FINANCIAL STATEMENTS

Dairy Management Inc.
Years Ended December 31, 2023 and 2022
With Reports of Independent Auditors

Ernst & Young LLP

Building a better working world

Dairy Management Inc.

Financial Statements

Years Ended December 31, 2023 and 2022

Contents

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Report of Independent Auditors

The Board of Directors
Dairy Management Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dairy Management Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Dairy Management Inc. at December 31, 2023 and 2022, and the changes in its 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dairy Management 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.

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 of material misstatement, whether due to fraud or error.

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 Dairy Management Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's 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 of material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Dairy Management 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 Dairy Management 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024, on our consideration of Dairy Management Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dairy Management Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dairy Management Inc.'s internal control over financial reporting and compliance.

Ernst + Young LLP

May 8, 2024

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Dairy Management Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Dairy Management Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"), and have issued our report thereon dated May 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dairy Management Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dairy Management Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Dairy Management Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dairy Management Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

May 8, 2024

Dairy Management Inc.

Statements of Financial Position

	December 31 2023	December 31 2022
Assets		
Current assets:		
Cash	**$ 734,492**	$ 553,221
Accounts receivable, net of allowance for doubtful accounts of $25,000 in 2023 and 2022	**1,187,011**	1,430,532
Amounts due from related parties:		
National Dairy Promotion and Research Board	**16,103,425**	13,990,075
United Dairy Industry Association	**2,081,830**	1,731,711
U.S. Dairy Export Council	**1,379,908**	1,913,788
GENYOUth Foundation	**94,516**	118,053
Innovation Center for U.S. Dairy	**27,589**	15,826
Dairy Research Institute	**4,338**	45,677
Prepaid expenses	**394,743**	1,388,398
Total current assets	**22,007,852**	21,187,281
Other assets	**48,548**	46,430
Fixed assets, net of accumulated depreciation of $3,741,393 in 2023 and $3,436,549 in 2022	**739,003**	1,050,605
Operating right-of-use assets	**2,321,677**	3,300,577
Total assets	**$ 25,117,080**	$ 25,584,893
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 17,234,614**	$ 15,308,165
Accrued liabilities	**3,331,839**	4,194,318
Operating lease obligations, current portion	**1,353,795**	1,314,643
Amounts due to related parties:		
Dairy Research Institute	**1,251,628**	1,283,162
Innovation Center for U.S. Dairy	**227,286**	216,664
U.S. Dairy Export Council	**20,898**	30,771
GENYOUth Foundation	**–**	230,897
Other liabilities	**–**	2,500
Total current liabilities	**23,420,060**	22,581,120
Operating lease obligations, less current portion	**1,697,020**	3,003,773
Net assets without donor restrictions	**–**	–
Total liabilities and net assets	**$ 25,117,080**	$ 25,584,893

See accompanying notes.

Dairy Management Inc.

Statements of Activities and Changes in Net Assets

	Year Ended December 31	
	2023	**2022**
Revenues		
Program	**$ 125,647,077**	$ 129,059,125
Core	**43,648,298**	41,574,959
Contract services	**8,965,981**	7,562,450
Total revenues	**178,261,356**	178,196,534
Expenses		
Programs:		
Domestic marketing	**143,218,809**	145,458,128
Export	**21,143,001**	20,556,374
Contract services	**8,965,981**	7,562,450
Total programs	**173,327,791**	173,576,952
General and administrative	**4,933,565**	4,619,582
Total expenses	**178,261,356**	178,196,534
Change in net assets without donor restrictions	**–**	–
Net assets without donor restrictions, beginning of year	**–**	–
Net assets without donor restrictions, end of year	**$ –**	$ –

See accompanying notes.

Dairy Management Inc.

Statements of Cash Flows

	Year Ended December 31 2023	2022
Operating activities		
Change in net assets	**$ –**	$ –
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	**456,592**	509,011
Noncash lease expense	**(288,701)**	(260,946)
Changes in assets and liabilities:		
Accounts receivable, net	**243,521**	(754,107)
Amounts due from/due to related parties	**(2,138,158)**	(7,213,602)
Prepaid expenses and other assets	**991,537**	(560,303)
Accounts payable	**1,926,449**	8,374,851
Accrued liabilities	**(862,479)**	80,494
Other liabilities	**(2,500)**	(440,289)
Net cash provided by (used in) operating activities	**326,261**	(264,891)
Investing activities		
Purchases of fixed assets	**(144,990)**	(157,438)
Net cash used in investing activities	**(144,990)**	(157,438)
Net increase (decrease) in cash	**181,271**	(422,329)
Cash, beginning of year	**553,221**	975,550
Cash, end of year	**$ 734,492**	$ 553,221
Supplemental disclosure		
Noncash recognition of leases under new lease standard	**$ –**	$ 1,017,839

See accompanying notes.

