

BRITEPATHS, INC.

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

SIX MONTHS ENDED JUNE 30, 2021

BRITEPATHS, INC.
SIX MONTHS ENDED JUNE 30, 2021

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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 June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the six months 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 June 30, 2021, and the changes in its net assets and its cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

Bernard M. Gordon, CPA, PLC

BRITEPATHS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Cash and cash equivalents	\$ 1,842,343
Receivable for costs recoverable under government grants	200,493
Accrued contract receivable	30,000
Non-government grants receivable	27,500
Contributions and other receivables	17,570
Other assets	6,145
Gift cards	21,474
Prepaid expenses	19,762
Loans receivable - clients	13,296
Property and equipment, net	38,223
Intangible assets, net	1,533
Tenant security deposit	<u>6,765</u>
TOTAL ASSETS	<u>\$ 2,225,104</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 35,687
Accrued payroll and payroll taxes	34,482
Bank loan - PPP	160,000
Deferred government contract revenue	1,158,863
Deferred rent	21,972
Deposit payable	<u>6,765</u>
TOTAL LIABILITIES	1,417,769

NET ASSETS

Without donor restrictions	797,335
With donor restrictions	<u>10,000</u>
TOTAL NET ASSETS	807,335

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,225,104</u>
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See notes to financial statements.

BRITEPATHS, INC.
STATEMENT OF ACTIVITIES
SIX MONTHS ENDED JUNE 30, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Donated goods, services, and facilities use	\$ 152,768	\$ -	\$ 152,768
Contributions	331,992	-	331,992
Government contracts	48,658	-	48,658
Government grants	250,906	-	250,906
Non-government contracts	75,000	-	75,000
Non-government grants	48,550	20,000	68,550
Donated gift cards	3,906	-	3,906
Interest and other revenue	3,285	-	3,285
Net assets released from restrictions			
Satisfaction of purpose restrictions	<u>10,000</u>	<u>(10,000)</u>	<u>0</u>
TOTAL REVENUE AND OTHER SUPPORT	925,065	10,000	935,065
EXPENSES			
Program services			
Financial Empowerment Center	222,839	-	222,839
Financial Literacy	89,266	-	89,266
Food	86,719	-	86,719
Workforce Development	64,725	-	64,725
Seasonal Programs	49,777	-	49,777
Community Education	39,944	-	39,944
Financial Assistance	37,179	-	37,179
Emergency Rental Assistance	21,943	-	21,943
CARES	<u>17,510</u>	<u>-</u>	<u>17,510</u>
	629,902	-	629,902
Fundraising	123,269	-	123,269
General and administrative	<u>135,973</u>	<u>-</u>	<u>135,973</u>
TOTAL EXPENSES	889,144	-	889,144
CHANGE IN NET ASSETS	35,921	10,000	45,921
NET ASSETS AT JANUARY 1, 2021	<u>761,414</u>	<u>-</u>	<u>761,414</u>
NET ASSETS AT JUNE 30, 2021	<u><u>\$ 797,335</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 807,335</u></u>

See notes to financial statements.

BRITEPATHS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
SIX MONTHS ENDED JUNE 30, 2021

