

# The Bellin Health Foundation, Inc.

Financial Statements

Years Ended September 30, 2024 and 2023



**WIPFLI**

## **Independent Auditor's Report**

Board of Directors  
The Bellin Health Foundation, Inc.  
Green Bay, Wisconsin

### ***Opinion***

We have audited the accompanying financial statements of The Bellin Health Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of The Bellin Health Foundation, Inc. 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 ("GAAP").

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Bellin Health Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 Bellin Health Foundation, Inc.'s ability to continue as a going concern for one year after the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Bellin Health Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Bellin Health Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Milwaukee, Wisconsin

February 11, 2025

# The Bellin Health Foundation, Inc.

## Statements of Financial Position

September 30, 2024 and 2023

<i>Assets</i>	<b>2024</b>	<b>2023</b>
Assets:		
Due from related party	\$ 43,442	\$ -
Interest in charitable lead trust	112,296	124,753
Unconditional promises to give - Net	3,867,173	4,349,964
Assets limited as to use	7,062,792	6,335,656
<b>TOTAL ASSETS</b>	<b>\$ 11,085,703</b>	<b>\$ 10,810,373</b>
<i>Liabilities and Net Assets</i>		
Liabilities:		
Accounts payable - Related party	\$ -	\$ 240,498
Accounts payable - Other	652,176	519,039
Due to third parties	113,609	103,092
Accrued expenses	17,502	11,588
Total liabilities	783,287	874,217
Net assets:		
Without donor restrictions	(739,841)	(874,217)
With donor restrictions	11,042,257	10,810,373
Total net assets	10,302,416	9,936,156
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,085,703</b>	<b>\$ 10,810,373</b>

See accompanying notes to financial statements.

# The Bellin Health Foundation, Inc.

## Statement of Activities

Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 525,369	\$ 2,565,390	\$ 3,090,759
Special events	113,375	-	113,375
Investment income	563,291	291,310	854,601
Gift shop revenue	155,958	-	155,958
Subsidy for grants	172,000	-	172,000
Net assets released from restrictions	2,666,297	(2,666,297)	-
<b>Total revenue, gains, and other support</b>	<b>4,196,290</b>	<b>190,403</b>	<b>4,386,693</b>
Expenses:			
Support to Bellin Health Systems	2,920,231	-	2,920,231
Salaries and wages	599,018	-	599,018
Employee benefits	164,570	-	164,570
Special events	112,000	-	112,000
Gift shop supplies	94,298	-	94,298
Office	53,305	-	53,305
Contract services	31,021	-	31,021
Engagement and travel	14,571	-	14,571
Provision for bad debts	4,870	-	4,870
Other	26,549	-	26,549
<b>Total expenses</b>	<b>4,020,433</b>	<b>-</b>	<b>4,020,433</b>
Change in net assets	175,857	190,403	366,260
Redesignation of net assets	(41,481)	41,481	-
Net assets at beginning	(874,217)	10,810,373	9,936,156
<b>Net assets (deficit) at end</b>	<b>\$ (739,841)</b>	<b>\$ 11,042,257</b>	<b>\$ 10,302,416</b>

See accompanying notes to financial statements.

# The Bellin Health Foundation, Inc.

## Statement of Activities

Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 753,488	\$ 2,797,915	\$ 3,551,403
Investment income	319,331	178,835	498,166
Gift shop revenue	144,394	-	144,394
Net assets released from restrictions	1,853,882	(1,853,882)	-
<b>Revenue, gains, and other support</b>	<b>3,071,095</b>	<b>1,122,868</b>	<b>4,193,963</b>
Expenses:			
Support to Bellin Health Systems	2,240,373	-	2,240,373
Salaries and wages	573,920	-	573,920
Employee benefits	155,164	-	155,164
Special events	132,338	-	132,338
Gift shop supplies	76,145	-	76,145
Office	61,809	-	61,809
Contract services	24,048	-	24,048
Engagement and travel	13,588	-	13,588
Provision for bad debts	5,667	-	5,667
Other	29,065	-	29,065
<b>Total expenses</b>	<b>3,312,117</b>	<b>-</b>	<b>3,312,117</b>
Change in net assets	(241,022)	1,122,868	881,846
Net assets (deficit) at beginning	(633,195)	9,687,505	9,054,310
<b>Net assets (deficit) at end</b>	<b>\$ (874,217)</b>	<b>\$ 10,810,373</b>	<b>\$ 9,936,156</b>

See accompanying notes to financial statements.

