
Michigan Dental Association and Subsidiaries and Michigan Dental Association Foundation

Consolidated Financial Report with Supplemental Information December 31, 2022

Open Items

1. Department of Labor review of the MDA Health Plan which may have an impact on the plan sponsor, IFG

Michigan Dental Association and Subsidiaries and Michigan Dental Association Foundation

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**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidated Balance Sheet

December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash	\$ 3,740,452	\$ 4,522,925
Investments (Notes 3 and 4)	8,115,462	9,222,809
Receivables - Net:		
Trade	626,140	351,905
Commissions and other	(22,500)	(6,697)
Affiliates (Note 6)	899,071	1,681,263
Prepaid expenses and other current assets	153,588	194,521
Total current assets	13,512,213	15,966,726
Other Assets - Deferred tax assets (Note 7)	27,000	25,000
Property and Equipment - Net (Note 5)	4,920,326	5,048,263
Total assets	\$ 18,459,539	\$ 21,039,989
Liabilities and Net Assets		
Current Liabilities		
Accounts payable		
Trade	\$ 152,256	\$ 145,372
Premiums	867,269	459,362
Affiliates (Note 6)	25,010	1,106,589
Deferred revenue and undistributed dues	2,681,905	2,752,421
Accrued expenses	525,587	431,144
Current portion of long-term debt (Note 9)	150,000	-
Current portion of postemployment benefits payable (Note 11)	16,216	15,427
Total current liabilities	4,418,243	4,910,315
Long-term debt - Net of current portion (Note 9)	-	150,000
Postemployment Benefits Payable (Note 11)	109,937	123,085
Total liabilities	4,528,180	5,183,400
Net Assets		
Without donor restrictions:		
Undesignated	8,561,592	10,833,872
Board designated (Note 12)	5,149,465	4,730,577
Total without donor restrictions	13,711,057	15,564,449
With donor restrictions (Note 12)	220,302	292,140
Total net assets	13,931,359	15,856,589
Total liabilities and net assets	\$ 18,459,539	\$ 21,039,989

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

**Consolidated Statement of Activities
and Changes in Net Assets**

Years Ended December 31, 2022 and 2021

	2022	2021
Changes in Net Assets without Donor Restrictions		
Revenue, gains, and other support:		
Royalty income	\$ 499,991	\$ 513,686
Journal	256,389	294,728
Seminars	605,616	701,521
Annual session	787,200	258,444
Sponsor fee	419,084	413,093
IFG services to association members	4,849,073	4,657,670
Administrative services revenue	143,454	41,823
Contributions	205,542	246,966
Other income	245,130	318,840
Membership dues - Net of payments to American Dental Association and district societies	2,815,247	2,684,580
Investment income - Net	154,797	131,773
PPP loan forgiveness (Note 9)	-	976,000
Total revenue, gains, and other support	10,981,523	11,239,124
Net assets released from restrictions	80,417	22,205
Total revenue, gains, other support, and net assets released from restrictions	11,061,940	11,261,329
Expenses	11,581,034	10,218,566
(Decrease) Increase in Net Assets without Donor Restrictions - Before other items	(519,094)	1,042,763
Other Items - Net realized/unrealized (loss) gain on investments	(1,334,298)	912,921
(Decrease) Increase in Net Assets without Donor Restrictions	(1,853,392)	1,955,684
Changes in Net Assets with Donor Restrictions		
Contributions	37,623	29,530
Investment income - Net	(29,044)	21,233
Net assets released from restrictions	(80,417)	(22,205)
Increase in Net Assets with Donor Restrictions	(71,838)	28,558
(Decrease) Increase in Net Assets	(1,925,230)	1,984,242
Net Assets - Beginning of year	15,856,589	13,872,347
Net Assets - End of year	\$ 13,931,359	\$ 15,856,589

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidated Statement of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ (1,925,230)	\$ 1,984,242
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation and amortization	227,883	245,423
Gain on disposal of property and equipment	(12,520)	-
PPP loan forgiveness	-	(976,000)
Net realized/unrealized loss (gain) on investments	1,334,298	(912,921)
Deferred taxes	53,000	(11,000)
Changes in operating assets and liabilities that (used) provided cash:		
Receivables	523,760	(792,892)
Prepaid expenses and other	40,933	(31,554)
Accounts payable	(666,788)	952,765
Deferred revenue and undistributed dues	(70,516)	(63,431)
Accrued expenses	39,443	12,580
Postemployment benefits payable	(12,359)	(11,043)
Net cash (used in) provided by operating activities	(468,096)	396,169
Cash Flows from Investing Activities		
Purchase of property and equipment	(103,676)	(112,463)
Proceeds from disposition of property and equipment	16,250	-
Purchases of investments	(3,593,248)	(3,003,399)
Proceeds from sales and maturities of investments	3,366,297	3,292,751
Net cash (used in) provided by investing activities	(314,377)	176,889
Cash Flows Provided by Financing Activities - Proceeds from long-term debt	-	471,700
Net (Decrease) Increase in Cash	(782,473)	1,044,758
Cash - Beginning of year	4,522,925	3,478,167
Cash - End of year	\$ 3,740,452	\$ 4,522,925
Supplemental Cash Flow Information - Cash paid for taxes	\$ -	\$ (10,000)

Michigan Dental Association and Subsidiaries and Michigan Dental Association Foundation

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 1 - Nature of Business

The consolidated financial statements of Michigan Dental Association and Subsidiaries and Michigan Dental Association Foundation include the parent organization, Michigan Dental Association (the "Association"), and its wholly owned subsidiaries, MDA HQ, LLC and MDA Insurance & Financial Group, Inc. (IFG). Michigan Dental Association Foundation (the "Foundation") is also included in the consolidated financial statements due to the Association's ability to determine direction and assign functions to the Foundation. Collectively, these entities are known as the "Organization."

