-	-	-	-	-	632	-	632	1,197
Refreshments	375	142	302	74	21	-	170	109	169	-	1,362	256	628	-	2,246	2,451
Rent and copier lease	-	-	-	-	-	-	-	-	-	-	-	-	-	20,611	20,611	3,131
Retirement plan expense	-	-	-	-	-	-	-	-	-	-	-	-	-	13,510	13,510	9,994
Salary and payroll taxes	118,415	22,180	80,532	27,783	74,334	19,554	33,196	19,362	19,410	1,149	415,915	73,590	31,860	154,428	675,793	502,432
Staff training and seminars	220	128	97	-	1,201	-	30	-	-	-	1,676	-	5,284	-	6,960	2,699
Telephone	-	-	-	-	-	-	-	-	326	-	326	-	-	3,099	3,425	4,251
Travel	1,588	14	960	60	1,282	41	53	355	-	-	4,353	791	341	-	5,485	5,133
Volunteer recognition	-	14	102	-	-	-	-	-	40	-	156	-	33	-	189	425
	212,449	195,156	135,173	137,840	100,207	83,438	34,554	25,086	20,713	1,149	945,765	80,440	103,425	345,974	1,475,604	1,115,879
Allocation of indirect expenses	78,579	14,719	53,440	18,436	49,328	12,976	22,029	12,849	12,880	762	275,998	48,834	21,142	(345,974)	0	0
Total expenses	\$ 291,028	\$ 209,875	\$ 188,613	\$ 156,276	\$ 149,535	\$ 96,414	\$ 56,583	\$ 37,935	\$ 33,593	\$ 1,911	\$ 1,221,763	\$ 129,274	\$ 124,567	\$ 0	\$ 1,475,604	\$ 1,115,879

See notes to financial statements.

BRITEPATHS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (30,614)	\$ 42,107
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	28,479	26,410
(Increase) decrease in operating assets		
Non-government grants receivable	(14,301)	(20,733)
Receivable for costs recoverable under government grants	(8,813)	22,242
Contributions and other receivables	63,603	(39,657)
Gift cards	(1,459)	(414)
Inventory	1,040	(149)
Prepaid expenses	(10,448)	(45)
Loans receivable - clients	(1,525)	(2,962)
Tenant security deposit	(6,765)	-
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	24,112	(70,631)
Accrued payroll and payroll taxes	7,038	2,151
Deferred revenue	(7,500)	7,500
Deferred rent payable	17,477	-
Deposit payable	6,765	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	67,089	(34,181)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(22,467)	(14,992)
Purchase of intangible assets	(2,371)	(9,156)
NET CASH USED BY INVESTING ACTIVITIES	(24,838)	(24,148)
NET CHANGE IN CASH AND CASH EQUIVALENTS	42,251	(58,329)
CASH AND CASH EQUIVALENTS - BEGINNING	277,993	336,322
CASH AND CASH EQUIVALENTS - ENDING	\$ 320,244	\$ 277,993

See notes to financial statements.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

1. NATURE OF ACTIVITIES

Britepaths, Inc. (“Britepaths”) provides our Fairfax County area neighbors in need with short-term safety-net services and empowers them to work toward long-term self-sufficiency. Britepaths began in 1984 and incorporated in Virginia in 1989 as Our Daily Bread, Inc. The name was changed in August 2016 to Britepaths to better reflect our organization’s mission. Britepaths operates the following programs with the help of volunteers:

Financial Empowerment Center

Through agreements with United Way of the National Capital Area and the County of Fairfax, Virginia, Britepaths is the lead not-for-profit partner managing the operation of the Financial Empowerment Center at South County, which offers financial coaching and workshops in budgeting, personal finance, life skills and more.

Seasonal Programs

Britepaths works with Fairfax County government agencies, community-based organizations, faith communities, area businesses, individual families, and other volunteers to provide school supplies, holiday meals, gifts of clothing and toys, and store gift cards to clients referred by governmental agencies, faith communities, and not-for-profit organizations.

Financial Literacy

Britepaths educates clients in basic household budgeting and understanding credit through four programs: one-on-one counseling is provided through the Financial Mentoring Program and Financial Counseling Clinics, small group instruction is provided through budgeting classes, and eligible clients may participate in the MPower Loan Program in which the client is provided with a zero-interest loan due within one year. Britepaths’ staff train and supervise volunteers who provide mentoring and classroom instruction.