# The Bellin Health Foundation, Inc.

## Statements of Cash Flows

Years Ended September 30, 2024 and 2023

	2024	2023
Change in cash and restricted cash:		
Cash flows from operating activities:		
Cash received from public support	\$ 3,720,384	\$ 3,110,202
Cash received from Bellin Health Systems	172,000	-
Cash paid to suppliers	(1,234,574)	(830,721)
Support paid to Bellin Health Systems	(2,920,231)	(2,240,373)
Interest and dividends received	126,699	107,510
Net cash flows from operating activities	(135,722)	146,618
Cash flows from investing activities:		
Purchase of investments and assets limited as to use	(2,098,858)	(1,366,295)
Proceeds from sale of investments and assets limited as to use	1,972,941	1,261,794
Net cash flows from investing activities	(125,917)	(104,501)
Net cash flows from financing activities - Contributions restricted for long-term investment	134,956	163,863
Net change in cash and restricted cash	(126,683)	205,980
Cash and restricted cash at beginning	1,649,039	1,443,059
Cash and restricted cash at end	\$ 1,522,356	\$ 1,649,039

### Reconciliation of cash and restricted cash to statements of financial position:

	2024	2023
Assets limited as to use - Cash	\$ 1,522,356	\$ 1,649,039
Total	\$ 1,522,356	\$ 1,649,039

# The Bellin Health Foundation, Inc.

## Statements of Cash Flows (Continued)

Years Ended September 30, 2024 and 2023

	2024	2023
Reconciliation of change in net assets to net cash flows from operating activities:		
Change in net assets	\$ 366,260	\$ 881,846
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Change in unamortized discount on unconditional promises to give and allowance for uncollectible promises to give	131,051	\$ 22,000
Provision for bad debts	4,870	5,667
Change in net unrealized gains and losses on investments	(486,192)	(280,990)
Net realized gain on sale of investments	(241,710)	(109,666)
Change in interest of charitable lead trust	12,457	(7,001)
Contributions restricted for long-term investment	(134,956)	(156,644)
Changes in operating assets and liabilities:		
Due from related party	(43,442)	-
Unconditional promises to give	346,870	(449,617)
Accounts payable - Related party	(240,498)	207,976
Accounts payable - Other	133,137	57,914
Due to third parties and accrued expenses	16,431	(24,867)
Total adjustments	(501,982)	(735,228)
Net cash flows from operating activities	\$ (135,722)	\$ 146,618

See accompanying notes to financial statements.



# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Principal Business Activity

The Bellin Health Foundation, Inc. (the "Foundation") is a nonstock, nonprofit corporation that receives gifts and bequests, raises funds for specific projects or needs, administers and invests funds, and disburses payments to and for the benefit of Bellin Health Systems, Inc. and Affiliates and other tax-exempt organizations at the discretion of its Board of Directors (the "Board"). The Foundation operates the gift shop at Bellin Memorial Hospital, Inc.

Bellin Health Systems, Inc. has the ability to influence the actions of the Foundation since Bellin Health Systems, Inc.'s Board of Directors approves the nominations for the Foundation's Board. The Foundation is included as a consolidating entity in Bellin Health Systems, Inc.'s consolidated financial statements. The following entities comprise Bellin Health Systems, Inc.:

- Bellin Memorial Hospital, Inc.
- Bellin Psychiatric Center, Inc.
- The Bellin Health Foundation, Inc.
- Bellin College, Inc.
- Lake Michigan Health Care Services, Inc.

A significant portion of funds raised by the Foundation are transferred to affiliates for use as directed by donors.

