

Prisma Health Midlands Foundation and Subsidiary

Report on Consolidated Financial Statements

For the years ended September 30, 2023 and 2022

Prisma Health Midlands Foundation and Subsidiary

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Independent Auditor's Report

To the Board of Directors
Prisma Health Midlands Foundation
Columbia, South Carolina

Opinion

We have audited the accompanying consolidated financial statements of Prisma Health Midlands Foundation and Subsidiary (the "Foundation"), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 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. 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 Foundation 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 from 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 the Foundation's ability to continue as a going concern within 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 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 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 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 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 Foundation'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 Foundation'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Columbia, South Carolina
February 8, 2024

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statements of Financial Position

As of September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 2,604,489	\$ 3,454,663
Investments	36,152,718	29,346,259
Unconditional promises to give, net		
Restricted	264,652	396,137
Accounts receivable	46,040	8,898
Accrued interest receivable	19,997	12,093
Prepaid expenses and other	278,498	55,425
Total current assets	<u>39,366,394</u>	<u>33,273,475</u>
Long-term unconditional promises to give, net		
Restricted	<u>29,886</u>	<u>51,759</u>
Property and equipment, net	<u>2,112,835</u>	<u>2,103,804</u>
Leased property, net	<u>1,003,750</u>	<u>997,493</u>
Other assets		
Contributions receivable from remainder unitrusts	79,094	81,360
Other assets	39,724	39,724
Unrealized gain on interest rate swap instrument	20,814	17,260
Total other assets	<u>139,632</u>	<u>138,344</u>
Total assets	<u>\$ 42,652,497</u>	<u>\$ 36,564,875</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of bond payable, net	\$ 231,925	\$ 223,763
Accounts payable	26,485	29,863
Accrued expenses and other	320,936	577,440
Deferred revenue	310,897	448,432
Total current liabilities	<u>890,243</u>	<u>1,279,498</u>
Long-term liabilities		
Bond payable, net	<u>764,398</u>	<u>996,323</u>
Total liabilities	<u>1,654,641</u>	<u>2,275,821</u>
Net assets		
Without donor restrictions	11,048,875	9,206,243
With donor restrictions	<u>29,948,981</u>	<u>25,082,811</u>
Total net assets	<u>40,997,856</u>	<u>34,289,054</u>
Total liabilities and net assets	<u>\$ 42,652,497</u>	<u>\$ 36,564,875</u>

See Notes to the Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statements of Activities

For the years ended September 30, 2023 and 2022

	2023	2022
Changes in net assets without donor restrictions		
Revenues		
Contributions	\$ 100,055	\$ 41,386
Contributed nonfinancial assets	360	-
Prisma Health contract services	1,800,000	1,579,000
Lease income	435,159	380,269
Interest and dividends, net	306,459	84,290
Net realized and unrealized gain (loss) on investments	1,514,407	(2,124,896)
Unrealized gain on interest rate swap instrument	3,554	85,429
Total revenues without donor restrictions	4,159,994	45,478
Net assets released from donor restrictions	1,952,334	2,779,156
Transfers	-	(6,452)
	<u>6,112,328</u>	<u>2,818,182</u>
Expenses		
Program services	2,333,281	3,278,743
Costs of direct benefits to donors	44,883	48,754
Management and general	770,466	417,501
Fundraising	1,121,066	1,037,185
Total expenses	4,269,696	4,782,183
Change in net assets without donor restrictions	1,842,632	(1,964,001)
Changes in net assets with donor restrictions		
Revenues		
Contributions	1,929,242	2,989,265
Contributed nonfinancial assets	388,614	371,859
Special event revenue	2,620,156	1,786,345
Interest and dividends, net	418,373	293,678
Net realized and unrealized gain (loss) on investments	1,464,385	(4,039,824)
Change in value of split-interest agreements	(2,266)	(31,083)
Total revenues with donor restrictions	6,818,504	1,370,240
Net assets released from donor restrictions	(1,952,334)	(2,779,156)
Transfers	-	6,452
Change in net assets with donor restrictions	4,866,170	(1,402,464)
Change in net assets	6,708,802	(3,366,465)
Net assets, beginning of year	<u>34,289,054</u>	<u>37,655,519</u>
Net assets, end of year	<u>\$ 40,997,856</u>	<u>\$ 34,289,054</u>

See Notes to the Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statement of Functional Expenses

For the year ended September 30, 2023

	Program Services		Fundraising	Total
	Hospital	Management and General		
Grants and other assistance	\$ 1,734,283	\$ -	\$ -	\$ 1,734,283
Salaries and wages	356,200	399,226	697,309	1,452,735
Payroll taxes	22,365	25,066	43,782	91,213
Accounting	22,012	24,671	43,092	89,775
Supplies	875	980	1,713	3,568
Telephone	880	986	1,722	3,588
Postage and shipping	429	481	842	1,752
Printing and publishing	1,553	1,742	3,041	6,336
Office expense	5,655	6,337	11,069	23,061
Dues	111	125	218	454
Insurance	2,169	2,432	4,247	8,848
Recognition expense	14,434	16,178	28,257	58,869
Computer expense	14,903	16,703	29,174	60,780
Catering	1,357	1,520	2,656	5,533
Leasing	1,935	2,169	3,787	7,891
Employee recruitment	2,708	3,034	5,300	11,042
Board development	1,738	1,948	3,403	7,089
Promotional expense	1,346	1,509	2,635	5,490
Special event expense	144,722	162,170	283,280	590,172
Bad debt	3,500	122	214	3,836
Depreciation and amortization	106	103,067	208	103,381
	<u>\$ 2,333,281</u>	<u>\$ 770,466</u>	<u>\$ 1,165,949</u>	<u>\$ 4,269,696</u>

See Notes to the Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statement of Functional Expenses

For the year ended September 30, 2022

	<u>Program Services</u>			
	<u>Hospital</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and other assistance	\$ 2,412,047	\$ -	\$ -	\$ 2,412,047
Salaries and wages	572,368	219,922	504,421	1,296,711
Payroll taxes	36,795	14,138	32,427	83,360
Accounting	35,221	13,533	31,039	79,793
Supplies	703	270	617	1,590
Telephone	972	373	856	2,201
Postage and shipping	938	360	826	2,124
Printing and publishing	87	34	77	198
Travel	138	53	122	313
Office expense	9,294	3,571	8,191	21,056
Dues	21	8	19	48
Insurance	4,207	1,616	3,707	9,530
Recognition expense	13,803	5,303	12,164	31,270
Computer expense	69,483	26,698	61,235	157,416
Catering	365	140	322	827
Leasing	1,415	542	1,246	3,203
Employee recruitment	18,087	6,950	15,940	40,977
Board development	1,241	477	1,094	2,812
Promotional expense	5,298	2,036	4,669	12,003
Special event expense	50,369	105,290	369,838	525,497
Bad debt	4,132	142	327	4,601
Depreciation and amortization	41,759	16,045	36,802	94,606
	<u>\$ 3,278,743</u>	<u>\$ 417,501</u>	<u>\$ 1,085,939</u>	<u>\$ 4,782,183</u>

