

# Minnesota Dental Association

## Consolidated Financial Statements Together with Independent Auditors' Report

December 31, 2023

# MINNESOTA DENTAL ASSOCIATION

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Minnesota Dental Association  
Minneapolis, Minnesota

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Minnesota Dental Association (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Dental Association as of December 31, 2023, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minnesota Dental Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Dental Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Minnesota Dental Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Dental Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited Minnesota Dental Association's 2022 consolidated financial statements, and our report dated July 22, 2023, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Olsen Thielken & Co., Ltd.*

Roseville, Minnesota  
July 20, 2024

# MINNESOTA DENTAL ASSOCIATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2023

*(With Comparative Totals for December 31, 2022)*

### ASSETS

	2023	2022
ASSETS:		
Cash and Cash Equivalents	\$ 4,498,151	\$ 4,939,320
Investments	4,884,485	3,892,567
Accounts Receivable	51,845	30,984
Contributions Receivable	6,550	-
Interest Receivable	9,405	9,405
Prepaid Expenses	132,419	124,918
Property and Equipment, Net	2,146,271	2,220,366
 TOTAL ASSETS	 \$ 11,729,126	 \$ 11,217,560

### LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable	\$ 91,937	\$ 28,028
Dues Payable to National and Local Affiliates	549,085	681,295
Agency Funds Payable	2,458	13,710
Accrued Compensation and Benefits	93,448	82,629
Accrued Real Estate Taxes	55,226	55,226
Contract Liabilities	993,200	1,042,541
Total Liabilities	1,785,354	1,903,429
 NET ASSETS:		
Net Assets Without Donor Restrictions:		
Undesignated	8,389,384	7,869,777
Board Designated - MDF Long-Term Fund	515,249	452,607
Total Net Assets Without Donor Restrictions	8,904,633	8,322,384
Net Assets With Donor Restrictions	1,039,139	991,747
Total Net Assets	9,943,772	9,314,131
 TOTAL LIABILITIES AND NET ASSETS	 \$ 11,729,126	 \$ 11,217,560

*The accompanying notes are an integral part of the consolidated financial statements.*

## MINNESOTA DENTAL ASSOCIATION

### CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023 *(With Summarized Comparative Totals for December 31, 2022)*

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES:</b>				
Membership Dues	\$ 1,229,573	\$	\$ 1,229,573	\$ 1,347,090
Star of the North Event Revenue	1,177,255		1,177,255	1,092,502
Administrative Fees	77,133		77,133	37,800
Royalties	180,213		180,213	173,886
Northwest Dentistry Publication, Net of Discount of \$9,034 and \$7,945	107,593		107,593	106,066
Contributions	146,583	281,128	427,711	697,552
Investment Income (Loss), Net	865,823		865,823	(339,933)
Meetings and Programs	34,441		34,441	26,252
Other	119,204		119,204	125,448
Net Assets Released from Restrictions	233,736	(233,736)	-	-
<b>Total Revenues</b>	<b>4,171,554</b>	<b>47,392</b>	<b>4,218,946</b>	<b>3,266,663</b>
<b>EXPENSES:</b>				
Program Services:				
Meetings and Events	1,407,722		1,407,722	1,423,397
Membership	800,192		800,192	755,190
Publications	315,278		315,278	303,069
MDF Programs	296,959		296,959	485,895
<b>Total Program Services</b>	<b>2,820,151</b>	<b>-</b>	<b>2,820,151</b>	<b>2,967,551</b>
Supporting Services:				
Management and General	706,316		706,316	703,870
Fundraising	62,838		62,838	64,349
<b>Total Supporting Services</b>	<b>769,154</b>	<b>-</b>	<b>769,154</b>	<b>768,219</b>
<b>Total Expenses</b>	<b>3,589,305</b>	<b>-</b>	<b>3,589,305</b>	<b>3,735,770</b>
<b>CHANGE IN NET ASSETS</b>	<b>582,249</b>	<b>47,392</b>	<b>629,641</b>	<b>(469,107)</b>
<b>NET ASSETS at Beginning of Year</b>	<b>8,322,384</b>	<b>991,747</b>	<b>9,314,131</b>	<b>9,783,238</b>
<b>NET ASSETS at End of Year</b>	<b>\$ 8,904,633</b>	<b>\$ 1,039,139</b>	<b>\$ 9,943,772</b>	<b>\$ 9,314,131</b>

*The accompanying notes are an integral part of the consolidated financial statements.*

## MINNESOTA DENTAL ASSOCIATION

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023 *(With Comparative Totals for December 31, 2022)*

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 629,641	\$ (469,107)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	101,768	105,817
Realized and Unrealized Investment (Gains) Losses	(676,071)	484,522
Changes in Assets and Liabilities:		
Accounts Receivable	(27,411)	17,643
Prepaid Expenses	(7,501)	42,226
Accounts Payable	63,909	1,451
Dues Payable to National and Local Affiliates	(132,210)	95,694
Agency Funds Payable	(11,252)	10,045
Accrued Compensation and Benefits	10,819	551
Contract Liabilities	(49,341)	165,971
Net Cash Flows From Operating Activities	(97,649)	454,813
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(27,673)	(10,321)
Purchase of Investments	(872,562)	(1,559,190)
Proceeds from the Sale of Investments	556,715	651,950
Net Cash Flows From Investing Activities	(343,520)	(917,561)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(441,169)	(462,748)
CASH AND CASH EQUIVALENTS at Beginning of Year	4,939,320	5,402,068
CASH AND CASH EQUIVALENTS at End of Year	\$ 4,498,151	\$ 4,939,320

*The accompanying notes are an integral part of the consolidated financial statements.*

