Wyssta, Inc. and Subsidiaries
(A Wholly-Owned Subsidiary of Delta Dental of Wisconsin, Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

STROHM BALLWEG

STROHM BALLWEG

INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS

To the Board of Directors and Stockholder
Wyssta, Inc. and Subsidiaries
Stevens Point, Wisconsin

Opinion

We have audited the accompanying consolidated financial statements of Wyssta, Inc. and Subsidiaries (the Company), which are comprised of the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of income, comprehensive income, stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations 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. 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 the Company 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.

Transactions with Affiliated Companies

As explained in Note 4 to the consolidated financial statements, the Company is part of an affiliated group of companies and has entered into transactions with the group members. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from 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 generally accepted 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted 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 consolidated 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 the Company'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 the Company'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.

Strohm Ballweg, LLP

Madison, Wisconsin
March 20, 2023

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,781,886	$ 15,595,732
Investment income due and accrued	54,293	49,338
Uncollected premiums	82,809	124,447
Contracts receivable	4,821,433	2,970,257
Receivable from Delta Dental of Wisconsin, Inc.	1,225,923	1,194,265
Prepaid expenses	219,873	45,133
Federal income tax recoverable	389,426	333,902
Total current assets	22,575,643	20,313,074
Deferred tax assets	204,608	-
Available-for-sale securities	8,972,474	9,721,247
Common stocks	1,797,567	3,892,726
Investment in Healthentic, Inc.	346,104	293,300
Investment in Encara Corporation	173,503	320,594
Total assets	$ 34,069,899	$ 34,540,941
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Claims unpaid	$ 561,000	$ 550,000
Unpaid claims adjustment expenses	56,000	52,000
Accounts payable	4,591,657	3,821,300
Payable to NorthWinds Technology Consulting, LLC	306,658	610,329
Contract payable	638,259	267,872
Deferred revenue	748,055	731,383
Total current liabilities	6,901,629	6,032,884
Deferred tax liabilities	-	82,699
Total liabilities	6,901,629	6,115,583
Stockholder's equity:		
Common stock, no par value; 100,000 shares authorized; 19,270 shares issued and outstanding	-	-
Additional paid-in capital	29,200,000	29,200,000
Retained deficit	(1,468,509)	(887,942)
Accumulated other comprehensive income (loss)	(563,221)	113,300
Total stockholder's equity	27,168,270	28,425,358
Total liabilities and stockholder's equity	$ 34,069,899	$ 34,540,941

See Notes to the Consolidated Financial Statements.

	2022	2021
REVENUES		
Dental and vision administrative income	$ 27,866,210	$ 25,637,068
Insurance revenues:		
Risk premiums earned	32,383,490	27,616,381
Administrative-services-only (ASO) fees	62,794	65,964
ASO claims reimbursed	50,446	54,133
Gross insurance revenues	32,496,730	27,736,478
ASO claims incurred	(50,446)	(54,133)
Reinsurance ceded	(6,076,779)	(5,669,603)
Net insurance revenues	26,369,505	22,012,742
Investment revenues:		
Interest and dividend income	237,559	241,243
Net realized gain (loss) on sale of available-for-sale securities	(14,437)	11,331
Net unrealized holding gain (loss) on common stocks	(2,152,801)	1,287,366
Net realized gain on sale of common stocks	28,439	179,508
Gain on investment in Healthentic, Inc.	52,804	111,694
Loss on investment in Encara Corporation	(147,091)	(60,468)
Total investment revenues	(1,995,527)	1,770,674
Total revenues	52,240,188	49,420,484
EXPENSES		
Risk claims incurred	22,125,154	19,771,795
Reinsurance recoveries	(5,179,859)	(4,836,578)
Claim adjusting and vision administration fee	1,552,680	1,354,718
Payroll and benefits	14,283,848	11,332,720
Professional and contract services	11,570,000	8,224,566
Computer hardware and software	2,361,586	2,303,653
Commissions	1,643,826	1,390,757
Reinsurance ceded commissions	(896,920)	(833,025)
Administrative	718,789	581,794
Occupancy costs	809,696	538,534
Advertising	476,426	416,307
Interest expense	103,009	-
Other	559,108	620,773
Total expenses	50,127,343	40,866,014
Net income before income tax expense	2,112,845	8,554,470
Income tax expense	1,193,412	2,001,536
Net income	$ 919,433	$ 6,552,934

See Notes to the Consolidated Financial Statements.

