

**PRASAD CHILDREN'S DENTAL  
HEALTH PROGRAM, INC.**

**FINANCIAL STATEMENTS  
AND  
ADDITIONAL INFORMATION**

**DECEMBER 31, 2009 AND 2008**

**PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.**

**TABLE OF CONTENTS**

	<b>Page</b>
Independent Auditors' Report .....	1
Financial Statements	
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Cash Flows .....	4
Notes to Financial Statements .....	5-8
Additional Information	
Independent Auditors' Report on Additional Information .....	10
Schedule of Functional Expenses .....	11



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
PRASAD Children's Dental Health Program, Inc.

We have audited the accompanying statements of financial position of PRASAD Children's Dental Health Program, Inc. (a not-for-profit corporation) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PRASAD Children's Dental Health Program, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Lutz + Carr, LLP*

New York, New York  
August 31, 2010

## PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	\$165,526	\$158,850
Accounts receivable, net of allowance for doubtful accounts of \$10,000 (2008) (Note 1b)	8,292	8,212
Unconditional promises to give (Notes 1b and 3)		
Unrestricted	10	217
Restricted to future programs	30,198	32,474
Prepaid expenses	7,221	7,089
Property and equipment, at cost, net of accumulated depreciation (Notes 1c and 4)	<u>51,561</u>	<u>50,067</u>
<b>Total Assets</b>	<u><u>\$262,808</u></u>	<u><u>\$256,909</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 17,497	\$ 13,381
Due to The PRASAD Project, Inc. (Note 5)	33,447	111,512
Total Liabilities	<u>50,944</u>	<u>124,893</u>
Commitment (Note 7)		
Net Assets		
Unrestricted	169,693	60,495
Temporarily restricted (Note 2)	<u>42,171</u>	<u>71,521</u>
Total Net Assets	<u>211,864</u>	<u>132,016</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$262,808</u></u>	<u><u>\$256,909</u></u>

See notes to financial statements.

## PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>Changes in Unrestricted Net Assets</b>		
Revenue and Other Support		
Third party medical insurance reimbursement	\$159,587	\$146,758
Contributions	258,553	174,709
Benefit income	-	31,680
Less: direct benefit expenses	-	(6,710)
Donated materials and services (Notes 5 and 6)	133,565	134,883
Interest and dividends	419	892
Other revenue	<u>31,112</u>	<u>21,033</u>
	583,236	503,245
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>48,036</u>	<u>69,598</u>
	631,272	572,843
Expenses (Note 5)		
Program Services	<u>406,198</u>	<u>401,010</u>
Supporting Services		
Management and general	113,681	105,045
Fundraising	<u>2,195</u>	<u>6,293</u>
Total Supporting Services	<u>115,876</u>	<u>111,338</u>
Total Expenses	<u>522,074</u>	<u>512,348</u>
Increase in Unrestricted Net Assets	<u>109,198</u>	<u>60,495</u>
<b>Changes in Temporarily Restricted Net Assets</b>		
Contributions	18,686	57,814
Net assets released from restrictions	<u>(48,036)</u>	<u>(69,598)</u>
Decrease in Temporarily Restricted Net Assets	<u>(29,350)</u>	<u>(11,784)</u>
Increase in net assets	79,848	48,711
Net assets, beginning of year	<u>132,016</u>	<u>83,305</u>
<b>Net Assets, End of Year</b>	<u><u>\$211,864</u></u>	<u><u>\$132,016</u></u>

See notes to financial statements.

## PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 79,848	\$ 48,711
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation expense	14,149	11,268
Bad debt expense	27,542	31,364
(Increase) decrease in:		
Accounts receivable	(27,622)	(18,495)
Unconditional promises to give	2,483	51,194
Prepaid expenses	(132)	1,404
Increase (decrease) in:		
Accounts payable and accrued expenses	4,116	(1,267)
Due to The PRASAD Project, Inc.	(78,065)	(1,431)
Net Cash Provided By Operating Activities	<u>22,319</u>	<u>122,748</u>
 <b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	<u>(15,643)</u>	<u>(4,641)</u>
 Net increase in cash	6,676	118,107
Cash, beginning of year	<u>158,850</u>	<u>40,743</u>
 <b>Cash, End of Year</b>	 <u><u>\$165,526</u></u>	 <u><u>\$158,850</u></u>

See notes to financial statements.

**PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2009 AND 2008****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

PRASAD Children's Dental Health Program, Inc. was incorporated in 1998 and registered in the spring of 2000 as a New York State Article 28 Clinic to serve the dental needs of the indigent pediatric population of Sullivan County, New York. During the years ended December 31, 2009 and 2008, the Organization received 43% (2009) and 18% (2008) of its gross revenues through a grant agreement with the PRASAD Project, Inc. (Note 5).

**b - Unconditional Promises to Give and Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor – restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

**c - Property and Equipment**

Property and equipment are reported at cost or, if donated, at the fair market value at date of receipt. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the asset.

**d - Use of 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. Accordingly, actual results could differ from those estimates.

**e - Tax Status**

PRASAD Children's Dental Health Program, Inc. is a not-for-profit corporation exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**f - Subsequent Events**

The Organization has evaluated subsequent events through August 31, 2010, the date that the financial statements are considered available to be issued.

**PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009 AND 2008**

**Note 2 - Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for future programs and are expected to be released from restriction within one year.

**Note 3 - Unconditional Promises to Give**

Unconditional promises to give are due within one year. Uncollectible promises to give are expected to be insignificant.

**Note 4 - Property and Equipment**

Property and equipment at December 31 consist of the following:

	<u>Life</u>	<u>2009</u>	<u>2008</u>
Building and improvements	7-39 years	\$ 60,911	\$ 60,911
Hardware and software	5 years	12,384	12,384
Equipment	3 years	<u>52,738</u>	<u>38,700</u>
		126,033	111,995
Less: Accumulated Depreciation		<u>(74,472)</u>	<u>(61,928)</u>
		<u>\$ 51,561</u>	<u>\$ 50,067</u>

Total depreciation expense was \$14,149 and \$11,268 for the years ended December 31, 2009 and 2008, respectively.

**Note 5 - Funding and Service Agreement**

The Organization receives funding under an agreement with the PRASAD Project, Inc., a not-for-profit organization located in New York State (Note 10). The Organization received \$45,000 and \$2,110 in support under this agreement to support operations for the years ended December 31, 2009 and 2008, respectively.



**PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009 AND 2008**

**Note 5 - Funding and Service Agreement (continued)**

Under a separate agreement, the PRASAD Project, Inc. provides the Organization with (1) use of the dental van and equipment used by the Organization, and (2) administrative services, including bookkeepers, accounting and consulting services. The Organization received donated services in the amount of \$101,631 (2009) and \$97,545 (2008).

**Note 6 - Donated Materials and Services**

The Organization received the following donated materials and services:

	<u>2009</u>	<u>2008</u>
Administrative services and materials (Note 5)	\$101,631	\$ 97,545
Rental charge for use of mobile dental clinic (Note 5)	25,887	25,887
Legal services	6,047	9,500
Dental supplies	<u>-</u>	<u>1,951</u>
	<u>\$133,565</u>	<u>\$134,883</u>

**Note 7 - Commitment**

The Organization occupies a portion of the premises leased by the PRASAD Project, Inc., an affiliate (Note 5).

**Note 8 - Tax Deferred Compensation Plan**

The Organization has a tax-deferred compensation plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization does not contribute to the plan.

**PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2009 AND 2008****Note 9 - Functional Allocation of Expenses**

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated by management among the programs and the supporting services benefited.

**Note 10 - Related Organizations**

As discussed in Note 5, the Organization is related to the PRASAD Project, Inc. The PRASAD Project, Inc. represents the *Worldwide PRASAD Organization* which seeks to build a highly diversified movement of organizations to help improve the quality of life and create opportunities for self-reliance.

As of December 31, 2009, there were six other approved PRASAD Organizations. These entities have obtained charitable status equivalent in India, Mexico, France, Spain and Italy, and Australia.

## **ADDITIONAL INFORMATION**



**INDEPENDENT AUDITORS' REPORT ON  
ADDITIONAL INFORMATION**

To the Board of Directors of  
PRASAD Children's Dental Health Program, Inc.

Our report on our audits of the basic financial statements of PRASAD Children's Dental Health Program, Inc. for 2009 and 2008 appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses for the year ended December 31, 2009 with comparative totals for 2008 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Lutz + Carr, LLP*

New York, New York  
August 31, 2010

## PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.

## SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

	Program Services	Supporting Services			2009	2008
		Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	\$148,976	\$ -	\$ -	\$ -	\$148,976	\$131,912
Payroll taxes and other employee benefits	36,424	-	-	-	36,424	29,005
Donated program and administrative service fee	-	101,631	-	101,631	101,631	97,545
Rental charge for use of mobile dental clinic	25,887	-	-	-	25,887	25,887
Professional fees	101,319	12,050	2,195	14,245	115,564	119,695
Office supplies	5,391	-	-	-	5,391	9,116
Postage and shipping	866	-	-	-	866	1,671
Travel	2,412	-	-	-	2,412	4,753
Telephone and communications	3,538	-	-	-	3,538	5,131
Insurance	11,292	-	-	-	11,292	11,269
Dental supplies	9,872	-	-	-	9,872	13,221
Education and seminars	-	-	-	-	-	125
Mobile dental clinic repairs and maintenance	9,322	-	-	-	9,322	6,909
Advertising	2,015	-	-	-	2,015	8,083
Utilities	1,953	-	-	-	1,953	2,137
Fees and permits	954	-	-	-	954	1,556
Depreciation expense	14,149	-	-	-	14,149	11,268
Bad debt expense and provision for uncollectible accounts	27,542	-	-	-	27,542	31,364
Miscellaneous	4,286	-	-	-	4,286	1,701
Total Expenses, 2009	<u>\$406,198</u>	<u>\$ 113,681</u>	<u>\$ 2,195</u>	<u>\$115,876</u>	<u>\$522,074</u>	
Total Expenses, 2008	<u>\$401,010</u>	<u>\$ 105,045</u>	<u>\$ 6,293</u>	<u>\$111,338</u>		<u>\$512,348</u>

See independent auditors' report on additional information.