**MINNESOTA DENTAL ASSOCIATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Expenses					Fundraising	Management and General	Grand Total
	Meetings and Events	Membership	Publications	MDF Programs	Total			
Salary and Payroll Taxes	\$ 193,532	\$ 335,507	\$ 81,529	\$	\$ 610,568	\$	\$ 418,312	\$ 1,028,880
Employee Benefits	13,913	24,120	5,861		43,894		30,073	73,967
Retirement Plan Expense	6,588	11,420	2,775		20,783		14,239	35,022
Total Personnel Expenses	<u>214,033</u>	<u>371,047</u>	<u>90,165</u>	<u>-</u>	<u>675,245</u>	<u>-</u>	<u>462,624</u>	<u>1,137,869</u>
Star of the North	962,774				962,774			962,774
Publications			170,526		170,526			170,526
Depreciation	21,913	36,556	8,428		66,897		35,082	101,979
Grants and Assistance		13,389		184,449	197,838			197,838
Professional Fees	19,187	32,009	7,380		58,576		45,618	104,194
Donated Dental Services				97,790	97,790			97,790
Meetings and Events	88,990			3,676	92,666	62,838		155,504
Legislative Lobbying		121,983			121,983			121,983
Communications		47,099		11,044	58,143			58,143
Real Estate Tax	13,644	22,762	5,248		41,654		21,844	63,498
Bank and Merchant Fees	15,168	25,304	5,834		46,306		24,283	70,589
Board and Committee	13,442	22,427	5,170		41,039		21,519	62,558
Building, Lawn and Janitorial	7,655	12,770	2,944		23,369		12,255	35,624
Utilities	5,413	9,030	2,082		16,525		8,666	25,191
Membership Services and Website		9,905			9,905			9,905
Other	45,503	75,911	17,501		138,915		74,425	213,340
Total Support Services	<u>1,193,689</u>	<u>429,145</u>	<u>225,113</u>	<u>296,959</u>	<u>2,144,906</u>	<u>62,838</u>	<u>243,692</u>	<u>2,451,436</u>
Total Expenses	<u>\$ 1,407,722</u>	<u>\$ 800,192</u>	<u>\$ 315,278</u>	<u>\$ 296,959</u>	<u>\$ 2,820,151</u>	<u>\$ 62,838</u>	<u>\$ 706,316</u>	<u>\$ 3,589,305</u>

*The accompanying notes are an integral part of the consolidated financial statements.*



## MINNESOTA DENTAL ASSOCIATION

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Expenses					Fundraising	Management and General	Grand Total
	Meetings and Events	Membership	Publications	MDF Programs	Total			
Salary and Payroll Taxes	\$ 189,355	\$ 324,519	\$ 79,770	\$	\$ 593,644	\$	\$ 409,285	\$ 1,002,929
Employee Benefits	13,378	23,192	5,636		42,206		28,916	71,122
Retirement Plan Expense	6,641	11,513	2,798		20,952		14,354	35,306
Total Personnel Expenses	<u>209,374</u>	<u>359,224</u>	<u>88,204</u>	<u>—</u>	<u>656,802</u>	<u>—</u>	<u>452,555</u>	<u>1,109,357</u>
Star of the North	963,089				963,089			963,089
Publications			159,951		159,951			159,951
Depreciation	22,785	38,011	8,763		69,559		36,477	106,036
Grants and Assistance		22,046		153,712	175,758			175,758
Professional Fees	16,896	28,186	6,498		51,580		41,986	93,566
Donated Dental Services				86,363	86,363			86,363
Meetings and Events	108,160			234,476	342,636			342,636
Legislative Lobbying		77,311			77,311			77,311
Communications		45,620		11,344	56,964	64,349		121,313
Real Estate Tax	13,015	21,713	5,006		39,734		20,837	60,571
Bank and Merchant Fees	12,383	20,658	4,763		37,804		19,825	57,629
Board and Committee	13,221	22,056	5,085		40,362		21,166	61,528
Building, Lawn and Janitorial	6,377	10,639	2,453		19,469		10,210	29,679
Utilities	5,248	8,756	2,019		16,023		8,403	24,426
Membership Services and Website		12,803			12,803			12,803
Other	52,849	88,167	20,327		161,343		92,411	253,754
Total Support Services	<u>1,214,023</u>	<u>395,966</u>	<u>214,865</u>	<u>485,895</u>	<u>2,310,749</u>	<u>64,349</u>	<u>251,315</u>	<u>2,626,413</u>
Total Expenses	<u>\$ 1,423,397</u>	<u>\$ 755,190</u>	<u>\$ 303,069</u>	<u>\$ 485,895</u>	<u>\$ 2,967,551</u>	<u>\$ 64,349</u>	<u>\$ 703,870</u>	<u>\$ 3,735,770</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Consolidated Entities and Nature of Activities

Minnesota Dental Association (MDA) is a nonprofit corporation that was founded in 1884 to promote the art and science of dentistry. Achieving this objective involves the Association in education, communication, legislation, and other activities.

MDB Administrative Services, Inc. (MDB) is a Minnesota taxable corporation and a wholly-owned subsidiary of the MDA. The Company was a third-party administrator for employers with self-funded group dental and vision plans.

Minnesota Dental Association Relief Fund (MDARF) was founded to contribute funds that provide assistance to dentists who are victims of disasters and crises.

Minnesota Dental Foundation (MDF) has a vision of eliminating unmet oral health needs in Minnesota and a mission of initiating and supporting programs that provide dental services to underserved populations and communities, encouraging and supporting volunteerism within the profession and promoting careers in dentistry, especially in underserved areas.

#### Basis of Consolidation

The consolidated financial statements include the accounts of the MDA and its wholly-owned subsidiary, MDB, and its affiliates, MDARF, and MDF. The affiliates have been combined in accordance with accounting principles generally accepted in the United States of America as MDA exerts control over these affiliates. These entities are referred to collectively as the "Association". All significant inter-company accounts and transactions have been eliminated in consolidation.

#### Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues, expenses, gains and losses, and net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Association and related changes are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets without donor restrictions are resources available to support operations which the Board of Trustees has discretionary control. Designated amounts represent those net assets which the Board has set aside for a particular purpose. Board Designated net assets are for the purpose of establishing a long-term fund to enhance the purchasing power of funds held for future expenditure and to maintain the financial stability of MDF.

Net Assets with Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Association must continue to use the resources in accordance with the donor's instructions.

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

#### Accounting Estimates

The presentation 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Subsequent Events

In preparing these financial statements, the Association has evaluated for recognition or disclosure the events or transactions that occurred through July 20, 2024, the date the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure in the financial statements.

#### Cash and Cash Equivalents

The Association considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates fair value. Money Market Funds within MDF included with investments are not considered cash equivalents for the Statement of Cash Flows because of their long-term designation by the Foundation Board of Directors.

#### Investments

Investments in equity and debt securities and certificates of deposit are recorded at fair value on the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities. Realized and unrealized gains and losses are determined using the specific identification method. Interest and dividend income are reported as income when earned.

