



May 28, 2024

To: Members of the House of Delegates

From: Susan Griffin, MBA  
Managing Director of Accounting and Finance

Re: Summary of the 2024-25 Budget

Attached for your review is the proposed budget for the 2024-25 fiscal year which will be discussed at the House of Delegates meeting on June 20<sup>th</sup>.

The budget for fiscal year 2024-25 was developed with a more conservative approach, influenced by the year-to-date performance of Yankee Dental. In contrast, the fiscal year 2023-24 budget was crafted with a forward-looking strategy, anticipating optimistic revenue growth. Despite Yankee Dental achieving 95% of its revenue target and successfully reducing expenses to 91% of the budget in the current fiscal year, the decision was made to adopt a more conservative approach for the upcoming fiscal year. This adjustment in approach reflects a cautious outlook in response to the current economic conditions and potential market uncertainties.

The budgeting process was thorough, with each department meticulously addressing each line item and aligning resources with the strategic priorities of the MDS. Revenue and expenditure projections were made by comprehensive evaluations of past performance, historical trends, and careful resource allocation.

For the fiscal year 2024-25, the proposed budget anticipates an operating deficit of \$532,181 and a net income deficit of \$631,335 after any non-recurring items. The non-recurring items are expenditures which are not incurred during the usual course of operations. The non-recurring expenditures for fiscal year 2024-25 amount to \$300,000, which includes \$250,000 for two Board approved events to be held at Yankee 2025, and \$50,000 for a proposed Yankee survey. Considering that Yankee constitutes over 70% of the Society's revenue, conducting such a survey is deemed necessary to gather crucial insights, providing valuable feedback on the effectiveness of current programming, the satisfaction levels of attendees, and areas for improvement.

Excluding these non-recurring expenditures, the net income deficit would be \$531,335. It is worthwhile to note that the depreciation expense of \$200,000, included in General and Administrative expenses is a non-cash expense. Depreciation reflects the portion of the capitalized assets' value that has been consumed over their useful lives. From a cash perspective, the assets have already been paid for, resulting in a cash deficit budget of \$331,335.

Additionally included in the budget is a dues rate decrease adjustment of \$123,514 for the implementation of a membership model specifically targeting individuals within the 0–5-year time frame. We recognize that during this early phase of membership, new dentists often face significant student loan burdens, making membership dues a potential barrier. This is evidenced by the 2023 membership survey, illustrating that cost is the biggest driver for this membership category. Despite the revenue decrease, the reduction in the dues rates will retain and attract members over time leading to a more favorable financial outcome for the Society in the long term. The ADA also plans to introduce a similar dues structure to the one we are proposing.

The budget packet, spanning pages 1 through 4, provides an overview of the Statement of Operations for the fiscal year 2024-25. It includes comparative data on budgeted figures and year-to-date results up to March 31, 2024, for the current fiscal year 2023-24, as well as operating results over the preceding three years.

## **Yankee Dental**

The Yankee Dental Congress continues to play a pivotal role as the primary revenue generator for the MDS, accounting for over 70% of the total revenue. Looking ahead to fiscal year 2024-25, the projected revenue is \$6,867,795 representing a 6% increase compared to the actual year-to-date revenue of \$6,427,826. The increase will result in 75% of the Society's total revenue. Correspondingly, expenses for fiscal year 2024-25 are projected to be \$3,104,607, indicating an 9% increase over the year-to-date actual for fiscal year 2023-24 of \$2,830,231. It is worth noting that the actual revenue for fiscal year 2023-24 fell short of the budgeted amount by 5%, while expenses were 9% lower than budgeted. These variances highlight the importance of flexible financial management and the ability to adapt to changing market conditions. The projected net revenue for Yankee in fiscal year 2024-25 is budgeted at \$1,969,188, compared to the year-to-date net revenue for fiscal year 2023-24 estimated at \$1,803,596. This net revenue includes staff administration allocation and is detailed on page 5 of the packet.

## **Membership Dues**

The most significant source of income outside of Yankee Dental is the membership dues income. The projected dues income is based upon the actual membership numbers for the 2024 dues year. Membership dues make up approximately 20% of the Society's revenue. In accordance with the dues stabilization policy, the budget includes a 4.90% increase in dues rates, equivalent to a \$29.00 increase for full paying members resulting in a \$611 full dues rate. This increase is based on the Boston CPI over the last 3 years. The increase is not realized until January 2025, affecting 6 months of the fiscal year. At the time of budget creation, there were 5,294 members, with 556 members not renewing their membership. The 2025 forecast anticipates a renewal rate of 50% for these members. In fiscal year 2023-24 the Budget and Fiscal Planning committee deviated from the Dues Stabilization Policy and increased the dues rate by \$12 to \$582 instead of \$24 to \$594 in accordance with the stabilization policy. Details regarding the dues rates are provided on page 6 of the budget packet.

A proposed dues model for the 0–5-year membership category, approved by the Budget and Fiscal Planning Committee for consideration by the Board of Trustees, is projected to reduce membership dues revenue by \$123,514. This reduction will correspond to 18% of the Society's total dues revenue, down from 19% prior to the adjustment. Despite the revenue decrease these efforts will lead to a favorable financial outcome for the organization in the long term, likely due to increased membership retention and potential growth. The attached dues model analysis will provide more detailed information.

