

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

Dogwood Health Trust

Years ended December 31, 2022 and 2021



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GRANT THORNTON LLP

1415 Vantage Park Dr., Suite 500
Charlotte, NC 28203

D +1 704 632 3500

F +1 704 334 7701

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Dogwood Health Trust

Opinion

We have audited the consolidated financial statements of Dogwood Health Trust and subsidiaries (the "Trust"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 Trust 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust'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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 Trust'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust'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.

Grant Thornton LLP

Charlotte, North Carolina
June 22, 2023

Dogwood Health Trust
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31,

	2022	2021
Assets		
Cash and cash equivalents	\$ 10,800,400	\$ 14,098,226
Sales tax receivables	251,397	435,639
Investments, at fair value (Note N)	1,693,774,990	2,063,280,487
Program and mission related investments, net	7,958,747	4,400,000
Fixed assets, net (Note O)	13,918,214	13,449,678
Other assets	1,697,153	786,980
Total assets	\$ 1,728,400,901	\$ 2,096,451,010
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 686,498	\$ 873,344
Grants payable (Note G)	26,610,369	26,158,554
Notes payable (Note R)	21,166,847	17,090,441
Total liabilities	\$ 48,463,714	\$ 44,122,339
Net assets with donor restrictions	11,446,564	6,475,955
Net assets without donor restrictions	1,668,490,623	2,045,852,716
Total liabilities and net assets	\$ 1,728,400,901	\$ 2,096,451,010

Dogwood Health Trust
CONSOLIDATED STATEMENTS OF ACTIVITIES
December 31,

	2022	2021
Revenues:		
Contributions received	\$ 13,484,813	\$ 177,004,804
Investment returns, net	(289,652,174)	300,407,788
Total revenues	(276,167,361)	477,412,592
Expenses:		
Compensation and benefits	9,399,658	7,395,106
Professional fees	3,298,663	3,176,653
Other expenses	2,538,444	2,701,344
Total expenses	15,236,765	13,273,103
Grants approved:		
Grants approved	80,987,358	96,088,812
Total grants approved	80,987,358	96,088,812
Change in net assets	\$ (372,391,484)	\$ 368,050,677
Net assets at beginning of year	2,052,328,671	1,684,277,994
Net assets at end of year	\$ 1,679,937,187	\$ 2,052,328,671

Dogwood Health Trust

CONSOLIDATED STATEMENTS OF CASH FLOWS

December 31,

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (372,391,484)	\$ 368,050,677
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contribution revenue - investments	-	(1,086,975)
Depreciation expense	399,377	155,799
Unrealized change on assets	308,324,049	(123,057,574)
Loss on disposal of furniture, fixtures and equipment	-	35,210
Changes in operating assets and liabilities:		
Sales tax receivables	184,242	(168,837)
Other assets	(910,173)	1,065,150
Grants payable	451,815	26,158,554
Accounts payable	(186,846)	(157,511)
Net cash provided by (used in) operating activities	(64,129,020)	270,994,493
Cash flows from investing activities:		
Purchases of furniture, fixtures, and equipment	(358,465)	(668,511)
Disposal of furniture, fixtures and equipment	-	89,032
Purchases of Land and buildings	(509,448)	(4,301,106)
Sales of program related investments	1,876,253	9,000,000
Purchases of program related investments	(5,435,000)	(12,000,000)
Sales of investments	603,865,173	1,523,989,916
Purchases of investments	(542,683,725)	(1,810,198,291)
Net cash provided by (used in) investing activities	56,754,788	(294,088,960)
Cash flows from financing activities		
Proceeds from notes payable	4,713,796	2,950,000
Payments on notes payable	(637,390)	(610,098)
Net cash provided by financing activities	4,076,406	2,339,902
Net (decrease) increase in cash	(3,297,826)	(20,754,565)
Cash, beginning of year	14,098,226	34,852,791
Cash, end of year	\$ 10,800,400	\$ 14,098,226
Supplemental Cash Flow Information		
Cash paid (refunded) during the year for taxes	\$ 949,575	\$ 4,000,000
Cash paid during the year for interest	\$ 396,301	\$ 348,038

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A - ORGANIZATION

The consolidated financial statements include the accounts of Dogwood Health Trust (the "Parent") and its consolidated subsidiaries (collectively, "Dogwood"). Intercompany transactions and balances are eliminated during consolidation. The Parent was established in May 2018 in anticipation of the sale of Mission Health System, Inc., and its affiliates, which occurred on January 31, 2019. Net proceeds from the sale were transferred to Dogwood for its purpose.