#### Accounts Receivable and Credit Losses

Receivables are stated at the amounts the Association expects to collect from outstanding balances. The Association's accounts receivable are typically not significant and consist mostly of voluntary contributions collected by the Minnesota Dental Association. The Association has minimal ASC 606 related receivables and has not established an allowance for credit losses at December 31, 2023 and 2022.

#### Property, Equipment and Depreciation

Property and equipment are recorded at original cost or donated (appraised) value. Additions, improvements, or major renewals are capitalized. If the assets are sold, retired or otherwise disposed of in the ordinary course of business, the cost and related accumulated depreciation are removed from the books. Any gains or losses on property and equipment retirements are reflected currently in operations. The Association capitalizes assets with a cost of \$500 or greater. Depreciation expense was \$101,768 and \$105,817 for December 31, 2023 and 2022, respectively.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as displayed in Note 3.

**MINNESOTA DENTAL ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**Revenue Recognition**

The significant sources of revenue and support for the Association are discussed below:

Membership Dues

The Association offers various classes of membership which provide the member with a package of benefits. Currently the Association offers Full Active, Active Life, Retired, and membership classes based on years from graduation, through fourth year after graduation. In general, membership in the organization provides the member with professional education, industry advocacy, access to member's only resources including educational opportunities, Northwest Dentistry publication, Star of the North and other events. The member dues revenue is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing the member access to the requisite member benefits. The Association's membership dues are billed annually in advance of the membership year which runs from January 1 to December 31 and are recorded as a contract liability (deferred membership dues) until earned. These revenues are recognized over a period of time which corresponds with the membership year. Credit terms are extended to members in the normal course of business. The Association performs ongoing credit evaluations of its members' financial condition and, generally, requires no collateral.

Conferences and Meetings

The Association hosts an annual Star of the North convention and various conferences and meetings for professionals in the industry. Registration fees and exhibitor booths for these events are billed to the participant at the time of registration. The event revenue is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing the registrant and exhibitors access to the event and event materials. Revenue from these events are recognized at the point in time the event is held and the Association's performance obligation to hold the event is completed. The Association also provides the opportunity to sponsor their events. Event sponsors pay for sponsorship packages for events in exchange for access for their representatives to the event itself, access to the event materials, and access to the members attending the events to promote their own businesses. Registrations and sponsorships for the Association's events opens months before the events are scheduled to be held. Cash receipts for registrations and sponsorships collected in advance of the conventions and meetings are deferred as contract liabilities until earned when the event is held at which point the revenue is recognized.

Royalties

The Association markets and promotes certain insurance and financial services to its members. If one of the Association's members purchases one or more of these products, the Association receives remuneration in the form of royalties from the vendor. The royalty revenue is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing access to its membership data. This revenue is recognized at the point in time the access to its member data based is provided to the vendor.

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

#### Revenue Recognition (Continued)

##### Northwest Dentistry Publication

The Association produces a bi-monthly publication for its members, Northwest Dentistry, which is also available for outside subscribers. The Association primarily derives revenue from the sale of advertising space in their publication. The publication revenue is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing advertising space in the Association's publication. This revenue is recognized at the point in time each issue is published. At times, the Association will provide a discount for an annual advertising package. In these cases, the receipts are reflected as contract liabilities and amortized into revenue as the requisite publications are published. Included in publication revenue are allocated membership dues of \$35,020 and \$32,340 for the years ended December 31, 2023 and 2022.

##### Contribution and Grant Revenue

Contributions are not subject to ASC 606 and are recorded based on the requirements of ASC 958.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions are reported as net assets with donor restrictions, even if it is anticipated such restrictions will be met in the current reporting period.

##### Contributions and Ticket Sales – OneSmile Gala

The MDF hosts an annual fundraising event named the OneSmile Gala, typically held in either September or October. The MDF receives sponsorships, table sales and individual tickets, silent auction, and contributions for this event. Registration fees (table sales and individual tickets) for this event are billed to the participant at the time of registration. The MDF also provides the opportunity to sponsor this event. Registration and sponsorships for the MDF's event opens months before the event is scheduled to be held. The event revenue is reported at the amount that reflects the consideration to which the MDF expects to be entitled in exchange for providing the registrant access to the event and event food and beverage. The MDF also raises contributions at this event, via silent auction, fund-a-need and other fundraising activities. Revenue from these events are recognized at the point in time the event is held and the MDF's performance obligation to hold the event is completed. Cash receipts for registrations and sponsorships collected in advance of the events are deferred as contract liabilities until earned when the event is held at which point the revenue is recognized.

As a practical expedient, the Association groups similar contracts or similar performance obligations together into portfolios of contracts if doing so does not result in a significant difference from applying the accounting standard to the individual contracts.

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

#### Revenue Recognition (Continued)

The Association's revenues disaggregated by the timing of such revenue recognized during the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Point in Time	\$ 1,659,469	\$ 1,529,614
Over Time	1,264,593	1,379,430
Revenue Not Subject to ASC 606	<u>429,061</u>	<u>697,552</u>
Ending Balance	<u>\$ 3,353,123</u>	<u>\$ 3,606,596</u>

Contract assets include deposits made and expenses incurred for future events, conferences and meetings.

Contract liabilities include deferred revenues related to advanced payments for membership dues and registrations for conferences, events and meetings. These deposits are deferred until the performance obligations are completed. Substantially all contract liabilities are earned as revenue in the following year.

The Association's receivables, contract assets and contract liabilities from contracts with customers are as follows:

	<u>2023</u>	<u>2022</u>
Accounts Receivable - Beginning	\$ 30,984	\$ 48,627
Accounts Receivable - Ending	51,845	30,984
Contract Assets - Beginning	\$ 88,855	\$ 120,216
Contract Assets - Ending	91,564	88,855
Contract Liabilities - Beginning	\$ 1,042,541	\$ 876,570
Contract Liabilities - Ending	993,200	1,042,541

#### Loan Forgiveness Program

In 2022, the Iron Range Resources and Rehabilitation Board (IRRRB) awarded the MDF a grant of and \$120,000 as part of the MDF's Loan Forgiveness Program, which will be used for grants for dentists practicing in the Taconite Assistance Area of northeastern Minnesota as part of its Martha Mordini Rukavina Loan Forgiveness Program. No recipients from this grant have been selected as of December 31, 2023.