## **Personnel Expenses**

Personnel expenses represent one of the largest areas of expenditure for the Society, excluding Yankee Dental. These expenses include salaries, payroll taxes, fees, and benefits. In the fiscal year 2023-24, budgeted personnel expenses amounted to \$3,850,249. For fiscal year 2024-25, personnel expenses are projected to increase to \$4,049,284, reflecting a 5% increase. This increase can be attributed to the hiring of three additional staff members: a Membership Administrator, an Education Administrator, and a Graphic Designer. Increasing staff will support the Society's core objectives, namely, increasing non-dues/non-Yankee revenue and enhancing member value.

Prior to the pandemic, the Society employed 40 staff members, and the current staff count stands at 35. Page 7 of the budget packet provides detailed information on personnel expenses.

### Governance

The Governance expenses for the fiscal 2024-25 year have been increased by 7% compared to the previous budget year 2023-24. In the fiscal year 2023-24, the implementation of Board stipends marked a significant milestone. The amount approved by the Budget and Fiscal Committee, as well as by the Board and the House of Delegates, totaled \$52,000, a departure from the initially proposed \$93,000. For the upcoming year the decision was made to raise the Regional Trustees and the At-Large Trustee stipends to \$4,000 compared to \$2,000 in the previous fiscal year. The Immediate Past President's term is one year and therefore will not receive a stipend. All other stipend amounts will remain unchanged. Page 8 and 9 illustrate the Governance expenditures and Board Stipends.

### Board Stipends

Board Stipends Fiscal Year 2023-24		Board Stipends Fiscal Year 2024-25	
Position	Stipend	Position	Stipend
President	10,000.00	President	10,000.00
Vice President	8,000.00	Vice President	8,000.00
Secretary	5,000.00	Secretary	5,000.00
Treasurer	5,000.00	Treasurer	5,000.00
Speaker of the House	5,000.00	Speaker of the House	5,000.00
Immediate Past President	5,000.00	Immediate Past President	0.00
Regional Trustees (6)	2,000.00	Regional Trustees (6)	4,000.00
At-Large Trustee	2,000.00	At-Large Trustee	4,000.00
Total Stipends	52,000.00	Total Stipends	61,000.00

### Facility Expenses

Facility expenses illustrated on Page 10 of the budget packet illustrate a total 6% increase in expenses compared to the prior year's 2023-24 budget. The increase is attributed to electricity and phone expenditure increases.

### General and Administrative Expenses

The General and Administrative expenses, as illustrated on page 11 of the budget packet, have increased by 7% compared to the fiscal year 2023-24. This rise is primarily attributed to higher professional fees and IT expenditures. As previously referenced, depreciation expense is also a non-cash expense where the write-off of capitalized assets over their useful lives is made pursuant to accounting rules. The funding of the depreciation expense through the budget provides the cash to invest in the new equipment and software improvements necessary for operational effectiveness and improvement. On page 12 of the budget packet is the proposed capital asset budget for \$373,000 of capital asset additions.

## **Strategic Expenses**

The budget includes increased resources to expand several programs: student programming, new dentist programming, and initiatives to increase member engagement. \$50,000 was once again allocated to the Denterlein dental assisting program, extending the program.

## **Firmin Joint Venture, LLC**

Firmin's budget, featured on page 13, provides a comprehensive overview spanning fiscal years 2018 through 2023 with actual data. In the first few months of the new fiscal year, two tenants will be vacating their suites, along with a third tenant, who, despite having a lease until 2027, has given notice. This decrease in rental income has resulted in a 16% decrease in net income for the fiscal year 2024-25. Additionally, Firmin's Capital Assets budget on page 14 outlines miscellaneous renovations for the suites, should a tenant express interest in renting one of them.

## **Summary**

The attached fiscal year 2024-25 proposed budget illustrates a conservative approach influenced by Yankee Dental's year-to-date performance and market uncertainties. Despite Yankee Dental achieving 95% of revenue targets and reducing expenses to 91% of the budget in the current fiscal year, a more conservative strategy was adopted for the upcoming fiscal year.

To align with the Society's core focus it is necessary to carry an operating deficit of \$532,181 and a net income deficit of \$631,335 after factoring in \$300,000 of non-recurring expenditures. From a cash perspective, the net income deficit are assets have already been paid for, resulting in a cash deficit budget of \$331,335. Notably, the budget includes a dues rate decrease to facilitate membership growth, targeting individuals within the 0–5-year time frame, with a long-term view of enhancing member value and financial outcomes. Yankee Dental remains a significant revenue source, accounting for over 70% of total revenue, with projected increases in revenue and expenses for the upcoming fiscal year. Personnel expenses are set to rise by 5%, primarily due to additional staff hires supporting key objectives. The budget also allocates resources to expand student and new dentist programming, emphasizing member engagement initiatives. Additionally, the budget reflects a 16% decrease in net income for Firmin Joint Venture, LLC, due to tenant changes impacting rental income.

Overall, the budget balances short-term caution with long-term strategic goals, reflecting adaptability and responsiveness to current market dynamics, and aims to ensure the Society's sustainability and growth in the coming fiscal year.