Dogwood is to have a perpetual existence to achieve its purpose, which is to dramatically improve the health and well-being of all people and communities of Western North Carolina, no exceptions. Dogwood has been classified as a private non-operating foundation and, accordingly, is subject to federal excise taxes imposed on net investment income, including realized capital gains. Dogwood is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC").

NOTE B - METHOD OF ACCOUNTING

Dogwood presents its financial statements on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

NOTE C - BASIS OF PRESENTATION

The net assets of Dogwood and changes therein are classified and reported as follows:

- a. Net assets without donor restrictions - These amounts are free from donor restrictions and are available for appropriation to the beneficiaries of Dogwood and for necessary costs to administer the funds.
- b. Net assets with donor restrictions - These amounts are subject to donor restrictions that will be met by the actions of the board of directors ("Board"). As of December 31, 2022 and 2021, there were \$11,446,564 and \$6,475,955, respectively held as Net assets with donor restrictions.

Interest and dividends are reported as increases in net assets without donor restrictions. Realized and unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions. Expenses and appropriations are recorded as decreases in net assets without donor restrictions.

Dogwood has elected to implement the requirements of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). As a result of this implementation and if Dogwood receives donor restricted funds, Dogwood will classify donor restricted net assets maintained in perpetuity at the original value of original corpus less distributions specified by the donor.

During 2022 and 2021, Dogwood's subsidiary, Impact Health received funding from North Carolina Department of Health and Human Services to operate the Health Opportunities Pilot program of evaluating the impact from non-medical interventions. All funding from this program is restricted for programmatic uses.

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE D - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash deposits held at Dogwood's banking institution. Dogwood maintains cash balances that may be in excess of FDIC insured limits. Cash equivalents are investments with a duration of 3 months or less. For 2022 and 2021, total uninsured cash balances were \$9,363,901 and \$12,863,956, respectively.

A portion of the cash and cash equivalents are held on the balance sheet with restriction. For 2022 and 2021, the total amount of restricted cash and cash equivalents were \$7,897,761 and \$6,475,795, respectively.

NOTE E - INVESTMENTS

Dogwood accounts for investments under Accounting Standards Codification (ASC 958), Not-for-Profit Entities, through which Dogwood has elected to record investments at estimated fair market value with gains and losses included in the statements of activities. Realized gains and losses are recognized when securities are sold based on the average cost method. Unrealized gains and losses are recognized as the value of the underlying investments fluctuate, but not distributed to Dogwood.

Dogwood's investments are carried at fair value. Investment fees, interest, dividends, realized and unrealized gains and losses are included within investment returns, net in the consolidated Statement of Activities.

Investment returns are presented on a net basis within the Statement of Activities. For 2022 and 2021, the total internal and external direct expenses totaled \$780,545 and \$5,037,371 respectively.

NOTE F – FIXED ASSETS

Furniture and equipment owned by Dogwood are stated at cost at the date of acquisition. Useful lives range from 7 years for furniture and 5 years for technological equipment. Depreciation is calculated on the straight-line basis over the assets' estimated useful lives.

Useful lives of the buildings are 39 years. Depreciation is calculated on the straight-line basis over the assets' estimated useful lives.

Dogwood's policy is to capitalize fixed assets with a purchase price at or above \$10,000 and to depreciate over its useful life.

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE G - GRANTS PAYABLE

Dogwood records a grant payable once a counter-signed grant agreement is received from the grantee following approval by either the Chief Executive Officer, Program and Grants Committee, Audit Committee, or the Board of Directors, with approval authority levels dependent on grant-size. The grants payable account is reduced when the scheduled grant is disbursed. For the years ended December 31, 2022 and 2021, Dogwood had grants payable totaling \$26,610,369 and \$26,158,554, respectively.

	<u>2022</u>
2023	17,629,723
2024	7,358,642
2025	1,024,033
2026	447,971
2027	<u>150,000</u>
	\$ 26,610,369

NOTE H - TAX PROVISIONS

Dogwood is exempt from federal and state income taxes on related income under Section 501(c)(3) of the IRC and is classified as a private foundation. Therefore, Dogwood is subject to federal excise taxes imposed on net investment income, including realized gains. The annual federal excise tax is 1.39 percent on this amount. In addition to excise taxes, Dogwood may be required to pay unrelated business income tax on some of its private investments. As of December 31, 2022, Dogwood does not expect these amounts to be material.

