

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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YEARS ENDED DECEMBER 31, 2023 AND 2022**

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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, 2023 and 2022, 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, 2023 and 2022, 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, an error resulting in understatement of amounts previously reported for with donor restricted net assets and overstatement of amounts previously reported for without donor restricted net assets as of December 31, 2022, were discovered during the current year. 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.

Board of Directors
Wisconsin Dental Association Foundation, Inc.

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 6, 2024

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	(Restated) 2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 91,579	\$ 34,035
Accounts Receivable	25,322	32,256
Grants Receivable	28,738	15,989
Prepaid Expenses	5,281	26,616
Total Current Assets	150,920	108,896
INVESTMENTS	3,930,276	3,563,074
EQUIPMENT, Net	-	346
Total Assets	\$ 4,081,196	\$ 3,672,316
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 3,967	\$ 3,168
Accrued Liabilities	2,420	2,992
Deferred Revenue	-	8,955
Total Liabilities	6,387	15,115
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,743,781	2,345,256
Designated	1,064,449	974,910
Total Without Donor Restrictions	3,808,230	3,320,166
With Donor Restrictions	266,579	337,035
Total Net Assets	4,074,809	3,657,201
Total Liabilities and Net Assets	\$ 4,081,196	\$ 3,672,316

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant Revenue - Donated Dental Services	\$ -	\$ 49,448	\$ 49,448
Contributions:			
General	73,143	2,400	75,543
Mission of Mercy	-	98,860	98,860
Fundraising Events	28,210	-	28,210
In-Kind Contributions	25,169	1,079,191	1,104,360
Investment Return, Net	573,724	-	573,724
Net Assets Released from Restrictions	<u>1,300,355</u>	<u>(1,300,355)</u>	<u>-</u>
Total Revenues and Other Support	2,000,601	(70,456)	1,930,145
EXPENSES			
Program Services:			
Grants and Scholarships	95,221	-	95,221
Donated Dental Services	259,552	-	259,552
Mission of Mercy	1,040,115	-	1,040,115
Dentists Concerned for Dentists (Well-Being)	<u>3,220</u>	<u>-</u>	<u>3,220</u>
Total Program Services	1,398,108	-	1,398,108
Supporting Services:			
Management and General	96,674	-	96,674
Fundraising	<u>17,755</u>	<u>-</u>	<u>17,755</u>
Total Expenses	<u>1,512,537</u>	<u>-</u>	<u>1,512,537</u>
CHANGE IN NET ASSETS	488,064	(70,456)	417,608
Net Assets - Beginning of Year	<u>3,320,166</u>	<u>337,035</u>	<u>3,657,201</u>
NET ASSETS - END OF YEAR	<u>\$ 3,808,230</u>	<u>\$ 266,579</u>	<u>\$ 4,074,809</u>

See accompanying Notes to Financial Statements.

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

	(As Restated) Without Donor Restrictions	(As Restated) With Donor Restrictions	(As Restated) Total
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	24,745	252,672	277,417
Investment Loss, Net	(423,822)	-	(423,822)
Net Assets Released from Restrictions	341,893	(341,893)	-
Total Revenues and Other Support	63,800	(7,122)	56,678
 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	433,758	-	433,758
Supporting Services:			
Management and General	134,796	-	134,796
Fundraising	8,480	-	8,480
Total Expenses	577,034	-	577,034
 CHANGE IN NET ASSETS	(513,234)	(7,122)	(520,356)
Net Assets - Beginning of Year	3,833,400	344,157	4,177,557
 NET ASSETS - END OF YEAR	\$ 3,320,166	\$ 337,035	\$ 3,657,201