	2022	2021
Net income	$ 919,433	$ 6,552,934
Other comprehensive gain (loss), net of tax:		
Unrealized holding loss arising during the period	(687,025)	(272,209)
Reclassification adjustment for (gains) losses included in net income	10,504	(8,244)
Other comprehensive loss	(676,521)	(280,453)
Comprehensive income	$ 242,912	$ 6,272,481

	Common Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholder's Equity
Balance, January 1, 2021	$ -	$ 29,200,000	$ (6,440,876)	$ 393,753	$ 23,152,877
Comprehensive income:					
Net income	-	-	6,552,934	-	6,552,934
Other comprehensive loss, net of tax of ($191,085)	-	-	-	(280,453)	(280,453)
Dividend to stockholder	-	-	(1,000,000)	-	(1,000,000)
Balance, December 31, 2021	-	29,200,000	(887,942)	113,300	28,425,358
Comprehensive income:					
Net income	-	-	919,433	-	919,433
Other comprehensive loss, net of tax of ($76,398)	-	-	-	(676,521)	(676,521)
Dividend to stockholder	-	-	(1,500,000)	-	(1,500,000)
Balance, December 31, 2022	$ -	$ 29,200,000	$ (1,468,509)	$ (563,221)	$ 27,168,270

	2022	2021
Cash flows from operating activities:		
Net income	$ 919,433	$ 6,552,934
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Amortization of premiums on debt securities	33,791	18,438
Deferred taxes	(34,017)	13,308
Net gain on the sale of available-for-sale securities	(52,471)	(11,331)
Net unrealized holding (gain) loss on common stocks	2,152,801	(1,287,366)
Net (gain) loss on sale of common stocks	38,469	(179,508)
Gain on investment in Healthentic, Inc.	(52,804)	(111,694)
Loss on investment in Encara Corporation	147,091	60,468
Change in assets and liabilities:		
Investment income due and accrued	(4,955)	3,394
Uncollected premiums	41,638	(104,407)
Contracts receivable	(1,851,176)	952,907
Receivable from or (payable to) Delta Dental of Wisconsin, Inc.	(31,658)	(1,375,170)
Prepaid expenses	(174,740)	503,708
Federal income tax recoverable	(55,524)	(95,995)
Claims unpaid	11,000	187,000
Unpaid claims adjustment expenses	4,000	28,000
Accounts payable	770,357	74,121
Contract payable	370,391	267,876
Payable to NorthWinds Technology Consulting, LLC	(303,671)	244,746
Deferred revenue	16,672	118,157
Net cash provided by operating activities	1,944,627	5,859,586
Cash flows from investing activities:		
Proceeds from sale of available-for-sale securities	1,295,608	1,045,441
Proceeds from the sale of common stocks	512,920	583,795
Purchase of available-for-sale securities	(1,524,877)	(1,543,313)
Purchase of common stocks	(542,124)	(360,010)
Net cash used for investing activities	(258,473)	(274,087)
Cash flows from financing activities:		
Dividends to stockholder	(1,500,000)	(1,000,000)
Net cash used for financing activities	(1,500,000)	(1,000,000)
Net increase in cash and cash equivalents	186,154	4,585,499
Cash and cash equivalents, beginning of year	15,595,732	11,010,233
Cash and cash equivalents, end of year	$ 15,781,886	$ 15,595,732
Supplemental disclosures of cash flow information:		
Cash payments for income taxes	$ 1,597,866	$ 2,492,475
Cash paid during the year for interest	103,009	-
Supplemental schedule of noncash investing and financing activities:		
Change in unrealized holding losses on available-for-sale securities, net of taxes	(676,521)	(280,453)

See Notes to the Consolidated Financial Statements.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies

Nature of Business. Wyssta, Inc. was formed in 2005 to operate as a holding company. Wyssta, Inc. is a wholly-owned subsidiary of Delta Dental of Wisconsin, Inc. (Delta WI) and purchases administrative services from them.

Wyssta, Inc. has three wholly-owned subsidiaries: Wyssta Insurance Company, Inc., Wyssta Services, Inc., and Wyssta Investments, Inc. Wyssta Insurance Company, Inc. writes group vision insurance in the state of Wisconsin. Wyssta Services, Inc. is licensed as a Third-Party Administrator in various states and provides dental and vision administration and inside sales services to nine customers. The customers consist of other Delta Dental companies, including Delta WI. Wyssta Services, Inc. also provides information technology programming and support to Encara Corporation. Wyssta Investments, Inc. holds minority interests in a development stage biotechnology company, a dental analytics company, and a company that performs marketing services for various Delta Dental companies, including Delta WI, with respect to their individual dental insurance products.

A summary of Wyssta, Inc.'s significant accounting policies follows.

Principles of Consolidation. The consolidated financial statements include the accounts of Wyssta, Inc. and its wholly-owned subsidiaries: Wyssta Insurance Company, Inc., Wyssta Services, Inc., and Wyssta Investments, Inc. (together referred to as "the Company"). All significant intercompany transactions and balances have been eliminated.

Accounting Changes. In 2022, the Company adopted *Accounting Standards Update No. 2016-02, Leases (Topic 842)* (ASU 2016-02) on a modified retrospective basis, which is a comprehensive new lease standard that supersedes most existing lease guidance under accounting principles generally accepted in the United States of America (GAAP). The standard requires lessees to recognize an asset and liability associated with the right to use a given asset and obligations to make payments pursuant to the terms of the lease. ASU 2016-02 prescribes additional disclosures and financial statement presentations. The adoption had no impact on the Company's financial statements.