Dr. Jenn Korzeb, Kevin and I look forward to discussing this in more detail at the meeting on June 20th.

# MDS Revenue

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024			6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %		Budget
<b>Revenues</b>									
Yankee Dental Congress	\$ 1,167,397	\$ 4,586,572	\$ 6,294,109	\$ 6,427,826	\$ 6,734,885	\$ (307,059)	95%		\$ 6,867,795.26
Continuing Education	\$ 340	\$ 45,120	\$ 10,000	\$ 90,767	\$ 85,000	\$ 5,767	107%		\$ 120,000.00
Membership Dues	\$ 1,729,320	\$ 1,705,224	\$ 1,708,898	\$ 1,272,441	\$ 1,716,957	\$ (444,516)	74%		\$ 1,643,785.00
Royalties	\$ 211,898	\$ 223,007	\$ 358,515	\$ 156,362	\$ 173,300	\$ (16,938)	90%		\$ 205,500.00
Publications	\$ 104,135	\$ 80,712	\$ 47,200	\$ 32,872	\$ 50,000	\$ (17,128)	66%		\$ 56,000.00
Miscellaneous Income	\$ 96,422	\$ 779,976	\$ 139,488	\$ 775,073	\$ 140,500	\$ 634,573	552%		\$ 128,500.00
Career Center	\$ 25,226	\$ 91,640	\$ 87,220	\$ 44,770	\$ 86,500	\$ (41,730)	52%		\$ 67,000.00
Income Earned from Operating Reserves	\$ 65,045	\$ (80,006)	\$ 7,644	\$ 1,432	\$ -	\$ 1,432			\$ 2,000.00
<b>Total Revenues</b>	\$ 3,399,784	\$ 7,432,246	\$ 8,653,074	\$ 8,801,544	\$ 8,987,142	\$ (185,598)	98%		\$ 9,090,580.26

All numbers are internally generated and are unaudited



# MDS Expenses

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024			6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %		Budget
Expenses									
Yankee Dental Congress Expenses	\$ 305,590	\$ 1,830,926	\$ 2,698,796	\$ 2,830,231	\$ 3,111,537	\$ (281,306)	91%		\$ 3,104,607.25
Continuing Education Expenses	\$ 3,115	\$ 3,043	\$ 9,096	\$ 24,713	\$ 8,000	\$ 16,713	309%		\$ 26,800.00
Membership Dues Expenses	\$ 9,841	\$ 16,383	\$ 15,752	\$ 9,607	\$ 14,000	\$ (4,393)	69%		\$ 6,500.00
Career Center Fees	\$ -	\$ 6,530	\$ 22,552	\$ 40,120	\$ 31,525	\$ 8,595	127%		\$ 9,000.00
Personnel Expenses	\$ 2,570,254	\$ 2,951,719	\$ 3,311,536	\$ 2,609,076	\$ 3,850,249	\$ (1,241,173)	68%		\$ 4,049,283.91
Facility Expenses	\$ 417,140	\$ 398,470	\$ 381,712	\$ 238,903	\$ 304,666	\$ (65,763)	78%		\$ 324,860.56
General and Administrative Expenses	\$ 710,955	\$ 799,772	\$ 836,327	\$ 901,469	\$ 1,073,950	\$ (172,481)	84%		\$ 1,149,700.00
Less: Administrative Allocation to Affiliated Entities	\$ (63,000)	\$ (63,000)	\$ (63,000)	\$ (47,250)	\$ (63,000)	\$ 15,750	75%		\$ (63,000.00)
Total MDS Expenses	\$ 3,953,895	\$ 5,943,844	\$ 7,212,770	\$ 6,606,870	\$ 8,330,927	\$ (1,724,057)	79%		\$ 8,607,751.72