Food Bridge

The organization coordinates a monthly food program by finding and matching a group of volunteers to a list of clients referred by government agencies. The volunteers typically pay for groceries and/or gift cards and deliver them directly to the clients. In addition, Britepaths maintains a food pantry in order to make emergency deliveries to families with urgent needs.

Community Education

Britepaths provides information about its activities to the community and referring agents and fosters relationships with donors through several mediums, including the organization’s website, social media, print materials, display boards, and newsletters.

Financial Assistance

Britepaths enlists and coordinates volunteers to evaluate requests from referring government agencies for emergency financial assistance grants. These grants are generally one-time emergency situations. Britepaths provides financial assistance grants to pay rent, utilities, medical and other emergency expenses, including auto repair.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
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(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

Workforce Development

Britepaths matches a professional volunteer mentor with a client to improve job seeking skills. Workshops are conducted on topics including resume writing and interviewing. Small stipends are awarded to eligible clients for job training.

Project BRIDGE

For selected clients, Britepaths draws upon the resources of all its programs and the community to develop a comprehensive plan for each client and provide services tailored to each client's specific needs.

Naomi Project

The program matches high-risk pregnant or newly parenting women with trained mentors who are committed to promoting healthy pregnancies and healthy babies.

Advocacy

Britepaths' Board members and staff advocate for Board-selected issues in order to create an environment where Britepaths' clients can achieve long-term self-sufficiency.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial reporting framework

Britepaths presents its financial statements in accordance with United States generally accepted accounting principles for not-for-profit organizations.

Cash and cash equivalents

Britepaths considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables

Britepaths considers all receivables to be fully collectible and, therefore, there is no allowance for doubtful accounts. Britepaths does not require collateral for receivables.

Inventory

Inventory consists of (a) donated and purchased food, and (b) donated Naomi Project baby supplies. Donated items are recorded at fair value as of the donation date. Purchased items are recorded at cost. Inventory is stated in the statement of financial position at the lower of cost or realizable value using the first in, first out (FIFO) method.

Property and equipment

Purchased property and equipment is capitalized at cost. Donated property and equipment is capitalized at estimated fair value and revenue is recorded. Property and equipment is depreciated using the straight-line method over the estimated useful lives of three to seven years.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

Intangible assets

Intangible assets consist of a website and database software, which are capitalized at cost. Intangible assets are amortized using the straight-line method over the estimated useful life of three years.

Net assets

Net assets are classified based on the existence, or absence, of restrictions imposed by donors. Accordingly, net assets are reported in the following classifications:

- Net assets without donor restrictions – net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the organization's mission.
- Net assets with donor restrictions – net assets subject to restrictions imposed by donors. Some restrictions are temporary in nature; those restrictions are met by actions of Britepaths or the passage of time. Other restrictions are perpetual in nature, where the donor has stipulated the funds be maintained by Britepaths 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 statement of activities.

Deferred revenue

Deferred revenue consists of the cost reimbursable grant funds received, prior to providing the services, that have not yet been recognized as revenue.

Contributions

Contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier.

Contributions are recorded as (i) net assets without donor restrictions, or (ii) net asset with donor restrictions, depending on the existence and nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions

Government grants

Government grants are cost reimbursable grants. They are considered exchange transactions and are recognized as unrestricted revenue to the extent of allowable direct and indirect costs incurred.

Non-government grants

Some non-government grants are cost reimbursable grants and are accounted for as exchange transactions. Non-government grants which are not cost reimbursable grants are accounted for as contributions.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

Income taxes

Britepaths is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Advertising costs

Advertising costs are charged to expense as incurred.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs, management and general, and fundraising. Expenses are allocated based on estimates of time and effort.

Concentration of credit risk

Financial instruments which subject Britepaths to concentrations of credit risk consist primarily of cash and cash equivalents at a bank and a credit union. The balances at the bank are insured by the Federal Deposit Insurance Corporation up to \$250,000, and the balance at the credit union is insured by the National Credit Union Administration, also up to \$250,000. At December 31, 2018, all of Britepaths' cash and cash equivalents balances are insured.

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. Actual results could differ from these estimates.

Reclassifications

Certain 2017 amounts have been reclassified to conform to the 2018 financial statement presentation. These reclassifications had no effect on the reported net assets.

New accounting pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, and other matters. Britepaths has implemented the update in its 2018 financial statements. The update has been applied retrospectively to 2017 in these financial statements.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

3. INFORMATION FOR 2017

The 2017 summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived. However, such information does not constitute a presentation in conformity with generally accepted accounting principles because it is presented in total, and not by net asset class or functional expense category. Accordingly, such information should be read in conjunction with Britepaths' financial statements for the year ended December 31, 2017, from which the summarized information is derived.

