

**VIRGINIA ORAL  
HEALTH COALITION, INC.**

Financial Statements  
Year Ended December 31, 2013

# VIRGINIA ORAL HEALTH COALITION, INC.

## Mission Statement

The Virginia Oral Health Coalition is a group of committed individuals and organizations working to bring excellent oral health to all Virginians.

To meet this mission, the Virginia Oral Health Coalition drives the Virginia Oral Health Plan. The plan's objectives are to utilize advocacy, public awareness and innovative new programs to:

- Change perceptions of oral health.
- Remove known barriers between people and oral health services.
- Build an effective oral health infrastructure by ensuring dental providers and future dental providers are prepared to meet the needs of the underserved in Virginia.

# Virginia Oral Health Coalition, Inc.

December 31, 2013

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**MOREY, JONES & PFEIFFER, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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MEMBER  
VIRGINIA SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2013, 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, 2014  
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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, 2013, 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.

*Morey, Jones & Pfeiffer, P.C.*  
Richmond, Virginia  
August 19, 2014

# VIRGINIA ORAL HEALTH COALITION, INC.

## Statement of Financial Position December 31, 2013

### Assets

<b>Assets</b>	
Cash	\$ 423,322
Property and equipment, net	4,003
Security deposit	<u>1,000</u>
<b>Total Assets</b>	<u><u>428,325</u></u>

### Liabilities and Net Assets

<b>Liabilities</b>	
Accounts payable	<u>3,050</u>
<b>Total Liabilities</b>	<u><u>3,050</u></u>
<b>Net Assets</b>	
Unrestricted	189,315
Temporarily restricted	215,960
Board designated reserve	<u>20,000</u>
<b>Total Net Assets</b>	<u><u>425,275</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 428,325</u></u>

See Notes to Financial Statements.

# VIRGINIA ORAL HEALTH COALITION, INC.

## Statement of Activities Year Ended December 31, 2013

<b>Unrestricted Net Assets</b>	
<b>Support and Revenue</b>	
Contributions	
AAP	\$ 6,000
AT&T	20,000
DentaQuest Foundation	154,965
Northern VA Health Foundation	5,000
VCU	7,000
VCU School of Dentistry	13,000
Virginia Department of Health	17,635
Other	23,624
Sponsorships	61,650
Program service fees	<u>15,105</u>
<b>Total Unrestricted Support and Revenue</b>	<b>323,979</b>
<b>Net assets released from restrictions</b>	<b><u>89,245</u></b>
<b>Total Unrestricted Support and Revenue</b>	<b><u>413,224</u></b>
<b>Expenses</b>	
Program services	255,554
Supporting services:	
Management and general	24,951
Fundraising	<u>26,666</u>
<b>Total Expenses</b>	<b><u>307,171</u></b>
<b>Increase in Unrestricted Net Assets</b>	<b><u>106,053</u></b>
<b>Temporarily Restricted Net Assets</b>	
Contributions	
Dentaquest Foundation	149,789
Net assets released from restrictions	<u>(89,245)</u>
<b>Increase in Temporarily Restricted Net Assets</b>	<b><u>60,544</u></b>
<b>Increase in Net Assets</b>	<b>166,597</b>
<b>Net Assets</b>	
Beginning	<u>258,678</u>
Ending	<u><u>425,275</u></u>

See Notes to Financial Statements.

## VIRGINIA ORAL HEALTH COALITION, INC.

### Statement of Functional Expenses Year Ended December 31, 2013

	Program Services		Supporting Services		Total Expenses
	Education & Training	Public Awareness and Advocacy	Management and General	Fund Raising	
Salaries	\$ 66,334	\$ 47,655	\$ 12,546	\$ 18,793	\$ 145,328
Payroll taxes	5,292	3,796	920	1,495	\$ 11,503
Other employee benefits	3,943	2,829	686	1,114	\$ 8,572
<b>Total Salaries and Related Expenses</b>	75,569	54,280	14,152	21,402	165,403
Consulting	10,310	24,408	-	-	34,718
Lobbying	-	11,720	-	-	11,720
Occupancy	9,680	6,734	1,684	2,946	21,044
Office expense	4,542	2,996	962	1,374	9,874
Promotion	1,975	3,325	-	492	5,792
Professional fees and contract services	1,330	1,330	6,206	-	8,866
Supplies	20,672	5,876	942	-	27,490
Tax & license	207	144	36	63	450
Travel	11,285	7,002	-	-	18,287
Insurance	1,279	890	222	389	2,780
<b>Total Expenses Before Depreciation</b>	136,849	118,705	24,204	26,666	306,424
Depreciation of buildings and equipment	-	-	747	-	747
<b>Total Functional Expenses</b>	<u>\$ 136,849</u>	<u>\$ 118,705</u>	<u>\$ 24,951</u>	<u>\$ 26,666</u>	<u>\$ 307,171</u>

See Notes to Financial Statements.



# VIRGINIA ORAL HEALTH COALITION, INC.

## Statement of Cash Flows Year Ended December 31, 2013

### Cash Flows From Operating Activities

Change in net assets	\$ 166,597
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	747
(Increase) Decrease in operating assets:	
Security deposit	(1,000)
Increase (Decrease) in operating liabilities:	
Accounts payable	<u>(422)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>165,922</u>

### Cash Flows From Investing Activities

Purchase of property and equipment	<u>(3,004)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(3,004)</u>

<b>Net Increase in Cash</b>	162,918
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### Cash

Beginning of year	<u>260,404</u>
End of year	<u>\$ 423,322</u>

# VIRGINIA ORAL HEALTH COALITION, INC.

## Notes to Financial Statements Year Ended December 31, 2013

### 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 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, 2013

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

#### *Property and Equipment*

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. Amounts received that are restricted by the donor/grantor for specific purposes are reported as temporarily restricted support. When temporary restrictions are satisfied upon meeting program objectives, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

#### *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, 2014, 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, 2013

### Note 3 – Property and Equipment

Property and equipment consists of the following:

Office Furniture	\$ 904
Computers	3,903
Software	<u>480</u>
	5,287
Less accumulated depreciation	<u>1,284</u>
Property and equipment, net	\$ <u>4,003</u>

### Note 4 – Concentration of Credit Risk

The Organization maintains its cash balances in one financial institution located in Richmond, Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2013 the organization had an uninsured balance of \$180,215.

### Note 5 – DentaQuest Foundation Grant

The organization was awarded a restricted grant in the amount of \$149,789 to be used for expenses specified in the foundation approved budget. The term of the grant is from November 1, 2013 to October 31, 2014.

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 \$149,789 has been spent as of December 31, 2013 and is, therefore, included in Temporarily Restricted Net Assets. The grant comprised 32% of the revenue for the year ended December 31, 2013.

### Note 6 – Temporarily Restricted Net Assets

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

Period ending October 31, 2014:	
DentaQuest Foundation grants	<u>\$215,960</u>

# VIRGINIA ORAL HEALTH COALITION, INC.

## Notes to Financial Statements (Concluded) Year Ended December 31, 2013

### Note 7 – Lease Commitments

The organization entered into a lease for office space commencing February 1, 2013 through January 31, 2016. The lease provides for a monthly rental of \$1,000 for the initial term with two (2) three-year renewal options with increased monthly rentals. Rent expense under this lease amounted to \$11,000 for the year ended December 31, 2013.

The future minimum lease payments are as follows:

December, 2014	\$12,000
2015	12,000
2016	<u>1,000</u>
	<u>\$25,000</u>