NOTE I - FAIR VALUE MEASUREMENTS

Dogwood considers various factors in determining fair value of its investments, including cost, investment type, additional purchases of similar investments, the financial position of the underlying investments and other relevant factors.

Dogwood, in accordance with ASC 820, discloses its assets and liabilities, recorded at fair value into the "fair value hierarchy." Fair value is defined, by US GAAP, as 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. Certain Dogwood assets are held in various alternative investments, including limited partnerships that invest in the securities of companies, hedge funds and other investments, may not be immediately liquid and do not have a readily determinable fair value. The partnerships' general partners, who must follow the valuation guidelines stipulated in their respective limited partnership agreements, determine the fair value of such partnership investments. For its alternative investments, Dogwood is eligible and has utilized the practical expedient method to measure fair value under generally accepted accounting principles. In accordance with the practical expedient method, the net asset value ("NAV") reported by the underlying alternative investment is concluded to represent the fair value.

Level 1 - quoted prices in active markets for identical assets or liabilities.

Level 2 - valuation based on market observables. An identical asset may not exist, or the market may be less active, or a quote price is unavailable.

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Level 3 - Unobservable valuation used when Level 1 and Level 2 inputs are not available.

For Level 3 investments, Dogwood employs a market approach, utilizing market-based data and compares the investment to similar assets, most notably exchange traded funds.

The information provided in the table below pertains to recurring fair value measurements that rely on significant unobservable inputs (referred to as Level 3 measurements).

	<u>Futures Contracts</u>
January 1, 2021	\$ -
Purchases	10,000,000
Transfers	
Issues	-
Sales	-
Settlements	-
Total Gains or (losses) during the period	<u>1,020,738</u>
December 31, 2021	\$ 11,020,738
Purchases	-
Transfers	(11,020,738)
Issues	-
Sales	-
Settlements	-
Total Gains or (losses) during the period	<u>-</u>
December 31, 2022	\$ -

NOTE J - RISKS AND UNCERTAINTIES

Dogwood's investments are held in multiple types of investment vehicles and strategies. These investments are subject to various risks, including changes in interest rates, underlying asset credit risks, liquidity risks, foreign exchange risks and general market volatility. In addition to these risks, a portion of Dogwood's investments are in alternative investments which contain redemption limitations. Generally, alternative investment transactions are completed through secondary markets and therefore inherently are subject to the risks associated with these markets. This has the potential to affect the estimated fair value of these alternative investments.

NOTE K - USE OF ESTIMATES

Dogwood has made certain estimates and assumptions relating to the reporting of its assets, liabilities, revenues, and expenses in conformity with US GAAP. Actual results could differ from these estimates. Assets without readily determinable fair values contain such risks.

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE L - LIQUIDITY

Dogwood manages its financial assets to be available as its operating expenditures, and obligations are due. Dogwood invests excess cash in short-duration fixed income vehicles to maximize returns. Currently, Dogwood does not use any debt instruments to supplement its cash reserves.

	2022	2021
Total assets	\$1,728,400,901	\$2,096,451,010
Less:		
Illiquid investments	394,413,641	388,034,869
Fixed assets	13,918,214	13,449,678
Other assets	1,697,153	786,980
Financial assets available within one year	\$1,318,371,893	\$1,694,179,483

NOTE M - PROVISION FOR TAX LIABILITY

During 2022, Dogwood recorded a deferred tax asset for 2021 estimated payments that were in excess of the 2021 tax liability. As of December 31, 2022, this totaled \$922,749. This is recorded in Other assets on the Statement of Financial Position.

During 2021, Dogwood recorded a provision for estimated excise taxes in the amount of \$443,239. This expense is recorded in Other Expenses on the Consolidated Statement of Activities.

NOTE N - INVESTMENTS

The table below shows investments by class.