#### Basis of Presentation

The Foundation follows accounting standards contained in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The ASC is the single source of authoritative accounting principles generally accepted in the United States of America ("GAAP") to be applied to nongovernmental entities. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with ASC Topic 958, *Not-for-Profit Entities*.

#### Use of Estimates

The preparation of the accompanying financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Classification of Net Assets

Net assets and revenues, expenses, gains, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* are available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net assets with donor restrictions* are subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, long-lived assets placed in service, or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Assets Limited as to Use and Investments

Investments, including assets limited as to use, are measured at fair value in the accompanying statements of financial position. Donated investments are reported at fair value at the date of receipt, which is then treated as cost.

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends, net of investment related expenses) is included in net assets without donor-restrictions unless the income or loss is restricted by donor or law. Realized gains or losses are determined by specific identification.

Assets limited as to use include assets set aside to fund restricted donations.

#### Beneficial Interest in Charitable Lead Trust

The Foundation is an income beneficiary of an irrevocable charitable lead trust. The charitable lead trust agreement requires a distribution of 7% of the fair market value of the assets as of the beginning of the year to designated beneficiaries for a period of 15 years beginning December 31, 2014. Revenue and a related asset were recognized at the date the trust was established at an amount equal to the present value of the Foundation's interest in the future cash flows. The asset is adjusted during the term of the trust for changes in the estimate of future benefits based on a discount rate of 4%, and such changes are included as revenue and net assets with donor restrictions, as applicable.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists; therefore, requiring an entity to develop its own assumptions. The asset's and liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

#### Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Management individually reviews all past due unconditional promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amount of the unconditional promises to give is reduced by allowances that reflect management's estimate of uncollectible amounts.

#### Income Taxes

The Foundation is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Foundation is also exempt from state income taxes on related income.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Subsequent Events

Subsequent events have been evaluated through February 11, 2025, which is the date the financial statements were available to be issued.

### Note 2: Assets Limited as to Use and Investment Income

The composition of assets limited as to use at September 30 is as follows:

	<b>2024</b>	<b>2023</b>
Assets set aside to fund restricted donations:		
Cash and cash equivalents	\$ 1,586,766	\$ 1,777,268
Fixed income securities	733,573	713,142
Mutual funds	2,804,475	2,370,603
Equity securities	1,786,014	1,320,060
Alternative investments	151,964	154,583
Total assets set aside to fund restricted donations	\$ 7,062,792	\$ 6,335,656

Most long-term investments are held in an investment pool. Investment income is allocated among the various investments based on the weighted-average balance in each group.

Investments, in general, including those reflected in assets limited as to use, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of certain investments will occur in the near term and such changes could materially affect the amounts reported in the accompanying financial statements.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

### Note 2: Assets Limited as to Use and Investment Income (Continued)

#### *Investment Income*

Investment income was comprised of the following for the years ended September 30:

<b>2024</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>
Interest and dividend income - Net	\$ 83,511	\$ 43,188	\$ 126,699
Net realized gain on sale of investments	159,318	82,392	241,710
Change in net unrealized gains and losses on investments	320,462	165,730	486,192
<b>Totals</b>	<b>\$ 563,291</b>	<b>\$ 291,310</b>	<b>\$ 854,601</b>

  

<b>2023</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>
Interest and dividend income - Net	\$ 68,916	\$ 38,594	\$ 107,510
Net realized gain on sale of investments	70,297	39,369	109,666
Change in net unrealized gains and losses on investment	180,118	100,872	280,990
<b>Totals</b>	<b>\$ 319,331</b>	<b>\$ 178,835</b>	<b>\$ 498,166</b>

### Note 3: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value:

Cash equivalents, consisting of money market funds, are valued using \$1 as the net asset value ("NAV"). Fixed income securities are valued using quotes from pricing vendors based on recent trading activity and other observable market data. Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded. Equity securities are valued based on quoted market prices. Alternative investments are valued based on the NAV of the underlying investments of the funds. The charitable lead trust is measured at the present value of future cash flows considering estimated future cash flows over the term of the trust agreement and a discount rate based on the risks involved.

