

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021



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YEARS ENDED DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wisconsin Dental Association Foundation, Inc.
West Allis, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Wisconsin Dental Association Foundation, Inc. which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wisconsin Dental Association Foundation, Inc. as of December 31, 2022 and 2021, and its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Wisconsin Dental Association Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter Regarding a Correction of an Error

As discussed in Note 10 to the financial statements, a certain error resulting in understatement of amounts previously reported for both revenue and expenses as of December 31, 2021, were discovered during the current year. Accordingly, amounts reported for revenue and expenses have been restated in the 2021 financial statements now presented to correct the error. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Wisconsin Dental Association Foundation, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

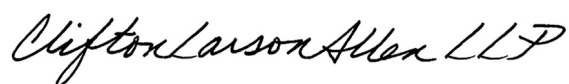
Auditors' Responsibilities for the Audit of the Financial Statements

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 GAAS 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 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 GAAS, 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 Wisconsin Dental Association Foundation, Inc.'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 Wisconsin Dental Association Foundation, Inc.'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.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
May 31, 2023

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	(Restated) 2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 34,035	\$ 898,529
Accounts Receivable	32,256	21,306
Grants Receivable	15,989	23,358
Prepaid Expenses	26,616	26,147
Total Current Assets	108,896	969,340
INVESTMENTS	3,563,074	3,214,371
EQUIPMENT, Net	346	2,214
Total Assets	\$ 3,672,316	\$ 4,185,925
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 3,168	\$ 5,747
Accrued Liabilities	2,992	2,621
Deferred Revenue	8,955	-
Total Liabilities	15,115	8,368
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,597,928	2,759,685
Designated	974,910	1,073,715
Total Without Donor Restrictions	3,572,838	3,833,400
With Donor Restrictions	84,363	344,157
Total Net Assets	3,657,201	4,177,557
Total Liabilities and Net Assets	\$ 3,672,316	\$ 4,185,925

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant Revenue - Donated Dental Services	\$ -	\$ 63,309	\$ 63,309
Contributions:			
General	120,984	2,022	123,006
Mission of Mercy	-	16,768	16,768
In-Kind Contributions	277,417	-	277,417
Investment Loss, Net	(423,822)	-	(423,822)
Net Assets Released from Restrictions	341,893	(341,893)	-
Total Revenues and Other Support	<u>316,472</u>	<u>(259,794)</u>	<u>56,678</u>
EXPENSES			
Program Services:			
Grants and Scholarships	92,151	-	92,151
Donated Dental Services	301,297	-	301,297
Mission of Mercy	40,310	-	40,310
Total Program Services	<u>433,758</u>	<u>-</u>	<u>433,758</u>
Supporting Services:			
Management and General	134,796	-	134,796
Fundraising	8,480	-	8,480
Total Expenses	<u>577,034</u>	<u>-</u>	<u>577,034</u>
CHANGE IN NET ASSETS	(260,562)	(259,794)	(520,356)
Net Assets - Beginning of Year	<u>3,833,400</u>	<u>344,157</u>	<u>4,177,557</u>
NET ASSETS - END OF YEAR	<u>\$ 3,572,838</u>	<u>\$ 84,363</u>	<u>\$ 3,657,201</u>

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	(Restated) Total
REVENUES AND OTHER SUPPORT			
Grant Revenue - Donated Dental Services	\$ -	\$ 41,745	\$ 41,745
Contributions:			
General	(268,538)	1,506	(267,032)
Mission of Mercy	-	6,401	6,401
In-Kind Contributions	346,977	-	346,977
Fundraising Events	36,610	-	36,610
Government Grant	32,560	-	32,560
Investment Return, Net	607,000	-	607,000
Net Assets Released from Restrictions	85,686	(85,686)	-
Total Revenues and Other Support	840,295	(36,034)	804,261
EXPENSES			
Program Services:			
Grants and Scholarships	88,024	-	88,024
Donated Dental Services	55,229	-	55,229
Mission of Mercy	29,933	-	29,933
Total Program Services	173,186	-	173,186
Supporting Services:			
Management and General	114,031	-	114,031
Fundraising	19,589	-	19,589
Total Expenses	306,806	-	306,806
CHANGE IN NET ASSETS	533,489	(36,034)	497,455
Net Assets - Beginning of Year	3,299,911	380,191	3,680,102
NET ASSETS - END OF YEAR	\$ 3,833,400	\$ 344,157	\$ 4,177,557