In 2021, the Iron Range Resources and Rehabilitation Board (IRRRB) awarded the Foundation a grant of \$240,000 as part of the Foundation's Loan Forgiveness Program, which will be used for grants for dentists practicing in the Taconite Assistance Area of northeastern Minnesota as part of its Martha Mordini Rukavina Loan Forgiveness Program. A recipient was selected in 2023, with this dentist awarded \$30,000 annually from 2023 to 2026. \$30,000 was advanced to this dentist in 2023. The conditions of the grants are displayed in the last paragraph of this footnote.



# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

#### Loan Forgiveness Program (Continued)

In 2018, the IRRRB awarded the Foundation two grants of \$240,000 each, as part of the Foundation's Loan Forgiveness Program, which will be used for two dentists per grant practicing in the Taconite Assistance Area of northeastern Minnesota as part of its Martha Mordini Rukavina Loan Forgiveness Program. A recipient was selected in 2018, which \$120,000 was advanced to as of December 31, 2021. A recipient was selected in 2020, which \$75,200 was advanced to as of December 31, 2023, including \$18,800 paid to this dentist in 2023. Two new recipients were selected in 2022, with each being awarded \$30,000 annually from 2022 to 2025. \$30,000 was advanced to each dentist in 2022 and 2023. The conditions of the 2018 grants are displayed in the last paragraph of this footnote.

The stated interest rates on these notes are 3% annually, and no security exists on either note agreement. All outstanding principal and any accrued interest on these notes will be forgiven if the borrower maintains a full-time general dental practice in the Taconite Assistance Area of northeastern Minnesota for a minimum of five years from the closing date and complies with the provisions of the note agreement. Failure to comply with the provisions of the agreement will result in the entire amount of the loan proceeds to be immediately due and payable to the MDF. The management of the MDF recognizes grant expense when the disbursements are made as they expect the dentists to fulfill their obligation on meeting the program requirements. In the event of a default, the MDF can pursue collection efforts, but the likelihood of full repayment is considered remote. Therefore, the loan is considered in substance a grant to the dentists.

#### Functional Allocation of Expenses

The Association allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. General and administrative functions that are common to several functions are allocated based on the proportion of each program's direct and personnel expenses to the total program direct and personnel expenses. Personnel cost allocation is estimated based off of monthly estimates provided by all employees. Occupancy costs are allocated based on the personnel allocation.

#### Contributed Nonfinancial Assets

In 2022, the MDF implemented Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the MDF.

The MDF received contributions of dental supplies and technology support valued at \$55,185 for its Minnesota Mission of Mercy program in 2022. No contributions of nonfinancial assets occurred in 2023.

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

#### Contributed Nonfinancial Assets (Continued)

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The MDF also receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statements of activities for these fundraising and special projects services because the criteria for recognition have not been satisfied.

#### Income Taxes

MDA is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code.

MDF and MDARF are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

MDB is a taxable corporation. The provision for income taxes consists of an amount for taxes currently payable and a provision for tax consequences deferred to future periods. Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amounts expected to be realized.

The Association reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. MDF and MDARF file information returns as tax-exempt s. Should that status be challenged in the future, all years since inception could be subject to review by the IRS. The Association recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions. The Association has identified no significant income tax uncertainties.

#### Credit Risk

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents. The Association places its cash and cash equivalents with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. The Association had a credit risk concentration as a result of depositing \$949,900 of funds in excess of insurance limits in a single bank.



**MINNESOTA DENTAL ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**Fair Value Measurements**

Under generally accepted accounting principles, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards establish a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

Level 1 - Observable inputs such as quoted prices in active markets;

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and,

Level 3 - Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Association uses observable market data, when available, in making fair value measurements. Fair value measurements are classified according to the lowest level input that is significant to the valuation. The Association holds certain assets that are required to be measured at fair value on a recurring basis. The fair value of the Association's investment securities were determined based on inputs as presented in Note 2.

**Prior Year Summarized Information**

The financial statements include certain prior-year summarized information in total, but not by net asset class. In order to constitute a presentation in conformity with generally accepted accounting principles, information by net assets class would be required. Accordingly, such information should be read in conjunction with the Association's December 31, 2022, financial statements from which the summarized information was derived.

**Change in Accounting Principle (Credit Losses)**

Adoption of FASB ASU 2016-13 and Related Standards

Effective January 1, 2023, the Association adopted FASB ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Association adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Association's financial statements but did change how the allowance for credit losses is determined.

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2 - INVESTMENTS

Investments of MDA consist of the following at December 31:

Description	December 31, 2023		December 31, 2022	
	Cost	Market	Cost	Market
Common Stocks	\$ 770,008	\$ 1,561,489	\$ 758,484	\$ 1,203,714
Mutual Funds:				
Large-Cap Domestic Stocks	1,080,496	1,313,865	496,607	656,288
Mid-Cap Domestic Stocks	43,005	71,033	43,005	61,991
Small-Cap Domestic Stocks	79,092	81,188	50,307	42,588
International Developed Equity	60,562	58,200	60,562	52,570
Corporate Bonds - Domestic (Maturity Dates 2024)	99,417	99,417	100,516	99,529
Total MDA Investments	<u>\$ 2,132,580</u>	<u>\$ 3,185,192</u>	<u>\$ 1,509,481</u>	<u>\$ 2,116,680</u>

Investments of MDF and MDARF consist of the following at December 31:

Description	December 31, 2023		December 31, 2022	
	Cost	Market	Cost	Market
Mutual Funds:				
Mutual Funds - Other	\$ 20,602	\$ 28,892	\$ 20,602	\$ 22,014
Large-Cap Domestic Stocks	85,510	137,910	85,510	119,505
Mid-Cap Domestic Stocks	69,406	88,791	69,407	77,488
Small-Cap Domestic Stocks	6,882	12,666	6,882	14,100
International Developed Equity	70,595	73,466	70,595	63,999
Exchange Traded Funds	195,057	223,950	198,225	211,633
Corporate Bonds - Domestic (Maturity Dates 2023)	1,149,565	1,133,618	1,312,759	1,267,148
Total MDF and MDARF Investments	<u>\$ 1,597,617</u>	<u>\$ 1,699,293</u>	<u>\$ 1,763,980</u>	<u>\$ 1,775,887</u>
Total Investments	<u>\$ 3,730,197</u>	<u>\$ 4,884,485</u>	<u>\$ 3,273,461</u>	<u>\$ 3,892,567</u>

Fair values of the securities of the Association at December 31, 2023 and 2022 were determined as follows:

Description	Total	Quoted	Other	Unobservable
		Prices for Identical Assets (Level 1)	Observable Inputs (Level 2)	Inputs (Level 3)
<b>2023:</b>				
Common Stocks	\$ 1,561,489	\$ 1,561,489	\$ -	\$ -
Mutual Funds	2,089,961	2,089,961	-	-
Corporate Bonds	1,233,035	-	1,233,035	-
Totals	<u>\$ 4,884,485</u>	<u>\$ 3,651,450</u>	<u>\$ 1,233,035</u>	<u>\$ -</u>
<b>2022:</b>				
Common Stocks	\$ 1,203,714	\$ 1,203,714	\$ -	\$ -
Mutual Funds	1,322,176	1,322,176	-	-
Corporate Bonds	1,366,677	-	1,366,677	-
Totals	<u>\$ 3,892,567</u>	<u>\$ 2,525,890</u>	<u>\$ 1,366,677</u>	<u>\$ -</u>

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2 - INVESTMENTS (Continued)

The fair value of the Association's common stock, mutual funds and money market funds were determined based on Level 1 inputs.

The fair values of the Association's corporate bonds were determined based on Level 2 inputs and are estimated as the present value of expected future cash inflows, taking into account (1) the type of security, its term, and any underlying collateral, (2) the seniority level of the debt security, and (3) quotes received from brokers and pricing services. In applying the valuation model, significant inputs include the probability of default for debt securities, the estimated prepayment rate, and the projected yield based on estimated future market rates for similar securities.

Net investment income (loss), net for the years ended December 31, 2023 and 2022 consisted of the following:

	<b>2023</b>	2022
Interest and Dividend Income	<b>\$ 205,402</b>	\$ 159,449
Investment Fees	<b>(15,650)</b>	(14,860)
Realized and Unrealized Gains (Losses)	<b>676,071</b>	(484,522)
Total	<b>\$ 865,823</b>	\$ (339,933)

The Association holds investments in a variety of investment funds. In general, its investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could be material to the amounts reported in the statement of financial position.

### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 and 2022 consists of the following:

	Useful Lives	<b>2023</b>	2022
Land	–	<b>\$ 603,675</b>	\$ 603,675
Building and Building Improvements	40 Years	<b>2,601,437</b>	2,601,437
Office and Computer Equipment	3-10 Years	<b>394,001</b>	382,770
Furniture and Fixtures	15 Years	<b>475,525</b>	475,525
Website	5 Years	<b>179,161</b>	161,495
Total Property and Equipment		<b>4,253,799</b>	4,224,902
Less: Accumulated Depreciation		<b>2,107,528</b>	2,004,536
Net Property and Equipment		<b>\$ 2,146,271</b>	\$ 2,220,366

**MINNESOTA DENTAL ASSOCIATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

**Association**

The Association maintains and manages adequate operating reserves per policies set by the board of directors. The Finance Committee regularly reviews and recommends reserve policies to the board of directors for approval. The Association maintains several investment accounts which serve different functions, including a short-term reserve account, the purpose of which is to hold assets that will likely require utilization within a 3 to 12 month period. The investment objectives of this account are:

1. To provide adequate liquidity
2. Preservation of capital
3. To achieve the highest return possible

The Association also maintains a long-term reserve account, and a dedicated capital account, however, no formal board designations exist for these activities.

Investment earnings are typically re-invested in the investment portfolio. The Association does not intend to spend from these investments and meets periodically to discuss whether any appropriations are considered necessary.

Available cash and an increase in net assets are typically adequate to meet all obligations.

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022 for MDA and MDB are as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 3,870,329	\$ 4,506,415
Accounts Receivable	46,282	37,889
Investments	<u>3,185,192</u>	<u>2,116,680</u>
Total Financial Assets	<u>7,101,803</u>	<u>6,660,984</u>
Less Financial Assets Held to Meet Donor Restrictions:		
Purpose Restricted - Net Assets	<u>—</u>	<u>—</u>
Less Financial Assets Not Available within One Year:		
Board Designated - Long-Term Fund	<u>—</u>	<u>—</u>
Amounts Available for General Expenditure within One Year	<u>\$ 7,101,803</u>	<u>\$ 6,660,984</u>

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

#### Foundation

The Minnesota Dental Foundation maintains and manages adequate operating reserves per financial policies set by the Board of Directors. Monies in each Fund of the Foundation may be invested as per the Investment Guidelines. Signers on the accounts shall be the Executive Director, President and Treasurer.

Financial reports are given at each Board meeting. The Executive Director, President and Treasurer will have final approval of the amounts placed in specific funds, being cognizant of monies needed for each Fund's expenses and projects.

This financial policy shall be reviewed at least annually by the entire Foundation Board of Directors for any necessary revisions.

The purpose of the Minnesota Dental Foundation Operating Funds is to provide sufficient cash to meet the financial obligations of the Minnesota Dental Foundation during the current business cycle. The investment objectives of the Operating Funds are:

1. Preservation of capital
2. Liquidity
3. To optimize the investment return within the constraints of the policy

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022 for MDARF and MDF are as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 627,822	\$ 432,905
Accounts Receivable	21,893	-
Investments	<u>1,699,293</u>	<u>1,775,887</u>
Total Financial Assets	<u>2,349,008</u>	<u>2,208,792</u>
Less Financial Assets Held to Meet Donor Restrictions:		
Purpose Restricted - Net Assets	<u>(1,039,139)</u>	<u>(991,747)</u>
Less Financial Assets Not Available within One Year:		
Board Designated - Long-Term Fund	<u>(515,249)</u>	<u>(452,607)</u>
Amounts Available for General Expenditure within One Year	<u>\$ 794,620</u>	<u>\$ 764,438</u>

The Foundation has a Long-Term Fund designated by the Board of Directors. The Long-Term Fund is defined as funds that are not anticipated to be needed for expenditure for at least three years.