	2022		2021	
	Cost	Market	Cost	Market
Fixed income	62,860,435	62,549,753	85,905,072	85,719,511
Futures contracts	79,982,430	78,660,505	70,899,320	74,393,066
Equities	515,408,989	472,355,577	643,320,748	756,237,184
Hedged strategies	609,427,514	682,893,193	585,305,054	760,912,401
Private investments	292,205,339	392,118,854	240,961,892	386,018,325
Cash in transit	5,197,108	5,197,108	-	-
	1,565,081,815	1,693,774,990	1,626,392,086	2,063,280,487

Fixed Income - includes corporate debt securities and funds holding similar investments as well as debt-based derivatives.

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Futures contracts – includes exchange traded futures contracts which track various stock indexes.

Equities - includes domestic and non-domestic stocks as well as long-only stock funds.

Hedged Strategies - includes interest in partnerships which invest in multiple strategies, including long and short domestic and international equities, credit, and event-arbitrage strategies.

Private Investments - includes interests in partnerships that hold illiquid investments which include venture capital and private equity strategies.

Dogwood invests in fully collateralized exchange traded futures contracts to equitize cash balances held in the investment portfolio. The fair values of futures contracts are primarily determined using quoted contract prices on futures exchange markets. As of December 31, 2022, and 2021, Dogwood's net exposure in futures contracts had a notional value of \$78,660,505 and \$74,393,958, respectively. As of December 31, 2022, and 2021 gains and (losses) were \$(14,230,550) and \$2,473,007, respectively. These returns are reflected in Investment returns, net on the Statement of Activities.

As of December 31, 2022 and 2021, redemption frequency and the corresponding notice period for all investments are presented in the table below. Unfunded commitments listed in the following table are as of December 31, 2022 and 2021. Dogwood measures fair value at the amount anticipated to be received to sell a particular asset at the date of measurement. Guidance lists the assumptions that market participants would use in pricing the asset into a three-tier fair value hierarchy. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs would include, for example, quoted prices for similar assets or liabilities. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective should remain the same; that is, an exit price from the perspective of a market participant that holds the asset or owes the liability.

Asset class:	2022			2021		
	Unfunded commitments	Liquidity (days)	Notice (days)	Unfunded commitments	Liquidity (days)	Notice (days)
Fixed income	-	1 to 7	1	-	1 to 7	1
Equities	-	1 to 30	1 to 30	-	1 to 30	1 to 30
Hedged strategies	\$44,950,565	1 to 365	1 to 180	\$44,356,100	1 to 365	1 to 180
Private investments	\$254,258,593	Illiquid	N/A	\$287,415,166	Illiquid	N/A
Cash in transit	-	N/A	N/A	-	N/A	N/A

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

December 31, 2022	Market	Level 1	Level 2	Level 3	NAV
Fixed income	\$ 62,549,753	\$ 11,896,985	\$ -	\$ -	\$ 50,652,768
Futures Contracts	78,660,505	69,277,539	9,382,966	-	-
Equities	472,355,577	140,624,278	-	-	331,731,299
Hedged strategies	682,893,193	-	-	-	682,893,193
Private investments	392,118,854	-	-	-	392,118,854
Cash in transit	5,197,108	5,197,108	-	-	-
	\$ 1,693,774,990	\$ 226,995,910	\$ 9,382,966	\$ -	\$ 1,457,396,114
December 31, 2021	Market	Level 1	Level 2	Level 3	NAV
Fixed income	\$ 85,719,512	\$ 40,223,947	-	-	\$ 45,495,565
Futures contracts	74,393,958	63,373,220	-	11,020,738	-
Equities	756,237,184	297,481,153	-	-	458,756,031
Hedged	760,705,950	-	-	-	760,705,950
Private investments	386,223,883	-	-	-	386,223,883
Cash in transit	-	-	-	-	-
Total	\$ 2,063,280,487	\$ 401,078,320	\$ -	\$ 11,020,738	\$ 1,651,181,429

NOTE O - FIXED ASSETS, NET

Property and equipment, net is summarized as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Buildings	\$ 10,144,857	\$ 5,387,333
Land	3,292,859	3,292,859
Furnitures and fixtures	707,948	11,596
Equipment	330,530	20,361
Construction in process	-	4,896,132
Gross	<u>14,476,194</u>	<u>13,608,281</u>
Accumulated depreciation	<u>(557,980)</u>	<u>(158,603)</u>
Net fixed assets	<u>\$ 13,918,214</u>	<u>\$ 13,449,678</u>

Management reviews property and equipment for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable in the future. The test to determine this possible impairment is based on the future cash flows, undiscounted, expected to result from the remaining useful life of the asset. Recognition of this impairment and measurement thereof, occurs when the asset's carrying value exceeds its fair value. As of December 31, 2022 and 2021, no impairment was identified or recognized. As of December 31, 2022 and 2021, total depreciation expense totaled \$399,377 and \$155,799, respectively.

