

**VIRGINIA ORAL  
HEALTH COALITION, INC.**

Financial Statements  
Year Ended December 31, 2012

# **VIRGINIA ORAL HEALTH COALITION, INC.**

## **Mission Statement**

The Virginia Oral Health Coalition is an alliance of over 100 individual and organizational partners striving to integrate oral health into all aspects of health care through education, public awareness and advocacy to ensure all Virginians have access to oral health services.

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# Virginia Oral Health Coalition, Inc.

December 31, 2012

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Virginia Oral Health Coalition, Inc.  
Richmond, Virginia

We have audited the accompanying financial statements of Virginia Oral Health Coalition, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, 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 the 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**

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

Virginia Oral Health Coalition, Inc.  
August 19, 2013  
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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia Oral Health Coalition, Inc. as of December 31, 2012, 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.

### **Other Matter**

The financial statements of Virginia Oral Health Coalition, Inc. for the year ended December 31, 2011 were reviewed by our firm. Accordingly, we did not express an opinion on those financial statements and they have not been included for comparative purposes in the 2012 financial statements.

*Morey, Jones & Pfeiffer, P.C.*  
Richmond, Virginia  
August 19, 2013

# VIRGINIA ORAL HEALTH COALITION, INC.

## Statement of Financial Position December 31, 2012

### Assets

<b>Assets</b>	
Cash	\$ 260,404
Property and equipment, net	<u>1,746</u>
<b>Total Assets</b>	<u>262,150</u>

### Liabilities and Net Assets

<b>Liabilities</b>	
Accounts payable	<u>3,472</u>
<b>Total Liabilities</b>	<u>3,472</u>
<b>Net Assets</b>	
Unrestricted	103,262
Temporarily restricted	<u>155,416</u>
<b>Total Net Assets</b>	<u>258,678</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 262,150</u>

See Notes to Financial Statements.

# VIRGINIA ORAL HEALTH COALITION, INC.

## Statement of Activities Year Ended December 31, 2012

<b>Unrestricted Net Assets</b>	
<b>Support and Revenue</b>	
Contributions	
DentaQuest Foundation	\$ 13,250
VCU School of Dentistry	21,250
Virginia Department of Health	31,259
Delta Dental	10,000
Highmark	5,000
Other	14,751
Program service fees	<u>14,014</u>
<b>Total Unrestricted Support and Revenue</b>	109,524
<b>Net assets released from restrictions</b>	<u>205,903</u>
<b>Total Unrestricted Support and Revenue</b>	<u>315,427</u>
<b>Expenses</b>	
Program services	236,915
Supporting services:	
Management and general	25,678
Fundraising	<u>5,770</u>
<b>Total Expenses</b>	<u>268,363</u>
<b>Increase in Unrestricted Net Assets</b>	<u>47,064</u>
<b>Temporarily Restricted Net Assets</b>	
Contributions	
Dentaquest Foundation	149,949
Net assets released from restrictions	<u>(205,903)</u>
<b>Decrease in Temporarily Restricted Net Assets</b>	<u>(55,954)</u>
<b>Decrease in Net Assets</b>	(8,890)
<b>Net Assets</b>	
Beginning	<u>267,568</u>
Ending	<u>258,678</u>

See Notes to Financial Statements.

## VIRGINIA ORAL HEALTH COALITION, INC.

### Statement of Functional Expenses Year Ended December 31, 2012

	Program Services		Supporting Services		Total Expenses
	Education & Training	Public Awareness and Advocacy	Management and General	Fund Raising	
Salaries	\$ 67,074	\$ 37,884	\$ 8,561	\$ 1,502	\$ 115,021
Payroll taxes	5,914	3,365	714	204	\$ 10,197
Other employee benefits	1,231	701	187	4	\$ 2,123
<b>Total Salaries and Related Expenses</b>	<b>74,219</b>	<b>41,950</b>	<b>9,462</b>	<b>1,710</b>	<b>127,341</b>
Consulting	-	21,280	-	-	21,280
Lobbying	-	11,200	-	-	11,200
Occupancy	10,187	6,197	4,979	-	21,363
Office expense	923	923	4,305	-	6,151
Promotion	3,235	809	-	400	4,444
Professional fees and contract services	17,032	11,842	5,283	3,660	37,817
Supplies	17,887	3,812	879	-	22,578
Tax & license	64	64	298	-	426
Travel	5,220	6,587	-	-	11,807
Other	2,872	612	141	-	3,625
<b>Total Expenses Before Depreciation</b>	<b>131,639</b>	<b>105,276</b>	<b>25,347</b>	<b>5,770</b>	<b>268,032</b>
Depreciation of buildings and equipment	-	-	331	-	331
<b>Total Functional Expenses</b>	<b>\$ 131,639</b>	<b>\$ 105,276</b>	<b>\$ 25,678</b>	<b>\$ 5,770</b>	<b>\$ 268,363</b>

See Notes to Financial Statements.



