

Prisma Health Midlands Foundation and Subsidiary

Report on Consolidated Financial Statements

For the years ended September 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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.

Auditor's Responsibilities for the Audit of the Financial Statements, Continued

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 (Schedules 1-3 as listed in the table of contents) 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 were derived from and relate 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.

Elliott Davis, LLC

Columbia, South Carolina
February 4, 2025

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statements of Financial Position

As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 2,502,467	\$ 2,604,489
Investments	46,011,190	36,152,718
Unconditional promises to give, net		
Restricted	200,461	264,652
Accounts receivable	35,161	46,040
Accrued interest receivable	29,173	19,997
Prepaid expenses and other	337,495	278,498
Total current assets	<u>49,115,947</u>	<u>39,366,394</u>
Long-term unconditional promises to give, net		
Restricted	<u>-</u>	<u>29,886</u>
Property and equipment, net	<u>2,236,834</u>	<u>2,112,835</u>
Leased property, net	<u>974,595</u>	<u>1,003,750</u>
Other assets		
Contributions receivable from remainder unitrusts	84,445	79,094
Other assets	-	39,724
Unrealized gain on interest rate swap instrument	4,821	20,814
Total other assets	<u>89,266</u>	<u>139,632</u>
Total assets	<u>\$ 52,416,642</u>	<u>\$ 42,652,497</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of bond payable, net	\$ 764,398	\$ 231,925
Accounts payable	16,624	26,485
Accrued expenses and other	117,965	320,936
Deferred revenue	243,902	310,897
Total current liabilities	<u>1,142,889</u>	<u>890,243</u>
Long-term liabilities		
Bond payable, net	<u>-</u>	<u>764,398</u>
Total liabilities	<u>1,142,889</u>	<u>1,654,641</u>
Net assets		
Without donor restrictions	15,281,032	11,048,875
With donor restrictions	35,992,721	29,948,981
Total net assets	<u>51,273,753</u>	<u>40,997,856</u>
Total liabilities and net assets	<u>\$ 52,416,642</u>	<u>\$ 42,652,497</u>

See Notes to Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statements of Activities

For the years ended September 30, 2024 and 2023

	2024	2023
Changes in net assets without donor restrictions		
Revenues		
Contributions	\$ 55,630	\$ 100,055
Contributed nonfinancial assets	-	360
Prisma Health contract services	1,800,000	1,800,000
Lease income	440,149	435,159
Other income	25,491	-
Interest and dividends, net	530,359	306,459
Net realized and unrealized gain on investments	3,704,151	1,514,407
Unrealized gain (loss) on interest rate swap instrument	(15,993)	3,554
Total revenues without donor restrictions	<u>6,539,787</u>	<u>4,159,994</u>
Net assets released from donor restrictions	3,601,065	1,952,334
Transfers	(188,000)	-
	<u>9,952,852</u>	<u>6,112,328</u>
Expenses		
Program services	3,788,068	2,333,281
Costs of direct benefits to donors	113,247	44,883
Management and general	699,363	770,466
Fundraising	1,120,017	1,121,066
Total expenses	<u>5,720,695</u>	<u>4,269,696</u>
Change in net assets without donor restrictions	<u>4,232,157</u>	<u>1,842,632</u>
Changes in net assets with donor restrictions		
Revenues		
Contributions	2,979,641	1,929,242
Contributed nonfinancial assets	404,738	388,614
Special event revenue	2,436,853	2,620,156
Interest and dividends, net	549,795	418,373
Net realized and unrealized gain on investments	3,078,884	1,464,385
Change in value of split-interest agreements	6,894	(2,266)
Total revenues with donor restrictions	<u>9,456,805</u>	<u>6,818,504</u>
Net assets released from donor restrictions	(3,601,065)	(1,952,334)
Transfers	188,000	-
Change in net assets with donor restrictions	<u>6,043,740</u>	<u>4,866,170</u>
Change in net assets	<u>10,275,897</u>	<u>6,708,802</u>
Net assets, beginning of year	<u>40,997,856</u>	<u>34,289,054</u>
Net assets, end of year	<u>\$ 51,273,753</u>	<u>\$ 40,997,856</u>

See Notes to Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statement of Functional Expenses