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.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

### Note 3: Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis as of September 30, 2024, is as follows:

	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Money market funds	\$ -	\$ 64,410	\$ -	\$ 64,410
Fixed income securities:				
Corporate bonds	-	447,803	-	447,803
Government bonds	-	148,862	-	148,862
Agency bonds	-	77,641	-	77,641
Municipal bonds	-	59,267	-	59,267
Mutual funds:				
Equity funds	1,285,761	-	-	1,285,761
Balanced funds	395,659	-	-	395,659
Fixed income funds	1,123,055	-	-	1,123,055
Equity securities	1,786,014	-	-	1,786,014
Interest in charitable lead trust	-	-	112,296	112,296
<b>Total investment assets in fair value hierarchy</b>	<b>\$ 4,590,489</b>	<b>\$ 797,983</b>	<b>\$ 112,296</b>	<b>\$ 5,500,768</b>
Alternative investments measured at net asset value (a)				\$ 151,964
<b>Total investment assets at fair value</b>				<b>\$ 5,652,732</b>
Reconciliation of fair value table to statement of financial position:				
Cash in assets limited as to use				\$ (1,522,356)
Interest in charitable lead trust				112,296
Assets limited as to use				7,062,792
<b>Total</b>				<b>\$ 5,652,732</b>

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

### Note 3: Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis as of September 30, 2023, is as follows:

	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Money market funds	\$ -	\$ 128,229	\$ -	\$ 128,229
Fixed income securities:				
Corporate bonds	-	404,610	-	404,610
Government bonds	-	142,022	-	142,022
Agency bonds	-	85,879	-	85,879
Municipal bonds	-	80,631	-	80,631
Mutual funds:				
Equity funds	1,050,542	-	-	1,050,542
Balanced funds	182,539	-	-	182,539
Fixed income funds	1,137,522	-	-	1,137,522
Equity securities	1,320,060	-	-	1,320,060
Interest in charitable lead trust	-	-	124,753	124,753
<b>Total investment assets in fair value hierarchy</b>	<b>\$ 3,690,663</b>	<b>\$ 841,371</b>	<b>\$ 124,753</b>	<b>\$ 4,656,787</b>
Alternative investments measured at net asset value (a)				\$ 154,583
<b>Total investment assets at fair value</b>				<b>\$ 4,811,370</b>
Reconciliation of fair value table to statement of financial position:				
Cash in assets limited as to use				\$ (1,649,039)
Interest in charitable lead trust				124,753
Assets limited as to use				6,335,656
<b>Total</b>				<b>\$ 4,811,370</b>

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

### Note 3: Fair Value Measurements (Continued)

(a) In accordance with GAAP, certain investments that were measured at NAV have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of fair value hierarchy to the line items presented on the statements of financial position.

The following table presents information for assets measured using NAV as a practical expedient:

	2024	2023	Unfunded Commitments	Redemption		
				Frequency	Restrictions	Notice Period
Blackstone Real Estate Investment Trust	\$ 151,964	\$ 154,583	-	A	None	B

A. Blackstone Real Estate Investment Trust ("REIT") is a nonexchange traded, perpetual life real estate investment trust. The investment strategy is to generate attractive risk-adjusted returns across cycles and over the long term. Blackstone REIT makes monthly distributions (not guaranteed, subject to Board approval) that may be taken as cash or used to purchase additional shares of the fund. Distributions to date total \$127,093, which \$42,093 have been reinvested into the fund. Distributions were \$7,046 and \$6,785 in 2024 and 2023, respectively.

B. Redemptions are allowed on a monthly basis through the share repurchase plan. Shares held less than one year will be repurchased at 95% of that month's transaction price. Overall limit of 2% of NAV per month and 5% of NAV per calendar quarter. Repurchase requests must be received in good order by the second to last business day of the applicable month. Blackstone REIT is not obligated to repurchase any shares and may choose to repurchase, at its discretion, only some or none, of the shares that have been requested to be repurchased in any particular month.