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services			Total Program Services	Supporting Services		Total Expenses
	Grants and Scholarships	Donated Dental Services	Mission of Mercy		Management and General	Fundraising	
Salary	\$ -	\$ 31,400	\$ 29,412	\$ 60,812	\$ 73,142	\$ -	\$ 133,954
Payroll Taxes	-	2,374	3,418	5,792	3,858	-	9,650
Benefits	-	133	162	295	31,017	-	31,312
Rent	-	2,011	-	2,011	2,730	-	4,741
Professional Fees	46	2,774	23	2,843	16,018	-	18,861
Lab Fees	-	4,245	-	4,245	-	-	4,245
Supplies and Printing	283	1,158	624	2,065	951	1,412	4,428
Postage	71	844	28	943	549	19	1,511
Telephone	-	1,260	-	1,260	-	-	1,260
Occupancy	-	1,619	1,413	3,032	3,917	382	7,331
Travel	-	-	1,888	1,888	-	-	1,888
Miscellaneous	-	807	140	947	100	1,286	2,333
Depreciation and Amortization	-	-	-	-	1,868	-	1,868
Meeting and Conferences	-	-	977	977	-	-	977
Membership Dues and Subscriptions	-	-	-	-	146	-	146
Sponsorships	30,000	-	-	30,000	500	-	30,500
Grants	61,751	-	-	61,751	-	-	61,751
In-Kind Donated Services	-	252,672	-	252,672	-	-	252,672
Equipment and Rental Fees	-	-	2,225	2,225	-	5,381	7,606
Total	<u>\$ 92,151</u>	<u>\$ 301,297</u>	<u>\$ 40,310</u>	<u>\$ 433,758</u>	<u>\$ 134,796</u>	<u>\$ 8,480</u>	<u>\$ 577,034</u>

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services			Total Program Services	Supporting Services		(Restated) Total Expenses
	Grants and Scholarships	Donated Dental Services	Mission of Mercy		Management and General	Fundraising	
Salary	\$ -	\$ 37,981	\$ 3,417	\$ 41,398	\$ 62,637	\$ -	\$ 104,035
Payroll Taxes	-	1,985	159	2,144	3,833	-	5,977
Benefits	-	2,497	12,238	14,735	23,824	-	38,559
Rent	-	1,972	-	1,972	2,677	-	4,649
Professional Fees	24	1,294	11	1,329	11,458	-	12,787
Lab Fees	-	6,778	-	6,778	-	-	6,778
Supplies and Printing	-	237	3	240	847	2,177	3,264
Postage	159	857	15	1,031	1,170	17	2,218
Telephone	-	1,253	-	1,253	90	-	1,343
Occupancy	-	-	-	-	4,726	382	5,108
Miscellaneous	-	375	-	375	-	371	746
Depreciation and Amortization	-	-	-	-	2,004	-	2,004
Meeting and Conferences	-	-	-	-	101	-	101
Membership Dues and Subscriptions	-	-	24	24	164	-	188
Sponsorships	30,000	-	-	30,000	500	-	30,500
Grants	57,841	-	-	57,841	-	-	57,841
In-Kind Donated Services	-	334,977	-	334,977	-	-	334,977
Equipment and Rental Fees	-	-	14,066	14,066	-	16,642	30,708
Total	\$ 88,024	\$ 390,206	\$ 29,933	\$ 508,163	\$ 114,031	\$ 19,589	\$ 641,783