For the year ended September 30, 2024

	Program Services			
	Hospital	Management and General	Fundraising	Total
Grants and other assistance	\$ 2,982,682	\$ -	\$ -	\$ 2,982,682
Salaries and wages	423,916	308,813	649,231	1,381,960
Payroll taxes	25,121	18,300	38,473	81,894
Accounting	23,572	17,172	36,101	76,845
Supplies	724	527	1,108	2,359
Telephone	1,059	771	1,622	3,452
Postage and shipping	676	493	1,036	2,205
Printing and publishing	1,567	1,141	2,400	5,108
Office expense	6,442	4,693	9,867	21,002
Dues	538	392	824	1,754
Insurance	2,939	2,141	4,500	9,580
Recognition expense	31,352	22,839	48,015	102,206
Computer expense	27,288	19,879	41,792	88,959
Catering	1,973	1,438	3,022	6,433
Leasing	2,317	1,688	3,549	7,554
Employee recruitment	5	4	8	17
Board development	4,228	3,080	6,475	13,783
Promotional expense	2,355	1,715	3,606	7,676
Special event expense	249,056	181,431	381,432	811,919
Bad debt	125	-	-	125
Depreciation and amortization	133	112,846	203	113,182
	<u>\$ 3,788,068</u>	<u>\$ 699,363</u>	<u>\$ 1,233,264</u>	<u>\$ 5,720,695</u>

See Notes to Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statement of Functional Expenses

For the year ended September 30, 2023

	Program Services			
	Hospital	Management and General	Fundraising	Total
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 Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Consolidated Statements of Cash Flows

For the years ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Change in net assets	\$ 10,275,897	\$ 6,708,802
Adjustments to reconcile the change in net assets to net cash provided by operating activities		
Depreciation and amortization	113,182	103,381
Net realized and unrealized gains on investments	(6,783,035)	(2,978,792)
Donated securities	(2,393)	(101,575)
Dividends reinvested	(1,100,477)	(792,661)
Change in value of remainder unitrusts	(5,351)	2,266
Unrealized (gain)/loss on interest rate swap instrument	15,993	(3,554)
Changes in deferred and accrued amounts		
Unconditional promises to give, net	94,077	153,358
Accounts receivable	10,879	(37,142)
Accrued interest receivable	(9,176)	(7,904)
Prepaid expenses and other	(19,273)	(223,073)
Accounts payable	(9,861)	(3,378)
Accrued expenses and other	(202,971)	(256,504)
Deferred revenue	(66,995)	(137,535)
Net cash provided by operating activities	<u>2,310,496</u>	<u>2,425,689</u>
Investing activities		
Purchases of property and equipment	(202,286)	(112,928)
Purchases of investments	(5,522,350)	(4,836,675)
Sales and redemptions of investments	<u>3,549,783</u>	<u>1,903,244</u>
Net cash used for investing activities	<u>(2,174,853)</u>	<u>(3,046,359)</u>
Financing activities		
Bond payments	<u>(237,665)</u>	<u>(229,504)</u>
Net cash used for financing activities	<u>(237,665)</u>	<u>(229,504)</u>
Net decrease in cash and cash equivalents	(102,022)	(850,174)
Cash and cash equivalents, beginning of year	<u>2,604,489</u>	<u>3,454,663</u>
Cash and cash equivalents, end of year	<u>\$ 2,502,467</u>	<u>\$ 2,604,489</u>
Supplemental cash flow information		
Cash paid during the year for interest	<u>\$ 31,608</u>	<u>\$ 38,670</u>
Non-cash investing activities		
Donated securities	<u>\$ 2,393</u>	<u>\$ 101,575</u>

See Notes to Consolidated Financial Statements

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 1. Nature of Organization

Prisma Health Midlands Foundation (the "Foundation"), incorporated under the laws of the State of South Carolina, is a not-for-profit organization whose 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 PHMF, LLC ("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.

Note 2. Summary of Significant Accounting Policies

Basis of accounting:

The consolidated financial statements of the Foundation and its wholly owned subsidiary, Taylor-Marion, have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Consolidation:

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

Use of estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax status:

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, 2024 and 2023, 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.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, Continued

Basis of presentation:

The Foundation prepares its consolidated financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016 and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the "Guide").

Under the provisions of the Guide, net assets and revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein 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.

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.

Investments in marketable 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.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, Continued

Endowment funds:

The Board of Directors of the 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.

Property and equipment:

Property and equipment are stated at cost or, if donated, at estimated fair market value. 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.

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.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, Continued

Revenue recognition, continued:

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.

Availability of funds for general expenditures:

The Foundation has certain net assets that are available for general expenditures within one year of September 30, 2024 and 2023, 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 financial assets available to meet general expenditures within one year (See Note 3).

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.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, Continued

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, 2024 and 2023, amortization of loan costs was \$5,740.