In June 2016, the Financial Accounting Standards Board (FASB) issued *ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326)* (ASU 2016-13). ASU 2016-13 introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates.

The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. ASU 2016-13 is effective January 1, 2023. The Company does not anticipate the adoption will have a material impact on the financial statements.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

Accounting Estimates. The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near-term relate to:

- The liabilities for claims unpaid and unpaid claims adjustment expenses.
- The assumptions regarding the other-than-temporary impairment analysis of the investment portfolio.

Cash and Cash Equivalents. For purposes of reporting cash flows, the Company considers cash in checking accounts and money market funds to be cash and cash equivalents. The Company occasionally has on deposit in a financial institution balances in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Company does not believe it is exposed to any significant credit risk on the uninsured amounts.

Investments. The Company has investments in bonds and common stocks. Management determines the appropriate classification of the bonds at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. Since the Company neither buys investment securities in anticipation of short-term fluctuations in market prices nor can commit to holding bonds to their maturities, the investments in bonds have been classified as available-for-sale.

Available-for-sale securities and common stocks are stated at fair value. Unrealized holding gains or losses on available-for-sale securities, net of the related deferred tax effect, are reported in the other comprehensive income component of stockholder's equity. Unrealized holding gains or losses on common stocks are reported in net income. Realized gains and losses on the sale of available-for-sale securities and common stocks are recognized on the specific identification basis and are included in net income.

The Company also holds minority interests in a dental analytics company (Healthentic, Inc.) and a company that performs marketing services for various Delta Dental companies with respect to their individual dental insurance products, including Delta WI (Encara Corporation). Healthentic, Inc. and Encara Corporation (Encara) are privately held companies and are accounted for under the equity method of accounting. Any changes in equity are reported as gains or losses in net income.

Declines in fair value that are determined to be other than temporary are included in the statements of income as realized losses. The Company determines a decline to be other than temporary by reviewing and evaluating relevant objective and subjective factors for each security, including the length of time the security has been in a loss position, the severity of that loss, the Company's intent and ability to hold the security, a security's current performance, the rating, the financial condition of the issuer, the industry in which the issuer operates, and the status of the market as a whole. Estimating the future cash flows of loan-backed securities also involves assumptions regarding the underlying collateral such as prepayment rates, default and recovery rates, existence of subordinated classes capable of absorbing losses, and third-party servicing abilities. Declines deemed other than temporary were $0 for both years ended December 31, 2022 and 2021.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements. Financial instruments are categorized in a fair value hierarchy based on the reliability of inputs to the valuation techniques, as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Company has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The 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. The Company believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Contracts Receivable. Contracts receivable are stated at the invoice amount. The carrying amount of contracts receivable is reduced by an allowance for doubtful accounts that reflects management's best estimate of accounts that will not be collected. Management reviews contracts receivable and establishes an allowance for doubtful accounts based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All accounts or portions thereof deemed to be uncollectible are written-off to the allowance for doubtful accounts in the period that determination is made. The allowance for doubtful accounts on contracts receivable balances was $0 at both December 31, 2022 and 2021.

Claims Unpaid and Unpaid Claims Adjustment Expenses. The liabilities for claims unpaid and unpaid claims adjustment expenses represent management's estimates of the ultimate net cost of all claims which have been incurred but are unpaid at year end.

All estimates of claims unpaid and unpaid claims adjustment expenses are continually reviewed, and any adjustments determined to be necessary are reflected in current operations. Since these liabilities are based on estimates, the ultimate settlement of claims and related expenses may vary from the amounts included in the financial statements. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the liabilities for claims unpaid and unpaid claims adjustment expenses are adequate.

Risk Premiums. Premiums are recognized upon the effective date of the coverage. A deferred revenue liability is established for premiums received for coverage in the next fiscal year.

Note 1 ~ Nature of Business and Summary of Significant Accounting Policies (Continued)

Administrative Income. The Company receives dental and vision administrative income based on the number of subscribers/policies administered, as well as based on the number of inside sales representatives contracted to serve the customer. Information technology programming is based on a flat monthly fee and contracted statement of work projects. Fees are billed, due, and recognized monthly at contracted rates. This recognition pattern aligns with satisfaction of performance obligation as defied in the service contracts.

Vision Claims Incurred and Vision Administration Fees. The Company rents a vision network from, and outsources claims administration to, EyeMed Vision Care, LLC (EyeMed). The Company issues insured policies, as well as provides services for administrative-services-only (ASO) plans. The agreement with EyeMed is based on a per member, per month fee.