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# MDS Expenses Continued

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024			6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %		Budget
Governance Expenses	\$ 12,173	\$ 133,802	\$ 148,643	\$ 154,003	\$ 256,500	\$ (102,497)	60%		\$ 272,000.00
Strategic Goal Expenses	\$ 232,076	\$ 373,534	\$ 478,834	\$ 421,340	\$ 693,800	\$ (272,460)	61%		\$ 727,009.24
UBIT Taxes	\$ -	\$ 43,843	\$ -	\$ -	\$ 20,000	\$ (20,000)	0%		\$ 16,000.00
Total Income from Operations	\$ (798,361)	\$ 937,223	\$ 812,827	\$ 1,619,331	\$ (314,085)	\$ 1,933,416	(102)%		\$ (532,181)
Non-Recurring Expenditures									
YDC Insurance Proceeds-Revenue	\$ -	\$ (500,000)	\$ -	\$ (647,355)	\$ -	\$ -			\$ -
ADA Officer Campaign	\$ -	\$ -	\$ -	\$ 51,200	\$ -	\$ -			\$ -
Legal Matters	\$ -	\$ -	\$ 116,476	\$ -	\$ -	\$ -	0%		\$ -
Yankee 2025 Events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%		\$ 250,000.00
Yankee Survey	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%		\$ 50,000.00
ED Search and Transition	\$ 56,350	\$ -	\$ -	\$ -	\$ -	\$ -	0%		\$ -
McNulty Estate Expenses	\$ 19,873	\$ -	\$ -	\$ -	\$ -	\$ -	0%		\$ -
YDC Insurance Proceeds - Refunds	\$ -	\$ 1,017,711	\$ 129,644	\$ -	\$ -	\$ -	0%		\$ -
Denterlein Dental Assistant Initiative	\$ -	\$ 20,500	\$ 32,655	\$ -	\$ -	\$ -	0%		\$ -
MLR Ballot Initiative	\$ -	\$ 7,500	\$ 116,855	\$ -	\$ -	\$ -	0%		\$ -
Relief Fund after Closing Costs	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	0%		\$ -
Total Non-Recurring Expenditures	\$ 76,293	\$ 545,711	\$ 395,630	\$ (596,155)	\$ -	\$ -	0%		\$ 300,000.00
Other (Income) / Expenses									
Equity in Net Income/Loss of Affiliates	\$ (210,559)	\$ (185,851)	\$ (152,943)	\$ (116,010)	\$ (159,620)	\$ 43,610	73%		\$ (140,845.25)
Reserve and Building Fund Income/Loss	\$ (891,246)	\$ 663,208	\$ (450,799)	\$ (583,836)	\$ (60,000)	\$ (523,836)	973%		\$ (60,000.00)
Total - 8000-000 - Other (Income) / Expenses	\$ (1,101,805)	\$ 477,357	\$ (603,741)	\$ (699,846)	\$ (219,620)	\$ (480,226)	319%		\$ (200,845.25)
Net Income/Loss	\$ 227,151	\$ (85,844)	\$ 1,020,938	\$ 2,915,331	\$ (94,465)	\$ 3,009,796	-3086%		\$ (631,335.45)

All numbers are internally generated and are unaudited

# Yankee Dental Congress

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024			6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %		Budget
<b>Revenues</b>									
Exhibits	\$423,650	\$2,516,954	\$2,851,483	\$3,071,016	\$3,237,466	-\$166,450	95%		\$3,259,400
Educational Programs	\$15,754	\$1,290,781	\$1,943,843	\$1,866,503	\$1,952,711	-\$86,208	96%		\$2,009,333
Registration	\$329,927	\$256,660	\$789,639	\$883,590	\$829,008	\$54,582	107%		\$944,150
Sponsorship and Advertising	\$386,195	\$479,008	\$613,558	\$546,345	\$636,700	-\$90,355	86%		\$573,662
Miscellaneous Income	\$11,871	\$43,168	\$95,585	\$60,373	\$79,000	-\$18,627	76%		\$81,250
<b>Total Yankee Dental Congress</b>	<b>\$1,167,397</b>	<b>\$4,586,572</b>	<b>\$6,294,109</b>	<b>\$6,427,826</b>	<b>\$6,734,885</b>	<b>-\$307,059</b>	<b>95%</b>		<b>\$6,867,795</b>
<b>Expenses</b>									
Total Yankee Dental Congress Expenses	\$305,590	\$1,830,926	\$2,698,796	\$2,830,231	\$3,111,537	-\$281,306	91%		\$3,104,607
<b>Net Income before Administrative Allocation</b>	<b>\$861,807</b>	<b>\$2,755,645</b>	<b>\$3,595,313</b>	<b>\$3,597,596</b>	<b>\$3,623,348</b>	<b>-\$25,752</b>	<b>99%</b>		<b>\$3,763,188</b>
Less: Administrative Allocation to Affiliated Entities	\$1,382,000	\$1,574,000	\$1,794,000	\$1,794,000	\$1,794,000	\$0	100%		\$1,794,000
<b>Total Yankee Net Revenue</b>	<b>-\$520,193</b>	<b>\$1,181,645</b>	<b>\$1,801,313</b>	<b>\$1,803,596</b>	<b>\$1,829,348</b>	<b>-\$25,752</b>	<b>99%</b>		<b>\$1,969,188</b>