Functional allocation of expenses:

The costs of providing various programs and activities have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of 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 providing support to Prisma Health Midlands through specific Foundation programs.

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

Fundraising expenses – Fundraising expense includes the direct and indirect activities undertaken to solicit contributions from donors and hold fundraising events that raise money for the Foundation.

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.

Concentration of credit risk:

The Foundation maintains its cash deposit accounts at various financial institutions. The deposits may, at times, exceed federally insured limits. All accounts are insured by the Federal Depository Insurance Corporation (FDIC) to the maximum amount allowed by law. The Foundation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk related to cash.

Marketable securities are generally placed in mutual funds, equity securities, and money funds administered by an investment manager in order to limit credit risk. However, marketable securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated statements of financial position.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, Continued

Recent accounting pronouncements:

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and certain other instruments. The ASU requires these financial assets to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets and subsequent changes in the allowance for credit losses are recorded in the statements of activities as the amounts expected to be collected change. The Foundation adopted ASU 2016-13 with a date of initial application of October 1, 2023; adoption of the ASU did not have an effect on the consolidated financial statements.

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.

Subsequent events:

In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through February 4, 2025, the date the consolidated financial statements were available to be issued.

Note 3. Availability and Liquidity

Total assets, without donor or other restrictions limiting their use, available for general expenditure within one year of the consolidated statements of financial position date, are comprised of the following at September 30:

	<u>2024</u>	<u>2023</u>
Assets at year-end	\$ 52,416,642	\$ 42,652,497
Less amounts not available to be used within one year due to illiquidity:		
Prepaid expenses and other	337,495	278,498
Long-term unconditional promises to give, net	-	29,886
Property and equipment, net	2,236,834	2,112,835
Leased property, net	974,595	1,003,750
Contributions receivable from remainder unitrusts	84,445	79,094
Other assets	-	39,724
Unrealized gain on interest rate swap instrument	4,821	20,814
	<u>48,778,452</u>	<u>39,087,896</u>
Less amounts not available to be used within one year due to:		
Board/donor designations:		
Endowed funds, net of spendable amounts and administrative fees	23,142,722	18,288,154
Restricted amounts that may not be used within one year, net of spendable amounts and administrative fees	<u>12,849,999</u>	<u>11,660,827</u>
Assets available to meet cash needs for general expenditures within one year	<u>\$ 12,785,731</u>	<u>\$ 9,138,915</u>

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 3. Availability and Liquidity, Continued

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 4. 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.
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>2024</u>	<u>2023</u>
Donor - temporarily restricted endowment funds	\$ 13,414,527	\$ 8,567,218
Donor - permanently restricted endowment funds	<u>9,728,195</u>	<u>9,720,936</u>
	<u>\$ 23,142,722</u>	<u>\$ 18,288,154</u>

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 4. Endowments, Continued

Changes in endowment investments for the year ended September 30, 2024 are as follows:

Endowment net assets, October 1, 2023	\$ 18,288,154
Investment income, net	4,443,859
New gifts	-
Transfers	1,242,498
Released from restrictions	<u>(831,789)</u>
Endowment net assets, September 30, 2024	<u>\$ 23,142,722</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>

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, 2024, funds with original gift values of \$571,879, fair values of \$239,291 and deficiencies of \$332,588 were reported in net assets with donor restrictions; there was no spending on underwater endowments during the year ended September 30, 2024. 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.

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions comprised the following as of September 30, 2024:

Subject to expenditures for specific purposes:	
Prisma Health Midlands programs	\$ 26,264,526
Subject to perpetual restrictions:	
Prisma Health Midlands programs	<u>9,728,195</u>
Total net assets with donor restrictions	<u>\$ 35,992,721</u>

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 5. Net Assets with Donor Restrictions, Continued

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

Subject to perpetual restrictions:

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

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, 2024:

	<u>Cost</u>	<u>Fair value</u>	<u>Unrealized appreciation (depreciation)</u>
Equity securities	\$ 5,553,913	\$ 9,399,964	\$ 3,846,051
Exchange traded funds	129,938	127,456	(2,482)
Corporate bonds	42,562	43,636	1,074
Mutual funds	28,148,373	33,228,052	5,079,679
Money funds	<u>3,212,082</u>	<u>3,212,082</u>	-
	<u>\$ 37,086,868</u>	<u>\$ 46,011,190</u>	<u>\$ 8,924,322</u>

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>\$ 33,301,979</u>	<u>\$ 36,152,718</u>	<u>\$ 2,850,739</u>

Investment revenues are reported net of related expenses of \$228,281 and \$190,313 for the years ended September 30, 2024 and 2023, respectively.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

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) and the lowest priority to unobservable inputs (Level 3). 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:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset'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 measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Equity securities, exchange traded funds, 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).