Reinsurance. Reinsurance premiums and claim recoveries are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

Income Taxes. The Company files a consolidated federal income tax return. For Wisconsin income tax purposes, the Company is included in a consolidated return with Delta WI. Income taxes are allocated to each company of the consolidated group based on separate taxable income in accordance with a tax sharing agreement. Companies in the consolidated group are compensated for the use of net operating losses or tax credits in the year in which the loss or credit is actually used in the consolidated return to reduce income taxes. Intercompany tax balances are settled after the payments are made to the respective tax authorities.

The Company records deferred income taxes on temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities based on enacted federal and state tax rates expected to apply to the taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Significant Contracts. The Company provides dental and vision administration services to nine customers. The majority of the customers are contracted through December 31, 2022, and have penalty provisions for early termination. Revenue from six of the nine customers totaled 90 percent and 84 percent of total revenue for the years ended December 31, 2022 and 2021, respectively. Each of these six customers individually account for greater than 10 percent of total revenue as of December 31, 2022.

Advertising Expenses. The Company expenses advertising costs as incurred.

Subsequent Events. Subsequent events were evaluated through March 20, 2023, which is the date the financial statements were available to be issued.

Reclassifications. Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 classifications.

Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks

The cost and fair value of investments at December 31, 2022 and 2021, were as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2022				
Available-for-sale securities (at amortized cost):				
U.S. Treasury	$ 3,181,502	$ -	$ (264,535)	$ 2,916,967
Special revenue	847,147	-	(56,756)	790,391
Industrial and miscellaneous	4,054,018	723	(290,273)	3,764,468
Loan-backed	1,663,898	-	(163,250)	1,500,648
Total available-for-sale securities	9,746,565	723	(774,814)	8,972,474
Common stocks	1,012,047	791,929	(6,409)	1,797,567
	$ 10,758,612	$ 792,652	$ (781,223)	$ 10,770,041
2021				
Available-for-sale securities (at amortized cost):				
U.S. Treasury	$ 2,648,595	$ 82,891	$ (5,857)	$ 2,725,629
Special revenue	597,147	-	(13,796)	583,351
Industrial and miscellaneous	4,608,069	117,688	(21,592)	4,704,165
Loan-backed	1,711,716	8,671	(12,285)	1,708,102
Total available-for-sale securities	9,565,527	209,250	(53,530)	9,721,247
Common stocks	954,404	2,943,132	(4,810)	3,892,726
	$ 10,519,931	$ 3,152,382	$ (58,340)	$ 13,613,973

Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks (Continued)

Securities in an Unrealized Loss Position. The following tables show unrealized losses in the Company's portfolio sorted by security type and by length of time that the securities were in an unrealized loss position as of December 31, 2022 and 2021:

	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2022						
Available-for-sale securities:						
U.S. Treasury	$ 2,650,000	$ (238,843)	$ 266,967	$ (25,692)	$ 2,916,967	$ (264,535)
Special revenue	249,708	(54)	540,683	(56,703)	790,391	(56,757)
Industrial and miscellaneous	2,974,041	(177,155)	583,966	(113,117)	3,558,007	(290,272)
Loan-backed	640,793	(37,940)	859,855	(125,310)	1,500,648	(163,250)
Common stocks	121,512	(6,409)	-	-	121,512	(6,409)
	$ 6,636,054	$ (460,401)	$ 2,251,471	$ (320,822)	$ 8,887,525	$ (781,223)
2021						
Available-for-sale securities:						
U.S. Treasury	$ 239,990	$ (5,857)	$ -	$ -	$ 239,990	$ (5,857)
Special revenue	583,351	(13,796)	-	-	583,351	(13,796)
Industrial and miscellaneous	916,728	(21,592)	-	-	916,728	(21,592)
Loan-backed	1,285,143	(11,896)	62,168	(389)	1,347,311	(12,285)
Common stocks	62,772	(4,810)	-	-	62,772	(4,810)
	$ 3,087,984	$ (57,951)	$ 62,168	$ (389)	$ 3,150,152	$ (58,340)

The amortized cost and fair value of available-for-sale securities at December 31, 2022, by effective maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations.

	Amortized Cost	Fair Value
Due in one year or less	$ 1,208,311	$ 1,176,349
Due after one year through five years	5,574,295	5,213,125
Due after five years through ten years	2,860,633	2,492,595
Due after ten years	103,326	90,405
	$ 9,746,565	$ 8,972,474

Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks (Continued)

Gains and Losses on Available-For-Sale Securities Sold, Matured, or Repaid. The components of gains (losses) on the sale of investments were as follows:

	2022	2021
Gains	$ -	$ 12,148
Losses	(14,437)	(817)
Net realized capital gains (losses)	$ (14,437)	$ 11,331

Summary of Significant Valuation Techniques for Financial Instruments. The following valuation techniques and inputs were used to estimate the fair value of each class of significant financial instruments:

Level 1 Measurements

Available-for-sale securities: Comprised of actively traded U.S. Treasury notes. Valuation is based on unadjusted quoted prices for identical assets in active markets that are accessible to the Company at the measurement date.