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 - RESTRICTIONS ON NET ASSETS

Net assets were released from donor restriction by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

	<b>2023</b>	2022
Children's Fund	\$ 4,675	\$ 11,300
Give Kids a Smile	10,998	11,344
Martha Mordini Rukavina Loan Forgiveness Program	108,800	78,800
Minnesota Mission of Mercy Program	8,471	274,261
Donated Dental Services Program	97,790	86,363
Retired Dentist Program	3,002	2,612
Total Net Assets Released from Restrictions	\$ 233,736	\$ 464,680

Net assets with donor restrictions are available for the following purposes at December 31:

	<b>2023</b>	2022
Children's Fund	\$ 67,736	\$ 72,411
Martha Mordini Rukavina Loan Forgiveness Program	495,230	604,030
Minnesota Mission of Mercy Program	404,251	235,092
Donated Dental Services Program	64,366	69,656
Retired Dentist Program	7,556	10,558
Total Net Assets with Donor Restrictions	\$ 1,039,139	\$ 991,747

### NOTE 6 - INCOME TAXES

The Association had no recorded income tax expense in December 31, 2023 and 2022.

The tax provision differs from the expense that would result from applying federal statutory rates to income before income taxes due to the recording of a valuation allowance on deferred tax assets, the effect of state income taxes and because certain expenses are deducted for financial reporting that are not deductible for tax purposes.

The components of deferred income taxes at December 31 are as follows:

	<b>2023</b>	2022
Deferred Income Tax Assets:		
Net Operating Loss Carryforward - MDA	\$ 44,864	\$ 37,987
Net Operating Loss Carryforward - MDB	33,290	33,053
Total Deferred Tax Assets	78,154	71,040
Less Valuation Allowance	(78,154)	(71,040)
Net Deferred Income Tax Assets	\$ —	\$ —

# MINNESOTA DENTAL ASSOCIATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### **NOTE 6 - INCOME TAXES (Continued)**

MDA has federal and state net operating loss carryforwards of approximately \$163,000 and \$109,000 at December 31, 2023, which expire in years between 2030 and 2032. A valuation allowance has been recognized to the full extent of the deferred tax asset as it is not expected that the net operating loss will be fully utilized.

MDB has federal and state net operating loss carryforwards of approximately \$116,800 at December 31, 2023, which expire in years between 2026 and 2041. A valuation allowance has been recognized to the full extent of the deferred tax asset as it is not expected that the net operating loss will be fully utilized.

### **NOTE 7 - RETIREMENT PLAN**

The Association has a Safe Harbor 401(k) Retirement Plan. The Association pays a non-elective contribution equal to 4% of eligible compensation to all participants. The Association may elect discretionary match and profit-sharing contributions annually in addition to safe harbor contributions. The contributions to the plan for December 31, 2023 and 2022 amounted to \$35,022 and \$35,305.

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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Board of Trustees  
Minnesota Dental Association  
Minneapolis, Minnesota

We have audited the consolidated financial statements of Minnesota Dental Association as of and for the year ended December 31, 2023 and 2022, and our report thereon dated July 20, 2024, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating information on pages 23-28 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and the change in net assets of the individual s, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Olsen Thielken & Co., Ltd.*

Roseville, Minnesota  
July 20, 2024



**MINNESOTA DENTAL ASSOCIATION**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

	ASSETS					
	<u>Consolidated</u>	Eliminations	MDA	MDARF	MDB	MDF
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 4,498,151	\$	\$ 3,854,618	\$ 6,514	\$ 15,711	\$ 621,308
Investments	4,884,485		3,185,192	50,761		1,648,532
Accounts Receivable	51,845		39,377			12,468
Receivable from Affiliate	-	(2,875)				2,875
Contributions Receivable	6,550					6,550
Interest Receivable	9,405		6,905			2,500
Prepaid Expenses	132,419		119,919			12,500
Property and Equipment, Net	2,146,271		2,146,271			
Investment in Subsidiary	-	(15,711)	15,711			
<b>TOTAL ASSETS</b>	<b><u>\$ 11,729,126</u></b>	<b><u>\$ (18,586)</u></b>	<b><u>\$ 9,367,993</u></b>	<b><u>\$ 57,275</u></b>	<b><u>\$ 15,711</u></b>	<b><u>\$ 2,306,733</u></b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES:</b>						
Accounts Payable	\$ 91,937	\$	\$ 91,937	\$	\$	\$
Dues Payable to National and Local Affiliates	549,085		549,085			
Accounts Payable to Affiliate	-	(2,875)	2,875			
Agency Funds Payable	2,458		2,458			
Accrued Compensation and Benefits	93,448		93,448			
Accrued Real Estate Taxes	55,226		55,226			
Contract Liabilities	993,200		993,200			
Total Liabilities	<u>1,785,354</u>	<u>(2,875)</u>	<u>1,788,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS:</b>						
Net Assets Without Donor Restrictions:						
Common Stock	-	(155,000)			155,000	
Accumulated Deficit	-	139,289			(139,289)	
Undesignated	8,389,384		7,579,764	57,275		752,345
Board Designated - Long-Term Fund	515,249					515,249
Total Unrestricted	<u>8,904,633</u>	<u>(15,711)</u>	<u>7,579,764</u>	<u>57,275</u>	<u>15,711</u>	<u>1,267,594</u>
Net Assets With Donor Restrictions	<u>1,039,139</u>					<u>1,039,139</u>
Total Net Assets	<u>9,943,772</u>	<u>(15,711)</u>	<u>7,579,764</u>	<u>57,275</u>	<u>15,711</u>	<u>2,306,733</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 11,729,126</u></b>	<b><u>\$ (18,586)</u></b>	<b><u>\$ 9,367,993</u></b>	<b><u>\$ 57,275</u></b>	<b><u>\$ 15,711</u></b>	<b><u>\$ 2,306,733</u></b>

