

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

**FINANCIAL STATEMENTS  
AND  
ADDITIONAL INFORMATION**

**DECEMBER 31, 2010 AND 2009**

**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



**LUTZ AND CARR**  
CERTIFIED PUBLIC ACCOUNTANTS, LLP  
300 EAST 42ND ST., NEW YORK, NY 10017  
212-697-2299 Fax 212-949-1768

## 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, 2010 and 2009, 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, 2010 and 2009, 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 16, 2011

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

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Cash	\$ 269,904	\$165,526
Accounts receivable (Note 1b)	6,380	8,292
Unconditional promises to give (Notes 1b and 3)		
Unrestricted	15	10
Restricted to future periods	42,478	30,198
Prepaid expenses	8,167	7,221
Property and equipment, at cost, net of accumulated depreciation (Notes 1c and 4)	<u>174,446</u>	<u>51,561</u>
<b>Total Assets</b>	<u><u>\$ 501,390</u></u>	<u><u>\$262,808</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 15,825	\$ 17,497
Due to The PRASAD Project, Inc. (Note 5)	<u>35,828</u>	<u>33,447</u>
Total Liabilities	<u>51,653</u>	<u>50,944</u>
Commitment (Note 7)		
Net Assets		
Unrestricted	340,549	169,693
Temporarily restricted (Note 2)	<u>109,188</u>	<u>42,171</u>
Total Net Assets	<u>449,737</u>	<u>211,864</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 501,390</u></u>	<u><u>\$262,808</u></u>

See notes to financial statements.

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

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Changes in Unrestricted Net Assets</b>		
Revenue and Other Support		
Third party medical insurance reimbursement	\$ 163,844	\$159,587
Contributions (Note 5)	318,392	258,553
Donated materials and services (Notes 5 and 6)	130,713	133,565
Interest and dividends	144	419
Other revenue	<u>32,105</u>	<u>31,112</u>
	645,198	583,236
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>34,653</u>	<u>48,036</u>
Total Revenue and Other Support	<u>679,851</u>	<u>631,272</u>
Expenses (Note 5)		
Program Service	<u>393,175</u>	<u>406,198</u>
Supporting Services		
Management and general	112,971	113,681
Fundraising	<u>2,849</u>	<u>2,195</u>
Total Supporting Services	<u>115,820</u>	<u>115,876</u>
Total Expenses	<u>508,995</u>	<u>522,074</u>
Increase in Unrestricted Net Assets	<u>170,856</u>	<u>109,198</u>
<b>Changes in Temporarily Restricted Net Assets</b>		
Contributions	101,670	18,686
Net assets released from restrictions	<u>(34,653)</u>	<u>(48,036)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>67,017</u>	<u>(29,350)</u>
Increase in net assets	237,873	79,848
Net assets, beginning of year	<u>211,864</u>	<u>132,016</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 449,737</u></u>	<u><u>\$211,864</u></u>

See notes to financial statements.

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

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 237,873	\$ 79,848
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation expense	14,626	14,149
Bad debt expense	18,957	27,542
(Increase) decrease in:		
Accounts receivable	(17,045)	(27,622)
Unconditional promises to give	(12,285)	2,483
Prepaid expenses	(946)	(132)
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,672)	4,116
Due to The PRASAD Project, Inc.	2,381	(78,065)
Net Cash Provided By Operating Activities	241,889	22,319
 <b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(137,511)	(15,643)
 Net increase in cash	104,378	6,676
Cash, beginning of year	165,526	158,850
 <b>Cash, End of Year</b>	<b>\$ 269,904</b>	<b>\$165,526</b>

See notes to financial statements.

**PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2010 AND 2009****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, 2010 and 2009, the Organization received 27% (2010) and 43% (2009) of its gross revenues through a grant agreement with the PRASAD Project, Inc. (Note 6).

**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. Management has evaluated all income tax positions and concluded that there are no uncertain tax positions that require disclosure in the financial statements.