The following is a brief description of each entity:

Michigan Dental Association

The Association is incorporated in the state of Michigan as a not-for-profit corporation and is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code. The mission of the Association, as adopted by the House of Delegates, is to encourage the improvement of the oral health of the public; to enhance its members' ability to provide care to the public through education, training, and services; and to promote the science and art of dentistry.

MDA HQ, LLC

This subsidiary was formed to hold all real estate owned by the Association and operate the building. MDA HQ renews leases with the related parties annually, with rent adjusted to market rate.

MDA Insurance & Financial Group, Inc.

IFG is a for-profit, wholly owned subsidiary of the Association. IFG administers the MDA Health Plan Trust and other insurance programs for the benefit of association members.

Michigan Dental Association Foundation

The Foundation is organized as a nonstock, nonprofit corporation under the laws of the State of Michigan and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation's board appointments are controlled by the Association. The Foundation was formed to receive and administer funds for education in dentistry and for research fellowships and scholarships to outstanding students intending to pursue educational training for a career in dentistry or related fields. The Foundation also provides financial aid to Michigan dentists and their dependents who are not wholly self-sustaining.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The financial statements include the accounts of the Association and all of its subsidiaries and financially interrelated not-for-profit organizations. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and Concentration of Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Organization's deposits may not be returned to it. At year end, a significant portion of the Organization's cash balance was held at a financial institution that exceeded the Federal Deposit Insurance Corporation (FDIC) limits. The Organization believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts, if needed, through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off. The allowance for doubtful accounts was \$5,000 at both December 31, 2022 and 2021.

Investments

Investments consist of money markets, certificates of deposit, mutual funds, and fixed-income and equity securities and are stated at fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the consolidated statement of activities and changes in net assets. The Organization's investments are exposed to various risks, such as market risk, credit, and overall market volatility. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the value of securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated and amortized over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Revenue Recognition

The core principle of ASC 606 is that an organization will recognize revenue when it transfers promised goods or services to a customer in an amount that reflects the consideration to which the organization expects to be entitled to in exchange for those goods or services.

The Organization generates its revenue from multiple sources, as described below:

Membership Dues

For membership dues, the Organization has performance obligations for overall membership benefits provided to members and discounted educational sessions. Membership dues are charged to members over a defined membership period. Dues are billed at the beginning of each membership period and are recognized as a contract liability within deferred revenue and undistributed dues in the consolidated balance sheet. The Organization recognizes membership revenue over time using an output method of time elapsed over the membership period, as the Organization stands ready to provide the promised membership benefits and educational sessions throughout the membership period.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Educational Programs (Annual Session and Seminars)

For educational programs, the Organization has a performance obligation to provide various seminars to its members. Participants are billed for seminars upon registration. The Organization recognizes the advance payments as a contract liability within deferred revenue and undistributed dues in the consolidated balance sheet. As the time between the start and completion of each seminar is trivially short, as a practical matter, revenue is recognized upon completion of the seminar.

Royalty Income

The Organization enters into royalty contracts with certain private agencies and is paid rates based on sales to members of the Organization. The performance obligation includes the granting of access to the Organization's name and associated brand. The performance obligation is satisfied when the external party completes a sale to a member of the Organization. The royalties are billed and/or received upon completion of a sale. Because the royalty is sales based, revenue is recognized at the point in time when the external party completes a sale.

Administrative Services

The Organization offers a number of administrative services that are billed to third parties on a monthly basis. The collective services provided under these contracts represent a single performance obligation, as no individual service provided is separately identifiable. Administrative service fee revenue is recognized over time, as the customers simultaneously receive and consume the benefits provided. Administrative service fee revenue is recognized as revenue for IFG services to association members within the consolidated statement of activities and changes in net assets. The Organization has elected the practical expedient to recognize revenue in the amount to which it has the right to invoice.

Commission Income

Revenue from IFG services to association members consists primarily of commissions. Commissions are billed upon the completion of the sale. Commission revenue relates to the Organization's promise to connect customers with third-party insurance carriers and is recognized at a point in time as of the effective date of the insurance coverage or the billing date, whichever is later. Contingent commissions are commissions paid by the insurance underwriters and are based on the estimated profit and/or overall volume of business placed with the underwriter. Contingent commissions are variable consideration that is constrained due to the high level of uncertainty surrounding these payments. Contingent commissions are included in the transaction price once the expected amount can be calculated.