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services			
	Grants and Scholarships	Donated Dental Services	Mission of Mercy	Dentists Concerned for Dentists (Well-Being)	Total Program Services	Management and General	Fundraising	Total Expenses
Salary	\$ 3,003	\$ 38,948	\$ 4,956	\$ 2,145	\$ 49,052	\$ 56,060	\$ 2,140	\$ 107,252
Payroll Taxes	178	2,306	293	127	2,904	3,319	127	6,350
Benefits	761	9,863	1,255	543	12,422	14,197	542	27,161
Rent	-	2,051	-	-	2,051	2,785	-	4,836
Office Expense	-	-	-	-	-	582	-	582
Professional Fees	370	4,797	22,630	264	28,061	15,083	264	43,408
Lab Fees	-	6,862	-	-	6,862	-	-	6,862
Supplies and Printing	122	560	26,207	-	26,889	937	394	28,220
Postage	175	720	51	-	946	380	2	1,328
Telephone	-	1,366	209	-	1,575	-	-	1,575
Occupancy	188	2,435	2,904	134	5,661	1,336	516	7,513
Travel	-	-	2,833	-	2,833	551	-	3,384
Miscellaneous	-	1,930	361	-	2,291	-	922	3,213
Depreciation and Amortization	10	126	128	7	271	69	7	347
Meeting and Conferences	-	-	-	-	-	241	538	779
Meals and Entertainment	-	-	29,325	-	29,325	233	7,233	36,791
Membership Dues and Subscriptions	-	-	140	-	140	401	-	541
Sponsorships	27,000	-	-	-	27,000	500	-	27,500
Grants	63,414	-	-	-	63,414	-	-	63,414
In-Kind Donated Services	-	187,588	891,603	-	1,079,191	-	-	1,079,191
Equipment and Rental Fees	-	-	57,220	-	57,220	-	5,070	62,290
	<u>\$ 95,221</u>	<u>\$ 259,552</u>	<u>\$ 1,040,115</u>	<u>\$ 3,220</u>	<u>\$ 1,398,108</u>	<u>\$ 96,674</u>	<u>\$ 17,755</u>	<u>\$ 1,512,537</u>
Total Functional Expenses	<u>\$ 95,221</u>	<u>\$ 259,552</u>	<u>\$ 1,040,115</u>	<u>\$ 3,220</u>	<u>\$ 1,398,108</u>	<u>\$ 96,674</u>	<u>\$ 17,755</u>	<u>\$ 1,512,537</u>

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		(Restated) 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 Functional Expenses	\$ 92,151	\$ 301,297	\$ 40,310	\$ 433,758	\$ 134,796	\$ 8,480	\$ 577,034

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	(Restated) 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 417,608	\$ (520,356)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Donated Securities	-	2,022
Net Realized and Unrealized (Gains) Losses on Investments	(423,400)	603,473
Depreciation	346	1,868
Interest and Dividends Reinvested	(150,324)	(179,651)
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	6,934	(10,950)
Grants Receivable	(12,749)	7,369
Prepaid Expenses	21,335	(469)
Accounts Payable	799	(2,579)
Accrued Liabilities	(572)	371
Deferred Revenue	(8,955)	8,955
Net Cash Used by Operating Activities	(148,978)	(89,947)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Proceeds from Sale or Maturity of Investments	206,522	453
Net Payments for Purchases of Investments	-	(775,000)
Net Cash Provided (Used) by Investing Activities	206,522	(774,547)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57,544	(864,494)
Cash and Cash Equivalents - Beginning of Year	34,035	898,529
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 91,579	\$ 34,035

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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. The Foundation periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment. Management believes that receivables as of December 31, 2023 and 2022 are collectible and no allowance for credit losses is considered necessary.

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, 2023 AND 2022

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, 2023 AND 2022

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. 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.

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.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

On January 1, 2023, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU 2016-13), *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Foundation’s financial statements but did result in changes to the Foundation’s accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The Foundation also updated its accounting policies for determining the recoverability of accounts receivable.

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:

	2023	(As Restated) 2022
Cash and Cash Equivalents	\$ 91,579	\$ 34,035
Accounts Receivable	25,322	32,256
Grants Receivable	28,738	15,989
Investments	3,930,276	3,563,074
Total	<u>4,075,915</u>	<u>3,645,354</u>
Less: Net Assets with Donor Restrictions (As Restated)	(266,579)	(337,035)
Less: Board-Designated Net Assets	<u>(1,064,449)</u>	<u>(974,910)</u>
Financial Assets Available for General Expenditure Over the Next 12 Months	<u>\$ 2,744,887</u>	<u>\$ 2,333,409</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022.