\*Actual administrative allocation is estimated and is calculated on 06.30.24

All numbers are internally generated and are unaudited



# Dues Rates

MDS Dues Increase Calendar Year 2023 based on CPI Index									
Year	Increase	Dues	Assesment	Total Dues	CPI Index at December 31				
							Increase	3 year Average	
						Nov (renewal peroid)			
2025	\$ 29.00	\$ 611.00	\$ -	\$ 611.00					
2024	\$ 12.00	\$ 582.00	\$ -	\$ 582.00	2012	716.698			
2023	\$ 14.00	\$ 570.00	\$ -	\$ 570.00	2013	733.113	2.29%		
2022	\$ 10.00	\$ 556.00	\$ -	\$ 556.00	2014	744.833	1.60%		
2021	\$ -	\$ 546.00	\$ -	\$ 546.00	2015	751.066	0.84%	1.58%	
2020	\$ 13.00	\$ 546.00	\$ -	\$ 546.00	2016	760.566	1.26%	1.23%	
2019	\$ 9.00	\$ 533.00	\$ -	\$ 533.00	2017	782.288	2.86%	1.65%	
2018	\$ 6.00	\$ 524.00	\$ -	\$ 524.00	2018	806.946	3.15%	2.42%	
2017	\$ 8.00	\$ 518.00	\$ -	\$ 518.00	2019	824.078	2.12%	2.71%	
2016	\$ 5.00	\$ 510.00	\$ -	\$ 510.00	2020	827.261	0.39%	1.89%	
2015	\$ -	\$ 505.00	\$ -	\$ 505.00	2021	871.152	5.31%	2.60%	
2014	\$ 25.00	\$ 505.00	\$ -	\$ 505.00	2022	932.121	7.00%	4.23%	
2013	\$ 100.00	\$ 480.00	\$ 75.00	\$ 555.00	2023	954.393	2.39%	4.90%	
2012	\$ -	\$ 380.00	\$ 175.00	\$ 555.00					
2011	\$ 20.00	\$ 380.00	\$ 175.00	\$ 555.00	2022	556	14	570	
2010	\$ -	\$ 360.00	\$ 100.00	\$ 460.00	2023	570	24	594	
2009	\$ 35.00	\$ 360.00	\$ -	\$ 360.00	2024	582	29	611	
2008	\$ 14.00	\$ 325.00	\$ 82.00	\$ 407.00					
2007	\$ 10.00	\$ 311.00	\$ 82.00	\$ 393.00					
2006	\$ -	\$ 301.00	\$ 82.00	\$ 383.00					
2005	\$ 16.00	\$ 301.00	\$ 82.00	\$ 383.00					
2004	\$ -	\$ 285.00	\$ 82.00	\$ 367.00					
2003	\$ 25.00	\$ 285.00	\$ -	\$ 285.00					
2002	\$ -	\$ 260.00	\$ -	\$ 260.00					
2001	\$ -	\$ 260.00	\$ -	\$ 260.00					
2000	\$ -	\$ 260.00	\$ -	\$ 260.00					
1999	\$ -	\$ 260.00	\$ -	\$ 260.00					
1998	\$ -	\$ 260.00	\$ -	\$ 260.00					
1997	\$ 130.00	\$ 260.00	\$ -	\$ 260.00					
1996		\$ 130.00	\$ -	\$ 130.00					
Total Increase 1996 -2024 (27 years)				\$ 452.00					
Average increase per year				\$ 17					

All numbers are internally generated and are unaudited



# Personnel Expenses

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024			6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %		Budget
Personnel Expenses									
Salaries	\$2,547,160	\$2,419,603	\$2,717,466	\$2,109,057	\$3,175,526	-\$1,066,469	66%		\$ 3,317,421
Total Non-Salary Personnel Expenses	\$23,094	\$532,116	\$594,070	\$500,019	\$674,723	-\$174,704	74%		\$ 731,862
Total Personnel Expenses	\$2,570,254	\$2,951,719	\$3,311,536	\$2,609,076	\$3,850,249	-\$1,241,173	68%		\$ 4,049,284

\* Included in the fiscal year 2024-25 budget line item for Salaries is \$398,376 for compensation for the Executive Director. This is comprised of \$340,941 for the Executive Director through January 18, 2025, plus amounts budgeted for a potential performance bonus based on historic norms. As an employee of MDS, of the contracted base salary the Executive Director is also able to participate in the employee benefit programs offered to MDS employees. The budget for the expenses associated with employee benefit programs is included in Non-Salary Personnel Expenses line item.

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# Governance Related Expenses

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024			6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %		Budget
Governance Expenses									
ADA House Delegates	\$0	\$51,362	\$48,674	\$64,815	\$55,000	\$9,815	118%		\$65,000
MDS House of Delegates Meeting	\$1,175	\$27,048	\$31,814	\$0	\$50,000	-\$50,000	0%		\$50,000
First Trustee District Delegate Meetings	\$0	\$7,547	\$16,196	\$18,396	\$22,000	-\$3,604	84%		\$18,500
Committee Meeting Expenses	\$0	\$0	\$62	\$0	\$2,000	-\$2,000	0%		\$2,000
Board Stipends	\$0	\$0	\$0	\$33,787	\$52,000	-\$18,213	65%		\$61,000
Trustee and Trustee Related Expenses	\$10,999	\$42,149	\$51,710	\$37,006	\$50,500	-\$13,494	73%		\$50,500
Board Education and Training	\$0	\$5,696	\$187	\$0	\$25,000	-\$25,000	0%		\$25,000
Total Governance Expenses	\$12,173	\$133,802	\$148,643	\$154,003	\$256,500	-\$102,497	60%		\$272,000

All numbers are internally generated and are unaudited

# Governance Related Expenses

Board Stipends		Board Stipends	
FY 2023-24		FY 2024-25	
Position	Stipend	Position	Stipend
President	10,000.00	President	10,000.00
Vice President	8,000.00	Vice President	8,000.00
Secretary	5,000.00	Secretary	5,000.00
Treasurer	5,000.00	Treasurer	5,000.00
Speaker of the House	5,000.00	Speaker of the House	5,000.00
Immediate Past President	5,000.00	Immediate Past President	0.00
Regional Trustees (6)	2,000.00	Regional Trustees (6)	4,000.00
At-Large Trustee	2,000.00	At-Large Trustee	4,000.00
<b>Total Stipends</b>	<b>52,000.00</b>	<b>Total Stipends</b>	<b>66,000.00</b>