# VIRGINIA ORAL HEALTH COALITION, INC.

## Statement of Cash Flows Year Ended December 31, 2012

### Cash Flows From Operating Activities

Change in net assets	\$ (8,890)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	331
(Increase) Decrease in:	
Accounts receivable	216,370
Increase (Decrease) in:	
Accounts payable and accrued payroll taxes	<u>(399)</u>

**Net Cash Provided by Operating Activities** 207,412

### Cash Flows From Investing Activities

Purchase of property and equipment	<u>(560)</u>
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**Net Cash Used in Investing Activities** (560)

**Net Increase in Cash** 206,852

### Cash

Beginning of year	<u>53,552</u>
End of year	<u>\$ 260,404</u>

# VIRGINIA ORAL HEALTH COALITION, INC.

## Notes to Financial Statements Year Ended December 31, 2012

### Note 1 - Nature of Activities

Virginia Oral Health Coalition, Inc. (the Organization) is a nonprofit corporation organized under the laws of the Commonwealth of Virginia for the purpose of bringing excellent oral health to all Virginians.

### Note 2 - Summary of Significant Accounting Policies

The summary of significant accounting policies of Virginia Oral Health Coalition, Inc. is presented to assist in understanding the organization's financial statements. These financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

#### *Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports amounts for total assets, liabilities and net assets in a statement of financial position, changes in net assets in a statement of activities and changes in its cash and cash equivalents in a statement of cash flows. The organization classifies net assets in three classes: permanently restricted, temporarily restricted and unrestricted based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets are not subject to donor-imposed restrictions and are presently available for use by the Organization at the discretion of the Board of Directors. If the Board specifies a purpose where none has been stated by a donor, such assets are classified as Board-designated assets.

#### *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

#### *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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# VIRGINIA ORAL HEALTH COALITION, INC.

## Notes to Financial Statements (Continued) Year Ended December 31, 2012

### Note 2 - Summary of Significant Accounting Policies (Concluded)

#### *Property and Equipment*

The Organization capitalizes property and equipment with a cost over \$500. Lesser amounts are expensed. Property and equipment is stated at cost. The Organization follows the practice of capitalizing all significant acquisitions of property and equipment. Depreciation is computed on the straight-line method and is provided over the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5 - 7
Vehicles	5

#### *Support and Revenue*

Contributions received, which include unconditional promises to give, such as pledges, are recognized as revenues in the period received at their fair values. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor/grantor.

#### *Income Tax Status*

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

#### *Functional Allocation of Expenses*

The costs of providing the various programs and related supporting services have been presented in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited.

#### *Date of Management's Review*

Management has evaluated subsequent events through August 19, 2013, the date on which the financial statements were available to be issued.

## VIRGINIA ORAL HEALTH COALITION, INC.

### Notes to Financial Statements (Continued) Year Ended December 31, 2012

#### Note 3 – Property and Equipment

Property and equipment consists of the following:

Computers	\$ 1,804
Software	<u>480</u>
	2,284
Less accumulated depreciation	<u>538</u>
Property and equipment, net	\$ <u>1,746</u>

#### Note 4 – Concentration of Credit Risk

The Organization maintains its cash balances in a financial institution located in Richmond, Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2012 the organization had an uninsured balance of \$5,065.

#### Note 5 – Reclassification of Net Assets

Included in the Unrestricted Net Assets of \$267,568, as previously reported in the reviewed financial statements for the year ended December 31, 2011, are the proceeds of DentaQuest Foundation grants in the amount of \$211,370 which have the same restrictions as mentioned in Note 6. Since none of the proceeds of these grants were spent as of December 31, 2011, the net asset balances at January 1, 2012 have been reclassified as follows:

Unrestricted net assets	\$ 56,198
Temporarily restricted net assets	<u>211,370</u>
Total	\$ <u>267,568</u>

We were able to satisfy ourselves through obtaining sufficient audit evidence that the net assets of \$267,568 as of January 1, 2012 were fairly stated. The reclassifications had no effect on the change in net assets for the year ended December 31, 2012.

#### Note 6 – DentaQuest Foundation Grant

The organization was awarded a restricted grant in the amount of \$149,949 to be used for expenses specified in the foundation approved budget. The term of the grant is from November 1, 2012 to October 31, 2013.

## VIRGINIA ORAL HEALTH COALITION, INC.

### Notes to Financial Statements (Concluded) Year Ended December 31, 2012

#### Note 6 – DentaQuest Foundation Grant (Concluded)

The grant funds may not be used to carry on propaganda, influence the outcome of any public election, provide a grant to an individual for travel, study or similar purpose or be used for any purpose other than charitable as defined in the Internal Revenue Code. None of the grant proceeds of \$149,949 has been spent as of December 31, 2012 and is, therefore, included in Temporarily Restricted Net Assets. The grant comprised 57% of the revenue for the year ended December 31, 2012.

#### Note 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following periods or purposes:

Period ending October 31, 2013:

DentaQuest Foundation grants	<u>\$155,416</u>
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#### Note 8 – Subsequent Events

The organization entered into a lease agreement in January, 2013 for its new office location. The lease provides for a monthly rental of \$1,000 for a term commencing February 1, 2013 for a period of three years. The lease provides for two three-year renewal options.