

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019



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**WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Wisconsin Dental Association Foundation, Inc. as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Wisconsin Dental Association Foundation, Inc.

Opinion

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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
May 6, 2021

**WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 244,777	\$ 282,469
Accrued Investment Income	69	2,568
Accounts Receivable	27,602	27,534
Grants Receivable	16,662	34,226
Prepaid Expenses	12,892	4,194
Total Current Assets	302,002	350,991
INVESTMENTS	3,385,087	3,114,246
EQUIPMENT, NET	4,218	4,743
Total Assets	\$ 3,691,307	\$ 3,469,980
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 5,067	\$ 9,737
Accrued Liabilities	3,638	3,366
Deferred Revenue	2,500	-
Total Liabilities	11,205	13,103
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,286,689	2,172,797
Designated	1,013,222	931,507
Total Without Donor Restrictions	3,299,911	3,104,304
With Donor Restrictions	380,191	352,573
Total Net Assets	3,680,102	3,456,877
Total Liabilities and Net Assets	\$ 3,691,307	\$ 3,469,980

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 80,708	\$ 3,281	\$ 83,989
Donated Dental Services	-	54,409	54,409
Mission of Mercy	-	62,941	62,941
Government Grant	23,560	-	23,560
Investment Return, Net	274,140	-	274,140
Net Assets Released from Restrictions	93,013	(93,013)	-
Total Revenues and Other Support	471,421	27,618	499,039
EXPENSES			
Program Services:			
Grants and Scholarships	68,470	-	68,470
Donated Dental Services	66,938	-	66,938
Mission of Mercy	25,409	-	25,409
Total Program Services	160,817	-	160,817
Supporting Services:			
Management and General	114,951	-	114,951
Fundraising	46	-	46
Total Expenses	275,814	-	275,814
CHANGE IN NET ASSETS	195,607	27,618	223,225
Net Assets - Beginning of Year	3,104,304	352,573	3,456,877
NET ASSETS - END OF YEAR	\$ 3,299,911	\$ 380,191	\$ 3,680,102

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 98,053	\$ 3,103	\$ 101,156
Donated Dental Services	-	62,701	62,701
Mission of Mercy	-	59,516	59,516
Fundraising Events	30,095	-	30,095
Investment Return, Net	474,823	-	474,823
Net Assets Released from Restrictions	107,523	(107,523)	-
Total Revenues and Other Support	710,494	17,797	728,291
EXPENSES			
Program Services:			
Grants and Scholarships	54,508	-	54,508
Donated Dental Services	72,062	-	72,062
Mission of Mercy	34,772	-	34,772
DCD (Well-Being)	1,225	-	1,225
Total Program Services	162,567	-	162,567
Supporting Services:			
Management and General	104,598	-	104,598
Fundraising	20,534	-	20,534
Total Expenses	287,699	-	287,699
CHANGE IN NET ASSETS	422,795	17,797	440,592
Net Assets - Beginning of Year	2,681,509	334,776	3,016,285
NET ASSETS - END OF YEAR	\$ 3,104,304	\$ 352,573	\$ 3,456,877

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services			Total Program Services	Supporting Services		Total Expenses
	Grants and Scholarships	Donated Dental Services	Mission of Mercy		Management and General	Fundraising	
Salary	\$ -	\$ 46,465	\$ 10,830	\$ 57,295	\$ 62,950	\$ -	\$ 120,245
Payroll Taxes	-	2,355	695	3,050	3,698	-	6,748
Benefits	-	3,372	11,681	15,053	25,740	-	40,793
Rent	-	1,934	-	1,934	2,626	-	4,560
Professional Fees	55	1,397	73	1,525	10,769	-	12,294
Lab Fees	-	7,485	-	7,485	-	-	7,485
Supplies and Printing	-	342	7	349	1,348	19	1,716
Postage	20	765	11	796	862	1	1,659
Telephone	-	1,576	53	1,629	454	-	2,083
Occupancy	-	-	-	-	3,994	-	3,994
Miscellaneous	-	1,247	-	1,247	-	26	1,273
Depreciation and Amortization	-	-	-	-	1,658	-	1,658
Meeting and Conferences	-	-	-	-	82	-	82
Membership Dues and Subscriptions	-	-	52	52	270	-	322
Sponsorships	29,500	-	-	29,500	500	-	30,000
Grants	38,895	-	-	38,895	-	-	38,895
Equipment and Rental Fees	-	-	2,007	2,007	-	-	2,007
Total	<u>\$ 68,470</u>	<u>\$ 66,938</u>	<u>\$ 25,409</u>	<u>\$ 160,817</u>	<u>\$ 114,951</u>	<u>\$ 46</u>	<u>\$ 275,814</u>