	Financial Empower- ment Center	Financial Literacy	Food	Workforce Develop- ment	Seasonal Programs	Community Education	Financial Assistance	Emergency Rental Assistance	CARES	Total Program Services	Fund- raising	General and Admin- istrative	Indirect Expenses	Grand Total
Advertising	\$ 810	\$ -	\$ -	\$ -	\$ -	\$ 202	\$ -	\$ -	\$ -	\$ 1,012	\$ -	\$ -	\$ -	\$ 1,012
Audit and accounting fees	-	-	-	-	-	-	-	-	-	-	-	14,000	-	14,000
Bank and transaction fees	-	-	-	-	-	-	-	-	-	-	-	1,111	3,237	4,348
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	8,913	8,913
Dues and subscriptions	624	-	-	-	-	2,123	-	-	-	2,747	762	7,011	-	10,520
Financial assistance grants	-	-	-	-	-	-	28,529	21,558	16,596	66,683	-	300	-	66,983
Information technology	2,104	-	-	-	-	204	-	-	-	2,308	-	13,185	6,496	21,989
Insurance - general	-	-	-	-	-	-	-	-	-	-	-	4,562	-	4,562
Insurance - health and life	-	-	-	-	-	-	-	-	-	-	-	-	11,094	11,094
In-kind donations														
Facilities use	6,922	-	-	-	-	-	-	-	-	6,922	-	-	2,022	8,944
Gift cards and other	-	-	1,408	-	-	-	-	-	-	1,408	-	-	-	1,408
Services	89,803	8,063	-	-	-	-	-	-	-	97,866	-	-	44,200	142,066
Miscellaneous	1,249	-	1,330	695	-	87	-	-	-	3,361	200	1,544	90	5,195
Office supplies	22	-	50	-	-	21	-	330	-	423	-	3,959	616	4,998
Payroll processing fees	-	-	-	-	-	-	-	-	-	-	-	-	1,806	1,806
Postage and shipping	11	-	273	275	10	-	-	55	-	624	-	1,561	-	2,185
Printing and copying	-	-	175	-	-	-	-	-	-	175	4,514	484	-	5,173
Program support														
Gift cards distributed	275	-	55,880	-	4,300	-	50	-	-	60,505	-	100	-	60,605
Goods and supplies	-	-	-	-	41,808	-	-	-	-	41,808	-	-	-	41,808
Rent and copier lease	-	-	-	-	-	-	-	-	-	-	-	1,853	36,872	38,725
Retirement plan expense	-	-	-	-	-	-	-	-	-	-	-	-	7,116	7,116
Salary and payroll taxes	74,920	50,271	17,088	39,469	2,265	23,096	5,324	-	566	212,999	72,923	52,052	85,496	423,470
Telephone	-	-	-	-	-	-	-	-	-	-	-	2,224	-	2,224
	<u>176,740</u>	<u>58,334</u>	<u>76,204</u>	<u>40,439</u>	<u>48,383</u>	<u>25,733</u>	<u>33,903</u>	<u>21,943</u>	<u>17,162</u>	<u>498,841</u>	<u>78,399</u>	<u>103,946</u>	<u>207,958</u>	<u>889,144</u>
Allocation of indirect expenses	<u>46,099</u>	<u>30,932</u>	<u>10,515</u>	<u>24,286</u>	<u>1,394</u>	<u>14,211</u>	<u>3,276</u>	<u>-</u>	<u>348</u>	<u>131,061</u>	<u>44,870</u>	<u>32,027</u>	<u>(207,958)</u>	<u>0</u>
Total expenses	<u>\$ 222,839</u>	<u>\$ 89,266</u>	<u>\$ 86,719</u>	<u>\$ 64,725</u>	<u>\$ 49,777</u>	<u>\$ 39,944</u>	<u>\$ 37,179</u>	<u>\$ 21,943</u>	<u>\$ 17,510</u>	<u>\$ 629,902</u>	<u>\$ 123,269</u>	<u>\$ 135,973</u>	<u>\$ 0</u>	<u>\$ 889,144</u>

See notes to financial statements.

BRITEPATHS, INC.
STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 45,921
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	8,913
(Increase) decrease in operating assets	
Receivable for costs recoverable under government grants	(168,395)
Accrued contract receivable	(15,000)
Non-government grants receivable	(27,500)
Contributions and other receivables	70,377
Other assets	(2,905)
Gift cards	5,595
Prepaid expenses	1,622
Loans receivable - clients	1,260
Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	12,203
Accrued payroll and payroll taxes	(17,920)
Deferred government contract revenue	1,158,863
Deferred rent	<u>(2,456)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,070,578
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(16,792)
Purchase of intangible assets	<u>(287)</u>
NET CASH USED BY INVESTING ACTIVITIES	(17,079)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,053,499
CASH AND CASH EQUIVALENTS - BEGINNING	<u>788,844</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,842,343</u>

See notes to financial statements.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

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 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.

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. Britepaths’ staff train and supervise volunteers who provide mentoring and classroom instruction.

Food

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.

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.

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.

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.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

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.

Emergency Rental Assistance

Britepaths processes direct assistance payments for rent and other expenses related to housing to eligible recipients as determined by the County of Fairfax government. Funding for the program is provided to Britepaths by the County of Fairfax government from funds the County received from the U.S. Department of the Treasury.

CARES

Britepaths provides financial assistance to clients for food, rent, and other basic needs. Funding for this program is provided to Britepaths by the County of Fairfax government and City of Fairfax government. The program is made possible by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed by the U.S. Congress and signed by the President in March 2020.

Advocacy

Britepaths' Board members and staff advocate for Board-selected issues to create an environment where Britepaths' clients can achieve long-term self-sufficiency. The program was inactive during the six months ended June 30, 2021.

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 donated and purchased food. 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.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

Property and equipment

Britepaths capitalizes property and equipment acquisitions of \$500 or more. 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.

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.

Bank loan - PPP

Britepaths accounts for the forgivable loan received from a bank under the U.S. Small Business Administration's Paycheck Protection Program as debt, in accordance with the Financial Accounting Standards Board's Accounting Standards Codification topic 470.

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.

Revenue and revenue recognition

Contributions are recognized as revenue when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (i.e., those with a measurable performance or other barrier and a right of return) are not recognized as revenue until the conditions on which they depend are met.

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, i.e., simultaneous release policy. All other contributions that are restricted by the donor are reported as an increase 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.

Grants are accounted for as "contracts with customers" if each party under the agreement directly receives commensurate value. Other grants are accounted for as "contributions".

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

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 for each 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 times, amounts on deposit may exceed the federally insured limit. Britepaths has not experienced, nor does it anticipate, any losses in the accounts at the bank and credit union.

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.

3. COVID-19 PANDEMIC

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created market uncertainty, volatility, and disruption across economies.

As a response, the Britepaths office and the Financial Empowerment Center at South County temporarily closed to the public. Staff continues to work, primarily remotely. Britepaths continues to offer most of its programs, primarily by phone or internet.