See Notes to the Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statements of Cash Flows

For the years ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating activities		
Change in net assets	\$ 6,708,802	\$ (3,366,465)
Adjustments to reconcile the change in net assets to net cash provided by operating activities		
Depreciation and amortization	103,381	94,606
Net realized and unrealized (gains)/losses on investments	(2,978,792)	6,164,720
Donated securities	(101,575)	(1,080,739)
Dividends reinvested	(792,661)	(475,705)
Change in value of remainder unitrusts	2,266	31,083
Unrealized gain on interest rate swap instrument	(3,554)	(85,429)
Changes in deferred and accrued amounts		
Unconditional promises to give, net	153,358	177,504
Accounts receivable	(37,142)	39,052
Accrued interest receivable	(7,904)	(4,837)
Prepaid expenses and other	(223,073)	95,168
Accounts payable	(3,378)	19,270
Accrued expenses and other	(256,504)	385,721
Deferred revenue	(137,535)	270,312
Net cash provided by operating activities	<u>2,425,689</u>	<u>2,264,261</u>
Investing activities		
Purchases of property and equipment	(112,928)	(63,224)
Purchases of investments	(4,836,675)	(5,440,958)
Sales and redemptions of investments	1,903,244	4,130,515
Net cash used for investing activities	<u>(3,046,359)</u>	<u>(1,373,667)</u>
Financing activities		
Bond payments	(229,504)	(221,621)
Net cash used for financing activities	<u>(229,504)</u>	<u>(221,621)</u>
Net increase (decrease) in cash and cash equivalents	(850,174)	668,973
Cash and cash equivalents, beginning of year	3,454,663	2,785,690
Cash and cash equivalents, end of year	<u>\$ 2,604,489</u>	<u>\$ 3,454,663</u>
Supplemental cash flow information		
Cash paid during the year for interest	<u>\$ 38,670</u>	<u>\$ 46,269</u>
Non-cash investing activities		
Donated securities	<u>\$ 101,575</u>	<u>\$ 1,080,739</u>

See Notes to the Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 1. Summary of Significant Accounting Policies

The consolidated financial statements of Prisma Health Midlands Foundation (the "Foundation") and its wholly owned subsidiary, Taylor-Marion PHMF, LLC ("Taylor-Marion"), have been prepared on the accrual basis of accounting.

Background:

The Foundation's sole purpose is to support the mission, purposes, and activities of Prisma Health Midlands and its related organizations ("Prisma Health Midlands"). The Foundation supports and promotes Prisma Health Midlands in its delivery of patient care services as a health care center for the community and in all health and humanitarian endeavors.

During the year ended September 30, 2006, the Foundation formed Taylor-Marion. The Foundation is the sole member of Taylor-Marion. The purpose and activities of Taylor-Marion are to own the property to be used as the operating facility for the Foundation and certain administrative offices of Prisma Health Midlands.

Consolidation:

The consolidated financial statements include the accounts of the Foundation and Taylor-Marion. Significant intercompany accounts and transactions have been eliminated in consolidation.

Net assets:

The Foundation's net assets are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time (that is, when a stipulated time restriction ends, or purpose restriction is accomplished). Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Endowment funds:

The Board of Directors of Prisma Health Midlands Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Prisma Health Midlands Foundation classifies as net assets with donor restrictions (a) the original gifts donated to the permanent endowment, (b) subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 1. Summary of Significant Accounting Policies, Continued

Investments in securities:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statements of financial position. Investment income or loss (including gains and losses on investment, interest, and dividends) is included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless the income or loss is specifically restricted by donor or law.

The cost of marketable securities represents amounts paid for purchased securities. Contributed securities are recorded at fair value on the date of donation.

Unrealized gain or loss on marketable securities is the difference between fair value and cost of investments held at the measurement date. Gains and losses on sales of marketable securities are determined on the trade date using the specific identification method. For investments where shares are not involved, realized gains and losses are calculated based upon the weighted average cost of the investments sold.

Investment income is reported net of related expenses, such as investment management fees and custodial fees.

Interest income is recognized as earned. Dividends are recognized on the ex-dividend date.

Loan costs:

The Foundation accounts for loan costs by amortizing the costs over the life of the loan using the straight-line method. Loan costs have been netted against the related bond payable for consolidated statements of financial position purposes. For the years ended September 30, 2023 and 2022, amortization of loan costs was \$5,740.

Property and equipment:

Property and equipment are stated at cost. The Foundation follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$500. Depreciation is computed using the straight-line method over the estimated useful lives of assets as follows:

Buildings and building improvements	39 years
Computer equipment	5 years
Furniture and equipment	5-10 years

Additions and improvements are capitalized, and repairs and maintenance costs are charged to expense as incurred. Gains and losses on assets disposed of or retired are recognized in the consolidated statements of activities in the year of disposition.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 1. Summary of Significant Accounting Policies, Continued

Revenue recognition:

Contributions that are unrestricted or restricted by donors are earned and recognized when the donation is received or unconditionally pledged, as long as there is no performance requirement attached to the contribution. For contributions receivable, a performance obligation attached to the contributions receivable would be considered conditional contributions receivable, and the conditional contributions receivable would be recognized only when the conditions on which they depend are substantially met and the receivables become unconditional.

Special events and sponsorships revenue are recognized as revenue when the scheduled event has occurred at a point in time (i.e., the performance obligation has been met). In the case where the Foundation receives funds for an event package or event sponsorship which is also considered to have a contribution component, the Foundation determines which portion of the funds received relates to the event or sponsorship benefits received by the sponsor (i.e., advertising leading up to the event, advertising at the event, and tickets to the event) vs. which part is a contribution (amount paid that is above and beyond the benefits received). The amount determined to be a contribution is recognized immediately as noted above.

Deferred revenue results from collections of special event revenues in advance of when the event takes place.

Grant revenues typically require that certain conditions be met before they are earned. Accordingly, grant revenues are deferred until the related conditions are met which typically is when the grant funds are expended for their intended purpose.

The Foundation's management reviews and analyzes unconditional promises to give on an annual basis. Amounts deemed uncollectible are written off during the period in which such a determination is made.

