MISSOURI COALITION FOR ORAL HEALTH, INC.

Jefferson City, Missouri

INDEPENDENT AUDITOR’S REPORT

For the Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Missouri Coalition for Oral Health, Inc.
Jefferson City, MO:

We have audited the accompanying financial statements of Missouri Coalition for Oral Health Inc. (the "Coalition") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, 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

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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coalition as of December 31, 2017, 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.

Graves and Associates,
CPAS, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

June 22, 2018

MISSOURI COALITION FOR ORAL HEALTH, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2017

ASSETS:		
Current Assets		2017
Cash and Cash Equivalents	$	301,203
Accounts Receivable		271
Grants Receivable		9,942
Prepaid Rent		500
Prepaid Expenses		698
Total Current Assets		312,614
Furniture and Equipment		13,767
Less: Accumulated Depreciation		(8,914)
Furniture and Equipment, Net		4,853
Total Non-Current Assets		4,853
TOTAL ASSETS	$	317,467
LIABILITIES AND NET ASSETS:		
Current Liabilities		
Accounts Payable	$	2,026
Payroll Tax Liabilities		9,257
Accrued Compensation		461
Accrued Vacation		13,127
Deferred Revenue		13,600
Total Current Liabilities		38,470
Net Assets		
Unrestricted		231,332
Temporarily Restricted		47,665
Total Net Assets		278,997
TOTAL LIABILITIES AND NET ASSETS	$	317,467

The accompanying notes are an integral part of these financial statements.

MISSOURI COALITION FOR ORAL HEALTH, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenues:			
Grant Contributions	$ 24,178	$ 259,007	$ 283,185
Corporate and Individual Contributions	2,125	-	2,125
Conference Fees	11,550	-	11,550
Conference Sponsorship	28,150	-	28,150
Membership Dues	2,830	-	2,830
Total Revenues	68,833	259,007	327,840
Net Assets Released from Restrictions	310,862	(310,862)	-
Total Revenues and Reclassifications	379,695	(51,855)	327,840
Expenses:			
Program Services:			
Program Services	203,560	-	203,560
Total Program Services	203,560	-	203,560
Supporting Services:			
General and Administrative	133,192	-	133,192
Total Supporting Services	133,192	-	133,192
Total Expenses	336,751	-	336,751
Change in Net Assets	42,944	(51,855)	(8,911)
Net Assets, Beginning of Year	188,389	99,520	287,909
Net Assets, End of Year	$ 231,332	$ 47,665	$ 278,997

The accompanying notes are an integral part of these financial statements.

MISSOURI COALITION FOR ORAL HEALTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

	Program	General and Administrative	Total
Salaries	$ 140,251	$ 93,501	$ 233,752
Payroll Taxes	10,498	6,999	17,497
Payroll Services	695	464	1,159
Rent and Utilities	4,691	3,127	7,818
Supplies	1,441	961	2,402
Travel	4,381	2,921	7,302
Website Maintenance	657	438	1,094
Legal Fees	67	45	111
Bank Service Fees	214	143	357
Consulting	3,772	-	3,772
Telephone/Internet	1,972	1,315	3,287
Professional Development	2,534	1,689	4,223
Printing/Copying	719	479	1,198
Postage/Delivery	59	39	98
Accounting/Audit	6,836	4,557	11,393
Meeting Expenses	436	291	727
Insurance	1,820	1,214	3,034
Equipment	420	280	700
Depreciation	1,068	712	1,780
Conference Expense	18,985	12,657	31,641
Miscellaneous Expense	2,044	1,363	3,406
Total Functional Expenses	$ 203,560	$ 133,192	$ 336,751

The accompanying notes are an integral part of these financial statements.

MISSOURI COALITION FOR ORAL HEALTH, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows From Operating Activities:	
Change in Net Assets	$ (8,911)
Adjustments To Reconcile Changes In Net Assets To Net Cash Provided (Used) By Operating Activities:	
Depreciation	1,780
(Increase) Decrease:	
Accounts Receivable	(271)
Grant Receivable	58,357
Prepaid Expenses	4,431
Prepaid Rent	25
Security Deposits	500
(Decrease) Increase:	
Accounts Payable	(522)
Payroll Payables	(544)
Accrued Vacation	3,707
Deferred Revenue	4,300
Total Adjustments	71,763
Net Cash Provided (Used) by Operating Activities	62,852
Cash Flows From Investing Activities:	
Purchase of Property and Equipment	(1,995)
Net Cash Provided (Used) by Investing Activities	(1,995)
Change in Cash and Cash Equivalents	60,857
Cash and Cash Equivalents, Beginning of Year	240,346
Cash and Cash Equivalents, End of Year	$ 301,203

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

(Continued)

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for:		
Interest	$	-
Income Taxes	$	-

Disclosure of Accounting Policy:

The Coalition considers all highly liquid investments, except those held for long-term investment, with a maturity of three months or less when purchased to be cash equivalents.