Deferred Revenue and Undistributed Dues

In some situations, the Organization receives cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing contract liabilities. Revenue from membership dues and program registrations is deferred and recognized as income over the period of the membership or program. The Organization collects certain dues on behalf of Michigan districts and the American Dental Association and remits these amounts collected to those organizations. Such amounts not remitted to the organizations as of year end are reported as undistributed dues.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as contributions without donor restrictions.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Board-designated Net Assets

Board-designated net assets are net assets without donor restrictions designated by the board for various purposes. These designations are based on board actions, which can be altered or revoked at a future time by the board.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the notes to the consolidated financial statements. Costs have been allocated between the various program and support services on several bases and estimates. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Federal Income Taxes

The Association is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(6). The Foundation is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(3). Net income from activities unrelated to the Organization's tax-exempt purpose is subject to taxation. Taxes on unrelated business income are not material to the consolidated financial statements.

For taxable subsidiaries, a current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for each year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles (GAAP) 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Michigan Dental Association and Subsidiaries and Michigan Dental Association Foundation

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including April 22, 2023, which is the date the consolidated financial statements were available to be issued.

Note 3 - Investments

The Organization's investments at December 31, 2022 and 2021 are as follows:

	2022	2021
Money market accounts	\$ 782,893	\$ 360,993
Fixed-income securities	248,830	500,070
Mutual funds - Fixed-income investments	833,324	977,367
Mutual funds - Equity investments	2,014,516	2,362,430
Common stock	2,651,877	3,312,266
Government and agency securities	963,417	1,104,356
Corporate bonds	459,375	432,209
Other marketable securities	161,230	173,118
Total	<u>\$ 8,115,462</u>	<u>\$ 9,222,809</u>

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 4 - Fair Value Measurements (Continued)

The following tables present information about the Organization's assets measured at fair value on a recurring basis at December 31, 2022 and 2021 and the valuation techniques used by the Organization to determine those fair values. Investments included on the consolidated balance sheet at December 31, 2022 and 2021 included money market accounts of \$782,893 and \$360,993, respectively. Money market accounts are considered to be cash equivalents and, therefore, are not included in the tables below.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2022
Investments				
Mutual funds:				
Equity investments	\$ 2,014,516	\$ -	\$ -	\$ 2,014,516
Fixed-income investments	833,324	-	-	833,324
Common stock	2,651,877	-	-	2,651,877
Debt securities:				
Government and agency securities	-	963,417	-	963,417
Corporate bonds	-	459,375	-	459,375
Fixed-income securities	-	248,830	-	248,830
Other equity securities	161,230	-	-	161,230
Total assets	\$ 5,660,947	\$ 1,671,622	\$ -	\$ 7,332,569

Assets Measured at Fair Value on a Recurring Basis at December 31, 2021				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
Investments				
Mutual funds:				
Equity investments	\$ 2,362,430	\$ -	\$ -	\$ 2,362,430
Fixed-income investments	977,367	-	-	977,367
Common stock	3,312,266	-	-	3,312,266
Debt securities:				
Government and agency securities	-	1,104,356	-	1,104,356
Corporate bonds	-	432,209	-	432,209
Fixed-income securities	-	500,070	-	500,070
Other equity securities	173,118	-	-	173,118
Total assets	\$ 6,825,181	\$ 2,036,635	\$ -	\$ 8,861,816

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2022	2021	Depreciable Life - Years
Land	\$ 1,202,777	\$ 1,202,777	-
Buildings	5,281,713	5,281,713	7-40
Building improvements	108,122	108,122	3-10
Office furniture, equipment, and vehicles	1,298,891	1,270,444	3-10
Computers	185,688	137,348	2-7
Software and intangible assets	359,070	357,045	3-7
Total cost	8,436,261	8,357,449	
Accumulated depreciation	3,515,935	3,309,186	
Net property and equipment	<u>\$ 4,920,326</u>	<u>\$ 5,048,263</u>	

Depreciation and amortization expense for 2022 and 2021 was \$227,883 and \$245,423, respectively.

Note 6 - Related Party Transactions

MDA Insurance & Financial Group, Inc. earned administrative service revenue totaling \$1,766,333 and \$1,683,257 for the years ended December 31, 2022 and 2021, respectively, for expenses incurred on behalf of MDA Health Plan Trust, a party related through common management, including, but not limited to, administration, personnel costs, rent, other expenses, communications, record keeping, and professional services. This revenue is included in IFG services to association members on the consolidated statement of activities and changes in net assets. At December 31, 2022 and 2021, the Organization had a receivable from MDA Health Plan Trust totaling \$899,071 and \$1,681,263, respectively, as well as a payable to MDA Health Plan Trust totaling \$25,010 and \$1,106,589, respectively.

Note 7 - Income Taxes

The components of the income tax provision included in the consolidated statement of activities and changes in net assets are all attributable to continuing operations and are detailed as follows:

	2022	2021
Current federal income tax expense	\$ 44,000	\$ 13,832
Deferred federal income tax expense (benefit)	(1,000)	7,000
Current Michigan income tax expense	11,000	(33,300)
Deferred Michigan income tax expense (benefit)	(1,000)	4,000
Total income tax (benefit) expense	<u>\$ 53,000</u>	<u>\$ (8,468)</u>

Income tax (benefit) expense is included in the IFG services to association members expense category (see Note 15) and is included in expenses on the consolidated statement of activities and changes in net assets.