All numbers are internally generated and are unaudited



# Facility Expenses

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024			6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %		Budget
Facility Expenses									
Rent	\$339,969	\$342,865	\$330,086	\$193,977	\$253,857	-\$59,880	76%		\$253,857
Gas & Electric	\$25,542	\$27,864	\$26,580	\$19,154	\$24,013	-\$4,859	80%		\$37,736
Telephone	\$47,689	\$23,973	\$21,278	\$22,924	\$22,980	-\$56	100%		\$29,500
Internet	\$3,940	\$3,768	\$3,768	\$2,849	\$3,816	-\$967	75%		\$3,768
Total Facility Expenses	\$417,140	\$398,470	\$381,712	\$238,903	\$304,666	-\$65,763	78%		\$324,861

All numbers are internally generated and are unaudited



# General and Administrative Expenses

	6/30/2021	6/30/2022	6/30/2023	3/31/2024	6/30/2024	6/30/2024		6/30/2025
	Actual	Actual	Actual	Actual (YTD)	Budget	Variance	Variance %	Budget
General and Administrative Expenses								
Professional Fees	\$120,642	\$145,147	\$116,091	\$269,419	\$148,000	\$121,419	182%	\$226,000
Office Related Expenses	\$60,007	\$92,050	\$101,687	\$96,001	\$125,500	-\$29,499	76%	\$120,000
Insurance Expense	\$29,499	\$21,450	\$27,756	\$20,887	\$35,000	-\$14,113	60%	\$30,000
Depreciation Expense	\$172,634	\$114,483	\$88,769	\$63,000	\$200,000	-\$137,000	32%	\$200,000
IT Expenditures	\$189,720	\$185,062	\$212,892	\$172,146	\$302,900	-\$130,754	57%	\$319,450
Miscellaneous Expenditures	\$0	\$6,957	\$7,570	\$41,834	\$11,550	\$30,284	362%	\$11,750
Professional Dues and Publications	\$8,760	\$8,980	\$2,947	\$1,263	\$10,000	-\$8,737	13%	\$7,000
Travel and Related Expenses	\$1,282	\$2,583	\$11,377	\$5,346	\$16,000	-\$10,654	33%	\$10,500
Bank Fees	\$128,411	\$223,059	\$267,237	\$231,573	\$225,000	\$6,573	103%	\$225,000
Total General and Administrative Expenses	\$710,955	\$799,772	\$836,327	\$901,469	\$1,073,950	-\$172,481	84%	\$1,149,700

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# MDS Capital Budget

Description	Cost
Network Printers	\$ 10,000
Board Room Chairs	\$ 20,000
AV- Conference AB	\$ 50,000
AV -Board Room	\$ 100,000
Laptops, Monitors, Docking Stations	\$ 20,000
Website Projects	\$ 80,000
Nimble Projects	\$ 18,000
Network Upgrades	\$ 75,000
	\$ 373,000

All numbers are internally generated and are unaudited



# Firmin Statement of Operations

	Jul '19 - Jun 20	Jul '20 - Jun 21	Jul '21 - Jun 22	Jul '22 - Jun 23	Jul '23 - Jun 24	Jul '24 - Jun 25
	Actual	Actual	Actual	Actual	Budget	Budget
Ordinary Income/Expense						
Income						
Rental Income	840,996.43	809,216.63	790,070.97	793,320.11	807,867.90	780,261.53
Total Income	840,996.43	809,216.63	790,070.97	793,320.11	807,867.90	780,261.53
Expense						
Utilities	133,817.45	126,380.42	130,028.21	154,562.45	150,286.50	162,249.51
Maintenance & Repairs	121,362.25	121,390.35	128,381.06	142,229.43	145,497.22	147,612.20
Professional Services	826.00	498.00	516.00	540.63	0.00	0.00
Insurance and Taxes	95,408.92	92,067.40	96,173.85	89,211.75	96,461.27	95,634.57
Real Estate Commission Expense	26,169.12	26,712.40	22,772.60	22,376.26	23,703.00	0.00
Mortgage Finance Costs Expense	3,516.12	586.13	0.00	0.00	0.00	0.00
Management Fees	82,800.00	83,800.00	83,800.00	83,800.00	83,800.00	83,800.00
Depreciation expense	143,094.05	143,219.74	143,917.70	141,998.76	144,000.00	144,000.00
Other expenses	5,504.10	3,231.06	3,038.77	5,344.19	4,500.00	6,120.00
Total Expense	612,498.01	597,885.50	608,628.19	640,063.47	648,247.99	639,416.28
Net Ordinary Income	228,498.42	211,331.13	181,442.78	153,256.64	159,619.91	140,845.25
Other Income/Expense						
Other Expense						
Interest expense	23,820.89	747.31	0.00	0.00	0.00	0.00
Total Other Expense	23,820.89	747.31	0.00	0.00	0.00	0.00
Net Other Income	-23,820.89	-747.31	0.00	0.00	0.00	0.00
Net Income	204,677.53	210,583.82	181,442.78	153,256.64	159,619.91	140,845.25

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# Firmin Capital Budget

Description	Cost			
Tenant Improvements	\$ 50,000.00			
	\$ 50,000.00			
* There are expectations that in the next five years that the MDS building will require a new roof. Current 2023 quotes are at \$200,000.				