Corporate bonds – The carrying amounts of such instruments approximate fair value and are classified within Level 2 of the valuation hierarchy.

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, 2024 and 2023.

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, 2024 and 2023

Note 7. Fair Value Measurements, Continued

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

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 9,399,964	\$ -	\$ -	\$ 9,399,964
Exchange traded funds	127,456	-	-	127,456
Corporate bonds	-	43,636	-	43,636
Mutual funds	33,228,052	-	-	33,228,052
Money funds	-	3,212,082	-	3,212,082
Unconditional promises to give	-	200,461	-	200,461
Interest rate swap	-	4,821	-	4,821
Total	<u>\$ 42,755,472</u>	<u>\$ 3,461,000</u>	<u>\$ -</u>	<u>\$ 46,216,472</u>

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 8,015,591	\$ -	\$ -	\$ 8,015,591
Mutual funds	24,848,882	-	-	24,848,882
Money funds	-	3,288,245	-	3,288,245
Unconditional promises to give	-	294,538	-	294,538
Interest rate swap	-	20,814	-	20,814
Total	<u>\$ 32,864,473</u>	<u>\$ 3,603,597</u>	<u>\$ -</u>	<u>\$ 36,468,069</u>

Note 8. Unconditional Promises to Give

Unconditional promises to give are as follows at September 30:

	2024	2023
Baptist Project – restricted	\$ 170,400	\$ 95,600
Camp Kemo – restricted	-	100,000
Other	40,451	106,776
	210,851	302,376
Less: Unamortized discount and allowance for credit losses	10,390	7,838
Net unconditional promises to give	<u>\$ 200,461</u>	<u>\$ 294,538</u>
Amounts due in:		
Less than one year	\$ 200,461	\$ 264,652
One to five years	-	29,886
Total	<u>\$ 200,461</u>	<u>\$ 294,538</u>

The discount rate used to determine the present value of the estimated future cash flows was 5.0% at September 30, 2023. Management has determined that no further allowance was necessary at September 30, 2024 and 2023.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 9. Property and Equipment

Property and equipment consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,427,837	\$ 1,279,500
Buildings and building improvements	1,345,842	1,321,161
Computer equipment	599,877	599,877
Furniture and equipment	<u>303,246</u>	<u>303,246</u>
	3,676,802	3,503,784
Less: accumulated depreciation	<u>1,439,968</u>	<u>1,390,949</u>
Property and equipment, net	<u>\$ 2,236,834</u>	<u>\$ 2,112,835</u>

Depreciation expense for the years ended September 30, 2024 and 2023 was \$49,019 and \$45,343, respectively. See Note 15 for additional information on property leased to others.

Note 10. Charitable Remainder Unitrusts

As of September 30, 2023, the Foundation was named the beneficiary of one donor's charitable remainder unitrust (the "Trust"). The Trust was to remain intact for 15 years after the donor's death and provided that the Trustee would pay 5 percent of the net fair market value of the assets of the Trust, valued on the first day of each taxable year of the Trust, to the donor. Upon maturity, the designated portion of the remaining principal and income would be distributed to the Foundation. On June 30, 2024, the Trust matured, and the Foundation received a distribution of \$13,208 representing 5.68% of the total fair market value of the of the Trust as of the maturity date.

As of September 30, 2024 and 2023, the Foundation has been named the beneficiary of a second donor's charitable remainder unitrust (the "Trust"). The Trust provides that the Trustee will pay 6 percent of the net fair market value of the assets of the Trust, valued on the first day of each taxable year of the Trust, to the donor. Upon the death of the donor, the designated portion of the remaining principal and income will be distributed to the Foundation.

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 each Trust's assets are distributed. The present value is based on the fair market value of the assets. For the year ended September 30, 2024, discount rates of 4.57 percent and 4.02 percent were assumed in calculating the present values. For the year ended September 30, 2023, discount rates of 5.12 percent and 4.19 percent were assumed in calculating the present values. The present values of the estimated future benefits to be received when the Trusts' assets are distributed are \$84,445 and \$79,094 at September 30, 2024 and 2023, 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 4.865%. The remaining balance of \$764,398 was current as of September 30, 2024.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 11. Bond Payable, Continued

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 \$4,821 and \$20,814 as of September 30, 2024 and 2023, 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>2024</u>	<u>2023</u>
Advertising	\$ 99,490	\$ 50,900
Program service supplies and equipment	278,931	333,314
Miscellaneous	<u>26,317</u>	<u>4,760</u>
	<u>\$ 404,738</u>	<u>\$ 388,974</u>

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, 2024 and 2023, 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 \$40,342 and \$33,319 during the years ended September 30, 2024 and 2023, respectively.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 14. Allocated Joint Costs

In 2024, the costs of conducting fundraising events included a total of \$763,250 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 \$408,497 to program services and \$354,753 to awareness.