Unconditional promises to give that are expected to be collected within one year are recorded at their estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows using the applicable federal rates for determining the present value of an annuity. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Agency transactions:

The Foundation often assists Prisma Health Midlands with federal grant applications and, at times, receives grant contributions on behalf of Prisma Health Midlands. These funds are recorded as a liability in the period received and are generally disbursed to Prisma Health Midlands immediately.

Contributed nonfinancial assets:

The Foundation receives certain services and items for use in special events at no charge. The estimated fair value of the services and items is recorded as revenue and expense in the accompanying consolidated statements of activities.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 1. Summary of Significant Accounting Policies, Continued

Availability of funds for general expenditures:

The Foundation has certain net assets that are available for general expenditures within one year of September 30, 2023 and 2022, based on conducting the normal activities of its programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the assets available to meet general expenditures within one year (See Note 2).

Interest rate swap instrument:

The Foundation entered into an interest rate swap agreement with a financial institution regarding interest rates on its bond payable. The swap effectively limits the Foundation's exposure to possible increases in its floating interest rate. The swap is accounted for as a cash flow hedge. Accordingly, the gain or loss associated with the fair market value of the swap is included in the change in net assets without donor restrictions. Interest rate swap settlements are recognized as adjustments to interest expense in the consolidated statements of activities when paid or received.

Income taxes:

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state taxes on related income pursuant to Section 509(a)(3) of the IRC.

Taylor-Marion is a single member LLC and is included in the information tax returns of the Foundation.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be substantiated upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of September 30, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Cash and cash equivalents:

For purposes of the consolidated statements of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less, other than amounts invested with professional investment advisors, to be cash equivalents.

Estimates:

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of results of operations during the reporting period. Actual results could differ from those estimates.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 1. Summary of Significant Accounting Policies, Continued

Expense allocation:

The costs of providing various programs and activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses of the Foundation include:

Program services expenses – Program services expenses include the costs associated with specific Foundation programs.

Management and general expenses – Management and general expenses include the general, administrative, and operating costs of the Foundation.

Fundraising expenses – These expenses include direct and indirect activities undertaken to solicit contributions from donors.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Overhead is allocated based on management's estimate of time and effort, and all other expenses are allocated based on direct costs.

Recent accounting pronouncements:

In February 2016, the FASB amended the Leases topic of the Accounting Standards Codification to require all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases are classified as either finance leases or operating leases. This distinction is relevant for the pattern of expense recognition in the consolidated statements of activities. The amendments are effective for fiscal years beginning after December 15, 2021. The Foundation adopted this new standard on October 1, 2022, and it was applied retroactively to the consolidated financial statements as of and for the year ended September 30, 2022. The presentation and disclosures of leases have been enhanced in accordance with the standard (See Note 15).

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Foundation's net assets or changes in net assets.

Reclassification:

Certain reclassifications have been made to prior years' financial statements in order to conform with the current year presentation. These changes had no impact on the change in net assets.

Subsequent events:

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through February 8, 2024, the date the financial statements were available to be issued.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 2. Availability and Liquidity

Assets available for general expenditure, that are without donor or other restrictions limiting their use within one year of the consolidated statements of financial position dates of September 30, 2023 and 2022, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Assets at year-end	\$ 42,652,497	\$ 36,564,875
Less amounts not available to be used within one year due to illiquidity:		
Prepaid expenses and other	278,498	55,425
Long-term unconditional promises to give, net	29,886	51,759
Property and equipment, net	2,112,835	2,103,804
Leased property, net	1,003,750	997,493
Contributions receivable from remainder unitrusts	79,094	81,360
Other assets	39,724	39,724
Unrealized gain on interest rate swap instrument	<u>20,814</u>	<u>17,260</u>
	39,087,896	33,218,050
Less amounts not available to be used within one year due to:		
Board/donor designations:		
Endowed funds, net of spendable amounts and administrative fees	18,288,154	16,804,452
Restricted amounts that may not be used within one year, net of spendable amounts and administrative fees	<u>11,660,827</u>	<u>8,278,359</u>
Assets available to meet cash needs for general expenditures within one year	<u>\$ 9,138,915</u>	<u>\$ 8,135,239</u>

As part of its liquidity plan, the Foundation has a policy to structure its assets to be available as its general expenditures, liabilities and other obligations become due. The Foundation invests excess cash in short-term investments, including money market accounts, and has the ability to redeem certain investments as necessary to meet its obligations.

Note 3. Endowments

The Foundation's endowments consist of 29 individual funds established for a variety of purposes. Its endowments include permanent endowments, term endowments, and funds designated by the Board of Directors, if applicable, to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment funds are invested in accordance with sound investment practices that emphasize long-term growth investment fundamentals and minimize the risk of large investment losses. The performance objectives of the endowment funds are:

1. To grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return) in excess of the custom policy index appropriate for the asset allocation strategy risk-adjusted basis benchmarks established for the medium term (3 years) and long term (5 years).
2. To diversify the portfolio in order to reduce the risk of wide swings in market value from year to year, or of incurring large losses that could occur from concentrated positions.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 3. Endowments, Continued

3. To achieve investment results over the long-term that compare favorably with those of other professionally managed portfolios (managed peer groups) and appropriate market indexes.

Endowment funds generally distribute an amount equal to 5 percent of the fund's average value. The distributions are made quarterly in an amount equal to 1.25 percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value is based on all endowment assets including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter.

Endowment investments consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Donor - temporarily restricted endowment funds	\$ 8,567,218	\$ 7,107,475
Donor - permanently restricted endowment funds	<u>9,720,936</u>	<u>9,696,977</u>
	<u>\$ 18,288,154</u>	<u>\$ 16,804,452</u>

Changes in endowment investments for the year ended September 30, 2023 are as follows:

Endowment net assets, October 1, 2022	\$ 16,804,452
Investment income, net	1,978,299
New gifts	-
Transfers	(413,775)
Released from restrictions	<u>(80,822)</u>
Endowment net assets, September 30, 2023	<u>\$ 18,288,154</u>

Changes in endowment investments for the year ended September 30, 2022 are as follows:

Endowment net assets, October 1, 2021	\$ 20,339,905
Investment loss, net	(3,201,098)
New gifts	5,181
Transfers	172,469
Released from restrictions	<u>(512,005)</u>
Endowment net assets, September 30, 2022	<u>\$ 16,804,452</u>

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 3. Endowments, Continued

Funds with deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SCUPMIFA requires the Foundation to retain as a fund of perpetual duration (underwater endowments). The Foundation has interpreted SCUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At September 30, 2023, funds with original gift values of \$1,256,242, fair values of \$795,738 and deficiencies of \$460,504 were reported in net assets with donor restrictions; there was no spending on underwater endowments during the year ended September 30, 2023. At September 30, 2022, funds with original gift values of \$2,680,743, fair values of \$2,063,307 and deficiencies of \$617,436 were reported in net assets with donor restrictions; there was no spending on underwater endowments during the year ended September 30, 2022.