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services				Total Program Services	Supporting Services		Total Expenses
	Grants and Scholarships	Donated Dental Services	Mission of Mercy	DCD (Well-Being)		Management and General	Fundraising	
Salary	\$ -	\$ 45,305	\$ 14,466	\$ -	\$ 59,771	\$ 58,909	\$ -	\$ 118,680
Payroll Taxes	-	2,653	1,107	-	3,760	4,416	-	8,176
Benefits	-	4,340	16,718	-	21,058	21,907	-	42,965
Rent	-	1,896	-	-	1,896	2,575	-	4,471
Office Expense	-	-	-	-	-	116	-	116
Professional Fees	108	2,200	-	-	2,308	9,590	-	11,898
Lab Fees	-	11,816	-	-	11,816	-	-	11,816
Supplies and Printing	-	508	127	16	651	578	2,441	3,670
Postage	33	1,053	13	2	1,101	747	27	1,875
Telephone	-	1,883	28	-	1,911	429	-	2,340
Occupancy	-	-	-	-	-	3,606	18,022	21,628
Travel	-	49	182	836	1,067	8	18	1,093
Miscellaneous	-	350	-	-	350	45	26	421
Depreciation and Amortization	-	-	-	-	-	136	-	136
Meeting and Conferences	-	9	16	371	396	247	-	643
Meals and Entertainment	-	-	-	-	-	375	-	375
Membership Dues and Subscriptions	-	-	-	-	-	414	-	414
Sponsorships	16,525	-	-	-	16,525	500	-	17,025
Grants	37,842	-	-	-	37,842	-	-	37,842
Equipment and Rental Fees	-	-	2,115	-	2,115	-	-	2,115
Total	<u>\$ 54,508</u>	<u>\$ 72,062</u>	<u>\$ 34,772</u>	<u>\$ 1,225</u>	<u>\$ 162,567</u>	<u>\$ 104,598</u>	<u>\$ 20,534</u>	<u>\$ 287,699</u>

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 223,225	\$ 440,592
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Donated Securities	3,081	3,103
Net Realized and Unrealized Gains on Investments	(152,967)	(364,495)
Depreciation	1,658	136
Interest and Dividends Reinvested	(121,178)	(110,378)
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	2,431	13,931
Grants Receivable	17,564	(9,340)
Prepaid Expenses	(8,698)	(2,596)
Accounts Payable	(4,670)	5,233
Accrued Liabilities	272	(4,463)
Deferred Revenue	2,500	-
Net Cash Used by Operating Activities	(36,782)	(28,277)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale or Maturity of Investments	180,811	308,782
Payments for Purchases of Investments	(180,588)	(305,515)
Equipment Purchases	(1,133)	(4,879)
Net Cash Used by Investing Activities	(910)	(1,612)
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(37,692)	(29,889)
 Cash and Cash Equivalents - Beginning of Year	282,469	312,358
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 244,777	\$ 282,469

See accompanying Notes to Financial Statements.

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 AND 2019

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 re-designating 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. 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, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated 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 value of the services provided in 2020 and 2019 approximated \$362,310 and \$491,000, respectively. 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. In 2019, no Mission of Mercy program was held. The 2020 Mission of Mercy program was postponed until 2022 due to COVID-19, noted in Note 8. The value of these services is not reflected in the accompanying financial statements since the Foundation does not directly benefit from the services provided and would not purchase them if they were not donated.

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.

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 April 13, 2020, the Foundation received 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 CARES Act.

The Foundation has classified this loan as a PPP grant for accounting purposes. The Foundation recognized \$20,560 of other income related to this agreement during the year ended December 31, 2020, which represents the portion of the PPP loan funds for which the performance barriers have been met. As of December 31, 2020, the Foundation has satisfied the performance barriers attributable to the PPP loan proceeds. As of December 31, 2020, the SBA has not formally forgiven any portion of the Foundation's obligation under this PPP loan. Subsequent to year end, \$20,560 has been formally forgiven by the SBA.

**WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Paycheck Protection Program (Continued)

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation's financial position.

On April 13, 2020, the Foundation received proceeds in the amount of \$3,000 to fund working capital needs such as rent, utilities, fixed debt payments through the Economic Injury Disaster Loan Program (the EIDL Loan). The EIDL Loan is through the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Based on an analysis of the EIDL program requirements, the Foundation recognized in other income \$3,000 as a grant from the SBA.

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:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 244,777	\$ 282,469
Accrued Investment Income	69	2,568
Accounts Receivable	27,602	27,534
Grants Receivable	16,662	34,226
Investments	<u>3,385,087</u>	<u>3,114,246</u>
Total	3,674,197	3,461,043
Less: Net Assets with Donor Restrictions	(380,191)	(352,573)
Less: Board-Designated Net Assets	<u>(1,013,222)</u>	<u>(931,507)</u>
Financial Assets Available for General Expenditure Over the Next 12 Months	<u>\$ 2,280,784</u>	<u>\$ 2,176,963</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

Money market funds are valued at a stable \$1.00 net asset value.