4. LOANS RECEIVABLE – CLIENTS

Loans to clients are zero interest loans.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2021:

Furniture and office equipment	\$ 100,906
Leasehold improvements	2,166
Less: accumulated depreciation	<u>(64,849)</u>
	<u>\$ 38,223</u>

6. INTANGIBLE ASSETS

Intangible assets consist of the following at June 30, 2021:

Website and database software	\$ 113,233
Less: accumulated amortization	<u>(111,700)</u>
	<u>\$ 1,533</u>

7. BANK LOAN - PPP

In April 2020 Britepaths received a \$160,000 bank loan pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration. The loan, including interest, is subject to forgiveness upon Britepaths' request to the extent Britepaths meets certain criteria and the loan proceeds are used to pay expenses permitted by the PPP, including payroll. Britepaths applied for forgiveness of the loan. The application was approved and the loan was forgiven effective August 11, 2021.

The loan is accounted for in the financial statements as debt, in accordance the Financial Accounting Standards board's Accounting Standards Codification topic 470. Britepaths reclassified the loan as revenue effective August 11, 2021, upon obtaining legal release.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2021 consists of \$10,000 for the Food program.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

Britepaths has two types of “contracts with customers”: (i) contracts to operate a Financial Empowerment Center, and (ii) contracts to provide direct client financial assistance.

Contracts to operate a Financial Empowerment Center (non-government contract revenue)

Contract types – Britepaths earns revenue from contracts awarded by one non-government customer. The contracts are nearly identical to each other but cover different time periods.

Performance obligations – Britepaths operates a dedicated center which provides, at no charge, financial coaching and workshops in budgeting, personal finance, life skills, and more to individuals of low to moderate income residing in the surrounding community.

Significant judgments related to the above grant –

- Performance obligations are recognized over time, not at a point of time.
- Revenue is not constrained, i.e., there are no uncertainties in recognizing revenue.

Reconciliation of contract balances – There are no contract assets or liabilities at January 1, 2021 and June 30, 2021. Receivables from contracts with customers (i.e., accrued contract receivable) at June 30, 2021 is \$30,000.

Revenue earned – Revenue earned from the above contracts is recognized evenly over the period of the contract, based on time elapsed.

Contracts to provide direct client financial assistance (government contract revenue)

Contract type – Britepaths earns revenue from contracts awarded by the County of Fairfax government and City of Fairfax government from funds the County and City received from the federal government.

Performance obligations – Britepaths provides financial assistance for food, rent, and other basic needs to clients referred by the entity awarding the contract to Britepaths.

Significant judgments related to the above grant –

- Performance obligations are recognized at a point of time, not over time.
- Revenue is not constrained, i.e., there are no uncertainties in recognizing revenue.

Reconciliation of contract balances – At January 1, 2021 and June 30, 2021, there are no contract assets and no receivables. At January 1, 2021, there are no contract liabilities. At June 30, 2021, there is \$1,158,863 of contract liabilities, which consists of deferred government contract revenue.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

Revenue earned – Revenue earned from the above contracts is recognized to the extent of allowable direct and indirect costs incurred.

10. DONATED GOODS, SERVICES, AND FACILITIES USE

Britepaths recognized revenue in the statement of activities for the six months ended June 30, 2021 for the fair value of the following donated items:

Facilities use	\$ 8,944
Gift cards and other	1,758
Services	142,066
	<u>\$ 152,768</u>

In addition, during the six months ended June 30, 2021 Britepaths received approximately 1,700 hours of donated services from unpaid volunteers who assist the organization in a variety of tasks. The value of these services is estimated at \$49,000. 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 goods, services and facilities use were used in a variety of programs and administrative activities.

11. REVENUE CONCENTRATION

During the six months ended June 30, 2021, 32% of total revenue was derived from County of Fairfax agreements, including donated facilities use.

12. 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 \$6,235 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. Under agreements with the County of Fairfax, Britepaths receives reimbursement for actual lease costs incurred.

Deferred rent, 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 the Financial Empowerment Center at South County office and a storage space at no cost under two separate License Agreements with the County of Fairfax. 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, 2022.

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.

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

Future minimum lease payments are:

<u>Year ended June 30,</u>	
2022	79,808
2023	81,909
2024	54,428
	<u>\$ 216,145</u>

Rent and copier lease expense for the six months ended June 30, 2021 is \$47,669, of which \$8,944 is donated facilities use.

13. 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 \$7,116 to the plan for the six months ended June 30, 2021.

14. 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	\$ 1,842,343
Receivable for costs recoverable under government contracts	200,493
Accrued contract receivable	30,000
Non-government grants receivable	27,500
Contributions and other receivables	16,983
Other assets	6,145
Loans receivable - clients	
Total	13,296
Due after one year	(6,000)
	<u>\$ 2,130,760</u>

Britepaths obtained in February 2020 a two-year \$100,000 line of credit from a bank. The interest rate on funds borrowed is 1.5% over the prime interest rate, but not less than 6.0% per annum. Britepaths has not borrowed any funds under the agreement.

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

BRITEPATHS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2021 the date the financial statements were available to be issued.