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions comprised the following as of September 30, 2023:

Subject to expenditures for specific purposes:

Prisma Health Midlands programs	\$ 20,228,044
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Subject to perpetual restrictions:

Prisma Health Midlands programs	<u>9,720,937</u>
Total net assets with donor restrictions	<u>\$ 29,948,981</u>

Net assets with donor restrictions comprised the following as of September 30, 2022:

Subject to expenditures for specific purposes:

Prisma Health Midlands programs	\$ 15,385,834
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Subject to perpetual restrictions:

Prisma Health Midlands programs	<u>9,696,977</u>
Total net assets with donor restrictions	<u>\$ 25,082,811</u>

Note 5. Concentrations of Credit Risk

The Foundation and Taylor-Marion place their cash and cash equivalents with high quality financial institutions. At September 30, 2023, deposits with financial institutions exceeded Federal Deposit Insurance Corporation (FDIC) insurance limits.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 6. Investments

Investments are presented in the financial statements in the aggregate, at fair market value. Investments consist of the following at September 30, 2023:

	<u>Cost</u>	<u>Fair value</u>	<u>Unrealized appreciation</u>
Equity securities	\$ 6,284,222	\$ 8,015,591	\$ 1,731,369
Mutual funds	23,729,512	24,848,882	1,119,370
Money funds	<u>3,288,245</u>	<u>3,288,245</u>	<u>-</u>
	<u>\$ 33,301,979</u>	<u>\$ 36,152,718</u>	<u>\$ 2,850,739</u>

Investments consist of the following at September 30, 2022:

	<u>Cost</u>	<u>Fair value</u>	<u>Unrealized appreciation (depreciation)</u>
Equity securities	\$ 6,331,797	\$ 6,815,314	\$ 483,517
Mutual funds	20,629,670	20,495,853	(133,817)
Money funds	<u>2,035,092</u>	<u>2,035,092</u>	<u>-</u>
	<u>\$ 28,996,559</u>	<u>\$ 29,346,259</u>	<u>\$ (349,700)</u>

Investment revenues are reported net of related expenses of \$190,313 and \$182,696 for the years ended September 30, 2023 and 2022, respectively.

The Foundation may invest in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Note 7. Fair Value Measurements

The Foundation determines fair value measurements in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2: Inputs to the valuation methodology include observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 7. Fair Value Measurements, Continued

The asset's or liability's 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the Foundation assets and liabilities measured at fair value at September 30, 2023 and 2022:

Equity securities and mutual funds – Valued at the closing price reported on the active market on which the individual securities or funds are traded.

Money funds – Fair value is based on the net asset value (“NAV”) that can be validated with a sufficient level of observable activity (i.e. purchases and sales at NAV).

Unconditional promises to give – Valued based on discounted future cash flows.

Interest rate swap – Valued based on the unrealized gain/loss position as confirmed by the issuing financial institution at September 30, 2023 and 2022.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation 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.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 7. Fair Value Measurements, Continued

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities:

	September 30, 2023			Total
	Level 1	Level 2	Level 3	
Equity securities:				
Basic materials	\$ 694,417	\$ -	\$ -	\$ 694,417
Financial services	494,533	-	-	494,533
Healthcare	1,325,696	-	-	1,325,696
Industrial goods	1,390,631	-	-	1,390,631
Services	2,129,824	-	-	2,129,824
Technology	<u>1,980,490</u>	-	-	<u>1,980,490</u>
Total equity securities	<u>8,015,591</u>	-	-	<u>8,015,591</u>
Mutual funds:				
Intermediate term bond	7,496,326	-	-	7,496,326
Short term bond	2,717,984	-	-	2,717,984
Large blend	3,733,879	-	-	3,733,879
Large growth	2,782,191	-	-	2,782,191
Large value	1,609,857	-	-	1,609,857
Mid growth	1,217,544	-	-	1,217,544
Mid value	1,459,176	-	-	1,459,176
Small growth	982,729	-	-	982,729
Small value	1,148,849	-	-	1,148,849
Emerging markets	<u>1,700,347</u>	-	-	<u>1,700,347</u>
Total mutual funds	<u>24,848,882</u>	-	-	<u>24,848,882</u>
Money funds	-	3,288,245	-	3,288,245
Unconditional promises to give	-	294,538	-	294,538
Interest rate swap	-	<u>20,814</u>	-	<u>20,814</u>
Total assets and liabilities at fair value	<u>\$ 32,864,473</u>	<u>\$ 3,603,596</u>	<u>\$ -</u>	<u>\$ 36,468,069</u>

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 7. Fair Value Measurements, Continued

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities:

	September 30, 2022			Total
	Level 1	Level 2	Level 3	
Equity securities:				
Basic materials	\$ 530,522	\$ -	\$ -	\$ 530,522
Financial services	336,386	-	-	336,386
Healthcare	1,335,060	-	-	1,335,060
Industrial goods	1,247,050	-	-	1,247,050
Services	1,795,633	-	-	1,795,633
Technology	<u>1,570,663</u>	-	-	<u>1,570,663</u>
Total equity securities	<u>6,815,314</u>	-	-	<u>6,815,314</u>
Mutual funds:				
Intermediate term bond	5,454,788	-	-	5,454,788
Short term bond	2,011,222	-	-	2,011,222
Large blend	3,170,041	-	-	3,170,041
Large growth	3,266,774	-	-	3,266,774
Large value	1,822,871	-	-	1,822,871
Mid growth	1,132,437	-	-	1,132,437
Mid value	1,251,812	-	-	1,251,812
Small growth	1,098,249	-	-	1,098,249
Small value	<u>1,287,659</u>	-	-	<u>1,287,659</u>
Total mutual funds	<u>20,495,853</u>	-	-	<u>20,495,853</u>
Money funds	-	2,035,092	-	2,035,092
Unconditional promises to give	-	447,896	-	447,896
Interest rate swap	-	<u>17,260</u>	-	<u>17,260</u>
Total assets and liabilities at fair value	<u>\$ 27,311,167</u>	<u>\$ 2,500,248</u>	<u>\$ -</u>	<u>\$ 29,811,415</u>

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 8. Unconditional Promises to Give

Included in contributions receivable are the following unconditional promises to give at September 30:

	<u>2023</u>	<u>2022</u>
Baptist Project – restricted	\$ 95,600	\$ -
Camp Kemo – restricted	100,000	-
Curing Kids Cancer – restricted	-	240,000
Other	<u>106,776</u>	<u>268,989</u>
	302,376	508,989
Less: Unamortized discount and allowance for doubtful pledges	<u>7,838</u>	<u>61,093</u>
Net unconditional promises to give	<u>\$ 294,538</u>	<u>\$ 447,896</u>
Amounts due in:		
Less than one year	\$ 264,652	\$ 396,137
One to five years	<u>29,886</u>	<u>51,759</u>
Total	<u>\$ 294,538</u>	<u>\$ 447,896</u>

The discount rate used to determine the present value of the estimated future cash flows was 5.0% and 3.6% at September 30, 2023 and 2022, respectively. Management has determined that no further allowance was necessary at September 30, 2023 and 2022.

