



Barley | McNamara | Wild
CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES

Financial Statements and Report of
Independent Certified Public Accountants

Gulf Coast Dental Outreach, Inc.

December 31, 2015 and 2014

Gulf Coast Dental Outreach, Inc.

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CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES

Report of Independent Certified Public Accountants

Board of Directors,
Gulf Coast Dental Outreach, Inc.

We have audited the accompanying financial statements of **Gulf Coast Dental Outreach, Inc.** (the “Organization”), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years 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 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 audits to obtain reasonable assurance about whether the financial statements are free of 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.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gulf Coast Dental Outreach, Inc. as of December 31, 2015 and 2014 and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Barley, McNamara, Wild

Tampa, Florida
September 20, 2016

Gulf Coast Dental Outreach, Inc.
Statements of Financial Position
As of December 31, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and equivalents	\$ 98,722	\$ 266,523
Contributions receivable	-	-
Investments	149,894	-
Total current assets	<u>248,616</u>	<u>266,523</u>
Property and equipment, net	6,147	8,096
Other assets	<u>1,811</u>	<u>2,941</u>
Total assets	<u>\$ 256,574</u>	<u>\$ 277,560</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Accrued liabilities	\$ 4,751	\$ 2,777
Deferred revenue	-	23,888
	<u>4,751</u>	<u>26,665</u>
Net assets:		
Unrestricted	<u>251,823</u>	<u>250,895</u>
Total liabilities and net assets	<u>\$ 256,574</u>	<u>\$ 277,560</u>

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

Gulf Coast Dental Outreach, Inc.
Statements of Activities
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Contributed dentist and hygienist services	\$ 335,062	\$ 336,783
Fundraising and donations	157,147	179,648
Facility use assessment	15,321	18,818
In-kind rent	9,600	-
Total revenue	<u>517,130</u>	<u>535,249</u>
Expenditures		
Program	455,798	428,981
Administration	49,296	44,009
Fundraising	18,599	15,842
Total expenditures	<u>523,693</u>	<u>488,832</u>
Other income	7,491	-
Changes in net assets	928	46,417
Beginning of year	250,895	204,478
End of year	<u>\$ 251,823</u>	<u>\$ 250,895</u>

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

Gulf Coast Dental Outreach, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2015

Expenditures	Program	Supporting Services		Total
		Administration	Fundraising	
Dentist and hygienist	\$ 335,062	\$ -	\$ -	\$ 335,062
Payroll	78,426	6,159	-	84,585
Supplies and lab	42,300	-	-	42,300
Events	-	-	18,468	18,468
Depreciation and Amortization	-	9,671	-	9,671
Professional fees	-	8,306	-	8,306
Repairs and maintenance	-	4,228	-	4,228
Rent	-	10,269	-	10,269
Insurance	-	3,047	-	3,047
Miscellaneous	-	2,083	-	2,083
Telephone	-	2,583	-	2,583
Office supplies	-	1,393	-	1,393
Meals and entertainment	-	1,151	-	1,151
Postage/printing/copying	10	57	-	67
Gifts and donations	-	200	-	200
Licenses/permits	-	61	-	61
Loss on disposal of asset	-	59	-	59
Bank/merchant fees	-	10	131	141
Dues and subscriptions	-	19	-	19
Total expenditures	\$ 455,798	\$ 49,296	\$ 18,599	\$ 523,693

The accompanying notes are an integral part of this financial statement.

Gulf Coast Dental Outreach, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2014

Expenditures	Program	Supporting Services		Total
		Administration	Fundraising	
Dentist and hygienist	\$ 336,783	\$ -	\$ -	\$ 336,783
Payroll	71,598	5,668	-	77,266
Supplies and lab	20,600	-	-	20,600
Events	-	-	15,787	15,787
Depreciation and Amortization	-	10,870	-	10,870
Professional fees	-	8,753	-	8,753
Rent	-	7,897	-	7,897
Insurance	-	2,777	-	2,777
Miscellaneous	-	1,990	-	1,990
Telephone	-	1,537	-	1,537
Office supplies	-	1,276	-	1,276
Meals and entertainment	-	1,103	-	1,103
Postage/printing/copying	-	1,016	-	1,016
Gifts and donations	-	555	-	555
Licenses/permits	-	292	-	292
Loss on disposal of asset	-	217	-	217
Bank/merchant fees	-	39	55	94
Dues and subscriptions	-	19	-	19
Total expenditures	<u>\$ 428,981</u>	<u>\$ 44,009</u>	<u>\$ 15,842</u>	<u>\$ 488,832</u>

The accompanying notes are an integral part of this financial statement.

Gulf Coast Dental Outreach, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase (decrease) in net assets:	\$ 928	\$ 46,417
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,671	10,870
Loss on disposal of asset	59	217
Increase (decrease)		
Contributions receivable	-	5,000
Accrued expenses	1,974	182
Deferred revenue	(23,888)	23,888
Net cash provided (used) by operating activities	<u>(11,256)</u>	<u>86,574</u>
Cash flows from investing activities:		
Purchase of investments	(149,894)	-
Purchase/Disposition of equipment	-	(3,365)
Donated equipment and software	(6,651)	(6,645)
Net cash used in investing activities	<u>(156,545)</u>	<u>(10,010)</u>
Net increase in cash	(167,801)	76,564
Cash, beginning of period	266,523	189,959
Cash, end of period	<u>\$ 98,722</u>	<u>\$ 266,523</u>

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

Gulf Coast Dental Outreach, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note A – Organization and Description of Business

Gulf Coast Dental Outreach, Inc. (the “Organization”) was founded in August 2007 and is a registered 501(c)3 non-profit volunteer dental program that provides access to low cost dental care to qualified low income adult population living in Florida Gulf Coast region. Prospective patients cannot have dental insurance or an income that is greater than 150% of poverty to qualify for care.