All numbers are internally generated and are unaudited



# MDS Balance Sheet - Assets

	6/30/2021	6/30/2022	6/30/2023	3/31/2024
ASSETS	Actual	Actual	Actual	Actual to Date
<b>Current Assets</b>				
Cash and Cash Equivalents	\$2,378,357	\$1,747,260	\$1,244,362	\$1,247,100
Accounts Receivable	\$1,051,223	\$1,249,912	\$1,613,623	\$2,343,183
Marketable Securities	\$286,515	\$182,837	\$0	\$0
Prepaid Expenses	\$321,764	\$321,502	\$334,603	\$420,614
Intercompany Receivables/Payables	\$2,437,079	\$2,201,353	\$2,680,075	\$2,638,637
Agency Fund Asset	\$0	\$0	\$1,255,428	\$935,729
<b>Total Current Assets</b>	<b>\$6,474,937</b>	<b>\$5,702,863</b>	<b>\$7,128,092</b>	<b>\$7,585,264</b>
General Reserve Portfolio	\$4,555,257	\$4,009,085	\$4,573,454	\$5,084,799
Restricted Cash (Building Fund)	\$814,958	\$693,942	\$764,775	\$837,266
Fixed Assets, net	\$380,487	\$292,436	\$342,002	\$417,640
Investments in Subsidiaries	\$1,575,099	\$1,760,949	\$1,913,892	\$2,029,902
<b>Total ASSETS</b>	<b>\$13,800,738</b>	<b>\$12,459,275</b>	<b>\$14,722,215</b>	<b>\$15,954,871</b>

All numbers are internally generated and are unaudited

# MDS Balance Sheet - Liabilities and Net Assets

	6/30/2021	6/30/2022	6/30/2023	3/31/2024
	Actual	Actual	Actual	Actual to Date
<b>Liabilities &amp; Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$148,010	\$298,490	\$281,198	\$334,149
Agency Fund Liability	\$0	\$0	\$1,255,428	\$935,729
Accrued Expenses and Other Liabilities	\$2,382,116	\$745,127	\$485,774	\$596,454
Deferred Income	\$1,785,976	\$2,663,604	\$2,943,665	\$1,417,056
<b>Total Current Liabilities</b>	<b>\$4,316,103</b>	<b>\$3,707,221</b>	<b>\$4,966,065</b>	<b>\$3,283,389</b>
<b>PPP Loan</b>	<b>\$657,773</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$4,973,875</b>	<b>\$3,707,221</b>	<b>\$4,966,065</b>	<b>\$3,283,389</b>
<b>Net Assets</b>				
Building Fund Net Assets	\$814,959	\$693,942	\$764,775	\$837,266
General Fund	\$7,784,754	\$8,143,957	\$7,970,437	\$8,918,884
Net Income	\$227,151	(\$85,844)	\$1,020,938	\$2,915,331
<b>Total Net Assets</b>	<b>\$8,826,863</b>	<b>\$8,752,054</b>	<b>\$9,756,150</b>	<b>\$12,671,482</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$13,800,738</b>	<b>\$12,459,275</b>	<b>\$14,722,215</b>	<b>\$15,954,871</b>

All numbers are internally generated and are unaudited



MASSACHUSETTS  
DENTAL SOCIETY

## **0-5 Year Dues Model Analysis**

### **Introduction:**

The purpose of this analysis was to assess the financial implications of implementing a membership model targeting individuals within the 0–5-year timeframe.

### **Objectives:**

The objective of this analysis is to evaluate the potential financial outcomes associated with the implementation of a membership model specifically targeting individuals within the 0–5-year timeframe.

### **Scope:**

The analysis utilized the current membership data, focusing on individuals within 0-6 years since graduation from dental school or a post-graduate program. Data spanning from 2018 to 2023 was considered, excluding 2024 data due to the inclusion of Rate 3 memberships (Dental Students or Graduate Students). Membership categories were segmented into four groups:

1. A – First Year Out
2. C – Second Year Out
3. 3-5 Years Out
4. 6 Years Out

Under the current dues model:

1. A – First Year Out = \$0.00
2. C – Second Year Out = 50%
3. 3 Years Onwards = 100%

The proposed dues model suggests the following adjustments:

1. A – First Year Out = \$0.00
2. C – Second Year Out = Flat rate
3. 3-5 Years Out = Flat rate
4. 6 Years Out = 100%

The quantity of members in the four groups were:

1. A – First Year Out – 2018 = 212 members
2. C – Second Year Out – 2019 = 194 members
3. 3-5 Years Out
  - a. 2020 = 118 members
  - b. 2021 = 114 members

- c. 2022 = 127 members
- 4. 6 Years Out – 2023 = 102 members

### **Methodology:**

**Data Analysis:** The provided data includes membership counts and future dues prices retroactively assigned to each membership category (A, C, 3-5, 6) for the years 2018 to 2023.