Note 9. Property and Equipment

Property and equipment consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,279,500	\$ 1,274,500
Buildings and building improvements	1,321,161	1,271,784
Computer equipment	599,877	599,877
Furniture and equipment	<u>303,246</u>	<u>303,246</u>
	3,503,784	3,449,407
Less: accumulated depreciation	<u>1,390,949</u>	<u>1,345,603</u>
Property and equipment, net	<u>\$ 2,112,835</u>	<u>\$ 2,103,804</u>

Depreciation expense for the years ended September 30, 2023 and 2022 was \$45,343 and \$41,269, respectively. See Note 15 for additional information on property leased to others.

Note 10. Charitable Remainder Unitrusts

As of September 30, 2023 and 2022, the Foundation has been named the beneficiary of two donors' charitable remainder unitrusts (the "Trusts"). The Trusts provide that the Trustee will pay 5 percent and 6 percent, respectively, of the net fair market value of the assets of the Trusts valued on the first day of each taxable year of the Trusts to the donor. Upon the death of each donor, the designated portion of the remaining principal and income will be distributed to the Foundation.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 10. Charitable Remainder Unitrusts, Continued

The Foundation is not the trustee of the Trusts. Accordingly, the Foundation has recognized as contribution revenue with donor restrictions and as a receivable, the present value of the estimated future benefits to be received when the Trusts' assets are distributed. The present value was based on the fair market value of the assets. For the year ended September 30, 2023, discount rates of 5.12 percent and 4.19 percent were assumed in calculating the present values. For the year ended September 30, 2022, a discount rate of 2.93 percent was assumed in calculating the present values. The present values of the estimated future benefits to be received when the Trusts' assets are distributed are \$79,094 and \$81,360 at September 30, 2023 and 2022, respectively.

Note 11. Bond Payable

In August 2006, the Foundation authorized issuance of \$4,160,000 in revenue bonds in the name of Taylor-Marion for the purpose of financing the purchase of an office building and funding the renovation and furnishing of this new facility, which is collateralized by the building, fixtures, and land. The bond was refinanced in September 2015 with a maturity date of September 1, 2025 and bears interest at 4.965%.

Principal maturities for the years following September 30, 2023, are as follows:

2024	\$	237,666
2025		<u>764,398</u>
		1,002,064
Less: unamortized debt issuance costs		<u>5,741</u>
	\$	<u>996,323</u>

In September 2015, the Foundation also entered into an interest rate swap agreement with a financial institution, which effectively hedged its variable interest rate exposure on its outstanding debt. The swap had an original notional principal amount of \$2,632,444 at a fixed rate of 3.37 percent per annum, which reduces as debt principal payments are made.

The fair value of the swap was an asset of \$20,814 and \$17,260 as of September 30, 2023 and 2022, respectively, which would be redeemable from the financial institution if the agreement was terminated prior to its maturity.

Note 12. Contributed Nonfinancial Assets

The Foundation recognizes contribution revenue and expense for certain services and items received at the fair value of those services or items. The following contributed nonfinancial assets are recorded in the accompanying consolidated statements of activities as revenue and expense for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Advertising	\$ 50,900	\$ 52,500
Program service supplies and equipment	333,314	316,414
Miscellaneous	<u>4,760</u>	<u>2,945</u>
	<u>\$ 388,974</u>	<u>\$ 371,859</u>

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 12. Contributed Nonfinancial Assets, Continued

Contributed services is comprised of various advertising services. Contributed services are valued and are reported at the estimated fair value in the consolidated financial statements based on current rates for similar professional services. These services did not have donor-imposed restrictions.

Donated programmatic equipment and supplies is recognized at their estimated fair values at the date of donation based on wholesale values that would be received for selling similar products in the United States. Contributed programmatic equipment and supplies are restricted by the donors for use by the Foundation or Prisma Health Midlands. The Foundation reports expirations of donor restrictions when used or transferred to Prisma Health Midlands as instructed by the donor.

Miscellaneous contributed items are recognized at their estimated fair values at the date of donation based on wholesale values that would be received for selling similar products in the United States. These services did not have donor-imposed restrictions.

Note 13. Employee Leasing/Retirement Plans

The Foundation has an employee leasing agreement under which all Foundation personnel are leased from an outside agency. The agency handles all payroll administration, employee benefits and related matters in exchange for a monthly fee. All leased employees who work full time and are at least twenty-one years of age are covered under a defined contribution 401(k) plan maintained by the leasing agency. Eligible participants may contribute up to fifteen percent of their annual compensation up to federally mandated maximums. During the years ended September 30, 2023 and 2022, the Foundation made matching contributions of 4 percent of the participants' eligible compensation. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Foundation's contributions to the plan totaled \$33,319 and \$38,835 during the years ended September 30, 2023 and 2022, respectively.

Note 14. Allocated Joint Costs

In 2023 , the costs of conducting fundraising events included a total of \$689,648 of joint costs that are not directly attributable to the program service component or the fundraising component of the activities. Those joint costs were allocated \$409,370 to program services and \$280,278 to awareness.