The change in the fair value of the Foundation's assets using significant unobservable inputs (Level 3) represents the change in the calculation of fair market value of the charitable lead trust.



# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

### Note 4: Unconditional Promises to Give

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 discount rates ranging from 0.98% to 4.60%.

Unconditional promises to give are summarized as follows at September 30:

	<b>2024</b>	<b>2023</b>
Unconditional promises to give	\$ 4,660,449	\$ 5,012,189
Less:		
Unamortized discount	649,051	502,000
Allowance for uncollectible promises to give	144,225	160,225
<b>Unconditional promises to give - Net</b>	<b>3,867,173</b>	<b>4,349,964</b>
Amounts due in:		
Less than one year	877,963	1,502,037
One to five years	1,342,160	1,600,377
Greater than five years	1,647,050	1,247,550
<b>Total</b>	<b>\$ 3,867,173</b>	<b>\$ 4,349,964</b>

### Note 5: Net Assets

Net assets with donor restrictions consist of the following as of September 30:

	<b>2024</b>	<b>2023</b>
Subject to expenditure for specified purpose:		
Bellin Memorial Hospital, Inc. capital projects	\$ 3,220,867	\$ 3,367,028
Bellin Memorial Hospital, Inc. services	4,164,215	4,141,106
Scholarships	460,231	351,509
Patient assistance	234,261	229,928
Employee assistance	108,675	130,295
Investments in perpetuity, the income from which is expendable to support:		
Scholarships	946,580	697,268
Health care services	46,158	43,817
Employee training and development	726,270	722,422
Support of Bellin Memorial Hospital, Inc.	1,135,000	1,127,000
<b>Total net assets with donor restrictions</b>	<b>\$ 11,042,257</b>	<b>\$ 10,810,373</b>

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### **Note 6: Concentration of Contribution Revenue**

The Foundation received approximately 43% of its total contributions from 8 contributors in 2024, and approximately 38% from seven contributors in 2023.

### **Note 7: Endowment Funds**

The Foundation's endowments consist of different funds established to benefit the Foundation for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### **Donor-Restricted Endowments**

The Foundation's Board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the Foundation to preserve the fair value of the donor's original gift, as of the date of the gift, absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of the donor's gifts to the perpetual endowment, (b) the original value of a donor's subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 funds in excess of the original fair value that is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### Note 7: Endowment Funds (Continued)

#### Investment Return Objectives, Risk Parameters, and Strategies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to preserve the fair value of the endowment assets. Under the Foundation's investment policy, as approved by the Board, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and ensure any risk assumed is commensurate with the given investment vehicle and the Foundation's objectives.

To achieve its investment goals, the Foundation targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal, while exercising risk control. The Foundation's asset allocations include a blend of equity and debt securities and cash equivalents.

Endowment net assets consisted of the following at September 30:

<b>2024</b>	<b>With Donor Restriction</b>
Donor restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 2,854,008
Accumulated investment gains	540,909
Total endowment funds	\$ 3,394,917
<b>2023</b>	
Donor restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 2,590,507
Accumulated investment gains	341,346
Total endowment funds	\$ 2,931,853

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### Note 7: Endowment Funds (Continued)

Changes in endowment funds were as follows for the years ended September 30:

	<b>With Donor Restrictions</b>
Endowment net assets at September 30, 2022	\$ 2,628,543
Investment return:	
Investment income	70,809
Unrealized gain	99,660
Total investment return	170,469
Appropriation of endowment assets for expenditures	(23,803)
Contributions and net asset reclassifications	156,644
Endowment net assets at September 30, 2023	2,931,853
Investment return:	
Investment income	125,534
Unrealized gain	166,021
Total investment return	291,555
Appropriation of endowment assets for expenditures	(91,992)
Contributions and net asset reclassifications	263,501
Endowment net assets at September 30, 2024	\$ 3,394,917