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	(Restated) 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (520,356)	\$ 497,455
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Donated Securities	2,022	2,012
Net Realized and Unrealized (Gains) Losses on Investments	603,473	(420,986)
Depreciation	1,868	2,004
Interest and Dividends Reinvested	(179,651)	(186,014)
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(10,950)	6,365
Grants Receivable	7,369	(6,696)
Prepaid Expenses	(469)	(13,255)
Accounts Payable	(2,579)	680
Accrued Liabilities	371	(1,017)
Deferred Revenue	8,955	(2,500)
Net Cash Used by Operating Activities	(89,947)	(121,952)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale or Maturity of Investments	453	775,704
Net Payments for Purchases of Investments	(775,000)	-
Net Cash Provided (Used) by Investing Activities	(774,547)	775,704
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(864,494)	653,752
Cash and Cash Equivalents - Beginning of Year	898,529	244,777
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 34,035	\$ 898,529

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wisconsin Dental Association Foundation, Inc. (the Foundation) was organized to assist and contribute to the support of charitable, educational, and scientific activities in the fields of dental science and public oral health. These purposes have been accomplished by scholarship grants to dental and dental hygiene students, awards and grants for dental health education, community oral health programs, providing education to dentists and through the Dentists Concerned for Dentists (DCD), Donated Dental Services, Mission of Mercy programs, and Relief Fund.

The fiscal year-end for the Foundation is December 31. A summary of the Foundation's significant accounting policies is presented below.

Use of Estimates

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

Cash Equivalents

The Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables

Receivables are recorded on the accrual basis of accounting. Management expects that substantially all receivables will be collected within one year.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net investment return or loss is reflected in the statements of activities.

Equipment

Equipment over \$1,000 with a useful life of three years or more is stated at cost and depreciated on the straight-line method over estimated useful lives which range from three to seven years.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

It is the policy of the Foundation's board of directors to designate portions of net assets without restriction for special projects or purposes. Such designations reflect tentative board plans or intent and the board may change its plans at any time thereby undesignating or redesignating net assets without restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Donor-restricted contributions whose restrictions are met during the same reporting period are reported as without donor-restricted support and revenues. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Revenues, Support, and Expenses

Revenues and other support are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Revenue is recognized when performance obligations are met. Fundraising events revenues are recognized at a point in time, as all performance obligations are determined to have been met at the time of the event. See Note 6 for fundraising events that meet the definition of an exchange transaction. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Dental Services

Donated services are recorded at their fair market value in the period received if the services either create or enhance a nonfinancial asset or require specialized skills and would need to be purchased if they were not donated. The Foundation administers the Donated Dental Services and Mission of Mercy programs, which are statewide charitable programs offering free dental care to qualified individuals. The Donated Dental Services program offers free dental care provided by dentists who donate their professional services through their private offices. In addition, members of the Wisconsin Dental Laboratory Association provide laboratory services. The Mission of Mercy program provides access to free dental care in a selected city over a two-day period. All services provided are donated. The 2020 Mission of Mercy program was postponed until 2023 due to COVID-19. See Note 9.

Functional Allocation of Expenses

Expenses are charged directly to program and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Foundation. Salaries, benefits, and other employee costs are allocated based on management's estimate of time spent on each function. Occupancy costs are allocated based on square footage used.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). None of the Foundation's current activities are subject to taxation as unrelated business income.

Paycheck Protection Program

On March 19, 2021, the Foundation received a second round of proceeds in the amount of \$20,560 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the Consolidated Appropriations Act. The Foundation has met performance barriers as of December 31, 2021. Therefore, the Foundation has classified this loan as a conditional contribution for accounting purposes and recognized \$20,560 of government grant revenue related to this agreement during the year ended December 31, 2021.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Change in Accounting Principle

The Foundation has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. These changes were applied retroactively to ensure comparability with the prior year. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. (See Note 9).

NOTE 2 LIQUIDITY AND AVAILABILITY

The Foundation monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents in which it may draw upon. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to assisting and contributing to the support of charitable, educational, and scientific activities in the fields of dental science and public oral health as general expenditures.

