

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**

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

**YEAR ENDED DECEMBER 31, 2016  
(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

# **Bernard M. Gordon, CPA, PLC**

*Certified Public Accountant and Consultant*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Britepaths, Inc. (formerly Our Daily Bread, Inc.)

I have audited the accompanying financial statements of Britepaths, Inc, formerly Our Daily Bread, Inc., (a not-for-profit corporation), which consist of the statement of financial position as of December 31, 2016, 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, 2016, 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 2015 financial statements, and my report dated May 31, 2016 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, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bernard M. Gordon, CPA, PLC*

June 27, 2017

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION AT DECEMBER 31, 2015)**

<b>ASSETS</b>		
	2016	2015
Cash	\$ 336,322	\$ 380,624
Non-government grants receivable	20,042	2,500
Receivable for costs recoverable under government grants	25,000	25,000
Contributions and other receivables	47,582	72,014
Gift cards	1,932	7,618
Inventory	10,107	10,139
Prepaid expenses	431	420
Furniture and equipment, net	25,270	33,669
Intangible assets, net	36,240	15,499
<b>TOTAL ASSETS</b>	<b>\$ 502,926</b>	<b>\$ 547,483</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 93,360	\$ 123,067
Accrued payroll and payroll taxes	4,558	1,327
<b>TOTAL LIABILITIES</b>	97,918	124,394
 <b>NET ASSETS</b>		
Unrestricted	398,341	413,132
Temporarily restricted	6,667	9,957
<b>TOTAL NET ASSETS</b>	405,008	423,089
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 502,926</b>	 <b>\$ 547,483</b>

See notes to financial statements.

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

	Un- restricted	Temporarily Restricted	2016 Total	2015 Total
<b>REVENUE AND OTHER SUPPORT</b>				
Donated goods, services, and facilities use	\$ 367,438	\$ -	\$ 367,438	\$ 210,806
Contributions	431,012	-	431,012	431,721
Government grants	236,277	-	236,277	236,100
Non-government grants	94,800	10,000	104,800	56,000
Donated gift cards	28,600	-	28,600	34,818
Special events	98,714	-	98,714	80,626
Less: Costs of direct benefits to donors	(36,720)	-	(36,720)	(38,879)
Interest and other revenue	994	-	994	1,141
Net assets released from restrictions				
Satisfaction of purpose restrictions	<u>13,290</u>	<u>(13,290)</u>	<u>0</u>	<u>0</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>1,234,405</b>	<b>(3,290)</b>	<b>1,231,115</b>	<b>1,012,333</b>
<b>EXPENSES</b>				
Program services				
Food Bridge	280,431	-	280,431	273,799
Seasonal programs	260,726	-	260,726	216,317
Community Education	199,545	-	199,545	199,555
Financial Assistance	95,622	-	95,622	152,316
Financial Literacy	75,159	-	75,159	71,090
Project BRIDGE	46,738	-	46,738	39,450
Naomi Project	32,528	-	32,528	19,405
Advocacy	<u>4,092</u>	<u>-</u>	<u>4,092</u>	<u>7,380</u>
	994,841	-	994,841	979,312
Fundraising	12,540	-	12,540	13,243
General and administrative	<u>241,815</u>	<u>-</u>	<u>241,815</u>	<u>56,285</u>
<b>TOTAL EXPENSES</b>	<b>1,249,196</b>	<b>-</b>	<b>1,249,196</b>	<b>1,048,840</b>
<b>CHANGE IN NET ASSETS</b>	<b>(14,791)</b>	<b>(3,290)</b>	<b>(18,081)</b>	<b>(36,507)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>413,132</u></b>	<b><u>9,957</u></b>	<b><u>423,089</u></b>	<b><u>459,596</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 398,341</u></b>	<b><u>\$ 6,667</u></b>	<b><u>\$ 405,008</u></b>	<b><u>\$ 423,089</u></b>

See notes to financial statements.