In 2022, the costs of conducting fundraising events included a total of \$712,983 of joint costs that are not directly attributable to the program service component or the fundraising component of the activities. Those joint costs were allocated \$423,675 to program services and \$289,308 to awareness.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 15. Related Parties

The Foundation has an agreement with Prisma Health Midlands to provide fundraising activities in support of Prisma Health Midlands's programs and services, specifically to provide the present level of fundraising support and event management to Prisma Health Children's Hospital Midlands, the Prisma Health Cancer Institute Columbia, and other hospital programs. In exchange for these services, Prisma Health Midlands will fund the annual operating budget for the Foundation, exclusive of direct event costs and Children's Miracle Network program costs, once the budget is approved as part of the Annual Plan. The agreement was effective October 1, 2021 and has a term of 5 years. In fiscal year 2023 and 2022, these commitments totaled \$1,800,000 and \$1,579,000, respectively. Future commitments due from Prisma Health Midlands under this agreement are as follows:

October 1, 2023 – September 30, 2024 \$ 1,800,000

Significant related party transactions for the years ended September 30 are as follows:

	<u>2023</u>	<u>2022</u>
Contract services with Prisma Health Midlands	\$ 1,800,000	\$ 1,579,000
Rent for equipment leased from Prisma Health Midlands	3,933	494
Rent for office and storage space leased to Prisma Health Midlands	435,159	380,269
Accrued expenses to Prisma Health Midlands for program services	472	-
Accrued equipment expenses to Prisma Health Midlands for program services	243,211	517,579

The Foundation staff also assists Prisma Health Midlands with fund-raising by preparing federal grant applications for specific programs, and, at times, the grant program funding is transmitted directly to the Foundation in an agency capacity.

During the years ended September 30, 2023 and 2022, the Foundation incurred investment fees totaling \$84,910 and \$82,252, respectively, from a company whose president is a member of the board of directors.

Lesser leases:

Effective November 1, 2006, Prisma Health Midlands signed a lease agreement with Taylor-Marion to occupy approximately 12,500 square feet of space within Taylor-Marion's office facility. This twenty-year lease which expires October 31, 2026 requires that Prisma Health Midlands, as tenant, pay Taylor-Marion an annual minimum rent of approximately \$297,900 in equal monthly installments of \$24,825 through October 2016. Thereafter, annual minimum rent will increase on November 1, 2016, 2019, 2022 and 2025, based on a calculation using average and current consumer price index. Lease income was \$435,159 for the year ended September 30, 2023.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 15. Related Parties, Continued

Lessor leases, continued:

Property leased to Prisma Health Midlands consists of the following:

	<u>Estimated Life</u>	<u>2023</u>	<u>2022</u>
Buildings and building improvements	39 years	\$ 1,598,724	\$ 1,540,171
Furniture and equipment	5 - 10 years	<u>983</u>	<u>983</u>
		1,599,707	1,541,154
Less accumulated depreciation		<u>(595,957)</u>	<u>(543,661)</u>
		<u>\$ 1,003,750</u>	<u>\$ 997,493</u>

Depreciation expense related to the leased property for the years ended September 30, 2023 and 2022 was \$52,297 and \$47,598, respectively.

The following is a summary of future minimum lease payments that have initial or remaining terms in excess of one year as of September 30, 2023:

2024	\$ 440,899
2025	440,899
2026	484,592
2027	40,714

Prisma Health Midlands Foundation and Subsidiary

Consolidating Statement of Financial Position

As of September 30, 2023

	Prisma Health Midlands Foundation	Taylor-Marion PHMF, LLC	Eliminations	Consolidated
Assets				
Current assets				
Cash and cash equivalents	\$ 730,643	\$ 1,873,846	\$ -	\$ 2,604,489
Investments	36,152,718	-	-	36,152,718
Unconditional promises to give, net				
Restricted	264,652	-	-	264,652
Accounts receivable	9,361	36,679	-	46,040
Accrued interest receivable	19,997	-	-	19,997
Prepaid expenses and other	277,274	1,224	-	278,498
Total current assets	<u>37,454,645</u>	<u>1,911,749</u>	<u>-</u>	<u>39,366,394</u>
Long-term unconditional promises to give, net				
Restricted	<u>29,886</u>	<u>-</u>	<u>-</u>	<u>29,886</u>
Property and equipment, net				
	<u>540</u>	<u>2,112,295</u>	<u>-</u>	<u>2,112,835</u>
Leased property, net				
	<u>-</u>	<u>1,003,750</u>	<u>-</u>	<u>1,003,750</u>
Other assets				
Investment in Taylor-Marion PHMF, LLC	4,045,334	-	(4,045,334)	-
Contributions receivable from remainder unitrusts	79,094	-	-	79,094
Other assets	39,724	-	-	39,724
Unrealized gain on interest rate swap instrument	-	20,814	-	20,814
	<u>4,164,152</u>	<u>20,814</u>	<u>(4,045,334)</u>	<u>139,632</u>
Total assets	<u>\$ 41,649,223</u>	<u>\$ 5,048,608</u>	<u>\$ (4,045,334)</u>	<u>\$ 42,652,497</u>
Liabilities and Net Assets/Member's Equity				
Current liabilities				
Current portion of bond payable, net	\$ -	\$ 231,925	\$ -	\$ 231,925
Accounts payable	24,029	2,456	-	26,485
Accrued expenses and other	316,441	4,495	-	320,936
Deferred revenue	310,897	-	-	310,897
Total current liabilities	<u>651,367</u>	<u>238,876</u>	<u>-</u>	<u>890,243</u>
Long-term liabilities				
Bond payable, net	-	764,398	-	764,398
Total long-term liabilities	<u>-</u>	<u>764,398</u>	<u>-</u>	<u>764,398</u>
Total liabilities	<u>651,367</u>	<u>1,003,274</u>	<u>-</u>	<u>1,654,641</u>
Net assets/member's equity				
Without donor restrictions	11,048,875	-	-	11,048,875
With donor restrictions	29,948,981	-	-	29,948,981
Total net assets	<u>40,997,856</u>	<u>-</u>	<u>-</u>	<u>40,997,856</u>
Member's equity	-	4,045,334	(4,045,334)	-
Total member's equity	<u>-</u>	<u>4,045,334</u>	<u>(4,045,334)</u>	<u>-</u>
Total net assets/member's equity	<u>40,997,856</u>	<u>4,045,334</u>	<u>(4,045,334)</u>	<u>40,997,856</u>
Total liabilities and net assets/member's equity	<u>\$ 41,649,223</u>	<u>\$ 5,048,608</u>	<u>\$ (4,045,334)</u>	<u>\$ 42,652,497</u>