At December 31, the Foundation's financial resources were:

	2022	2021
Cash and Cash Equivalents	\$ 34,035	\$ 898,529
Accounts Receivable	32,256	21,306
Grants Receivable	15,989	23,358
Investments	3,563,074	3,214,371
Total	3,645,354	4,157,564
Less: Net Assets with Donor Restrictions	(84,363)	(344,157)
Less: Board-Designated Net Assets	(974,910)	(1,073,715)
Financial Assets Available for General Expenditure Over the Next 12 Months	<u>\$ 2,586,081</u>	<u>\$ 2,739,692</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value and their classification in the valuation hierarchy at December 31, 2022 and 2021.

Level 1 common stock, preferred stock, and mutual funds are valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income bonds are valued using a bid evaluation, an estimated price at which a dealer would pay for a security (typically in an institutional round lot). These evaluations are based on quoted prices, if available, or proprietary models which pricing vendors establish for these purposes.

Level 2 preferred stock is valued at par value of \$1.00 per share, which approximates fair value.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The following tables set forth financial assets measured at fair value in the statements of financial position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2022:

	2022			Total
	Level 1	Level 2	Level 3	
Assets at Fair Value				
Mutual Funds:				
Bond Intermediate-Term	\$ 1,142,450	\$ -	\$ -	\$ 1,142,450
Equity:				
Large-Cap	576,387	-	-	576,387
Common Stock	1,798,435	-	-	1,798,435
Fixed Income:				
Municipal Bonds	-	18,761	-	18,761
Preferred Stock	-	1,000	-	1,000
Total Assets at Fair Value	<u>\$ 3,517,272</u>	<u>\$ 19,761</u>	<u>\$ -</u>	<u>3,537,033</u>
Assets Not Valued Under Fair Value Measurements				
Interest-Bearing Cash				26,041
Total Investments				<u>\$ 3,563,074</u>

Financial assets measured at fair value as of December 31, 2021:

	2021			Total
	Level 1	Level 2	Level 3	
Assets at Fair Value				
Mutual Funds:				
Bond Intermediate-Term	\$ 661,044	\$ -	\$ -	\$ 661,044
Equity:				
Mid-Cap	55,285	-	-	55,285
Large-Cap	579,669	-	-	579,669
Long-Term Growth	1,205,393	-	-	1,205,393
Healthcare	32,270	-	-	32,270
Common Stock	539,485	-	-	539,485
Fixed Income:				
Municipal Bonds	-	27,958	-	27,958
Preferred Stock	69,733	1,000	-	70,733
Total Assets at Fair Value	<u>\$ 3,142,879</u>	<u>\$ 28,958</u>	<u>\$ -</u>	<u>3,171,837</u>
Assets Not Valued Under Fair Value Measurements				
Interest-Bearing Cash				42,534
Total Investments				<u>\$ 3,214,371</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

Cost and fair value of investments at December 31 are as follows:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Money Market Funds	\$ 26,041	\$ 26,041	\$ 42,534	\$ 42,534
Mutual Funds	1,359,060	1,718,837	1,194,660	2,533,661
Fixed Income	28,127	18,761	28,127	27,958
Preferred Stock	1,000	1,000	35,766	70,733
Common Stock	1,903,930	1,798,435	975,567	539,485
Total	<u>\$ 3,318,158</u>	<u>\$ 3,563,074</u>	<u>\$ 2,276,654</u>	<u>\$ 3,214,371</u>

NOTE 4 GRANTS RECEIVABLE

Grants receivable at both December 31, 2022 and 2021 consist of a grant from the Wisconsin Department of Health Services for Donated Dental Services Program.