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

	Food Bridge	Seasonal Programs	Community Education	Financial Assistance	Financial Literacy	Project BRIDGE	Naomi Project	Ad- vocacy	Total Program Services	Fund- raising	General and Admin- istrative	Indirect Expenses	2016 Grand Total	2015 Grand Total
Advertising	\$ 326	\$ -	\$ 3,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,774	\$ -	\$ -	\$ 173	\$ 3,947	\$ 456
Audit and accounting fees	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000	10,000
Bank and transaction fees	-	-	-	-	-	-	-	-	-	-	3	3,358	3,361	4,652
Conferences and meetings	210	-	901	-	60	450	-	-	1,622	-	2,624	-	4,246	5,504
Consultant/professional services	-	-	-	-	-	-	-	-	-	1,000	23,090	-	24,090	6,017
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	25,019	25,019	17,612
Dues and subscriptions	-	104	2,486	-	-	500	-	-	3,090	390	-	1,250	4,730	3,857
Financial assistance grants	-	-	-	55,420	1,880	1,149	-	-	58,449	-	-	-	58,449	115,432
Information technology	-	2,475	162	-	-	-	-	-	2,637	247	11,180	-	14,064	5,717
Insurance	-	-	-	-	-	-	-	-	-	-	-	5,329	5,329	5,060
In-kind donations	56,024	73,786	19,093	2,825	-	-	363	-	152,091	-	152,233	63,147	367,471	216,062
Maintenance and repairs	-	-	-	-	-	-	-	-	-	-	418	-	418	890
Miscellaneous	339	-	-	345	410	14	35	-	1,143	-	297	124	1,564	2,059
Office supplies	735	73	438	-	11	-	254	-	1,511	-	4,208	55	5,774	4,771
Payroll processing fees	-	-	-	-	-	-	-	-	-	-	-	2,832	2,832	3,684
Postage and shipping	702	1,840	3,291	-	65	-	117	-	6,015	1,156	2,005	94	9,270	8,883
Printing and copying	113	935	4,945	-	-	118	-	-	6,110	980	9,292	21	16,403	11,150
Program support														
Gift cards distributed	138,844	73,470	-	-	185	-	-	-	212,499	145	1,411	-	214,055	213,986
Our Daily Veggie vouchers	3,750	-	-	-	-	-	-	-	3,750	-	-	-	3,750	3,870
Goods and supplies	-	31,516	-	-	1,535	-	-	-	33,051	-	-	-	33,051	28,715
Property taxes and licenses	-	-	-	-	-	-	-	-	-	-	1,004	-	1,004	520
Refreshments	133	347	2,121	12	255	164	-	-	3,032	-	1,105	-	4,137	1,937
Rent and copier lease	-	-	-	-	-	-	-	-	-	-	-	3,174	3,174	1,792
Retirement plan expense	-	-	-	-	-	-	-	-	-	-	-	8,327	8,327	7,291
Salary and payroll taxes	42,017	40,294	85,852	19,679	37,135	22,638	16,675	2,176	266,466	4,556	11,372	131,430	413,824	357,778
Staff training and seminars	-	149	64	-	-	1,175	-	-	1,388	-	306	-	1,694	1,613
Telephone	-	200	-	-	-	-	388	-	588	-	-	3,937	4,525	5,997
Travel	239	55	1,145	12	872	595	12	-	2,930	54	1,209	401	4,594	3,311
Volunteer recognition	-	-	-	-	50	-	-	-	50	-	44	-	94	224
	<u>243,432</u>	<u>225,244</u>	<u>123,946</u>	<u>78,293</u>	<u>42,458</u>	<u>26,803</u>	<u>17,844</u>	<u>2,176</u>	<u>760,196</u>	<u>8,528</u>	<u>231,801</u>	<u>248,671</u>	<u>1,249,196</u>	<u>1,048,840</u>
Allocation of indirect expenses	36,999	35,482	75,599	17,329	32,701	19,935	14,684	1,916	234,645	4,012	10,014	(248,671)	0	0
Total expenses	<u>\$ 280,431</u>	<u>\$ 260,726</u>	<u>\$ 199,545</u>	<u>\$ 95,622</u>	<u>\$ 75,159</u>	<u>\$ 46,738</u>	<u>\$ 32,528</u>	<u>\$ 4,092</u>	<u>\$ 994,841</u>	<u>\$ 12,540</u>	<u>\$ 241,815</u>	<u>\$ 0</u>	<u>\$ 1,249,196</u>	<u>\$ 1,048,840</u>

See notes to financial statements.

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease in net assets	\$ (18,081)	\$ (36,507)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	25,019	17,612
(Increase) decrease in operating assets		
Non-government grants receivable	(17,542)	16,750
Receivable for costs recoverable under government grants	-	1,251
Contributions and other receivables	24,432	(44,688)
Gift cards	5,686	(4,538)
Inventory	32	(389)
Prepaid expenses	(11)	9
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(29,707)	111,020
Accrued payroll and payroll taxes	3,231	(3,674)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(6,941)</u>	<u>56,846</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	-	(23,276)
Purchase of intangible assets	<u>(37,361)</u>	<u>(8,658)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(37,361)</u>	<u>(31,934)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(44,302)</u>	<u>24,912</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<u>380,624</u>	<u>355,712</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 336,322</u></u>	<u><u>\$ 380,624</u></u>

See notes to financial statements.