The income tax provision differs from the expense that would result from applying statutory rates to income before income taxes as a result of certain business entertainment expenses that are not deductible for tax purposes.

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 7 - Income Taxes (Continued)

The details of the net deferred tax asset are as follows:

	2022	2021
Total federal deferred tax liabilities	\$ (27,000)	\$ (33,700)
Total Michigan deferred tax asset	8,000	7,000
Total federal deferred tax asset	46,000	51,700
Net deferred tax asset	<u>\$ 27,000</u>	<u>\$ 25,000</u>

Deferred tax liabilities result principally from accelerated methods of depreciation. Deferred tax assets result from accelerated methods of amortization and from recognition of expenses for financial reporting purposes that are not deductible for tax purposes until paid. Deferred tax liabilities also include amounts resulting from the implementation of the Michigan corporate income tax.

No valuation allowance has been recognized for the deferred tax assets.

Note 8 - Lines of Credit

The Organization has two unsecured lines of credit with a local bank in the amounts of \$1,000,000 and \$500,000 that renew annually and mature on demand, with an interest rate of 7.50 and 3.25 percent for December 31, 2022 and 2021 respectively. There were no borrowings on either line of credit at December 31, 2022 and 2021.

Note 9 - Long-term Debt

Long-term debt at December 31 is as follows:

	2022	2021
Small Business Administration EIDL loan payable due in monthly installments of \$641. The SBA amended the loan terms in 2021 to postpone payments, payments beginning on January 6, 2023, with an interest rate of 2.75 percent. The note was paid in full February 2023.	\$ 150,000	\$ 150,000
Total	150,000	150,000
Less current portion	150,000	-
Long-term portion	<u>\$ -</u>	<u>\$ 150,000</u>

Note 10 - Retirement Plan

The Organization sponsors a 401(k) profit-sharing plan, which covers employees over age 21 who have over 1,000 hours of service annually. Employer contributions are determined annually by the Organization and are distributed among the participants' accounts based upon annual salary. Participants are deemed fully vested with respect to employer contributions after three years of service.

Retirement plan expense was \$400,282 and \$397,358 for the years ended December 31, 2022 and 2021, respectively, including administrative expenses.

**Michigan Dental Association and Subsidiaries and
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Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 11 - Postemployment Benefits

The Organization sponsors a defined benefit postemployment plan for a previous executive director of the Organization. The plan provides postemployment medical and dental benefits for the life of the executive director and her spouse and covers 75 percent of total premiums paid. In determining the projected postemployment obligation for December 31, 2022 and 2021, the Organization used an estimated life expectancy of 21 years from time of retirement based on U.S. Internal Revenue Service mortality tables, an estimated annual benefit of \$13,374, and a health care cost trend of 7.5 percent over the remaining life expectancy of the previous executive director. The plan is unfunded.

The following table sets forth the status of the plan and other information as of and for the years ended December 31:

	2022	2021
Projected benefit obligation	\$ 126,153	\$ 138,512
Less current portion	(16,216)	(15,427)
Long-term portion	109,937	123,085
Net periodic pension	15,427	14,692
Employer contributions	12,359	11,044
Benefits paid	12,359	11,044

Note 12 - Net Assets

Board-designated net assets consist of the following as of December 31:

	2022	2021
Special assessment	\$ 107,353	\$ 193,136
Strategic project reserve fund	921,589	803,291
Emergency reserve fund	3,686,357	3,213,166
John G. Nolen scholarship fund*	25,337	30,305
George L. Bletsas scholarship fund*	43,038	50,454
MDA Insurance scholarship fund*	25,496	29,904
Genesee District fund*	18,980	32,462
Gerri Cherney fund*	18,789	22,038
Ray Gist scholarship fund*	5,746	7,857
Kinra scholarship fund*	70	70
MDA Foundation endowment fund*	296,710	347,894
Total	\$ 5,149,465	\$ 4,730,577

*Included within the board-designated endowments disclosed in Note 13.

**Michigan Dental Association and Subsidiaries and
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Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 12 - Net Assets (Continued)

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

	2022	2021
Purpose restrictions:		
Matt Uday Access to Care Fund	\$ 33,683	\$ 39,514
Meraw Scholarship Fund	720	258
Washtenaw DDS Scholarship Fund	28,183	16,092
Jeffers Scholarship Fund	33,878	39,739
Sue Carron Fund	30,294	36,691
The Restoring Smiles Fund	19,162	26,581
Find Your Dental Home Fund	-	4,802
Mission of Mercy Fund	31,782	90,490
Diversity & Inclusion Dental Fund	13,127	12,973
General Grant Fund	4,473	-
Total purpose-restricted net assets	195,302	267,140
Perpetually restricted - Genesee District Comm. Fdn. Fund	25,000	25,000
Total net assets with donor restrictions	<u>\$ 220,302</u>	<u>\$ 292,140</u>