NOTE 5 NET ASSETS

Net assets are board-designated for the following purposes:

	2022	2021
DCD (Well-Being) Fund	\$ 17,996	\$ 17,996
Relief Fund	835,325	932,130
Ken Crane Fund	34,878	36,878
Grants and Scholarships Carryover	34,211	34,211
Donated Dental Services Fund	27,000	27,000
Mission of Mercy Fund	25,500	25,500
Total Designated Net Assets	<u>\$ 974,910</u>	<u>\$ 1,073,715</u>

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

	2022	2021
Alliance Scholarship	\$ -	\$ 140
DCD (Well-Being) Fund	200	200
Foundation Scholarships	11,694	9,815
Weber Scholarship	7,499	7,499
Donated Dental Services	132,393	117,707
Smile Program	500	500
Mission of Mercy	184,749	208,296
Total Net Assets With Donor Restrictions	<u>\$ 337,035</u>	<u>\$ 344,157</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
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NOTE 6 REVENUE

As of December 31, 2022 and 2021, the Foundation's revenue disaggregated according to the timing of the transfer of goods and services consisted of fundraising events recognized at a point in time totaling \$-0- and \$10,666, respectively.

As of December 31, 2022 and 2021 the Foundation's fundraising events shown on the statements of activities also includes \$-0- and \$25,944 of fundraising contribution revenue.

NOTE 7 RELATED PARTY TRANSACTIONS

The Wisconsin Dental Association, Inc. (WDA), an affiliated organization, receives contributions from dentists on behalf of the Foundation. These contributions are then periodically remitted to the Foundation from the WDA.

In addition, the Foundation will occasionally use supplies and services for which the WDA has paid. These expenses are then periodically reimbursed to the WDA by the Foundation.

Amounts receivable from the WDA amounted to \$29,756 and \$20,597 as of December 31, 2022 and 2021, respectively. Amounts payable to the WDA amounted to \$3,070 and \$3,391 as of December 31, 2022 and 2021, respectively.

The Foundation owns 1,000 shares of WDA Insurance & Services Corp. (WDAISC), WDA's majority-owned subsidiary. WDAISC issued dividends totaling \$2,500 for the years ended December 31, 2022 and 2021. As of December 31, 2022 and 2021, there was an outstanding receivable of \$2,500 and \$-0-, respectively relating to this dividend.

NOTE 8 RISKS AND UNCERTAINTIES

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and the statements of activities.

NOTE 9 DONATED CONTRIBUTIONS AND SERVICES

The Foundation received the following donated contributions and services that are recorded at fair value for the years ending December 31, as restated:

	<u>2022</u>	<u>2021</u>
Contributed Services from WDA	\$ 23,485	\$ 12,000
Auction Items	1,260	-
Contributed Services from Donated Dental Services Program	<u>252,672</u>	<u>344,977</u>
Total	<u>\$ 277,417</u>	<u>\$ 356,977</u>

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NOTE 9 DONATED CONTRIBUTIONS AND SERVICES (CONTINUED)

Donated services are recognized as in-kind contribution revenue and utilized to manage the Foundation. The Foundation valued these professional services at current rates paid by WDA. Auction items are recognized as in-kind contribution revenue and the Foundation valued these items at current market rates for similar such items. Contributed services from the Donated Dental Services Program are based on current market rates and were utilized by the Foundation.

NOTE 10 PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2022, it was determined that in-kind contributions and expenses for donated dental services weren't recorded as of December 31, 2021. As such, both in-kind contributions and expenses as of December 31, 2021 were understated by \$334,977. The effect of this restatement on the financial statements as of and for the year ended December 31, 2021 was to increase both in-kind contributions and in-kind donated services expenses by \$334,977. The adjustment had no impact on previously reported net assets.

NOTE 11 SUBSEQUENT EVENTS

Management evaluated subsequent events through May 31, 2023, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2022, but prior to May 31, 2023 that provided additional evidence about conditions that existed at December 31, 2022, have been recognized in the financial statements for the year ended December 31, 2022. Other than the matters noted below, the Foundation is not aware of any subsequent events or transactions that would require recognition or disclosure in the accompanying financial statements for the year ended December 31, 2022.



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