Note B – Significant Accounting Policies

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

In accordance with authoritative guidance, the Organization is required to report information regarding its financial position and activities according to three of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Net assets representing resources generated from operation that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update, *Revenue from Contracts with Customers*. The effective date for this Standard for nonpublic entities is annual reporting periods beginning after December 15, 2017, with early adoption permitted for annual periods beginning after December 15, 2016. ASU 2014-09 outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. The Company is currently assessing the impact that adopting this new accounting guidance will have on its financial statements and footnote disclosures.

On August 27, 2014, the FASB issued Accounting Standards Update No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires management to assess a company's ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. Before this new standard, there was minimal guidance in U.S. GAAP specific to going concern. Under the new standard, disclosures are required when conditions give rise to substantial doubt about a company's ability to continue as a going concern within one year from the financial statement issuance date. The new standard applies to all companies and is effective for the annual period ending after December 15, 2016, and all annual and interim periods thereafter.

Gulf Coast Dental Outreach, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note B – Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost purchased or fair value at date of gift, if contributed. Maintenance and repairs are charged to expense as incurred. When items of property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are eliminated, and any gain or loss is included in operations. Depreciation expense is calculated using the double declining method over the estimated useful lives of the respective assets, which range from 3 to 7 years.

Allocation of Expenses

Where a specific cost can be identified with a particular function, the cost is charged directly to that function. If costs cannot be identified directly with specific functional categories, those costs are allocated among functional categories based upon the “full-time equivalent” and other accepted methods of cost allocation.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of donor restrictions. All contributions are considered to be available for unrestricted use in the appropriate time period, unless specifically restricted by the donor.

Amounts restricted for future periods or restricted for specific purposes are reported as temporarily restricted or permanently restricted support. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and reported as satisfactions of program restrictions and net assets released. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Contributed Services

The Organization recognizes the fair value of donated services received if such services: (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

A substantial number of volunteers have made significant contributions of their time to the Organization’s program and supporting services. The value of this contributed time is not reflected in the financial statements since it does not require a specialized skill. However, services contributed by Dentists and Hygienists require a specialized skill and are recognized as revenue and expense. The value of the contributed services are associated with the ADA Survey that is published on odd years and the Dental Economics report published on even years. The Organization has selected the South East region, suburban practice setting and has selected the fee associated at the 60th percentile. For the years ended December 31, 2015 and 2014, respectively, approximated \$335,000 and \$337,000 have been recorded as revenue and expense.

Gulf Coast Dental Outreach, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note B – Significant Accounting Policies (continued)

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)3 of the Internal Revenue Code (IRC). The Organization periodically assesses whether it has incurred income tax expense or related interest or penalties in accordance with accounting for uncertain tax positions. No such amounts were recognized for the years ending December 31, 2015 and 2014, respectively.

The Organization follows the income tax standard for uncertain tax positions. The Organization has evaluated their tax positions and determined they have no uncertain tax positions as of December 31, 2015. Should the Organization's tax-exempt status be challenged in the future, the Organization's 2013, 2014 and 2015 tax years are open for examination by the IRS.

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 of assets, liabilities and net assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

In-kind Rent

The Organization received in-kind services related to office space of approximately \$9,600 for the year ended December 31, 2015.

Fair Value Measurement

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Gulf Coast Dental Outreach, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note B – Significant Accounting Policies (continued)

Mutual funds: Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Money market accounts: The assets held in money market funds are valued at NAV of the underlying funds. The inputs used to determine fair value of these funds are not always quoted prices in an active market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2015:

	<u>Fair Value Measurements at Reporting Date Using:</u>		
	Assets Measured at Fair Value at 12/31/2015	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments, at fair value			
Mutual funds	\$ 149,894	\$ 149,894	\$ -
Totals assets in the fair value hierarchy	<u>149,894</u>	<u>149,894</u>	<u>-</u>
Investments measured at net asset value	-		
Investments, at fair value	<u>\$ 149,894</u>		

Note C – Fixed Assets

Property and equipment consist of the following as of December 31,:

	2015	2014
Software	\$ 11,175	\$ 10,235
Dental equipment	29,831	24,179
Office equipment and fixtures	2,214	2,213
	<u>43,760</u>	<u>36,627</u>
Less: accumulated depreciation	<u>(36,071)</u>	<u>(28,531)</u>
Property and Equipment (net)	<u>\$ 7,689</u>	<u>\$ 8,096</u>

The Organization had depreciation expense for the years ended December 31, 2015 and 2014 was \$9,671 and \$10,870, respectively.

Gulf Coast Dental Outreach, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note D – Subsequent Events

Subsequent events have been evaluated through September 20, 2016, which is the date the financial statements were available to be issued.