Note 13 - Donor-restricted and Board-designated Endowments

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments or term endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the restricted endowment, (b) the original value of subsequent gifts to the restricted endowment, and (c) accumulations to the restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

**Michigan Dental Association and Subsidiaries and
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Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 13 - Donor-restricted and Board-designated Endowments (Continued)

	Endowment Net Asset Composition by Type of Fund as of December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 434,166	\$ -	\$ 434,166
Donor-restricted endowment funds	-	25,000	25,000
Total	<u>\$ 434,166</u>	<u>\$ 25,000</u>	<u>\$ 459,166</u>
	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 520,984	\$ 25,000	\$ 545,984
Investment return - Net			
Investment income	(72,320)	-	(72,320)
Contributions	2,660	-	2,660
Appropriation of endowment assets for expenditure	(17,158)	-	(17,158)
Endowment net assets - End of year	<u>\$ 434,166</u>	<u>\$ 25,000</u>	<u>\$ 459,166</u>
	Endowment Net Asset Composition by Type of Fund as of December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 520,984	\$ -	\$ 520,984
Donor-restricted endowment funds	-	25,000	25,000
Total	<u>\$ 520,984</u>	<u>\$ 25,000</u>	<u>\$ 545,984</u>
	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 457,205	\$ 25,000	\$ 482,205
Investment return - Net	57,974	3,170	61,144
Contributions	12,635	-	12,635
Appropriation of endowment assets for expenditure	(6,830)	(3,170)	(10,000)
Endowment net assets - End of year	<u>\$ 520,984</u>	<u>\$ 25,000</u>	<u>\$ 545,984</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in restricted net assets. As of December 31, 2022 and 2021, there were no funds with deficiencies.

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 13 - Donor-restricted and Board-designated Endowments (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner to achieve a balance between capital appreciation, preservation of capital, and current income while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of 6 to 8 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Each year on March 1, a distribution will be made available to the Organization from the endowment fund. Distributions are to be used only for expenses directly related to focus area(s) designated by the Foundation. The finance committee must determine if the distribution is to be accepted.

This spending rate policy shall be reviewed annually by the finance committee. The committee may adjust the spending rate percentage as it deems appropriate, but in no event shall the spending rate percentage be lower than 3 percent or higher than 5 percent of the average balance of the foundation investment portfolio over the previous 12 quarters or three years. The current approved payout rate is 3.0 percent.

Note 14 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated balance sheet date:

	2022	2021
Cash	\$ 3,740,452	\$ 4,522,925
Investments	8,115,462	9,222,809
Accounts receivable	575,518	345,208
Receivable due from affiliate	899,071	1,681,263
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions	220,302	292,140
Board designations	5,149,465	4,730,577
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,960,736</u>	<u>\$ 10,749,488</u>

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated balance sheet date.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 14 - Liquidity and Availability of Resources (Continued)

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$1,855,000 and \$1,660,000 at December 31, 2022 and 2021, respectively. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in various short-term investments, including money markets and short-term treasury instruments.

The Organization also realizes there could be unanticipated liquidity needs. To help manage unanticipated liquidity needs, the Organization has committed lines of credit in the amount of \$1,500,000 (as disclosed in Note 8) that it could draw upon.

Michigan Dental Association and Subsidiaries and Michigan Dental Association Foundation

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 15 - Functional Expenses

The consolidated statement of activities and changes in net assets reports certain categories of expense attributable to the program and supporting functions of the Organization. Program activities include annual session, journal, board and industry issues, continuing education, public relations, membership services, building rental services, peer review, legislative operations, donated dental, mission of mercy, grant activities, scholarship activities, and other programs established to provide value to the Organization's members and the general public.

The financial statements report certain categories of expense that are attributable to one or more program or supporting functions of the Organization. These expenses include salaries, employee benefits, payroll taxes, postage, telephone, computer fees, and office supplies. These expenses are allocated to various program and supporting functions of the Organization. Salaries and employee benefits are allocated based on the underlying job role and time, and certain office expenses are allocated based on salaries and employee benefits expense. All other expenses are allocated based on direct identification and utilization. Expenses related to board of directors (BOD), House of Delegates (HOD), and peer review are included in the other expenses.

The tables below present the functional expenses by natural classification as of December 31:

2022										
	Journal	Continuing Education	Member Services	Building Rental Services	Legislative Operations	Grant and Scholarship	Other Programs	Total Program Expenses	Management and General	Total Expenses
Salaries	\$ 201,219	\$ 229,515	\$ 232,070	\$ 28,139	\$ 294,692	\$ -	\$ 2,999,222	\$ 3,984,857	\$ 976,396	\$ 4,961,253
Employee benefits/Taxes	15,623	18,193	18,019	123,792	22,881	-	815,990	1,017,498	753,168	1,770,666
Lobbying	-	-	-	-	163,784	-	5,966	169,750	-	169,750
Contracted services	-	1,750	-	155,138	-	-	4,393	161,281	-	161,281
Printing	169,975	6,809	-	165	-	-	800	177,749	10,242	187,991
Legal	-	-	-	-	-	-	-	-	138,362	138,362
Credit card and bank fees	-	-	-	-	-	-	-	-	234,714	234,714
Computer services/Subscription	7,342	-	135	-	-	-	-	7,477	172,551	180,028
Other	12,050	658,803	68,883	114,711	6,129	170,583	2,189,142	3,220,301	529,853	3,776,989
Total	\$ 406,209	\$ 915,070	\$ 319,107	\$ 421,945	\$ 487,486	\$ 170,583	\$ 6,015,513	\$ 8,738,913	\$ 2,815,286	\$ 11,581,034