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.

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. These commitments totaled \$1,800,000 in fiscal year 2024 and 2023. Future commitments due from Prisma Health Midlands under this agreement are as follows:

October 1, 2024 – September 30, 2025 \$ 1,800,000

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

	<u>2024</u>	<u>2023</u>
Contract services with Prisma Health Midlands	\$ 1,800,000	\$ 1,800,000
Rent for equipment leased from Prisma Health Midlands	4,630	3,933
Rent for office and storage space leased to Prisma Health Midlands	440,149	435,159
Accrued expenses to Prisma Health Midlands for program services	300	472
Accrued equipment expenses to Prisma Health Midlands for program services	-	243,211

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, 2024 and 2023, the Foundation incurred investment fees totaling \$102,446 and \$84,910, respectively, from a company whose president is a member of the Board of Directors.

Lessors 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 \$440,149 and \$435,159 for the years ended September 30, 2024 and 2023, respectively.

Prisma Health Midlands Foundation and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

Note 15. Related Parties, Continued

Lessor leases, continued:

Property leased to Prisma Health Midlands consists of the following:

	<u>Estimated life</u>	<u>2024</u>	<u>2023</u>
Buildings and building improvements	39 years	\$ 1,627,992	\$ 1,598,724
Furniture and equipment	5 - 10 years	<u>983</u>	<u>983</u>
		1,628,975	1,599,707
Less accumulated depreciation		<u>(654,380)</u>	<u>(595,957)</u>
		<u>\$ 974,595</u>	<u>\$ 1,003,750</u>

Depreciation expense related to the leased property for the years ended September 30, 2024 and 2023 was \$58,423 and \$52,297, 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, 2024:

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

Prisma Health Midlands Foundation and Subsidiary
Consolidating Statement of Financial Position
As of September 30, 2024

	Prisma Health Midlands Foundation	Taylor-Marion PHMF, LLC	Eliminations	Consolidated
Assets				
Current assets				
Cash and cash equivalents	\$ 714,186	\$ 1,788,281	\$ -	\$ 2,502,467
Investments	46,011,190	-	-	46,011,190
Unconditional promises to give, net				
Restricted	200,461	-	-	200,461
Accounts receivable	35,161	-	-	35,161
Accrued interest receivable	29,173	-	-	29,173
Prepaid expenses and other	335,701	1,794	-	337,495
Total current assets	<u>47,325,872</u>	<u>1,790,075</u>	<u>-</u>	<u>49,115,947</u>
Property and equipment, net	<u>108</u>	<u>2,236,726</u>	<u>-</u>	<u>2,236,834</u>
Leased property, net	<u>-</u>	<u>974,595</u>	<u>-</u>	<u>974,595</u>
Other assets				
Investment in Taylor-Marion PHMF, LLC	4,234,154	-	(4,234,154)	-
Contributions receivable from remainder unitrusts	84,445	-	-	84,445
Unrealized gain on interest rate swap instrument	-	4,821	-	4,821
	<u>4,318,599</u>	<u>4,821</u>	<u>(4,234,154)</u>	<u>89,266</u>
Total assets	<u>\$ 51,644,579</u>	<u>\$ 5,006,217</u>	<u>\$ (4,234,154)</u>	<u>\$ 52,416,642</u>
Liabilities and Net Assets/Member's Equity				
Current liabilities				
Current portion of bond payable, net	\$ -	\$ 764,398	\$ -	\$ 764,398
Accounts payable	14,010	2,614	-	16,624
Accrued expenses and other	112,914	5,051	-	117,965
Deferred revenue	243,902	-	-	243,902
Total current liabilities	<u>370,826</u>	<u>772,063</u>	<u>-</u>	<u>1,142,889</u>
Net assets/member's equity				
Without donor restrictions	15,281,032	-	-	15,281,032
With donor restrictions	35,992,721	-	-	35,992,721
Total net assets	<u>51,273,753</u>	<u>-</u>	<u>-</u>	<u>51,273,753</u>
Total member's equity	<u>-</u>	<u>4,234,154</u>	<u>(4,234,154)</u>	<u>-</u>
Total net assets/member's equity	<u>51,273,753</u>	<u>4,234,154</u>	<u>(4,234,154)</u>	<u>51,273,753</u>
Total liabilities and net assets/member's equity	<u>\$ 51,644,579</u>	<u>\$ 5,006,217</u>	<u>\$ (4,234,154)</u>	<u>\$ 52,416,642</u>