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

The Missouri Coalition for Oral Health, Inc. (the "Coalition") is a not-for-profit organization committed to improving oral health within the state of Missouri. In order to carry out its mission going forward, the Coalition will attempt to influence the decision-makers and members of involved groups in establishing sound oral health policy; create and distribute public policy educational materials, including utilizing online and social networking media; hold conferences; and create consensus on public policy issue positions among stakeholders, etc.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when incurred.

Basis of Presentation

The Coalition is required to report information regarding its net assets according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the existence or absence of donor-imposed restrictions or stipulations. As of the year ended, the Coalition had no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services.

The Coalition reports its expenses in two categories 1) program services and 2) general and administrative. Program services include salaries and related benefits allocated by time records to the allocation process and related services. Management and general expenses include all other expenses, including staff time for agency relations, allocations, planning, etc.

Program Services

The Coalition's major program class is for those expenses incurred in the process of improving oral health within the State of Missouri.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents

The Coalition considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

Grants Receivable

The Coalition receives grant income in arrears. Grants receivable includes the amount earned or awarded, but not year received, as of the year ended

Allowance for Doubtful Accounts

The Coalition applies for grants to be awarded to further its mission from funders as part of its annual operations. Management has determined an allowance for doubtful accounts is not required as of the year ended due to the fact that they collect these deposits.

Furniture and Equipment

Furniture and equipment acquisitions of $500 or more are capitalized at cost if purchased or at fair market value if donated by a donor. Lesser amounts are recorded as expenses during the year. Furniture and equipment is depreciated using the straight-line method over their estimated useful lives ranging from five to seven years. Depreciation expense recorded as of the year ended was $1,780.

Accrued Leave

The Coalition considers vacation an expense in the year earned. Amounts unused and which are vested in the employee are payable upon termination. Sick leave is accrued by employees and may be carried over from year to year. However, employees are not entitled to receive payment for accumulated sick leave upon termination of employment. Accrued vacation totaling $13,127 is included as a current liability as of the year ended.

Revenues

The Coalition's support comes primarily from grants awarded or received as of the year ended.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Restricted and Unrestricted Revenue

Contributions of cash and other assets are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, 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. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Income Taxes

The Coalition is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal or state income tax, except on net income derived from unrelated business activities.

In-Kind Donations

The Coalition records in-kind support, including services and out-of-pocket expenses if received during the year. GAAP requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Most of the services received by the Coalition do not meet these criteria. As of the year ended, no amounts were recognized. Contributions of tangible assets are recognized at fair value when received. If amounts were recognized in the accompanying financial statements as in-kind support, like amounts would also be included in expenses or assets.

NOTE 2 – CONCENTRATION OF CREDIT RISK:

The Coalition maintains its cash at one financial institution as of the year ended. All non-interest-bearing accounts, and interest-bearing accounts up to $250,000, are insured by the Federal Deposit Insurance Corporation (FDIC). As of the year ended, the Coalition had uninsured deposits of $51,203. However, management feels that this risk has been mitigated due to these deposits being placed in a highly accredited, credit worthy financial institution as of the year ended.

NOTE 3 – RETIREMENT PLAN:

The Coalition has a 403(b)-retirement plan available for the benefit of all employees. The Coalition does not make any employer contributions to the plan for any employee.

NOTE 4 – OPERATING LEASES:

The Coalition had an operating lease for office space with a local not-for-profit entity for $525/month that was due to end in March 2017. The Coalition then entered into a new operating lease for office space with a new local not-for-profit entity for $500/month from April 2017 through the year ended.

Office lease expenses totaling $6,075 is included in rent and utilities expense as of the year ended.

NOTE 5 – CONCENTRATIONS:

Approximately 87% of the Coalition’s current year revenues relates to grants from the Missouri Foundation for Health, the Health Care Foundation of Greater Kansas City, and the DentaQuest Foundation.

NOTE 6 – GRANT FUNDS TO BE RECEIVED IN FUTURE PERIODS:

As of the year ended, the Coalition had been awarded grant funding that related to future periods. Each grant agreement specifies as to when the funds are allowed to be spent (i.e. grant funds that were received in December of 2017 cannot be spent until calendar year 2018 or later). Since these grant funds are to be earned/received in future periods, these funds were not booked as grant receivable as of the year ended. Total grant funds to be received and earned in future periods amounted to $47,665 as of the year ended.

NOTE 7 – COMMITMENTS:

The Coalition holds an annual oral health conference for its members. A contract for the facility used for this event is signed a year in advance in order to secure the dates of the events. Clauses in the contracts allow for damages to be paid by the Coalition if the event is cancelled. These damages are on a sliding scale based on the amount of notice provided to the vendor. As of the year ended, the Coalition had entered a contract for their annual oral health conference to be provided in 2018.

NOTE 8 – UNCERTAIN TAX POSITIONS:

The Coalition is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and application of state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Coalition may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The Coalition was not subject to UBIT for the year ended.

The Coalition files Form 990 in the U.S. federal jurisdiction. The Coalition is generally no longer subject to examination by the Internal Revenue Service three years after the forms are timely-filed.

NOTE 9 – EVALUATION OF SUBSEQUENT EVENTS:

The Coalition has evaluated subsequent events through June 22, 2018, the date which the financial statements were available to be issued.