2021										
	Journal	Continuing Education	Membership Services	Legislative Operations	Grant and Scholarship	Other Programs	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	\$ 192,072	\$ 208,444	\$ 221,520	\$ 286,148	\$ -	\$ 2,870,944	\$ 3,779,128	\$ 1,138,163	\$ -	\$ 4,917,291
Employee benefits/Taxes	15,406	17,133	17,767	22,562	-	957,724	1,030,592	652,354	-	1,682,946
Lobbying	-	53	-	78,130	-	7,877	86,060	-	-	86,060
Contracted services	2,963	-	-	-	-	191,911	194,874	-	-	194,874
Printing	144,689	-	-	2,039	-	477	147,205	3,885	-	151,090
Legal	-	-	-	-	-	-	-	94,491	-	94,491
Credit card and bank fees	-	-	-	-	-	-	-	190,855	-	190,855
Computer services/Subscription	10,962	-	-	40	-	-	11,002	144,129	-	155,131
Other	31,301	238,359	73,400	73,064	92,850	1,311,823	1,820,797	892,249	32,782	2,745,828
Total	\$ 397,393	\$ 463,989	\$ 312,687	\$ 461,983	\$ 92,850	\$ 5,340,756	\$ 7,069,658	\$ 3,116,126	\$ 32,782	\$ 10,218,566

Supplemental Information

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Balance Sheet

December 31, 2022

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
Assets						
Current Assets						
Cash	\$ 1,572,778	\$ 81,727	\$ 1,877,025	\$ 208,922	\$ -	\$ 3,740,452
Investments	1,341,470	1,226,408	5,547,584	-	-	8,115,462
Receivables:						
Trade	253,187	-	372,953	-	-	626,140
Commissions and other	(22,500)	-	-	-	-	(22,500)
Affiliates	897,622	25,235	1,489,615	-	(1,513,401)	899,071
Prepaid expenses and other current assets	30,777	55,142	67,669	-	-	153,588
Total current assets	4,073,334	1,388,512	9,354,846	208,922	(1,513,401)	13,512,213
Other Assets - Deferred tax asset	27,000	-	-	-	-	27,000
Property and Equipment - Net	163,046	-	-	4,757,280	-	4,920,326
Investment in MDA Insurance & Financial Group, Inc.	-	-	31,000	-	(31,000)	-
Total assets	<u>\$ 4,263,380</u>	<u>\$ 1,388,512</u>	<u>\$ 9,385,846</u>	<u>\$ 4,966,202</u>	<u>\$ (1,544,401)</u>	<u>\$ 18,459,539</u>

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Balance Sheet (Continued)

December 31, 2022

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
Liabilities and Net Assets						
Current Liabilities						
Accounts payable:						
Trade	\$ 38,384	\$ 255	\$ 126,313	\$ -	\$ (12,696)	\$ 152,256
Premiums	867,269	-	-	-	-	867,269
Affiliates	536,719	41,199	14,477	864,686	(1,432,071)	25,010
Deferred revenue and undistributed dues	-	-	2,681,905	-	-	2,681,905
Accrued expenses	216,579	-	377,642	-	(68,634)	525,587
Current portion of long-term debt	-	-	150,000	-	-	150,000
Current portion of postemployment benefits payable	-	-	16,216	-	-	16,216
Total current liabilities	1,658,951	41,454	3,366,553	864,686	(1,513,401)	4,418,243
Postemployment Benefits Payable - Net of current portion	-	-	109,937	-	-	109,937
Total liabilities	1,658,951	41,454	3,476,490	864,686	(1,513,401)	4,528,180
Net Assets						
Without donor restrictions:						
Undesignated	2,604,429	692,590	1,194,057	4,101,516	(31,000)	8,561,592
Board designated	-	434,166	4,715,299	-	-	5,149,465
Total without donor restrictions	2,604,429	1,126,756	5,909,356	4,101,516	(31,000)	13,711,057
With donor restrictions	-	220,302	-	-	-	220,302
Total net assets	2,604,429	1,347,058	5,909,356	4,101,516	(31,000)	13,931,359
Total liabilities and net assets	<u>\$ 4,263,380</u>	<u>\$ 1,388,512</u>	<u>\$ 9,385,846</u>	<u>\$ 4,966,202</u>	<u>\$ (1,544,401)</u>	<u>\$ 18,459,539</u>

