

1 **Minutes of MDA Board Committee on Finance**
2 **Zoom Conference Call**
3 **February 17, 2022 – 7:00PM**
4

5 **Present**

6 Eric Knudsen, DDS, Secretary/Treasurer
7 Chris Gorecki, DDS
8 Erik Rupprecht, DDS
9 Cheri Newman, DDS
10 William Mackay, Merrill Lynch
11 Tom O'Rourke, BlackRock
12 Larry Johnson, Merrill Lynch
13

Staff

Karen Burgess, MBA, CAE, Executive Director
Don Winn, CPA, Chief Financial Officer
Jennifer McFatridge, Finance Manager

14 Excused

15 Gigi Algenio
16

17 **Call to order**

18 The meeting was called to order at 7:00 p.m. by Dr. Knudsen. A quorum was present.
19

20 **Minutes**

21 The minutes were approved as presented.
22

23 **MDA 2021 full year financial statement**

24 Mr. Winn reviewed the financial statements that were shared with the committee to this meeting. Mr.
25 Winn discussed the healthy balance sheet and the unaudited statement reflecting a \$394,000 increase
26 in net assets against a budget of a \$10,000 increase. Mr. Winn shared Endorsed Royalties will be up at
27 close of books as additional fourth quarter funds are still coming in. Dr. Gorecki asked for clarification on
28 the ADA Delegates expense line appearing under budget. Mr. Winn shared that some expense may
29 have been allocated to Board of Trustees and additional reviews will be occurring as we prepare for
30 audit. Investment income reflects \$745,000 for the 2021 year. The statement of activities is currently
31 reflecting a \$1.2M increase in change in net assets. Mr. Winn shared the Paycheck Protection Program
32 (PPP) loan of \$471,000 has been forgiven and will become a post close adjustment.
33

34 **Committee Assignments**

35 Mr. Winn shared the new view of this statement utilizing QuickBooks Online. The migration to
36 QuickBooks Online will eliminate the multi-tab excel document and shift to the Budget Vs. Actuals
37 report. Mr. Winn shared that we will be able to utilize the robust system to send emails of committee
38 reports to committee members. There was discussion of training sessions being offered on these new
39 reports. Mr. Winn shared a brief overview of the Expense by Class report that is being utilized. Mr. Winn
40

41 **Review of 2021 Fund Performance**

42 Mr. Mackay discussed a brief history of the three entities since 2016. The funds are up 73% which
43 equates to \$2.566M in earnings over that timeframe. Mr. Mackay shared an investment review report.
44 Mr. O'Rourke referred to the investment review report reflecting 84% of the investments are with US

45 Companies and 16% are with overseas companies. Mr. O'Rourke shared that US markets have
46 outperformed overseas markets for a few years. Mr. O'Rourke discussed market changes and events
47 that can impact performance of funds. Mr. O'Rourke shared the markets should be strong, above trend
48 and provide above earnings with returns in the mid-single digit range. Mr. Mackay and Mr. O'Rourke
49 discussed concerns about market depressions or corrections, inflation, and supply chain impacts

50

51 **MDA Dues update 2022**

52 Mr. Winn shared a snapshot of 2022 Membership dues as of February 14, 2022. The report reflects
53 5,367 members equating to \$1.712M in actual revenue compared to a budget of \$1.9M. Mr. Winn
54 shared the special assessment revenue of \$893k in revenue compared to a budget of \$1M. Mr. Winn
55 shared that budget should be met as members continue to enroll daily. Ms. Burgess shared the MDA is
56 in a good position at this point in the year. Dr. Knudsen and Dr. Rupprecht shared requests to view this
57 report as a year over year to identify trends.

58

59 **Review of 2021 Fund performance**

60 Mr. Winn shared the MDA Investment Fund summary document. There was discussion confirming
61 those committee members receiving the statements or electronic access. Dr. Newman is not currently
62 receiving the statements. Mr. Winn confirmed he will reach out to Merrill Lynch to set up access for Dr.
63 Newman.

64

65 **2021 Audit Timeline**

66 Mr. Winn shared the MDA Health Plan is currently in annual audit review and should be wrapping up
67 this week. Mr. Winn shared the MDA, IFG and MDA Foundation audits are scheduled for the last week
68 of March and first week of April. The audit report will be available for Annual Session.

69

70 **Review of Scope of the Committee on Finance**

71 Mr. Winn shared the document Scope of the Committee on Finance (CF) and indicated he didn't feel
72 there are changes to be made to it. Mr. Winn shared the committee will need to discuss the 2022-2023
73 Non dues revenue. He shared the mix has changed with TDSC contract changes. Mr. Winn will be
74 reviewing all revenue streams by the April Board meeting. Mr. Winn shared the assessment is needed
75 to review how it relates to strategic priorities and the impact financially. Ms. Burgess shared this goes to
76 board for approval in March and will help plan the future for Michigan Dental Association. There was
77 discussion on the composition of the committee and confirmation of participants on the committee.

78

79 **Adjournment**

80 The meeting was adjourned at 8:17 p.m.