**MINNESOTA DENTAL ASSOCIATION**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
DECEMBER 31, 2022**

	ASSETS					
	<u>Consolidated</u>	<u>Eliminations</u>	<u>MDA</u>	<u>MDARF</u>	<u>MDB</u>	<u>MDF</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 4,939,320	\$	\$ 4,489,879	\$ 4,969	\$ 16,536	\$ 427,936
Investments	3,892,567		2,116,680	53,295		1,722,592
Accounts Receivable	30,984		30,984			
Interest Receivable	9,405		6,905			2,500
Prepaid Expenses	124,918		124,918			
Property and Equipment, Net	2,220,366		2,220,366			
Investment in Subsidiary	—	(16,536)	16,536			
<b>TOTAL ASSETS</b>	<b>\$ 11,217,560</b>	<b>\$ (16,536)</b>	<b>\$ 9,006,268</b>	<b>\$ 58,264</b>	<b>\$ 16,536</b>	<b>\$ 2,153,028</b>
	LIABILITIES AND NET ASSETS					
<b>LIABILITIES:</b>						
Accounts Payable	\$ 28,028	\$	\$ 28,028	\$	\$	\$
Dues Payable to National and Local Affiliates	681,295		681,295			
Agency Funds Payable	13,710		13,710			
Accrued Compensation and Benefits	82,629		82,629			
Accrued Real Estate Taxes	55,226		55,226			
Contract Liabilities	1,042,541		1,042,541			
Total Liabilities	<u>1,903,429</u>		<u>1,903,429</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>NET ASSETS:</b>						
Net Assets Without Donor Restrictions:						
Common Stock	—	(155,000)			155,000	
Accumulated Deficit	—	138,464			(138,464)	
Undesignated	7,869,777		7,102,839	58,264		708,674
Board Designated - Long-Term Fund	452,607					452,607
Total Unrestricted	<u>8,322,384</u>	<u>(16,536)</u>	<u>7,102,839</u>	<u>58,264</u>	<u>16,536</u>	<u>1,161,281</u>
Net Assets With Donor Restrictions	991,747					991,747
Total Net Assets	<u>9,314,131</u>	<u>(16,536)</u>	<u>7,102,839</u>	<u>58,264</u>	<u>16,536</u>	<u>2,153,028</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,217,560</b>	<b>\$ (16,536)</b>	<b>\$ 9,006,268</b>	<b>\$ 58,264</b>	<b>\$ 16,536</b>	<b>\$ 2,153,028</b>

**MINNESOTA DENTAL ASSOCIATION**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Consolidated</u>	<u>Eliminations</u>	<u>MDA</u>	<u>MDARF</u>	<u>MDB</u>	<u>MDF</u>		<u>Totals</u>
						<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
<b>REVENUES:</b>								
Membership Dues	<b>\$ 1,229,573</b>	\$	\$ 1,229,573	\$	\$	\$	\$	\$ -
Star of the North Event Revenue	<b>1,177,255</b>		1,177,255					-
Administrative Fees	<b>77,133</b>	(29,795)	106,928					-
Royalties	<b>180,213</b>		180,213					-
Northwest Dentistry Publication, Net	<b>107,593</b>		107,593					-
Contributions	<b>427,711</b>					146,583	281,128	427,711
Investment Income, Net	<b>865,823</b>		734,210	(544)		132,157		132,157
Meetings and Programs	<b>34,441</b>		34,441					-
Other	<b>119,204</b>		119,204					-
Net Assets Released from Restrictions	<b>-</b>					233,736	(233,736)	-
Total Revenues	<b><u>4,218,946</u></b>	<u>(29,795)</u>	<u>3,689,417</u>	<u>(544)</u>	<u>-</u>	<u>512,476</u>	<u>47,392</u>	<u>559,868</u>
<b>EXPENSES:</b>								
Program Services:								
Meetings and Events	<b>1,407,722</b>		1,407,722					-
Membership	<b>800,192</b>		800,192					-
Publications	<b>315,278</b>		315,278					-
MDF Programs	<b>296,959</b>	(4,795)				301,754		301,754
Total Program Services	<b><u>2,820,151</u></b>	<u>(4,795)</u>	<u>2,523,192</u>	<u>-</u>	<u>-</u>	<u>301,754</u>	<u>-</u>	<u>301,754</u>
Supporting Services:								
Management and General	<b>706,316</b>	(25,000)	688,475	445	825	41,571		41,571
Fundraising	<b>62,838</b>					62,838		62,838
Total Supporting Services	<b><u>769,154</u></b>	<u>(25,000)</u>	<u>688,475</u>	<u>445</u>	<u>825</u>	<u>104,409</u>	<u>-</u>	<u>104,409</u>
Total Expenses	<b><u>3,589,305</u></b>	<u>(29,795)</u>	<u>3,211,667</u>	<u>445</u>	<u>825</u>	<u>406,163</u>	<u>-</u>	<u>406,163</u>
EQUITY IN NET LOSS OF SUBSIDIARY	<b>-</b>	825	(825)	-	-	-	-	-
CHANGE IN NET ASSETS	<b>629,641</b>	825	476,925	(989)	(825)	106,313	47,392	153,705
NET ASSETS AND ACCUMULATED DEFICIT at Beginning of Year	<b><u>9,314,131</u></b>	<u>138,464</u>	<u>7,102,839</u>	<u>58,264</u>	<u>(138,464)</u>	<u>1,161,281</u>	<u>991,747</u>	<u>2,153,028</u>
NET ASSETS AND ACCUMULATED DEFICIT at End of Year	<b><u>\$ 9,943,772</u></b>	<u>\$ 139,289</u>	<u>\$ 7,579,764</u>	<u>\$ 57,275</u>	<u>\$ (139,289)</u>	<u>\$ 1,267,594</u>	<u>\$ 1,039,139</u>	<u>\$ 2,306,733</u>

**MINNESOTA DENTAL ASSOCIATION**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>Consolidated</u>	<u>Eliminations</u>	<u>MDA</u>	<u>MDARF</u>	<u>MDB</u>	<u>MDF</u>		<u>Totals</u>
						<u>Without Donor Restrictions'</u>	<u>With Donor Restrictions</u>	
<b>REVENUES:</b>								
Membership Dues	\$ 1,347,090	\$	\$ 1,347,090	\$	\$	\$	\$	\$ -
Star of the North Event Revenue	1,092,502		1,092,502					-
Administrative Fees	37,800	(59,785)	97,585					-
Royalties	173,886		173,886					-
Northwest Dentistry Publication, Net	106,066		106,066					-
Contributions	697,552					216,253	481,299	697,552
Investment Income, Net	(339,933)		(334,057)	990		(6,866)		(6,866)
Meetings and Programs	26,252		26,252					-
Other	125,448		125,448					-
Net Assets Released from Restrictions	-					464,680	(464,680)	-
Total Revenues	<u>3,266,663</u>	<u>(59,785)</u>	<u>2,634,772</u>	<u>990</u>	<u>-</u>	<u>674,067</u>	<u>16,619</u>	<u>690,686</u>
<b>EXPENSES:</b>								
Program Services:								
Meetings and Events	1,423,397		1,423,397					-
Membership	755,190		755,190					-
Publications	303,069		303,069					-
MDF Programs	485,895	(39,785)		15,000		510,680		510,680
Total Program Services	<u>2,967,551</u>	<u>(39,785)</u>	<u>2,481,656</u>	<u>15,000</u>	<u>-</u>	<u>510,680</u>	<u>-</u>	<u>510,680</u>
Supporting Services:								
Management and General	703,870	(20,000)	681,132	410	805	41,523		41,523
Fundraising	64,349					64,349		64,349
Total Supporting Services	<u>768,219</u>	<u>(20,000)</u>	<u>681,132</u>	<u>410</u>	<u>805</u>	<u>105,872</u>	<u>-</u>	<u>105,872</u>
Total Expenses	<u>3,735,770</u>	<u>(59,785)</u>	<u>3,162,788</u>	<u>15,410</u>	<u>805</u>	<u>616,552</u>	<u>-</u>	<u>616,552</u>
EQUITY IN NET LOSS OF SUBSIDIARY	-	805	(805)	-	-	-	-	-
CHANGE IN NET ASSETS	(469,107)	805	(528,821)	(14,420)	(805)	57,515	16,619	74,134
NET ASSETS AND ACCUMULATED DEFICIT at Beginning of Year	<u>9,783,238</u>	<u>137,659</u>	<u>7,631,660</u>	<u>72,684</u>	<u>(137,659)</u>	<u>1,103,766</u>	<u>975,128</u>	<u>2,078,894</u>
NET ASSETS AND ACCUMULATED DEFICIT at End of Year	<u>\$ 9,314,131</u>	<u>\$ 138,464</u>	<u>\$ 7,102,839</u>	<u>\$ 58,264</u>	<u>\$ (138,464)</u>	<u>\$ 1,161,281</u>	<u>\$ 991,747</u>	<u>\$ 2,153,028</u>