Level 1 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, 2020 AND 2019

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, 2020 and 2019:

	2020			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ -	\$ 119,295	\$ -	\$ 119,295
Mutual Funds:				
Bond Funds:				
Corporate Bond	69,065	-	-	69,065
Short-Term	122,877	-	-	122,877
Intermediate-Term	773,964	-	-	773,964
International	41,973	-	-	41,973
Equity:				
Mid-Cap	44,869	-	-	44,869
Large-Cap	562,959	-	-	562,959
Long-Term Growth	467,164	-	-	467,164
Healthcare	27,142	-	-	27,142
Preferred Funds	27,398	-	-	27,398
Common Stock	884,149	-	-	884,149
Fixed Income:				
Corporate Bonds	-	117,218	-	117,218
Municipal Bonds	-	40,696	-	40,696
Preferred Stock	85,318	1,000	-	86,318
Investments, at Fair Value	<u>\$ 3,106,878</u>	<u>\$ 278,209</u>	<u>\$ -</u>	<u>\$ 3,385,087</u>
	2019			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ -	\$ 184,304	\$ -	\$ 184,304
Mutual Funds:				
Bond Funds:				
Short-Term	62,879	-	-	62,879
Intermediate-Term	722,429	-	-	722,429
International	41,519	-	-	41,519
Equity:				
Small-Cap	29,500	-	-	29,500
Mid-Cap	38,773	-	-	38,773
Large-Cap	582,134	-	-	582,134
Long-Term Growth	437,518	-	-	437,518
Common Stock	797,940	-	-	797,940
Fixed Income:				
Corporate Bonds	-	119,959	-	119,959
Municipal Bonds	-	60,796	-	60,796
Preferred Stock	35,495	1,000	-	36,495
Investments, at Fair Value	<u>\$ 2,748,187</u>	<u>\$ 366,059</u>	<u>\$ -</u>	<u>\$ 3,114,246</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

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

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Money Market Funds	\$ 119,295	\$ 119,295	\$ 184,304	\$ 184,304
Mutual Funds	1,934,100	2,137,411	1,801,313	1,914,752
Fixed Income	142,146	157,914	162,622	180,755
Preferred Stock	83,512	86,318	34,993	36,495
Common Stock	482,271	884,149	455,636	797,940
Total	<u>\$ 2,761,324</u>	<u>\$ 3,385,087</u>	<u>\$ 2,638,868</u>	<u>\$ 3,114,246</u>

NOTE 4 GRANTS RECEIVABLE

Grants receivable at both December 31, 2020 and 2019 consist of a grant from the Wisconsin Department of Health Services for donated dental services.

NOTE 5 NET ASSETS

Net assets are designated for the following purposes:

	2020	2019
DCD (Well-Being) Fund	\$ 17,996	\$ 17,996
Relief Fund	871,637	794,680
Ken Crane Fund	36,878	36,878
Grants and Scholarships Carryover	34,211	35,453
Donated Dental Services Fund	27,000	24,000
Mission of Mercy Fund	25,500	22,500
Total Designated Net Assets	<u>\$ 1,013,222</u>	<u>\$ 931,507</u>

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

	2020	2019
Alliance Scholarship	\$ 640	\$ 1,140
DCD (Well-Being) Fund	200	-
Foundation Scholarships	8,839	5,818
Weber Scholarship	7,499	7,499
Donated Dental Services	131,190	143,717
Mission of Mercy	231,823	194,399
Total Net Assets With Donor Restrictions	<u>\$ 380,191</u>	<u>\$ 352,573</u>

WISCONSIN DENTAL ASSOCIATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 REVENUE

As of December 31, 2020 and 2019, 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 \$21,115, respectively.

As of December 31, 2020 and 2019 the Foundation's fundraising events shown on the statements of activities also includes \$-0- and \$8,980 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 \$27,602 and \$27,534 as of December 31, 2020 and 2019, respectively. Amounts payable to the WDA amounted to \$4,703 and \$9,737 as of December 31, 2020 and 2019, 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, 2020 and 2019. As of December 31, 2020 and 2019, there was an outstanding receivable of \$2,500 for each year 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.

Prior to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Foundation, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2020.

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NOTE 9 SUBSEQUENT EVENTS

Management evaluated subsequent events through May 6, 2021, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2020, but prior to May 6, 2021 that provided additional evidence about conditions that existed at December 31, 2020, have been recognized in the financial statements for the year ended December 31, 2020. 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, 2020.

Subsequent to year-end, on March 19, 2021, the Foundation received a second draw of proceeds from Associated Bank in the amount of \$20,560 to fund payroll and utilities 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.