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Balance Sheet

December 31, 2021

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
Assets						
Current Assets						
Cash	\$ 2,064,098	\$ 83,807	\$ 2,343,216	\$ 31,804	\$ -	\$ 4,522,925
Investments	1,395,793	1,551,014	6,276,002	-	-	9,222,809
Receivables:						
Trade	41,213	-	310,692	-	-	351,905
Commissions and other	(6,697)	-	-	-	-	(6,697)
Affiliates	1,681,263	28,522	1,623,546	-	(1,652,068)	1,681,263
Prepaid expenses and other current assets	13,891	55,043	125,587	-	-	194,521
Total current assets	5,189,561	1,718,386	10,679,043	31,804	(1,652,068)	15,966,726
Other Assets - Deferred tax asset	25,000	-	-	-	-	25,000
Property and Equipment - Net	172,167	-	-	4,876,096	-	5,048,263
Investment in MDA Insurance & Financial Group, Inc.	-	-	31,000	-	(31,000)	-
Total assets	<u>\$ 5,386,728</u>	<u>\$ 1,718,386</u>	<u>\$ 10,710,043</u>	<u>\$ 4,907,900</u>	<u>\$ (1,683,068)</u>	<u>\$ 21,039,989</u>

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Balance Sheet (Continued)

December 31, 2021

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
Liabilities and Net Assets						
Current Liabilities						
Accounts payable:						
Trade	\$ 37,864	\$ 18,985	\$ 96,631	\$ -	\$ (8,108)	\$ 145,372
Premiums	459,362	-	-	-	-	459,362
Affiliates	1,957,936	18,198	28,162	746,253	(1,643,960)	1,106,589
Deferred revenue and undistributed dues	-	-	2,752,421	-	-	2,752,421
Accrued expenses	139,241	-	291,903	-	-	431,144
Current portion of postemployment benefits payable	-	-	15,427	-	-	15,427
Total current liabilities	2,594,403	37,183	3,184,544	746,253	(1,652,068)	4,910,315
Long-term Debt - Net of current portion	-	-	150,000	-	-	150,000
Postemployment Benefits Payable - Net of current portion	-	-	123,085	-	-	123,085
Total liabilities	2,594,403	37,183	3,457,629	746,253	(1,652,068)	5,183,400
Net Assets						
Without donor restrictions:						
Undesignated	2,792,325	868,079	3,042,821	4,161,647	(31,000)	10,833,872
Board designated	-	520,984	4,209,593	-	-	4,730,577
Total without donor restrictions	2,792,325	1,389,063	7,252,414	4,161,647	(31,000)	15,564,449
With donor restrictions	-	292,140	-	-	-	292,140
Total net assets	2,792,325	1,681,203	7,252,414	4,161,647	(31,000)	15,856,589
Total liabilities and net assets	<u>\$ 5,386,728</u>	<u>\$ 1,718,386</u>	<u>\$ 10,710,043</u>	<u>\$ 4,907,900</u>	<u>\$ (1,683,068)</u>	<u>\$ 21,039,989</u>

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Statement of Activities and Changes in Net Assets

Year Ended December 31, 2022

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions						
Revenue, gains, and other support:						
Membership dues - Net of payments to American Dental Association and district societies	\$ -	\$ -	\$ 2,815,247	\$ -	\$ -	\$ 2,815,247
Annual session	-	-	787,200	-	-	787,200
Journal	-	-	320,849	-	(64,460)	256,389
Seminars	-	-	605,616	-	-	605,616
Administrative services revenue	-	-	567,803	-	(424,349)	143,454
Royalty income	-	-	499,991	-	-	499,991
Sponsor fee	-	-	419,084	-	-	419,084
IFG services to association members	4,849,073	-	-	-	-	4,849,073
Contributions	-	205,542	-	-	-	205,542
Other income	-	-	245,130	-	-	245,130
MDA IFG sponsorships	-	-	235,000	-	(235,000)	-
Dividend income - MDA IFG	(250,000)	-	250,000	-	-	-
Rental income	-	-	-	517,920	(517,920)	-
Investment income - Net	-	47,188	107,609	-	-	154,797
Net assets released from restrictions	-	80,417	-	-	-	80,417
Total revenue, gains, and other support	4,599,073	333,147	6,853,529	517,920	(1,241,729)	11,061,940
Expenses:						
Administration	-	-	3,078,374	183,862	(517,920)	2,744,316
Continuing education	-	-	807,279	-	-	807,279
Journal	-	-	413,872	-	-	413,872
Board of directors, HOD, ADA	-	-	270,094	-	-	270,094
Legislative operations	-	-	609,084	-	-	609,084
Public relations	-	-	6,077	-	-	6,077
Membership	-	-	642,498	-	-	642,498
Peer review	-	-	18,863	-	-	18,863
Donated dental	-	-	58,030	-	-	58,030
Special assessment	-	-	1,047,688	-	-	1,047,688
IFG services to association members	4,786,969	-	-	-	(617,018)	4,169,951
Foundation activities	-	352,703	75,000	-	(106,791)	320,912
Building expenses	-	-	78,181	394,189	-	472,370
Total expenses	4,786,969	352,703	7,105,040	578,051	(1,241,729)	11,581,034

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Statement of Activities and Changes in Net Assets (Continued)