1. Organization

Dairy Management Inc. (DMI) was incorporated on January 1, 1995, as a joint venture between National Dairy Promotion and Research Board (NDB) and United Dairy Industry Association (UDIA). The purpose of DMI is to promote greater coordination, efficiency, and effectiveness and avoid incompatibility and duplication in the marketing programs and projects undertaken by NDB and UDIA. NDB and UDIA jointly plan, develop, and implement their various marketing programs and activities through DMI, subject to the oversight guidelines of the Agricultural Marketing Service of United States Department of Agriculture (USDA). The collective programs and activities are called the Unified Marketing Plan (UMP).

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP). These principles require management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from those estimates.

Cash

Cash includes checking and interest-bearing demand deposit accounts with financial institutions.

DMI has cash balances at a financial institution that exceed federal depository insurance limits. Pursuant to guidelines published by USDA's Agricultural Marketing Service, DMI's cash balances are reviewed daily by the financial institution in which the balances are held and are fully collateralized in U.S. Treasury securities at the Federal Reserve Bank of St. Louis.

2. Summary of Significant Accounting Policies (continued)

Net Assets

DMI classifies resources for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- *Without donor restrictions* – Net assets that are not subject to donor-imposed restrictions. DMI has no net assets without donor restrictions at December 31, 2023 or 2022.

- *With donor restrictions* – Net assets subject to donor-imposed restrictions that will be met either by actions of DMI or the passage of time. DMI has no net assets with donor restrictions at December 31, 2023 or 2022.

Financial Instruments

The carrying values of cash, accounts receivable, amounts due from/to related parties, prepaid expenses, accounts payable, accrued liabilities, and other liabilities are reasonable estimates of fair value.

Accounts Receivable

Accounts receivable, which consist of amounts due from UDIA state and regional members for expenses incurred in connection with program activities and from entities to which DMI provides management services, totaled $1,187,011 and $1,430,532 as of December 31, 2023 and 2022, respectively.

Fixed Assets

Fixed assets consist of computer equipment, software, furniture, equipment, and leasehold improvements and are recorded at historical cost. Depreciation and amortization are provided in amounts sufficient to charge the cost of the depreciable assets to operations over the assets' estimated service lives of 3 to 15 years using the straight-line method.

2. Summary of Significant Accounting Policies (continued)

Leases

DMI primarily has leases for office space and office equipment. The lease term may include options to extend or terminate the lease when it is reasonably certain that DMI will exercise the option.

For any leases with an initial term in excess of 12 months, DMI determines whether an arrangement is a lease at contract inception by evaluating whether the contract conveys the right to use and control the specific property or equipment. Certain lease agreements contain purchase or renewal options. These options are included in the lease term when it is reasonably certain that DMI will exercise that option. Generally, DMI's lease agreements do not contain material residual value guarantees or material restrictive covenants.

Right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent an obligation to make lease payments arising from the lease. Right-of-use assets and lease obligations are recognized based on the present value of future lease payments over the lease term at the lease commencement date. When determining the present value of future payment, DMI uses the risk-free borrowing rate when the implicit rate is not readily determinable.

DMI has lease agreements with lease and non-lease components, which are generally accounted for separately. However, DMI has elected the practical expedient not to separate non-lease components for office space or equipment leases.

Leases with an initial term of 12 months or less are not recorded as right-of-use assets and lease obligations in the statements of financial position. Lease expense for these leases is recognized on a straight-line basis over the lease term.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions are evaluated to determine whether the contribution is conditional or unconditional. If the contribution is conditional, recognition is deferred until the conditions are met. If the contribution is unconditional, recognition occurs in the period the pledge is made. Program and core revenue are conditional and are recognized based on when expenses are incurred.

Contract services revenue and the corresponding expense are recognized when the accounting and management services are provided under various contracts.

Income Taxes

DMI has received a determination letter from the Internal Revenue Service indicating that it is exempt from federal and state income taxes on related income under Section 501(c)(6) of the Internal Revenue Code. However, DMI is subject to taxes on unrelated business income. DMI had no material unrelated business income in 2023 or 2022.

Recent Accounting Pronouncement Adopted

Effective January 1, 2023, DMI adopted Accounting Standards Update (ASU) 2016-13, *(Topic 326): Measurement of Credit Losses on Financial Instruments*. The core principle of the new accounting guidance changes the methodology to be used to measure credit losses for certain financial instruments and financial assets, including accounts receivable and amounts due from related parties. The new methodology requires the recognition of an allowance that reflects the current estimate of credit losses expected to be incurred over the life of the financial asset. The adoption and full retrospective application of ASU 2016-13 did not have a material impact on DMI’s financial statements.