Prisma Health Midlands Foundation and Subsidiary
Consolidating Statement of Activities
For the year ended September 30, 2024

	Prisma Health Midlands Foundation	Taylor-Marion PHMF, LLC	Eliminations	Consolidated
Changes in net assets without donor restrictions				
Revenues				
Contributions	\$ 55,630	\$ -	\$ -	\$ 55,630
Prisma Health contract services	1,800,000	-	-	1,800,000
Lease income	-	440,149	-	440,149
Other income	25,491	-	-	25,491
Interest and dividends, net	459,280	71,079	-	530,359
Net realized and unrealized gain on investments	3,704,151	-	-	3,704,151
Equity in net income of affiliates	188,820	-	(188,820)	-
Unrealized loss on interest rate swap instrument	-	(15,993)	-	(15,993)
Total revenues without donor restrictions	<u>6,233,372</u>	<u>495,235</u>	<u>(188,820)</u>	<u>6,539,787</u>
Net assets released from donor restrictions	3,601,065	-	-	3,601,065
Transfers	(188,000)	-	-	(188,000)
	<u>9,646,437</u>	<u>495,235</u>	<u>(188,820)</u>	<u>9,952,852</u>
Expenses				
Program services	3,788,068	-	-	3,788,068
Costs of direct benefits to donors	113,247	-	-	113,247
Management and general	392,948	306,415	-	699,363
Fundraising	1,120,017	-	-	1,120,017
Total expenses	<u>5,414,280</u>	<u>306,415</u>	<u>-</u>	<u>5,720,695</u>
Change in net assets without donor restrictions	<u>4,232,157</u>	<u>188,820</u>	<u>(188,820)</u>	<u>4,232,157</u>
Changes in net assets with donor restrictions				
Revenues				
Contributions	2,979,641	-	-	2,979,641
Contributed nonfinancial assets	404,738	-	-	404,738
Special event revenue	2,436,853	-	-	2,436,853
Interest and dividends, net	549,795	-	-	549,795
Net unrealized and realized gain on investments	3,078,884	-	-	3,078,884
Change in value of split-interest agreement	6,894	-	-	6,894
Total revenues with donor restrictions	<u>9,456,805</u>	<u>-</u>	<u>-</u>	<u>9,456,805</u>
Net assets released from donor restrictions	(3,601,065)	-	-	(3,601,065)
Transfers	188,000	-	-	188,000
Change in net assets with donor restrictions	<u>6,043,740</u>	<u>-</u>	<u>-</u>	<u>6,043,740</u>
Change in net assets	<u>10,275,897</u>	<u>188,820</u>	<u>(188,820)</u>	<u>10,275,897</u>
Net assets/member's equity, beginning of year	<u>40,997,856</u>	<u>4,045,334</u>	<u>(4,045,334)</u>	<u>40,997,856</u>
Net assets/member's equity, end of year	<u>\$ 51,273,753</u>	<u>\$ 4,234,154</u>	<u>\$ (4,234,154)</u>	<u>\$ 51,273,753</u>