4. LOANS RECEIVABLE – CLIENTS

Loans to clients are zero interest loans.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2018</u>	<u>2017</u>
Furniture and office equipment	\$ 62,281	\$ 70,611
Leasehold improvements	2,166	-
Less: accumulated depreciation	<u>(21,602)</u>	<u>(39,155)</u>
	<u>\$ 42,845</u>	<u>\$ 31,456</u>

6. INTANGIBLE ASSETS

Intangible assets consist of the following:

	<u>2018</u>	<u>2017</u>
Website and database software	\$ 110,274	\$ 117,903
Less: accumulated amortization	<u>(97,512)</u>	<u>(90,111)</u>
	<u>\$ 12,762</u>	<u>\$ 27,792</u>

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2018 and 2017 consist of \$30,000 and \$35,000, respectively for financial literacy and food bridge programs.

8. DONATED GOODS, SERVICES, AND FACILITIES USE

Britepaths recognized revenue in the statement of activities for the fair value of the following donated items:

	<u>2018</u>	<u>2017</u>
Facilities use	\$ 46,359	\$ 53,476
Food	39,212	37,973
Gift cards	7,768	6,560
Holiday items and other	113,249	48,358
Services	<u>197,858</u>	<u>89,635</u>
	<u>\$ 404,446</u>	<u>\$ 236,002</u>

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In addition, Britepaths received approximately 10,100 and 8,400 hours in 2018 and 2017, respectively, of donated services from unpaid volunteers who assist the organization in a variety of tasks. The value of these services is estimated at \$272,000 and \$226,000 for 2018 and 2017, respectively. No revenue has been recognized for these services in the statement of activities because they do not meet the criteria for recognition under generally accepted accounting principles.

Donated services were used in a variety of programs and administrative activities.

9. OPERATING LEASES

Britepaths leases its main office under an agreement whose term is October 1, 2018 through February 29, 2024. Britepaths pays base rent of \$5,906 per month plus additional rent for its proportionate share of operating expenses that exceed base year operating expenses. Base rent increases 2.75% each year. The County of Fairfax provided a grant to reimburse Britepaths for actual lease costs incurred from July 1, 2018 through June 30, 2019, not to exceed \$78,818.

Deferred rent payable, which relates to the main office lease, consists of the excess of the rental expenses on a straight-line basis over the payments required by the lease and is included as a liability in the statement of financial position.

Britepaths leases its financial empowerment center space and a storage space at no cost under two separate License Agreements with the County of Fairfax, Virginia. The terms of the leases run concurrent with grant agreements with the County and are automatically renewed any time the grants are renewed. The License Agreements expire June 30, 2020.

In October 2018 Britepaths entered a copier lease whereby Britepaths is required to pay \$287 per month over the 60-month term of the lease.

Future minimum lease payments are:

<u>Year ended December 31,</u>	
2019	\$ 62,990
2020	76,765
2021	78,780
2022	80,851
2023	82,119
Thereafter	13,528
	<u>\$ 395,033</u>

Rent and copier lease expense is \$66,970 (of which \$46,359 is donated) for 2018 and \$56,607 (of which \$53,476 is donated) for 2017.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2017)

10. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure (i.e., without donor or other restrictions limiting use) within one year of the statement of statement of financial position date consist of the following:

Cash and cash equivalents	\$ 320,244
Non-government grants receivable	55,076
Receivable for costs recoverable under government grants	11,571
Contributions and other receivables	23,636
Loans receivable - clients	
Total	4,487
Due after one year	<u>(1,645)</u>
	<u>\$ 413,369</u>

As part of its liquidity management plan, cash in excess of daily operating requirements is maintained in cash and cash equivalents and not invested.

11. REVENUE CONCENTRATION

During 2018 and 2017, 23% and 21%, respectively, of total revenue was derived from County of Fairfax, Virginia grants and donated facilities use.

12. RETIREMENT PLAN

Britepaths has a 403(b) retirement plan, which covers substantially all employees. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their salary up to the maximum allowed by law. Britepaths matches a portion of the employee contributions in an amount determined by the Board of Directors on an annual basis, currently one-half of the employee's contributions up to 6% of the employee's salary. Britepaths contributed \$13,510 and \$9,994 to the plan for 2018 and 2017, respectively.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 27, 2019 the date the financial statements were available to be issued.