NOTE P – CONTRIBUTIONS RECEIVED

During 2022, Dogwood received \$13,484,813 of restricted cash. Included in this total were transfers from Mission Health System Foundation, Inc. (Foundation) and North Carolina Department of Health and Human Services (NC DHHS), \$3,548,803 and \$9,936,010 respectively. The transfer from the Foundation was made pursuant to the Agreement for Assignment and Transfer of Rights and Assets made between

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

Mission Health System, Inc., ANC Healthcare, Inc., and Dogwood. The transfer from NC DHHS was made in relation to the Healthy Opportunities Pilot and Impact Health.

During 2021, Dogwood received \$177,004,804 in cash and investments. The majority of these contributions were made pursuant to the Agreement for Assignment and Transfer of Rights and Assets made between Mission Health System, Inc., ANC Healthcare, Inc., and Dogwood.

NOTE Q - FUNCTIONAL EXPENSES

The cost of program activities and administrative needs have been summarized on a functional basis on the Statement of Activities. The Statement of Functional Expenses presents expenditures by function and classification. Expenses directly attributable to a specific functional area are reported within that functional area.

Expenses are reported on the Statement of Activities in natural categories. Functional expenses were categorized as follows:

December 31, 2022

Type	Administrative services	Legacy support	Total
Compensation and benefits	\$ 9,399,658	\$ -	\$ 9,399,658
Professional Fees	3,298,663	-	3,298,663
Insurance	254,397	-	254,397
Depreciation	399,377	-	399,377
Travel and education	61,129	-	61,129
Other expenses	1,554,321	-	1,554,321
Technology	269,220	-	269,220
	\$ 15,236,765	\$ -	\$ 15,236,765

December 31, 2021

Type	Administrative services	Legacy support	Total
Compensation and benefits	6,977,623	417,483	7,395,106
Professional fees	3,121,125	55,528	3,176,653
Insurance	252,743	-	252,743
Depreciation	155,799	-	155,799
Travel and education	23,436	-	23,436
Other expenses	1,902,739	116	1,902,855
Technology	260,102	106,409	366,511
	\$ 12,693,567	\$ 579,536	\$ 13,273,103

NOTE R – NOTES PAYABLE

On July 31, 2020, Dogwood entered into a term loan in the amount of \$15,000,000. The loan bears an interest rate of 2.16% and is secured by a portion of equities. The loan proceeds were used to buy land and buildings which serve as Dogwood's headquarters. As of December 31, 2022 and 2021, the principal

Dogwood Health Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

balance of the note payable was \$13,516,847 and \$14,140,441, respectively, which approximates fair value. The loan matures on August 31, 2030.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	637,390	289,600	926,990
2024	650,704	276,286	926,990
2025	665,882	261,108	926,990
2026	680,612	246,378	926,990
2027	695,668	231,322	926,990
Thereafter	10,186,593	541,165	10,727,759
Total	\$ 13,516,847	\$ 1,845,861	\$ 15,362,709

On March 31, 2021, Dogwood entered into a line of credit in the amount of \$10,000,000. The loan bears an interest rate of 2.20% and is secured by a portion of equities. The purpose of the loan was to catalyze local program related investments. As of December 31, 2022, the outstanding principal balance of the loan was \$7,650,000, which approximates fair value. The loan matures on March 30, 2031.

On July 21, 2021, Dogwood entered into a line of credit in the amount of \$100,000,000. The loan bears an interest rate of 3.10% and is secured by a portion of equities. The purpose of the loan was to catalyze local program related investments. As of December 31, 2022, the outstanding principal balance of the loan was \$0, which approximates fair value. The loan matures on July 21, 2041.

As of December 31, 2022 and 2021, total interest expense totaled \$396,301 and \$348,038 respectively.

NOTE S - SUBSEQUENT EVENTS

Dogwood has determined that there were no material events that were not disclosed after the balance sheet date of December 31, 2022, through the date which the consolidated financial statements were available to be issued on June 22, 2023.