Prisma Health Midlands Foundation and Subsidiary

Consolidating Statement of Activities

For the year ended September 30, 2023

	Prisma Health Midlands Foundation	Taylor-Marion PHMF, LLC	Eliminations	Consolidated
Changes in net assets without donor restrictions				
Revenues				
Contributions	\$ 100,055	\$ -	\$ -	\$ 100,055
Contributed nonfinancial assets	360	-	-	360
Prisma Health contract services	1,800,000	-	-	1,800,000
Lease income	-	435,159	-	435,159
Interest and dividends, net	276,417	30,042	-	306,459
Net realized and unrealized gain on investments	1,514,407	-	-	1,514,407
Equity in net income of affiliates	211,653	-	(211,653)	-
Unrealized gain on interest rate swap instrument	-	3,554	-	3,554
Total revenues without donor restrictions	3,902,892	468,755	(211,653)	4,159,994
Net assets released from donor restrictions	1,952,334	-	-	1,952,334
	5,855,226	468,755	(211,653)	6,112,328
Expenses				
Program services	2,333,281	-	-	2,333,281
Costs of direct benefits to donors	44,883	-	-	44,883
Management and general	513,364	257,102	-	770,466
Fundraising	1,121,066	-	-	1,121,066
Total expenses	4,012,594	257,102	-	4,269,696
Change in net assets without donor restrictions	1,842,632	211,653	(211,653)	1,842,632
Changes in net assets with donor restrictions				
Revenues				
Contributions	1,929,242	-	-	1,929,242
Contributed nonfinancial assets	388,614	-	-	388,614
Special event revenue	2,620,156	-	-	2,620,156
Interest and dividends, net	418,373	-	-	418,373
Net unrealized and realized gain on investments	1,464,385	-	-	1,464,385
Change in value of split-interest agreement	(2,266)	-	-	(2,266)
Total revenues with donor restrictions	6,818,504	-	-	6,818,504
Net assets released from donor restrictions	(1,952,334)	-	-	(1,952,334)
Change in net assets with donor restrictions	4,866,170	-	-	4,866,170
Change in net assets	6,708,802	211,653	(211,653)	6,708,802
Net assets/member's equity, beginning of year	34,289,054	3,833,681	(3,833,681)	34,289,054
Net assets/member's equity, end of year	\$ 40,997,856	\$ 4,045,334	\$ (4,045,334)	\$ 40,997,856

Prisma Health Midlands Foundation and Subsidiary

Statement of Changes in Net Assets

For the year ended September 30, 2023

	Revenues, Gains (Losses) and Other Support				September 30, 2023
	September 30, 2022	Expenses	Transfers In (Out)	September 30, 2023	
Net assets without donor restrictions	\$ 9,206,243	\$ 3,902,892	\$ 2,060,260	\$ -	\$ 11,048,875
Adolescent Chemically Dependent Outpatient					
Program Quasi Endowment	33,326	3,762	-	-	37,088
Adolescent Psychiatry	3,569	-	125	-	3,444
Adolescent Substance Abuse Prevention Endowment	608	1,196	-	-	1,804
Annie Pitts Endowment	37,972	28,748	-	(6,233)	60,487
Arnold Family Quasi Endowment	175,978	19,849	-	-	195,827
B. Smith Cancer Fund	28,449	-	-	-	28,449
Baptist Project	225,908	424,237	5,517	-	644,628
Bayler Teal Fund	317,225	34,745	-	(18,068)	333,902
Behavioral Care	31,881	-	-	-	31,881
Beverly Zeigler Endowment	(4,381)	2,445	-	-	(1,936)
Bonner Family Breast Cancer Endowment	48,767	42,045	69,162	-	21,650
Breast Health	712,085	3,845	2,588	290,586	1,003,928
Camp Kemo Quasi Endowment	1,173,199	113,606	-	282,842	1,569,647
Camp Kemo Programs	617,977	383,819	338	(262,360)	739,098
Camp Wonderhands	-	8,189	260	65,000	72,929
Cardiology	62,657	75,206	600	-	137,263
Cardiology - Zemp Endowment	160,126	33,693	-	-	193,819
Caroline & Kester Freeman Endowment	4,708	9,464	-	-	14,172
Champions	246,776	141,438	116,722	-	271,492
Child Abuse	4,515	-	150	-	4,365
Child Life	62,546	166,162	89,191	30,000	169,517
Children's Hospital	2,750,366	330,371	111	1,609,434	4,690,060
Children's Hospital Capital Campaign	19,035	53	-	(19,088)	-
Children's Hospital Quasi Endowment	335,412	37,831	-	-	373,243
Children's Miracle Network	-	955,247	100,245	(854,879)	123
Community Initiative Fund	26,077	2,275	-	-	28,352
Community Services	117,255	-	-	-	117,255
Curing Kids Cancer Research Quasi Endowment	256,479	165,898	-	-	422,377
Dance Marathon	-	956,958	178,735	(778,223)	-
Dental Residency Quasi Endowment	48,727	6,002	-	-	54,729
Derrick/Lynch Champion of Children	4,849	-	-	-	4,849
Double E Quasi Endowment	99,010	-	-	-	99,010
Duby Thomson Quasi Endowment	78,393	8,842	-	-	87,235
Duke Endowment Restricted Grants	10,360	1,168	-	-	11,528
E.J. Dennis Endowment	2,552	13,113	-	-	15,665
Educational Scholarships	13,166	-	-	-	13,166
Eleanor Clark Endowment	(36,477)	30,082	-	(13,311)	(19,706)
Emergency Services	264,444	73,200	-	-	337,644
Employee Benevolence	167,450	-	166,735	-	715
ER Medicine	23,373	-	115	-	23,258
F.S. Smith, Jr. Endowment	48,108	17,477	-	-	65,585
Family Practice Fund	9,223	-	-	-	9,223
Festival of Trees	-	253,940	17,202	(236,738)	-
Frederick Blair Bauknight Endowment	5,537	1,975	-	(1,042)	6,470
Fuller Charitable Remainder Trust	6,576	(1,243)	-	-	5,333
Geriatrics	17,925	-	110	-	17,815
Greyson Draughon Carlisle Endowment	26,165	5,838	-	-	32,003
Golf Classic	-	95,295	21,056	(74,239)	-
H. Franklin & Mildred P. Weed Blood Disorder Endowment	(38,891)	10,463	-	(5,514)	(33,942)
Hannah's Garden	102,924	11,873	-	-	114,797
Harper Scholarship Quasi Endowment	20,757	2,341	-	-	23,098
Helman Endowment	(10,711)	2,602	-	(1,373)	(9,482)