**MINNESOTA DENTAL ASSOCIATION**  
**CONSOLIDATING SCHEDULE OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Consolidated</u>	<u>Eliminations</u>	<u>MDA</u>	<u>MDARF</u>	<u>MDB</u>	<u>MDF</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Change in Net Assets	\$ 629,641	\$ 825	\$ 476,925	\$ (989)	\$ (825)	\$ 153,705
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:						
Depreciation	101,768		101,768			
Realized and Unrealized Investment Losses	(676,071)		(596,697)	2,534		(81,908)
Equity from Subsidiary	-	(825)	825			
Changes in Assets and Liabilities:						
Accounts Receivable	(27,411)		(8,393)			(19,018)
Receivable from Affiliate	-	2,875				(2,875)
Prepaid Expenses	(7,501)		4,999			(12,500)
Accounts Payable	63,909	(2,875)	66,784			
Dues Payable to National and Local Affiliates	(132,210)		(132,210)			
Agency Funds Payable	(11,252)		(11,252)			
Accrued Compensation and Benefits	10,819		10,819			
Contract Liabilities	(49,341)		(49,341)			
Net Cash Flows From Operating Activities	<u>(97,649)</u>	<u>-</u>	<u>(135,773)</u>	<u>1,545</u>	<u>(825)</u>	<u>37,404</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Purchase of Property and Equipment	(27,673)		(27,673)			
Purchase of Investment Securities	(872,562)		(783,530)			(89,032)
Proceeds from the Sale of Investment Securities	556,715		311,715			245,000
Net Cash Flows From Investing Activities	<u>(343,520)</u>	<u>-</u>	<u>(499,488)</u>	<u>-</u>	<u>-</u>	<u>155,968</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(441,169)</b>	<b>-</b>	<b>(635,261)</b>	<b>1,545</b>	<b>(825)</b>	<b>193,372</b>
<b>CASH AND CASH EQUIVALENTS at Beginning of Year</b>	<b><u>4,939,320</u></b>	<b><u>-</u></b>	<b><u>4,489,879</u></b>	<b><u>4,969</u></b>	<b><u>16,536</u></b>	<b><u>427,936</u></b>
<b>CASH AND CASH EQUIVALENTS at End of Year</b>	<b><u>\$ 4,498,151</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,854,618</u></b>	<b><u>\$ 6,514</u></b>	<b><u>\$ 15,711</u></b>	<b><u>\$ 621,308</u></b>

**MINNESOTA DENTAL ASSOCIATION**  
**CONSOLIDATING SCHEDULE OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>Consolidated</u>	<u>Eliminations</u>	<u>MDA</u>	<u>MDARF</u>	<u>MDB</u>	<u>MDF</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Change in Net Assets	\$ (469,107)	\$ 805	\$ (528,821)	\$ (14,420)	\$ (805)	\$ 74,134
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:						
Depreciation	105,817		105,817			
Realized and Unrealized Investment (Gains) Losses	484,522		445,363	1,000		38,159
Equity from Subsidiary	-	(805)	805			
Changes in Assets and Liabilities:						
Accounts Receivable	17,643		13,687			3,956
Receivable from Affiliate	-	(4,050)				4,050
Prepaid Expenses	42,226		14,542			27,684
Accounts Payable	1,451	4,050	(1,398)			(1,201)
Dues Payable to National and Local Affiliates	95,694		95,694			
Agency Funds Payable	10,045		10,045			
Accrued Compensation and Benefits	551		551			
Contract Liabilities	165,971		165,971			
Net Cash Flows From Operating Activities	<u>454,813</u>	<u>-</u>	<u>322,256</u>	<u>(13,420)</u>	<u>(805)</u>	<u>146,782</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Purchase of Property and Equipment	(10,321)		(10,321)			
Purchase of Investment Securities	(1,559,190)		(147,754)			(1,411,436)
Proceeds from the Sale of Investment Securities	651,950		382,789	7,096		262,065
Net Cash Flows From Investing Activities	<u>(917,561)</u>	<u>-</u>	<u>224,714</u>	<u>7,096</u>	<u>-</u>	<u>(1,149,371)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(462,748)</b>	<b>-</b>	<b>546,970</b>	<b>(6,324)</b>	<b>(805)</b>	<b>(1,002,589)</b>
<b>CASH AND CASH EQUIVALENTS at Beginning of Year</b>	<b><u>5,402,068</u></b>	<b><u>-</u></b>	<b><u>3,942,909</u></b>	<b><u>11,293</u></b>	<b><u>17,341</u></b>	<b><u>1,430,525</u></b>
<b>CASH AND CASH EQUIVALENTS at End of Year</b>	<b><u>\$ 4,939,320</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,489,879</u></b>	<b><u>\$ 4,969</u></b>	<b><u>\$ 16,536</u></b>	<b><u>\$ 427,936</u></b>