Prisma Health Midlands Foundation and Subsidiary

Statement of Changes in Net Assets

For the year ended September 30, 2024

	September 30, 2023	Revenues, Gains (Losses) and Other Support	Expenses	Transfers In (Out)	September 30, 2024
Net assets without donor restrictions	\$ 11,048,875	\$ 6,233,372	\$ 1,813,215	\$ (188,000)	\$ 15,281,032
Adolescent Chemically Dependent Outpatient Program Quasi Endowment	37,088	7,198	-	-	44,286
Adolescent Psychiatry	3,444	845	-	-	4,289
Adolescent Substance Abuse Prevention Endowment	1,804	2,291	-	-	4,095
Annie Pitts Endowment	60,487	51,523	-	(13,655)	98,355
Arnold Family Quasi Endowment	195,827	38,007	-	-	233,834
B. Smith Cancer Fund	28,449	750	-	-	29,199
Baptist Project	644,628	305,187	-	180,000	1,129,815
Bayler Teal Fund	333,902	61,323	-	(17,589)	377,636
Behavioral Care	31,881	5,970	3,500	-	34,351
Beverly Zeigler Endowment	(1,936)	4,681	-	-	2,745
BHS Board of Trustees Quasi Endowment	508,243	567,774	-	-	1,076,017
Bonner Family Breast Cancer Endowment	21,650	68,251	-	-	89,901
Breast Health	1,003,928	2,823	626,409	355,149	735,491
Camp Kemo Programs	739,098	679,299	185,900	(331,143)	901,354
Camp Kemo Quasi Endowment	1,569,647	317,197	-	336,476	2,223,320
Camp Wonderhands	72,929	19,154	54,518	-	37,565
Cardiology	137,263	4,621	-	157,676	299,560
Cardiology - Zemp Endowment	193,819	59,621	-	(157,676)	95,764
Caroline & Kester Freeman Endowment	14,172	18,124	-	-	32,296
CH Nursing Education	1,635	-	-	-	1,635
Champions	271,492	116,559	9,343	-	378,708
Child Abuse	4,365	-	-	-	4,365
Child Life	169,517	170,836	147,513	(52,342)	140,498
Children's Hospital	4,690,060	246,319	715,466	353,687	4,574,600
Children's Hospital Quasi Endowment	373,243	72,442	-	-	445,685
Children's Miracle Network	123	793,947	91,758	(702,312)	-
Community Initiative Fund	28,352	230	-	-	28,582
Community Services	117,255	22,000	-	-	139,255
Continuing Medical Educ Quasi Endowment	381,374	145,521	-	-	526,895
Curing Kids Cancer Research Quasi Endowment	422,377	315,083	-	-	737,460
Dance Marathon	-	704,497	167,000	(537,497)	-
Dental Residency Quasi Endowment	54,729	10,638	-	-	65,367
Derrick/Lynch Champion of Children	4,849	-	-	-	4,849
DJ Gibson Quasi Endowment	30,468	5,923	-	-	36,391
Double E Quasi Endowment	99,010	21,269	-	-	120,279
Duby Thomson Quasi Endowment	87,235	16,931	-	-	104,166
Duke Endowment Restricted Grants	11,528	2,237	-	-	13,765
E.J. Dennis Endowment	15,665	25,109	-	-	40,774
Educational Scholarships	13,166	-	-	-	13,166
Eleanor Clark Endowment	(19,706)	52,083	-	(13,791)	18,586
Emergency Services	337,644	-	-	-	337,644
Employee Benevolence	715	3,630	-	-	4,345
ER Medicine	23,258	-	-	-	23,258
F.S. Smith, Jr. Endowment	65,585	33,467	-	-	99,052
Family Practice Fund	9,223	2,000	-	-	11,223
Festival of Trees	-	388,753	119,921	(268,832)	-
Frederick Blair Bauknight Endowment	6,470	3,467	-	(1,001)	8,936
Fuller Charitable Remainder Trust	5,333	(5,333)	-	-	-
Geriatrics	17,815	125	-	-	17,940
Golf Classic	-	148,664	69,816	(78,848)	-
Graduate Medical Educ & Research Quasi Endowment	761,334	147,765	-	-	909,099