3. Related Party Transactions

DMI is funded by NDB and UDIA on a cost-reimbursement basis. Marketing program costs include costs attributable to implementing DMI’s programs, which are based on the annual UMP budget. Core costs include staff salaries and benefits, travel, board of directors’ expenses, and office operating expenses. These costs are funded primarily by NDB, with UDIA funding one-half of the costs of the DMI chief executive office and the board of directors’ expenses.

3. Related Party Transactions (continued)

NDB funded DMI program and core costs as follows:

	Year Ended December 31 2023	2022
Program costs	**$ 90,688,067**	$ 94,733,189
Core costs	**42,452,776**	40,493,640
	$ 133,140,843	$ 135,226,829

UDIA funded DMI program and core costs as follows:

	Year Ended December 31 2023	2022
Program costs	**$ 34,959,010**	$ 34,325,935
Core costs	**1,195,522**	1,081,319
	$ 36,154,532	$ 35,407,254

At December 31, 2023 and 2022, amounts due from NDB were $16,103,425 and $13,990,075, respectively, and amounts due from UDIA were $2,081,830 and $1,731,711, respectively.

U.S. Dairy Export Council (USDEC) was incorporated in 1996 to improve the marketing conditions for the U.S. dairy industry with respect to the export of U.S. dairy products by promoting their acceptability, consumption, and purchase in international markets. DMI is the primary source of USDEC's funding, which was apportioned for the following purposes:

	Year Ended December 31 2023	2022
Marketing programs	**$ 10,666,047**	$ 10,951,510
Core costs	**10,476,954**	9,604,864
	$ 21,143,001	$ 20,556,374

3. Related Party Transactions (continued)

GENYOUth, Inc. (GENYOUth) was incorporated in 2009 and was formed for the purpose of encouraging, monitoring, and assisting organizations in implementing youth-oriented health programs in schools and promoting healthy diet and exercise programs. DMI is a primary source of GENYOUth's unrestricted contributions, which are used to fund its operating costs. DMI provided to GENYOUth cash and contributed services of $2,761,298 and $2,706,507 in 2023 and 2022, respectively.

Dairy Research Institute (DRI) was incorporated in 2010 for the purpose of dairy scientific research and sustainability advancement and operates under the oversight and control of DMI. For 2023 and 2022, DMI provided cash and contributed services of $3,444,171 and $2,632,494, respectively, to DRI for program and operational expenses.

Innovation Center for U.S. Dairy (the Innovation Center) was incorporated in 2008 for the purpose of fostering harmony, cooperation, and innovation through a pre-competitive collaborative forum of the dairy industry. The Innovation Center operates under the oversight and control of DMI. For 2023 and 2022, DMI provided cash and contributed services of $972,932 and $323,813, respectively, to the Innovation Center for operational expenses.

4. Functional Classification of Expenses

DMI's primary program activities, which serve to promote U.S. dairy products in domestic and international markets, are noted in the following table. Additionally, expenses reported as general and administrative and other operating are incurred in support of these primary program activities. Natural expenses attributable to more than one functional expense category or overall organizational operations are primarily allocated using headcount.

4. Functional Classification of Expenses (continued)

Expenses by functional classification for the year ended December 31, 2023, consist of the following:

	Reputation	Innovation	Sustainability	Farmer Relations	International Partnerships	Export	Supplemental Funding	Contract Services	General and Administrative	Total Expenses
Staffing and travel	$ 12,245,751	$ 11,010,314	$ 6,760,430	$ 1,770,891	$ 139,637	$ –	$ –	$ 8,293,051	$ 4,073,930	$ 44,294,004
Operations and IT	2,275,828	1,904,721	1,657,078	774,029	176,054	–	–	672,930	859,635	8,320,275
Promotional and professional services	25,350,082	18,410,072	12,543,703	1,617,964	8,422,929	21,143,001	–	–	–	87,487,751
Research	–	13,636,848	–	–	–	–	–	–	–	13,636,848
Partnerships	8,808,189	960,243	1,145,500	95,484	1,300,997	–	–	–	–	12,310,413
Other	1,465,591	318,124	254,206	96,567	2,377	–	10,075,200	–	–	12,212,065
	$ 50,145,441	$ 46,240,322	$ 22,360,917	$ 4,354,935	$ 10,041,994	$ 21,143,001	$ 10,075,200	$ 8,965,981	$ 4,933,565	$ 178,261,356

4. Functional Classification of Expenses (continued)

Expenses by functional classification for the year ended December 31, 2022, consist of the following:

	Reputation	Innovation	Sustainability	Farmer Relations	International Partnerships	Export	Supplemental Funding	Contract Services	General and Administrative	Total Expenses
Staffing and travel	$ 12,357,124	$ 10,737,426	$ 5,573,837	$ 1,328,571	$ 191,120	$ –	$ –	$ 6,906,640	$ 3,729,493	$ 40,824,211
Operations and IT	2,761,588	2,516,736	995,611	250,129	243,234	–	–	655,810	890,089	8,313,197
Promotional and professional services	26,325,037	18,044,868	12,574,202	1,764,411	6,422,045	20,556,374	–	–	–	85,686,937
Research	–	16,478,228	–	–	50,000	–	–	–	–	16,528,228
Partnerships	11,969,891	274,143	1,327,693	79,666	2,017,816	–	–	–	–	15,669,209
Other	860,141	273,900	479,203	183,099	3,210	–	9,375,199	–	–	11,174,752
	$ 54,273,781	$ 48,325,301	$ 20,950,546	$ 3,605,876	$ 8,927,425	$ 20,556,374	$ 9,375,199	$ 7,562,450	$ 4,619,582	$ 178,196,534

5. Financial Assets and Liquidity Resources

As of December 31, 2023 and 2022, financial assets and liquidity resources available within one year for general expenditures were as follows:

	2023	2022
Financial assets:		
Cash	**$ 734,492**	$ 553,221
Accounts receivable, net	**1,187,011**	1,430,532
Amounts due from related parties	**19,691,606**	17,815,130
Total financial assets and liquidity resources available within one year	**$ 21,613,109**	$ 19,798,883

As part of its liquidity management, DMI has a defined practice to structure its financial assets to be available as its general expenditures come due.

6. Transactions With Other Industry Organizations

DMI provides various contract services such as marketing, financial, IT, and administrative support at cost to Dairy MAX, Newtrient, Global Dairy Platform Inc. (GDP), National Milk Producers Federation (NMPF), New England Dairy and Promotion Board (NEDPB), New England Dairy Food Council (NEDFC), and California Dairy Research Foundation (CDRF).

The amounts charged by DMI for such services were as follows:

	Year Ended December 31	
	2023	2022
Organization		
Dairy MAX	**$ 6,934,605**	$ 5,591,730
Newtrient	**961,216**	871,517
GDP	**827,735**	846,928
NMPF	**155,000**	159,268
NEDPB and NEDFC	**82,325**	87,907
CDRF	**5,100**	5,100
Total contract services	**$ 8,965,981**	$ 7,562,450

6. Transactions With Other Industry Organizations (continued)

Additionally, DMI obtains economic research, communications support, and sustainability services from NMPF under annual contracts. Amounts paid by DMI to NMPF were $3,475,198 and $3,674,482 for 2023 and 2022, respectively.

7. Fixed Assets

Property and equipment at December 31, 2023 and 2022, consisted of the following:

	2023	2022
Computer equipment and software	**$ 2,204,226**	$ 2,211,516
Furniture, equipment, and leasehold improvements	**2,276,170**	2,275,638
	4,480,396	4,487,154
Accumulated depreciation	**(3,741,393)**	(3,436,549)
	$ 739,003	$ 1,050,605

8. Leases

The following table is a summary of the weighted average remaining lease terms and weighted average discount rates of DMI's leases as of December 31, 2023:

	Weighted Average Remaining Lease Term (in Years)	Weighted Average Discount Rate
Operating leases	2.49	1.25%

8. Leases (continued)

The following table sets forth other supplemental information related to DMI's lease portfolio as of December 31, 2023:

Cash paid for amounts included in the measurements of lease obligations:	
Operating cash flows for operating leases	$ 1,372,835

The future minimum annual lease payments under operating leases based on the expected term as of December 31, 2023, are as follows:

2024	$ 1,385,468
2025	1,375,376
2026	114,053
2027	115,426
2028	113,812
Less remaining imputed interest	(53,320)
Present value of lease liabilities	$ 3,050,815

DMI recorded operating lease expense of $1,084,134 for the period from January 1, 2023 to December 31, 2023 and $1,077,103 for the period from January 1, 2022 to December 31, 2022. The expense is recorded in domestic marketing and general and administrative expense on the statements of activities and changes in net assets.

9. Employee Retirement Plans

DMI participates in a UDIA-sponsored defined contribution plan, which covers all eligible DMI employees and employees of other UDIA members and industry organizations sponsored by UDIA. Under the terms of the defined contribution plan, DMI contributes an amount equal to its employees' contributions, up to a maximum of 3% of eligible compensation for all employees. DMI also contributes an additional 7% of eligible compensation, representing an unmatched contribution. DMI's contributions to the savings plan were $2,520,688 and $2,308,344 for 2023 and 2022, respectively.

10. Subsequent Events

DMI evaluated events occurring between January 1, 2024 and May 8, 2024, which is the date the accompanying financial statements were available to be issued. No events subsequent to December 31, 2023, have been identified that require recognition or disclosure in the financial statements.

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