

1 **Minutes of the Committee on Finance**

2 **Zoom Conference Call**

3 **February 6, 2020**

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6 **Present:**

7 Clayton Shunk, DDS, Treasurer

8 Jonathan Berns, DDS

9 Eric Knudsen, DDS

10 Erick Rupprecht, DDS

6 **Staff:**

Karen Burgess, Executive Director

Brian Stump, Director of Finance

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12 **Absent:**

13 Bill Patchak, DDS

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15 **Call to order:**

16 The meeting was called to order by Dr. Shunk at 7:00 p.m.

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18 **Approval of Minutes**

19 The minutes from the November 21, 2019 meeting were previously approved via mail  
20 ballot.

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22 **Finance Committee Scope:**

23 The committee reviewed the proposed scope of the Committee on Finance for  
24 2020/2021. The committee believes that monitoring MDA financial strategy, monitoring  
25 building reserves and reviewing the MDA investment, reserve fund and spending  
26 policies are still relevant. Related to the building reserves, the committee discussed the  
27 opportunity to evaluate future building needs. The scope will be forwarded to the  
28 February MDA Board of Trustees meeting.

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32 **MDA Financial Statements:**

33 The preliminary December 31, 2019 financial statements were reviewed. An overall net  
34 income of \$597,748 is being reported at this time. The substantial increase in the  
35 market value of MDA investments was the main reason for the 2019 surplus, which is  
36 the opposite of what occurred in the prior year. Year-end net for operations are  
37 expected to be under budget, although there is still 2019 revenue that has not yet come  
38 in.

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40 Numerous year-end entries will still need to be recorded before the final, audited figures  
41 can be reported.

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43 **Review of MDA Fund Balances:**

44 The committee reviewed the projected 2019 reserve levels:

- 45 • 60% - Emergency Reserve Fund (\$3,468,209)
- 46 • 15% - Strategic Project Reserve Fund (\$867,052)
- 47 • 14.87% - Unrestricted/Undesignated Funds (\$859,520)

48

49 The projected total reserves equal \$5,194,781 (89.87%) which exceeds the target  
50 reserve goal of 75%.

51

52 **Pending List:**

53 Staff will notify the District Delegation chairpersons that the MDA Treasurer is available  
54 to attend their Annual Session caucuses on Saturday, May 2, 2020.

55

56 **2019 Audit Timeline:**

57 Staff informed the committee that Plante Moran will be in the office for field work for the  
58 MDA Health Plan Trust audit will take place during the week of February 10-14, 2020.

59 The audited financial statements will be submitted to the State of Michigan prior to the  
60 March 31, 2020 deadline.

61  
62 The field work for the MDA Consolidated audit will take place during the weeks of March  
63 30 – April 10, 2020. The consolidated report will include MDA, MDAIFG and the MDA  
64 Foundation. The agrees-upon timeline with Plante Moran specifies that the audited  
65 financial statements will be presented to the MEWA and MDAIFG boards and to the  
66 MDA Finance Committee on May 1, 2020.

67

68 **MDA Dues Billing/Collections:**

69 An update was provided on the 2020 MDA dues billing and collections process.  
70 Collections to date total 74.6% of the annual budget, compared to the 67.2% that was  
71 collected at the same time period last year.

72

73 Remit payments are being forwarded regularly to the component societies and to the  
74 related entities.

75

76 **Accounting Department Operational Review:**

77 The committee was provided an update on the progress of this activity, noting that the  
78 committee will see a new chart of accounts structure in future reporting and also for the  
79 2021 budget development. The timeline for full implementation of the recommendations  
80 is six to nine months.

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82 **Next Meeting Date:**

83 The committee will meet during the MDA Annual Session at 1:00 p.m. on Friday, May 1,  
84 2020.

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86 The meeting was adjourned at 7:57 p.m.

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