**Building the Model:** The historical data served as the foundation for the financial model. The model incorporated the proposed dues rates for each membership category:

A (First Year Out): \$0.00  
C (Second Year Out): \$120.00  
Year 3 (Third Year Out): \$120.00  
Rate 4-5 (4-5 Years Out): \$240.00  
Year 6: \$611.00

### **Forecasting Revenue:**

Projected revenue is calculated by multiplying the projected membership counts for each category by the corresponding dues rates. A 94% retention was included from Rate C onwards due to the proposed value gained from the lower dues rate.

The total revenue generated from each category annually is summarized to obtain the overall projected revenue under the Future Dues Model for each year.

### **Assumptions and Limitations:**

#### **Assumptions:**

**Consistency in Membership Categories:** It is assumed that the categorization of members into "First Year Out," "Second Year Out," "3-5 Years Out," and "6 Years Out" remains consistent throughout the analysis period.

**Accuracy of Historical Data:** The historical membership data from 2018 to 2023 is assumed to be accurate and representative of past trends.

**Stability of Dues Model:** It is assumed that the proposed adjustments to the dues model remain unchanged throughout the analysis period and that there are no unforeseen changes or challenges in implementing the new model.

**Membership Count Projections:** The projections for future membership counts are based on historical trends and are assumed to accurately reflect future membership growth or decline.

**Revenue Calculation Accuracy:** The revenue projections are based on multiplying projected membership counts by the corresponding dues rates. It is assumed that this method accurately reflects the actual revenue generated from each membership category.

**Limitations:**

**Limited Scope:** The analysis focuses solely on the financial implications of implementing the new membership model and does not consider other factors such as the 4 Non-Resident (NR) members, the Community Health Center (CHC) members, the full-time Faculty members, and the 1 Special Incentive (I) member, member satisfaction, or retention rates. These members do not constitute a material effect on the analysis.

**Data Exclusion:** Excluding 2024 data due to the inclusion of Rate 3 memberships introduces limitations in forecasting accuracy with respect to current data. However, membership patterns indicate that Rate 3 closely follows the analyzed membership numbers of Rate A members.

**Assumption of Linear Growth:** The analysis assumes linear growth and stable retainment in membership counts over time, which may not accurately reflect real-world fluctuations or external factors that could influence membership trends.

**Analysis Constraints:** The analysis does not provide insights into the impact of changes in key variables and may not capture all potential scenarios or external factors that could affect revenue projections.

**Assumption of Stable Dues Rates:** The analysis assumes that the proposed dues rates remain stable throughout the analysis period, without considering potential adjustments or changes in response to market conditions or organizational needs.

**Findings:**

The analysis compares the current and proposed dues structures for different membership categories within the 0–5-year timeframe using the below criteria.

**Current:**

A = First Year Out - \$0.00  
C = Second Year Out - \$306.00  
Year 3 - 5 = \$611.00  
Year 6 - \$611.00

**Future:**

A (First Year Out): \$0.00  
C (Second Year Out): \$120.00  
Year 3 (Third Year Out): \$120.00  
Rate 4-5 (4-5 Years Out): \$240.00  
Year 6: \$611.00

**Rate A (First Year Out):**

Current Total Dues: \$0.00  
Future Total Dues: \$0.00  
Total Price Difference: \$0.00

This category shows no change in total dues, remaining at \$0.00 under both the current and proposed models.

**Rate C (Second Year Out):**

Current Total Dues: \$59,364.00

Future Total Dues: \$23,280.00

Total Price Difference: -\$36,084.00

Under the proposed model, there's a significant reduction in total dues by \$36,084.00 compared to the current model, reflecting a more favorable financial outcome for members in their second year out.

**Years 3:**

Current Total Dues: \$72,098.00

Future Total Dues: \$21,883.20

Total Price Difference: -\$50,214.80

For members in their third year after graduation, there's a substantial decrease in total dues by \$50,214.80 under the proposed model, indicating a considerable financial benefit compared to the current structure.

**Years 4-5:**

Current Total Dues: \$147,241.00

Future Total Dues: \$79,812.41

Total Price Difference: -\$67,438.59

For members in their fourth to fifth years after graduation, there's a substantial decrease in total dues by \$67,438.59 under the proposed model, indicating a considerable financial benefit compared to the current structure.

**Year 6:**

Current Total Dues: \$62,322.00

Future Total Dues: \$92,545.30

Total Price Difference: \$30,223.30

For members in their sixth year after graduation, there is an increase in total dues by \$30,223.30 under the proposed model, indicating a financial benefit for the MDS compared to the current structure. This gain stems from the increased membership resulting from retaining members due to the lower dues structure in the 0–5-year dues categories.

**Summary**

The proposed dues adjustments result in significant reductions in total dues for members in their first year to fifth year post-graduation. In the sixth-year members there was a favorable impact for the



Society due to retaining members. Implementing the annual flat dues rate of \$120.00 for second and third year post-graduates and \$240.00 for fourth and fifth year post-graduates will lead to a decrease in dues revenue of \$123,514.10.

Despite the short-term revenue decrease in the 0–5-year dues categories, the analysis emphasizes the importance of retaining and attracting members over time. It suggests that these efforts will lead to a favorable financial outcome for the organization in the long term, likely due to increased membership retention and potential growth.

Overall, the analysis presents a balanced view of the short-term challenges and long-term benefits associated with the proposed adjustments to dues, highlighting the importance of considering both financial implications and member satisfaction in the decision-making process.