Common stocks: Comprised of actively traded common stocks. Valuation is based on unadjusted quoted prices for identical assets in active markets that are accessible to the Company at the measurement date.

Cash equivalents: Comprised of actively traded money market mutual funds that have daily quoted net asset values.

Level 2 Measurements

Available-for-sale securities: Comprised of government obligations, corporate debt, and mortgage-backed securities. Valuation is based on inputs including quoted prices for identical or similar assets in inactive markets. The Company uses a leading, nationally recognized provider of financial market data and analytics to price the Company's bond holdings. However, because many fixed income securities do not trade on a daily basis, the provider's evaluated pricing applications apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations.

Note 2 ~ Investments in Available-for-Sale Securities and Common Stocks (Continued)

The following is the aggregate fair value for all financial instruments as of December 31, 2022 and 2021:

Type of Financial Instrument	Aggregate Fair Value	Level 1	Level 2	Level 3
2022				
Available-for-sale securities	$ 8,972,474	$ 2,916,967	$ 6,055,507	$ -
Common stocks	1,797,567	1,797,567	-	-
Cash equivalents	276,991	276,991	-	-
2021				
Available-for-sale securities	$ 9,721,247	$ 2,725,629	$ 6,995,618	$ -
Common stocks	3,892,726	3,892,726	-	-
Cash equivalents	272,446	272,446	-	-

Changes in the unrealized gain (loss) on available-for-sale securities during the years ended December 31, 2022 and 2021, reported as a separate component of stockholder's equity, are as follows:

	2022	2021
Balance, beginning	$ 113,300	$ 393,753
Increase (decrease) in:		
Net unrealized holding losses	(929,811)	(385,454)
Deferred tax effect related to net unrealized holding losses	253,290	105,001
Balance, ending	$ (563,221)	$ 113,300

Note 3 ~ Investments in Privately Held Companies

Investment in Healthentic, Inc. As of December 31, 2022 and 2021, the Company is a 20 percent owner on an outstanding share basis and holds one of the five board seats.

Investment in Encara. As of December 31, 2022 and 2021, the Company is a 25 percent owner on an outstanding share basis and holds one of four board seats.

Note 4 ~ Related Parties

The Company has a Services Agreement with Delta WI whereby Delta WI provides the Company administrative, managerial, and professional services, as well as a well-equipped space. Expenses are based on specific identification or apportioned based on pertinent factors or ratios as determined by internal studies. The Services Agreement was approved by the Office of the Commissioner of Insurance of the State of Wisconsin. Expenses are generally settled on a monthly basis. Management believes that its transactions with Delta WI are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company. Expenses based on specific identification were $7,706,609 in 2022 and $5,386,344 in 2021. Expenses apportioned were $14,273,366 in 2022 and $11,751,268 in 2021.

Delta WI collects premiums on behalf of the Company and remits them to the Company on a monthly basis. Total premiums remitted from Delta WI were $32,522,866 in 2022 and $27,700,199 in 2021.

Delta WI also pays commissions on behalf of the Company and the Company reimburses Delta WI on a monthly basis. Total commissions paid by Delta WI were $1,636,346 in 2022 and $1,287,589 in 2021.

Related-party amounts receivable from (payable to) Delta WI, which include state taxes, consist of the following for the years ended December 31:

	2022	2021
Wyssta, Inc.	$ (3,011)	$ 1,015
Wyssta Insurance Company, Inc.	2,597,166	2,174,508
Wyssta Investments, Inc.	(5,856)	59
Wyssta Services, Inc.	(1,362,376)	(981,317)
	$ 1,225,923	$ 1,194,265

Delta WI holds a one-third share of a limited liability company, NorthWinds Technology Solutions, LLC (NorthWinds), which provides information technology (IT) services to Delta WI and its subsidiaries. NorthWinds provides IT services to the Company. Shown below are service expenses and balances with NorthWinds as of, or for, the years ended December 31:

	2022	2021
IT services billed by NorthWinds:		
Wyssta Insurance Company, Inc.	$ 829,171	$ 678,833
Wyssta Services, Inc.	7,576,098	5,105,827
	$ 8,405,269	$ 5,784,660
Receivable from (payable to) NorthWinds:		
Wyssta Insurance Company, Inc.	$ (70,728)	$ (51,204)
Wyssta Services, Inc.	(235,930)	(559,125)
	$ (306,658)	$ (610,329)

Note 4 ~ Related Parties (Continued)

Wyssta Investments, Inc. owns 25 percent of Encara, a company that performs marketing services for various Delta Dental companies with respect to their individual dental insurance products, including Delta WI. Encara is a customer of Wyssta Services, Inc. Shown below are transactions and balances with Encara as of, or for, the years ended December 31:

	2022	2021
Dental administrative income	$ 257,224	$ 257,244
Contract receivable	21,437	21,437

The Board of Directors approved, and the Company paid, a non-cumulative, ordinary dividend of $1,500,000 and $1,000,000 to Delta WI in 2022 and 2021, respectively.