Prisma Health Midlands Foundation and Subsidiary

Statement of Changes in Net Assets

For the year ended September 30, 2023

	September 30, 2022	Revenues, Gains (Losses) and Other Support	Expenses	Transfers In (Out)	September 30, 2023
Hematology/Oncology (Aflac) Endowment	(76,681)	138,495	10,000	-	51,814
Hospice - General Midlands Fund	343,748	8,905	155	-	352,498
Hospice Designated Quasi Endowment	344,376	38,842	-	-	383,218
Kondurous Fisherman Quasi Endowment	126,120	14,225	-	-	140,345
Lee Hinton Pediatric Transport Endowment	(328,103)	12,914	-	-	(315,189)
Linda Wells Camp Kemo Endowment	(4,768)	2,318	-	(1,121)	(3,571)
Mildred P. & H. Franklin Weed, Jr. Scholarship Endowment	(13,552)	3,462	-	(1,827)	(11,917)
Montgomery Cancer Research Endowment	(90)	11,753	-	-	11,663
Neurosurgery	146,376	56,294	55	-	202,615
NICU Quasi Endowment	166,971	23,072	1,531	13,311	201,823
Nurse Anesthesia	34,228	-	60	-	34,168
Nursing Education	18,040	-	-	-	18,040
Ostomy Endowment	24,116	2,720	-	-	26,836
Palmetto Senior Care	10,386	150	-	-	10,536
Pastoral Counseling Quasi Endowment	164,202	18,521	65	-	182,658
Pastoral Services	61,381	-	42	-	61,339
Patient Assistance Quasi Endowment	19,813	2,324	65	-	22,072
Pediatric Emergency Room	13,470	-	45	-	13,425
Pediatric Intensive Care Unit	39,891	29,119	37,185	-	31,825
Pediatric Oncology	178,711	7,298	-	23,581	209,590
Pediatric Palliative Care	20,343	7,000	115	7,009	34,237
Personal Touches Volunteer	364,394	8,444	-	-	372,838
PH Parkridge	87,600	-	-	-	87,600
PH Richland Auxiliary Quasi Endowment	20,711	15,850	-	-	36,561
PHCC	701,612	125	130	80,472	782,079
PHCC - Designated	238,355	58,247	120,734	-	175,868
PHCC Dr. Butler Quasi Endowment	6,182	697	-	-	6,879
PHCC Quasi Endowment	93,792	10,579	-	-	104,371
Prisma Health Quasi Endowment	292,442	32,985	-	-	325,427
Pulmonary and Critical Care Medicine	10,425	11	-	-	10,436
Radiothon	-	8,760	1,224	(7,536)	-
Ralph Bivona Endowment	(3,061)	760	-	(401)	(2,702)
Roach Pediatric Palliative Care and Hospice Endowment	2,489	12,435	-	(5,967)	8,957
SAFE Kids	1,742	9,600	-	-	11,342
SC Endowment	217,246	113,075	-	-	330,321
Schaadt Charitable Remainder Trust	74,784	(1,024)	-	-	73,760
Simulation Center	11,406	240,009	240,008	-	11,407
Surgery Endowment	116,542	13,145	-	-	129,687
Surgical Services	4,684	2,000	-	-	6,684
Tate Scholarship Endowment	(5,837)	1,441	-	(761)	(5,157)
Thomas Pitts Endowment	471,700	478,672	-	-	950,372
Trauma Services	224,402	25,000	380	-	249,022
Walk for Life	-	403,832	117,558	(286,274)	-
W.L. Ivey Fellowship Endowment	95,188	19,779	-	-	114,967
Women's Board Fund	193,479	21	10	-	193,490
Women's Services	13,510	88,000	10	-	101,500
Wyman Boozer Quasi Endowment	168,374	19,156	-	(4,310)	183,220
CN Nursing Education	1,635	-	-	-	1,635
The Aflac Foundation Pediatric Hematology/Oncology Endowment	(94,923)	34,410	-	-	(60,513)
DJ Gibson Quasi Endowment	27,380	3,088	-	-	30,468
Prospt M.D. Child Development/Behavioral	1,774	-	-	-	1,774
Ophthalmology	45,035	18,250	4,000	-	59,285
Parkridge Volunteer Auxiliary	10,740	-	-	-	10,740

Prisma Health Midlands Foundation and Subsidiary

Statement of Changes in Net Assets

For the year ended September 30, 2023

	September 30, 2022	Revenues, Gains (Losses) and Other Support	Expenses	Transfers In (Out)	September 30, 2023
BHS Board of Trustees Quasi Endowment	1,046,562	111,681	650,000	-	508,243
Pediatric Trauma Quasi Endowment	28,266	4,738	-	-	33,004
Neonatology Quasi Endowment	344,054	38,806	-	-	382,860
Graduate Medical Educ & Research Quasi Endowment	684,167	77,167	-	-	761,334
Continuing Medical Educ Quasi Endowment	288,030	93,344	-	-	381,374
Norton Family Point of Care Ultrasound Program	-	-	-	142,030	142,030
Norton Family Point of Care Ultrasound Program Avail Earn	-	-	-	35,000	35,000
Adolescent Substance Abuse Prevention Endowment	10,000	-	-	-	10,000
Aflac Pediatric Oncology/Hematology Endowed Chair	1,294,627	15,000	-	-	1,309,627
Annie Pitts Endowment	220,067	-	-	-	220,067
Beverly Zeigler Endowment	26,060	-	-	-	26,060
Bonner Family Breast Cancer Endowment	330,000	-	-	-	330,000
Cardiology - Zemp Endowment	138,596	-	-	-	138,596
Caroline & Kester Freeman Endowment	79,208	-	-	-	79,208
Curing Kids Cancer Research Endowment	1,200,340	-	-	-	1,200,340
E.J. Dennis Endowment	113,707	-	-	-	113,707
Eleanor Clark Endowment	300,000	-	-	-	300,000
F. S. Smith, Jr. Endowment	106,846	-	-	-	106,846
Frederick Blair Bauknight Endowment	12,500	-	-	-	12,500
Greyson Draughon Carlisle Endowment	25,571	53	-	-	25,624
H. Franklin & Mildred P. Weed Endowment	134,449	-	-	-	134,449
Helman Endowment	34,475	-	-	-	34,475
Hematology/Oncology (Aflac)	400,000	-	-	-	400,000
Lee Hinton Pediatric Transport Endowment	421,536	7,656	-	-	429,192
Linda Wells Camp Kemo Endowment	25,585	1,250	-	-	26,835
Mildred P. & H. Franklin Weed, Jr. Scholarship Endowment	45,172	-	-	-	45,172
Montgomery Cancer Research Endowment	104,289	-	-	-	104,289
Ralph Bivona Endowment	10,000	-	-	-	10,000
Roach Pediatric Palliative Care and Hospice Endowment	110,766	-	-	-	110,766
SC Endowment	785,280	-	-	-	785,280
Tate Scholarship Endowment	19,000	-	-	-	19,000
Thomas Pitts Endowment	3,668,732	-	-	-	3,668,732
W.L. Ivey Fellowship Endowment	80,171	-	-	-	80,171
Net assets with donor restrictions	25,082,811	6,818,504	1,952,334	-	29,948,981
Totals	\$ 34,289,054	\$ 10,721,396	\$ 4,012,594	\$ -	\$ 40,997,856