Year Ended December 31, 2022

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
(Decrease) Increase in Net Assets without Donor Restrictions - Before other items	\$ (187,896)	\$ (19,556)	\$ (251,511)	\$ (60,131)	\$ -	\$ (519,094)
Other Items - Net realized/unrealized loss on investments	-	(242,751)	(1,091,547)	-	-	(1,334,298)
(Decrease) Increase in Net Assets without Donor Restrictions	(187,896)	(262,307)	(1,343,058)	(60,131)	-	(1,853,392)
Changes in Net Assets with Donor Restrictions						
Contributions	-	37,623	-	-	-	37,623
Investment income - Net	-	(29,044)	-	-	-	(29,044)
Net assets released from restrictions	-	(80,417)	-	-	-	(80,417)
Decrease in Net Assets with Donor Restrictions	-	(71,838)	-	-	-	(71,838)
(Decrease) Increase in Net Assets	(187,896)	(334,145)	(1,343,058)	(60,131)	-	(1,925,230)
Net Assets - Beginning of year	2,792,325	1,681,203	7,252,414	4,161,647	(31,000)	15,856,589
Net Assets - End of year	<u>\$ 2,604,429</u>	<u>\$ 1,347,058</u>	<u>\$ 5,909,356</u>	<u>\$ 4,101,516</u>	<u>\$ (31,000)</u>	<u>\$ 13,931,359</u>

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Statement of Activities and Changes in Net Assets

Year Ended December 31, 2021

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions						
Revenue, gains, and other support:						
Membership dues - Net of payments to American Dental Association and district societies	\$ -	\$ -	\$ 2,684,580	\$ -	\$ -	\$ 2,684,580
Annual session	-	-	258,444	-	-	258,444
Journal	-	-	358,418	-	(63,690)	294,728
Seminars	-	-	701,521	-	-	701,521
Administrative services revenue	-	-	567,334	-	(525,511)	41,823
Royalty income	-	-	513,686	-	-	513,686
Sponsor fee	-	-	413,093	-	-	413,093
IFG services to association members	4,657,670	-	-	-	-	4,657,670
Contributions	-	246,966	-	-	-	246,966
Other income	-	-	318,840	-	-	318,840
MDA IFG sponsorships	-	-	211,000	-	(211,000)	-
Dividend income - MDA IFG	(261,900)	-	261,900	-	-	-
Rental income	-	-	-	483,059	(483,059)	-
Investment income - Net	-	2,875	128,898	-	-	131,773
PPP loan forgiveness	504,300	-	471,700	-	-	976,000
Net assets released from restrictions	-	22,205	-	-	-	22,205
Total revenue, gains, and other support	4,900,070	272,046	6,889,414	483,059	(1,283,260)	11,261,329
Expenses:						
Continuing education	-	-	463,989	-	-	463,989
Administration	-	-	2,775,325	-	(307,859)	2,467,466
Journal	-	-	397,393	-	-	397,393
Board of directors, HOD, ADA	-	-	398,067	-	-	398,067
Legislative operations	-	-	461,983	-	-	461,983
Public relations	-	-	192,792	-	-	192,792
Membership	-	-	312,687	-	-	312,687
Peer review	-	-	184,125	-	-	184,125
Donated dental	-	-	136,050	-	-	136,050
Special assessment	-	-	629,357	-	-	629,357
IFG services to association members	4,575,042	-	-	-	(765,958)	3,809,084
Foundation activities	-	367,845	-	-	(209,443)	158,402
Building expenses	-	-	-	607,171	-	607,171
Total expenses	4,575,042	367,845	5,951,768	607,171	(1,283,260)	10,218,566

**Michigan Dental Association and Subsidiaries and
Michigan Dental Association Foundation**

Consolidating Statement of Activities and Changes in Net Assets (Continued)

Year Ended December 31, 2021

	MDA Insurance & Financial Group, Inc.	Michigan Dental Association Foundation	Michigan Dental Association	MDA HQ, LLC	Eliminating Entries	Total
Increase (Decrease) in Net Assets without Donor Restrictions -						
Before other items	\$ 325,028	\$ (95,799)	\$ 937,646	\$ (124,112)	\$ -	\$ 1,042,763
Other Items - Net realized/unrealized gain on investments	-	167,289	745,632	-	-	912,921
Changes in Net Assets with Donor Restrictions						
Contributions	-	29,530	-	-	-	29,530
Investment income - Net	-	21,233	-	-	-	21,233
Net assets released from restrictions	-	(22,205)	-	-	-	(22,205)
Increase in Net Assets with Donor Restrictions	-	28,558	-	-	-	28,558
Increase (Decrease) in Net Assets	325,028	100,048	1,683,278	(124,112)	-	1,984,242
Net Assets - Beginning of year	2,467,297	1,581,155	5,569,136	4,285,759	(31,000)	13,872,347
Net Assets - End of year	<u>\$ 2,792,325</u>	<u>\$ 1,681,203</u>	<u>\$ 7,252,414</u>	<u>\$ 4,161,647</u>	<u>\$ (31,000)</u>	<u>\$ 15,856,589</u>