**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

**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:

Food Bridge

The organization coordinates a weekly 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.

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.

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.

Financial Literacy

Britepaths educates clients in basic household budgeting and understanding credit through three programs: one-on-one counseling is provided through the Financial Mentoring Program and Financial Counseling Clinics, and small group instruction is provided through budgeting classes. Britepaths’ staff train and supervise volunteers who provide mentoring and classroom instruction.

Project BRIDGE

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

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

Naomi Project

The program, which is run by volunteers, 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. Britepaths 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.

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 and contributions

Non-government grants and contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier. They are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions. Grants and contributions restricted by the donor are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Restrictions met in year contribution received

Britepaths reports all temporarily restricted contributions whose restrictions are met in the same year as unrestricted contributions.

Cash and cash equivalents

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

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.

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

Furniture and equipment

Purchased furniture and equipment is capitalized at cost. Donated furniture and equipment is capitalized at estimated fair value and revenue is recorded. Furniture 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 lives of two to three years.

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.

Concentration of credit risk

Britepaths maintains substantially all of its cash balances at a bank and a credit union. The cash balance at the bank is insured by the Federal Deposit Insurance Corporation up to \$250,000, and the cash balance at the credit union is insured by the National Credit Union Administration, also up to \$250,000. At December 31, 2015, all of Britepaths' cash balances are insured.

Advertising costs

Advertising costs are charged to expense as incurred.

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.

Subsequent events

Management has evaluated subsequent events through June 27, 2017 the date the financial statements were available to be issued.

**3. INFORMATION FOR 2015**

The 2015 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, 2015, from which the summarized information is derived.

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

**4. FURNITURE AND EQUIPMENT**

Furniture and equipment consists of the following:

	<u>2016</u>	<u>2015</u>
Furniture and office equipment	\$ 55,619	\$ 55,619
Less: accumulated depreciation	<u>(30,349)</u>	<u>(21,950)</u>
	<u>\$ 25,270</u>	<u>\$ 33,669</u>

**5. INTANGIBLE ASSETS**

Intangible assets consist of the following:

	<u>2016</u>	<u>2015</u>
Website and database software	\$ 108,747	\$ 71,386
Less: accumulated amortization	<u>(72,507)</u>	<u>(55,887)</u>
	<u>\$ 36,240</u>	<u>\$ 15,499</u>

**6. DONATED GOODS, SERVICES, AND FACILITIES USE**

Britepaths recognized revenue in the Statement of Activities for the fair value of donated goods, services, and facilities use as stated below, including a grant of \$140,000 in consulting services.

	<u>2016</u>	<u>2015</u>
Food	\$ 46,344	\$ 78,366
Gift cards	9,970	14,311
Facilities use	43,226	52,286
Services - Board development consulting	140,000	-
Services - other	38,202	35,729
Holiday items and other	89,696	30,114
	<u>\$ 367,438</u>	<u>\$ 210,806</u>

In addition, Britepaths received approximately 9,000 and 8,100 hours in 2016 and 2015, respectively, of donated services from unpaid volunteers who assist the organization in a variety of tasks. The value of these services is estimated at \$225,000 and \$202,000 for 2016 and 2015, 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.

**7. OPERATING LEASES**

Britepaths leases its office space 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 a grant agreement with the County of Fairfax and are automatically renewed at any time the grant is renewed. The License Agreements expire June 30, 2018.

Throughout each year, Britepaths rents space on a short-term basis for its programs.

**BRITEPATHS, INC. (FORMERLY OUR DAILY BREAD, INC.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(WITH SUMMARIZED INFORMATION FOR YEAR ENDED DECEMBER 31, 2015)**

In June 2011 Britepaths signed a lease for a copier, whereby Britepaths is obligated to pay \$149 per month over the 60-month term of the lease. In October 2015, Britepaths terminated the lease and entered a new copier lease whereby Britepaths is required to pay \$199 per month over the 60-month term of the new lease.

Rent and copier lease expense is \$46,400 (of which \$43,226 is donated) for 2016 and \$54,078 (of which \$52,286 is donated) for 2015.

**8. REVENUE CONCENTRATION**

During 2016 and 2015, 22% and 27%, respectively, of total revenue was derived from County of Fairfax, Virginia grants and donated facilities use.

**9. 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 \$8,327 and \$7,291 to the plan for 2016 and 2015, respectively.

**10. EXPENSE ALLOCATION**

The costs of providing various programs 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 programs, general and administrative, and fundraising.