Note 5 ~ Liability for Claims Unpaid

Activity in the liability for claims unpaid for the years ended December 31, 2022 and 2021, is summarized as follows:

	2022	2021
Balance, beginning of year	$ 550,000	$ 363,000
Incurred related to:		
Current year	17,071,778	14,908,250
Prior years	(126,483)	26,967
Total incurred	16,945,295	14,935,217
Paid related to:		
Current year	16,510,778	14,358,251
Prior years	423,517	389,966
Total paid	16,934,295	14,748,217
Balance, end of year	$ 561,000	$ 550,000

The above schedule does not include claims adjustment expenses since these amounts represent an allocation of general expenses and, therefore, are not monitored on an incurred year basis.

As a result of changes in estimates of insured events in prior years, net claims incurred were decreased by ($126,483) in 2022 and increased by $26,967 in 2021.

Note 5 ~ Liability for Claims Unpaid (Continued)

The following is information about incurred and paid claims development as of December 31, 2022, as well as the total of incurred but not reported (IBNR) liabilities:

Cumulative Incurred Claims ($000's)						As of 12/31/2022
Year	2018	2019	2020	2021	2022	IBNR
2017	$ 10,604	$ 10,587	$ 10,587	$ 10,587	$ 10,587	
2018		12,025	12,011	12,011	12,011	
2019			12,105	12,132	12,132	
2020				14,908	14,782	
2021					17,072	$ 309
				Total	$ 66,584	

Cumulative Paid Claims ($000's)					
Year	2018	2019	2020	2021	2022
2018	$ 10,191	$ 10,587	$ 10,587	$ 10,587	$ 10,587
2019		11,640	12,011	12,011	12,011
2020			11,742	12,132	12,132
2021				14,358	14,782
2022					16,511
				Total	66,023
				Claims unpaid	$ 561

Cumulative claims frequency for vision claims is not pertinent to the liability valuation process and therefore, was not disclosed.

Note 6 ~ Income Taxes

The Company files a consolidated federal income tax return. The Company files a consolidated state income tax return with its parent, Delta WI.

Income tax expense differs from the amounts obtained by applying a combined federal and state income tax rate of 27.2 percent to the pretax income for the years ended December 31, 2022 and 2021, due to the following:

	2022	2021
Expected tax provision	$ 574,694	$ 2,326,816
Increase (decrease) in income taxes resulting from:		
Change in deferred tax valuation allowance	578,571	(342,716)
Other - net	40,147	17,436
Income tax expense	$ 1,193,412	$ 2,001,536

The items that gave rise to the deferred tax assets (liabilities) for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Deferred tax assets:		
Claims unpaid and unpaid claim adjustment expenses	$ 2,214	$ 2,296
Premiums received in advance	40,755	39,847
Net operating loss carryforward	3,891	4,324
Loss on common stock	2,782,529	2,196,084
Loss on investment in Healthentic, Inc.	1,104,322	1,118,706
Loss on investment in Encara	524,797	484,728
Unrealized loss on available-for-sale securities	210,870	-
Total deferred tax assets	4,669,378	3,845,985
Valuation allowance	(4,463,939)	(3,885,368)
Deferred tax liabilities:		
Unrealized gain on available-for-sale securities	-	(42,420)
Other - net	(833)	(896)
Total deferred tax liabilities	(833)	(43,316)
Net deferred tax assets (liabilities)	$ 204,608	$ (82,699)

Federal income taxes which would be available for recoupment in the event of future tax losses are approximately $842,000 and $1,391,000 for 2022 and 2021, respectively.

Note 6 ~ Income Taxes (Continued)

The Company's federal income tax returns for 2019 – 2022, and state tax returns for 2018 – 2022, are subject to examination by tax authorities generally 3 years after they were filed for federal, and 4 years for state. As of December 31, 2022, the Company had not identified any material loss contingencies arising from uncertain tax positions.

For state income purposes, the Company records a receivable from (payable to) Delta WI for the Company's portion of state income taxes. At December 31, the balances were as follows:

	2022	2021
Wyssta, Inc.	$ 1,374	$ 1,090
Wyssta Insurance Company, Inc.	3,979	(96,169)
Wyssta Investments, Inc.	3,109	3,103
Wyssta Services, Inc.	73,748	(95,912)
	$ 82,210	$ (187,888)

Note 7 ~ Disaggregation of Revenues

In the following table, revenue is disaggregated by service line for the periods ended December 31:

	2022	2021
Administration revenues	$ 24,194,123	$ 21,891,213
Inside sales revenues	2,865,014	2,979,762
IT programming revenues	807,073	766,093
	$ 27,866,210	$ 25,637,068

Note 8 ~ Transactions with EyeMed

The Company rents a vision network from, and outsources claim administration to, EyeMed. In 2021, the Company and EyeMed also entered into a reinsurance agreement for the state of Wisconsin vision plan. Transactions related to these agreements are as follows:

	2022	2021
Vision network and claims administration	$ 1,498,234	$ 1,272,585
Reinsurance agreement transactions:		
Premium ceded	$ 6,076,779	$ 5,669,603
Claims ceded	5,179,859	4,836,578

Note 9 ~ Statutory Net Income and Capital and Surplus

Accounting principles generally accepted in the United States of America differ in certain respects from the accounting practices prescribed or permitted by insurance regulatory authorities (statutory basis). Statutory net income for Wyssta Insurance Company, Inc., a wholly-owned subsidiary of Wyssta, Inc., was $3,470,082 and $2,604,899 in 2022 and 2021, respectively, and statutory surplus was $16,908,686 and $15,053,456 as of December 31, 2022 and 2021, respectively.

Wyssta Insurance Company, Inc. is required to maintain minimum capital and surplus established by the Office of the Commissioner of Insurance of the State of Wisconsin (the OCI). Wyssta Insurance Company, Inc. is also subject to risk-based capital (RBC) requirements promulgated by the NAIC and adopted by the OCI. The RBC standards establish uniform minimum capital and surplus requirements for insurance companies. The RBC formula applies various weighting factors to financial balances or various levels of activities based on the perceived degree of risk. At December 31, 2022 and 2021, Wyssta Insurance Company, Inc.'s capital and surplus exceeded the minimum levels required by the OCI and RBC standards.

INDEPENDENT AUDITOR'S REPORT
ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors and Stockholder
Wyssta, Inc. and Subsidiaries
Stevens Point, Wisconsin

We have audited the consolidated financial statements of Wyssta, Inc. and Subsidiaries as of, and for, the year ended December 31, 2022, and our report thereon dated March 20, 2023, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information on pages 23 through 26 is presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Strohm Ballweg, LLP

Madison, Wisconsin
March 20, 2023

	Wyssta, Inc.	Wyssta Insurance Company, Inc.	Wyssta Investments, Inc.	Wyssta Services, Inc.	Eliminations	Consolidated 2022	Consolidated 2021
ASSETS							
Cash and cash equivalents	$ 769,721	$ 6,995,011	$ 900,153	$ 7,117,001	$ -	$ 15,781,886	$ 15,595,732
Investment income due and accrued	-	54,293	-	-	-	54,293	49,338
Uncollected premiums	-	82,809	-	-	-	82,809	124,447
Contracts receivable	-	-	-	4,821,433	-	4,821,433	2,970,257
Receivable from Delta Dental of WI, Inc.	(3,011)	2,597,166	(5,856)	(1,362,376)	-	1,225,923	1,194,265
Prepaid expenses	-	28,363	-	191,510	-	219,873	45,133
Federal income tax recoverable	389,426	-	-	-	-	389,426	333,902
Intercompany balances	(79,993)	-	10,166	169,846	(100,019)	-	-
Total current assets	1,076,143	9,757,642	904,463	10,937,414	(100,019)	22,575,643	20,313,074
Deferred tax assets	221	200,716	3,671	-	-	204,608	-
Available-for-sale securities	-	8,972,474	-	-	-	8,972,474	9,721,247
Common stocks	-	1,204,003	593,564	-	-	1,797,567	3,892,726
Investment in Healthentic, Inc.	-	-	346,104	-	-	346,104	293,300
Investment in Encara Corporation	-	-	173,503	-	-	173,503	320,594
Investment in Wyssta Insurance Company, Inc.	16,365,851	-	-	-	(16,365,851)	-	-
Investment in Wyssta Investments, Inc.	2,012,445	-	-	-	(2,012,445)	-	-
Investment in Wyssta Services, Inc.	7,722,431	-	-	-	(7,722,431)	-	-
Total assets	$ 27,177,091	$ 20,134,835	$ 2,021,305	$ 10,937,414	$ (26,200,746)	$ 34,069,899	$ 34,540,941