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, 2023 AND 2022

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, 2023:

	2023			Total
	Level 1	Level 2	Level 3	
Assets at Fair Value				
Mutual Funds:				
Bond Intermediate-Term	\$ 1,208,522	\$ -	\$ -	\$ 1,208,522
Equity:				
Large-Cap	640,783	-	-	640,783
Common Stock	2,034,644	-	-	2,034,644
Fixed Income:				
Municipal Bonds	-	21,927	-	21,927
Preferred Stock	-	1,000	-	1,000
Total Assets at Fair Value	<u>\$ 3,883,949</u>	<u>\$ 22,927</u>	<u>\$ -</u>	<u>3,906,876</u>
Assets Not Valued Under Fair Value Measurements:				
Interest-Bearing Cash				23,400
Total Investments				<u>\$ 3,930,276</u>

Financial assets measured at fair value 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>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

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

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Money Market Funds	\$ 23,400	\$ 23,400	\$ 26,041	\$ 26,041
Mutual Funds	1,406,532	1,849,305	1,359,060	1,718,837
Fixed Income	28,127	21,927	28,127	18,761
Preferred Stock	1,000	1,000	1,000	1,000
Common Stock	1,838,075	2,034,644	1,903,930	1,798,435
Total	<u>\$ 3,297,134</u>	<u>\$ 3,930,276</u>	<u>\$ 3,318,158</u>	<u>\$ 3,563,074</u>

NOTE 4 GRANTS RECEIVABLE

Grants receivable at both December 31, 2023 and 2022 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:

	2023	(As Restated) 2022
	DCD (Well-Being) Fund	\$ 13,206
Relief Fund	942,191	835,325
Ken Crane Fund	22,341	34,878
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>\$ 1,064,449</u>	<u>\$ 974,910</u>

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

	2023	(As Restated) 2022
	DCD (Well-Being) Fund	\$ 200
Foundation Scholarships	13,693	11,694
Weber Scholarship	7,499	7,499
Donated Dental Services (As Restated)	109,153	132,393
Smile Program	900	500
Mission of Mercy	135,134	184,749
Total Net Assets With Donor Restrictions (As Restated)	<u>\$ 266,579</u>	<u>\$ 337,035</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 REVENUE

As of December 31, 2023 and 2022, 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 \$14,115 and \$-0-, respectively.

As of December 31, 2023 and 2022, the Foundation's fundraising events shown on the statement of activities also includes \$14,095 and \$-0- 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 \$25,322 and \$29,756 as of December 31, 2023 and 2022, respectively. Amounts payable to the WDA amounted to \$3,747 and \$3,070 as of December 31, 2023 and 2022, 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, 2023 and 2022. As of December 31, 2023 and 2022, there was an outstanding receivable of \$-0- and \$2,500, 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.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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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>2023</u>	<u>2022</u>
Contributed Services from WDA	\$ 25,123	\$ 23,485
Auction Items	46	1,260
Contributed Services from Mission of Mercy Event	891,603	-
Contributed Services from Donated Dental Services Program	187,588	252,672
Total	<u>\$ 1,104,360</u>	<u>\$ 277,417</u>

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 and Mission of Mercy Event are based on current market rates and were utilized by the Foundation.

NOTE 10 PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2023, it was determined that in-kind for donated dental services were not recorded as with donor restrictions as of December 31, 2022. As such, as of December 31, 2022, the in-kind contributions and net assets with donor restrictions were understated by \$252,672, and the in-kind contributions and net assets without donor restrictions were overstated by \$252,672. The effect of this restatement on the financial statements as of and for the year ended December 31, 2022, was to increase in-kind contributions and net assets with donor restrictions by \$252,672 and decrease in-kind contributions and net assets without donor restrictions by \$252,672.

A summary of statement of financial position and statement of activities line items as of December 31, 2022 affected by the restatement is included in the table presented below:

	2022		2022
	As Previously Reported	Restatement	Restated
NET ASSETS			
Without Donor Restrictions	\$ 3,572,838	\$ (252,672)	\$ 3,320,166
With Donor Restrictions	84,363	252,672	337,035
Total	<u>\$ 3,657,201</u>	<u>\$ -</u>	<u>\$ 3,657,201</u>
REVENUES AND OTHER SUPPORT			
In-Kind Contributions			
Without Donor Restrictions	\$ 277,417	\$ (252,672)	\$ 24,745
In-Kind Contributions			
With Donor Restrictions	-	252,672	252,672
	<u>\$ 277,417</u>	<u>\$ -</u>	<u>\$ 277,417</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 SUBSEQUENT EVENTS

Management evaluated subsequent events through May 6, 2024, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2023, but prior to May 6, 2024 that provided additional evidence about conditions that existed at December 31, 2023, have been recognized in the financial statements for the year ended December 31, 2023. 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, 2023.



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