Prisma Health Midlands Foundation and Subsidiary

Statement of Changes in Net Assets

For the year ended September 30, 2024

	September 30, 2023	Revenues, Gains (Losses) and Other Support	Expenses	Transfers In (Out)	September 30, 2024
Greyson Draughon Carlisle Endowment	32,003	11,190	-	-	43,193
H. Franklin & Mildred P. Weed Blood Disorder Endowment	(33,942)	18,369	-	(5,305)	(20,878)
Hannah's Garden	114,797	22,187	-	-	136,984
Harper Scholarship Quasi Endowment	23,098	4,483	-	-	27,581
Helman Endowment	(9,482)	4,568	-	(1,319)	(6,233)
Hematology/Oncology (Aflac) Endowment	51,814	577,644	-	-	629,458
Hospice - General Midlands Fund	352,498	12,194	-	-	364,692
Hospice Designated Quasi Endowment	383,218	74,378	-	-	457,596
Kondurous Fisherman Quasi Endowment	140,345	27,264	-	-	167,609
Lee Hinton Pediatric Transport Endowment	(315,189)	22,758	-	-	(292,431)
Linda Wells Camp Kemo Endowment	(3,571)	4,371	-	(1,141)	(341)
Mildred P. & H. Franklin Weed, Jr. Scholarship Endowment	(11,917)	6,078	-	(1,756)	(7,595)
Montgomery Cancer Research Endowment	11,663	22,505	-	-	34,168
Neonatology Quasi Endowment	382,860	74,308	-	-	457,168
Neurosurgery	202,615	34,500	-	-	237,115
NICU Quasi Endowment	201,823	55,650	1,000,000	1,079,302	336,775
Norton Family Point of Care Ultrasound Program	177,030	430,632	35,000	-	572,662
Nurse Anesthesia	34,168	125	-	-	34,293
Nursing Education	18,040	194	-	-	18,234
Ophthalmology	59,285	13,250	-	-	72,535
Ostomy Endowment	26,836	5,209	-	-	32,045
Palmetto Senior Care	10,536	875	-	-	11,411
Parkridge Volunteer Auxiliary	10,740	-	-	-	10,740
Pastoral Counseling Quasi Endowment	182,658	38,241	-	-	220,899
Pastoral Services	61,339	-	-	-	61,339
Patient Assistance Quasi Endowment	22,072	5,057	-	-	27,129
Paws for Pediatrics Endowment	-	5,266	-	52,342	57,608
Pediatric Emergency Room	13,425	125	-	-	13,550
Pediatric Intensive Care Unit	31,825	1,250	-	-	33,075
Pediatric Oncology	209,590	23,197	-	22,894	255,681
Pediatric Palliative Care	34,237	124	-	7,114	41,475
Pediatric Trauma Quasi Endowment	33,004	10,310	-	-	43,314
Personal Touches Volunteer	372,838	-	12,290	-	360,548
PH Parkridge	87,600	250	-	-	87,850
PH Richland Auxiliary Quasi Endowment	36,561	20,306	(243,211)	-	300,078
PHCC	782,079	17,803	125	92,503	892,260
PHCC - Designated	175,868	56,607	27,493	-	204,982
PHCC Dr. Butler Quasi Endowment	6,879	1,335	-	-	8,214
PHCC Quasi Endowment	104,371	20,257	-	-	124,628
Prisma Health Quasi Endowment	325,427	63,146	-	-	388,573
Prospt M.D. Child Development/Behavioral	1,774	-	-	-	1,774
Pulmonary and Critical Care Medicine	10,436	250	-	-	10,686
Radiothon	-	8,386	1,339	(7,047)	-
Ralph Bivona Endowment	(2,702)	1,334	-	(385)	(1,753)
Roach Pediatric Palliative Care and Hospice Endowment	8,957	21,926	-	(6,112)	24,771
SAFE Kids	11,342	-	-	-	11,342
SC Endowment	330,321	216,524	-	-	546,845
Schaadt Charitable Remainder Trust	73,760	10,685	-	-	84,445
Simulation Center	11,407	200,243	200,243	-	11,407
Surgery Endowment	129,687	25,171	-	-	154,858
Surgical Services	6,684	-	-	-	6,684
Tate Scholarship Endowment	(5,157)	2,530	-	(731)	(3,358)
The Aflac Foundation Pediatric Hematology/Oncology Endowment	(60,513)	65,890	-	-	5,377
Thomas Pitts Endowment	950,372	889,384	75,000	-	1,764,756

Prisma Health Midlands Foundation and Subsidiary
Statement of Changes in Net Assets
For the year ended September 30, 2024

	September 30, 2023	Revenues, Gains (Losses) and Other Support	Expenses	Transfers In (Out)	September 30, 2024
Trauma Services	249,022	38,817	-	-	287,839
W.L. Ivey Fellowship Endowment	114,967	37,874	-	-	152,841
Walk for Life	-	518,414	168,424	(349,990)	-
Women's Board Fund	193,490	26,158	-	-	219,648
Women's Services	101,500	5,755	133,218	104,489	78,526
Wyman Boozer Quasi Endowment	183,220	35,398	-	(5,160)	213,458
Adolescent Substance Abuse Prevention Endowment	10,000	-	-	-	10,000
Aflac Pediatric Oncology/Hematology Endowed Chair	1,309,627	-	-	-	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	25,624	53	-	-	25,677
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	429,192	6,206	-	-	435,398
Linda Wells Camp Kemo Endowment	26,835	1,000	-	-	27,835
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	<u>29,948,981</u>	<u>9,456,805</u>	<u>3,601,065</u>	<u>188,000</u>	<u>35,992,721</u>
Totals	<u>\$ 40,997,856</u>	<u>\$ 15,690,177</u>	<u>\$ 5,414,280</u>	<u>\$ -</u>	<u>\$ 51,273,753</u>