**f - Subsequent Events**

The Organization has evaluated subsequent events through August 16, 2011, 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, 2010 AND 2009**

**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>2010</u>	<u>2009</u>
Building and improvements	7-39 years	\$ 68,911	\$ 60,911
Hardware and software	5 years	17,052	12,384
Mobile dental clinic	10 years	124,843	-
Equipment	3 years	<u>52,738</u>	<u>52,738</u>
		263,544	126,033
Less: Accumulated depreciation		<u>(89,098)</u>	<u>(74,472)</u>
		<u>\$174,446</u>	<u>\$ 51,561</u>

During 2010, the Organization made a payment of \$124,843 towards the purchase of a mobile dental clinic. The balance was paid in 2011. Upon being placed into services, the Organization will begin to depreciate the asset.

Total depreciation expense was \$14,626 and \$14,149 for the years ended December 31, 2010 and 2009, respectively.



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

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2010 AND 2009**

**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, 2010 and 2009, respectively.

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 \$102,176 (2010) and \$101,631 (2009).

**Note 6 - Donated Materials and Services**

The Organization received the following donated materials and services:

	<u>2010</u>	<u>2009</u>
Administrative services and materials (Note 5)	\$102,176	\$101,631
Rental charge for use of mobile dental clinic (Note 5)	25,887	25,887
Legal services	<u>2,650</u>	<u>6,047</u>
	<u>\$130,713</u>	<u>\$133,565</u>

**Note 7 - Commitment**

The Organization occupies a portion of the premises leased by the PRASAD Project, Inc., an affiliate. The related occupancy costs are included as part of the donated services described in Notes 5 and 6.

**PRASAD CHILDREN'S DENTAL HEALTH PROGRAM, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2010 AND 2009****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.

**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, 2010, there were six other approved PRASAD Organizations. Five of these entities have obtained charitable status equivalent in India, Mexico, Spain and Italy, and Australia.

## **ADDITIONAL INFORMATION**



**LUZ AND CARR**

CERTIFIED PUBLIC ACCOUNTANTS, LLP  
300 EAST 42ND ST., NEW YORK, NY 10017  
212-697-2299 Fax 212-949-1768

**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 2010 and 2009 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, 2010 with comparative totals for 2009 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 16, 2011

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

## SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2010 WITH COMPARATIVE TOTALS FOR 2009

	Program Services	Supporting Services			2010	2009
		Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	\$236,350	\$ -	\$ -	\$ -	\$236,350	\$148,976
Payroll taxes and other employee benefits	43,628	-	-	-	43,628	36,424
Donated program and administrative service fee	-	102,176	-	102,176	102,176	101,631
Rental charge for use of mobile dental clinic	25,887	-	-	-	25,887	25,887
Professional fees	2,841	10,795	1,250	12,045	14,886	115,564
Office supplies	2,836	-	1,524	1,524	4,360	5,391
Postage and shipping	791	-	-	-	791	866
Travel	1,659	-	-	-	1,659	2,412
Telephone and communications	2,621	-	75	75	2,696	3,538
Insurance	11,500	-	-	-	11,500	11,292
Dental supplies	9,971	-	-	-	9,971	9,872
Education and seminars	174	-	-	-	174	-
Mobile dental clinic repairs and maintenance	9,700	-	-	-	9,700	9,322
Advertising	2,819	-	-	-	2,819	2,015
Utilities	2,242	-	-	-	2,242	1,953
Fees and permits	888	-	-	-	888	954
Depreciation expense	14,626	-	-	-	14,626	14,149
Bad debt expense and provision for uncollectible accounts	18,957	-	-	-	18,957	27,542
Miscellaneous	5,685	-	-	-	5,685	4,286
Total Expenses, 2010	<u>\$393,175</u>	<u>\$ 112,971</u>	<u>\$ 2,849</u>	<u>\$115,820</u>	<u>\$508,995</u>	
Total Expenses, 2009	<u>\$406,198</u>	<u>\$ 113,681</u>	<u>\$ 2,195</u>	<u>\$115,876</u>		<u>\$522,074</u>

See independent auditors' report on additional information.