	Wyssta, Inc.	Wyssta Insurance Company, Inc.	Wyssta Investments, Inc.	Wyssta Services, Inc.	Eliminations	Consolidated 2022	Consolidated 2021
LIABILITIES							
Claims unpaid	$ -	$ 561,000	$ -	$ -	$ -	$ 561,000	$ 550,000
Unpaid claims adjustment expenses	-	56,000	-	-	-	56,000	52,000
Accounts payable	8,821	2,233,184	8,860	2,340,792	-	4,591,657	3,821,300
Payable to NorthWinds Technology Consulting, LLC	-	70,726	-	235,932	-	306,658	610,329
Contract payable	-	-	-	638,259	-	638,259	267,872
Deferred revenue	-	748,055	-	-	-	748,055	731,383
Intercompany balances	-	100,019	-	-	(100,019)	-	-
Total current liabilities	8,821	3,768,984	8,860	3,214,983	(100,019)	6,901,629	6,032,884
Deferred tax liabilities	-	-	-	-	-	-	82,699
Total liabilities	8,821	3,768,984	8,860	3,214,983	(100,019)	6,901,629	6,115,583
STOCKHOLDER'S EQUITY							
Common stock	-	1,250,000	19,000,000	6,500	(20,256,500)	-	-
Additional paid-in capital	29,200,000	4,750,000	-	3,793,500	(8,543,500)	29,200,000	29,200,000
Retained earnings (deficit)	(1,468,509)	10,929,072	(16,987,555)	3,922,431	2,136,052	(1,468,509)	(887,942)
Accumulated other comprehensive income (loss)	(563,221)	(563,221)	-	-	563,221	(563,221)	113,300
Total stockholder's equity	27,168,270	16,365,851	2,012,445	7,722,431	(26,100,727)	27,168,270	28,425,358
Total liabilities and stockholder's equity	$ 27,177,091	$ 20,134,835	$ 2,021,305	$ 10,937,414	$ (26,200,746)	$ 34,069,899	$ 34,540,941

	Wyssta, Inc.	Wyssta Insurance Company, Inc.	Wyssta Investments, Inc.	Wyssta Services, Inc.	Eliminations	Consolidated 2022	Consolidated 2021
REVENUES							
Dental administrative income	$ -	$ -	$ -	$ 27,866,210	$ -	$ 27,866,210	$ 25,637,068
Insurance revenues:							
Risk premiums earned	-	32,383,490	-	-	-	32,383,490	27,616,381
Administrative-services-only (ASO) fees	-	62,794	-	-	-	62,794	65,964
ASO claims reimbursed	-	50,446	-	-	-	50,446	54,133
Gross insurance revenues	-	32,496,730	-	-	-	32,496,730	27,736,478
ASO claims incurred	-	(50,446)	-	-	-	(50,446)	(54,133)
Reinsurance ceded	-	(6,076,779)	-	-	-	(6,076,779)	(5,669,603)
Net reinsurance revenues	-	26,369,505	-	-	-	26,369,505	22,012,742
Investment revenues:							
Interest and dividend income	-	237,559	-	-	-	237,559	241,243
Net realized gain on sale of available-for-sale securities	-	(14,437)	-	-	-	(14,437)	11,331
Net unrealized holding gain (loss) on common stocks	-	(123,194)	(2,029,607)	-	-	(2,152,801)	1,287,366
Net realized gain (loss) on sale of common stocks	-	28,439	-	-	-	28,439	179,508
Gain on wholly-owned subsidiaries	931,804	-	-	-	(931,804)	-	-
Gain on investment in Healthentic, Inc.	-	-	52,804	-	-	52,804	111,694
Loss on investment in Encara Corporation	-	-	(147,091)	-	-	(147,091)	(60,468)
Total investment revenues	931,804	128,367	(2,123,894)	-	(931,804)	(1,995,527)	1,770,674
Total revenues	$ 931,804	$ 26,497,872	$ (2,123,894)	$ 27,866,210	$ (931,804)	$ 52,240,188	$ 49,420,484

	Wyssta, Inc.	Wyssta Insurance Company, Inc.	Wyssta Investments, Inc.	Wyssta Services, Inc.	Eliminations	Consolidated 2022	Consolidated 2021
EXPENSES							
Risk claims incurred	$ -	$ 22,125,154	$ -	$ -	$ -	$ 22,125,154	$ 19,771,795
Reinsurance recoveries	-	(5,179,859)	-	-	-	(5,179,859)	(4,836,578)
Claim adjusting and vision administration fee	-	1,552,680	-	-	-	1,552,680	1,354,718
Payroll and benefits	2,781	795,417	16,316	13,469,334	-	14,283,848	11,332,720
Professional and contract services	13,856	901,213	13,860	10,641,071	-	11,570,000	8,224,566
Computer hardware and software	-	-	-	2,361,586	-	2,361,586	2,303,653
Commissions	-	1,643,826	-	-	-	1,643,826	1,390,757
Reinsurance ceded commissions	-	(896,920)	-	-	-	(896,920)	(833,025)
Administrative	-	-	-	718,789	-	718,789	581,794
Occupancy costs	259	68,124	1,962	739,351	-	809,696	538,534
Advertising	-	477,537	-	(1,111)	-	476,426	416,307
Interest expense	33	11,433	180	91,363	-	103,009	-
Other	74	302,683	503	255,848	-	559,108	620,773
Total expenses	17,003	21,801,288	32,821	28,276,231	-	50,127,343	40,866,014
Net income (loss) before income tax expense	914,801	4,696,584	(2,156,715)	(410,021)	(931,804)	2,112,845	8,554,470
Income tax expense (benefit)	(4,632)	1,315,248	(8,941)	(108,263)	-	1,193,412	2,001,536
Net income	$ 919,433	$ 3,381,336	$ (2,147,774)	$ (301,758)	$ (931,804)	$ 919,433	$ 6,552,934