### Note 8: Retirement Plan

Bellin Memorial Hospital, Inc. has a defined contribution retirement plan (the "Plan") covering all eligible employees. The Foundation's employees are covered under the Plan. The Plan provides for a discretionary matching contribution that is determined by Bellin Memorial Hospital, Inc.'s Board of Directors. The Foundation expensed \$38,564 and \$38,281 in 2024 and 2023, respectively, related to the Plan.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

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### Note 9: Concentration of Credit Risk

The Foundation maintains depository relationships with area financial institutions insured by the FDIC. Depository accounts at these institutions are insured by the FDIC up to \$250,000. At September 30, 2024, the Foundation exceeded FDIC-insured limits by approximately \$580,000. In addition, other investments held by financial institutions are uninsured. Management believes these financial institutions have strong credit ratings, and credit risk related to these deposits is minimal.

### Note 10: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within 12 months of the statement of financial position date, are comprised of the following as of September 30:

	<b>2024</b>	<b>2023</b>
Unconditional promises to give without donor restriction due in less than 1 year	\$ 8,689	\$ 16,265
<b>Total</b>	<b>\$ 8,689</b>	<b>\$ 16,265</b>

### Note 11: Related Parties

The Foundation made the following grants to related parties during the years ended September 30:

	<b>2024</b>	<b>2023</b>
Bellin Memorial Hospital, Inc.	\$ 2,395,118	\$ 1,809,960
Bellin College, Inc.	186,479	267,552
Bellin Psychiatric Center, Inc.	1,735	1,700
Bel-Regional Home Medical	213,593	82,835
<b>Total</b>	<b>\$ 2,796,925</b>	<b>\$ 2,162,047</b>

The Foundation reimburses Bellin Memorial Hospital, Inc. for various management, general, and fund-raising expenses. These expenses totaled \$1,095,330 and \$939,465 for the years ended September 30, 2024, and 2023, respectively, included in expenses in the accompanying statements of activities. At September 30, 2024, \$43,442 was due to the Foundation related to such services. At September 30, 2023, \$240,498 was payable to Bellin Memorial Hospital, Inc. for payment of such services.

# The Bellin Health Foundation, Inc.

## Notes to Financial Statements

### Note 12: Functional Classification of Expenses

The following programs and supporting services are reflected in the statement of activities for the year ended September 30:

<b>2024</b>	<b>Program Expenses</b>	<b>Management and General</b>	<b>Fund-Raising</b>	<b>Total</b>
Support to Bellin Health Systems	\$ 2,920,231	\$ -	\$ -	\$ 2,920,231
Salaries and wages	12,456	250,587	335,975	599,018
Employee benefits	5,605	74,813	84,152	164,570
Special events	-	-	112,000	112,000
Gift shop supplies	94,298	-	-	94,298
Office	5,583	26,242	21,480	53,305
Contract services	-	9,850	21,171	31,021
Engagement and travel	-	1,610	12,961	14,571
Provision for bad debts	-	-	4,870	4,870
Other	1,871	20,638	4,040	26,549
<b>Totals</b>	<b>\$ 3,040,044</b>	<b>\$ 383,740</b>	<b>\$ 596,649</b>	<b>\$ 4,020,433</b>

<b>2023</b>	<b>Program Expenses</b>	<b>Management and General</b>	<b>Fund-Raising</b>	<b>Total</b>
Support to Bellin Health Systems	\$ 2,240,373	\$ -	\$ -	\$ 2,240,373
Salaries and wages	12,099	183,120	378,701	573,920
Employee benefits	5,485	48,507	101,172	155,164
Special Events	-	-	132,338	132,338
Gift shop supplies	76,145	-	-	76,145
Office	5,036	24,122	32,651	61,809
Contract services	-	5,036	19,012	24,048
Engagement and travel	1,018	3,479	9,091	13,588
Provision for bad debts	-	-	5,667	5,667
Other	1,394	19,699	7,972	29,065
<b>Totals</b>	<b>\$ 2,341,550</b>	<b>\$ 283,963</b>	<b>\$ 686,604</b>	<b>\$ 3,312,117</b>

The expenses are directly assigned to departments of the Foundation.