Temple University —
Of The Commonwealth System of Higher Education and its Subsidiaries

Consolidated Financial Statements and Supplemental Schedules as of and for the Years Ended June 30, 2026 and 2025, and Independent Auditor's Report


TEMPLE UNIVERSITY
INCORPORATED MAY 12, 1888
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Of The Commonwealth System Of Higher Education

TEMPLE UNIVERSITY —
OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES

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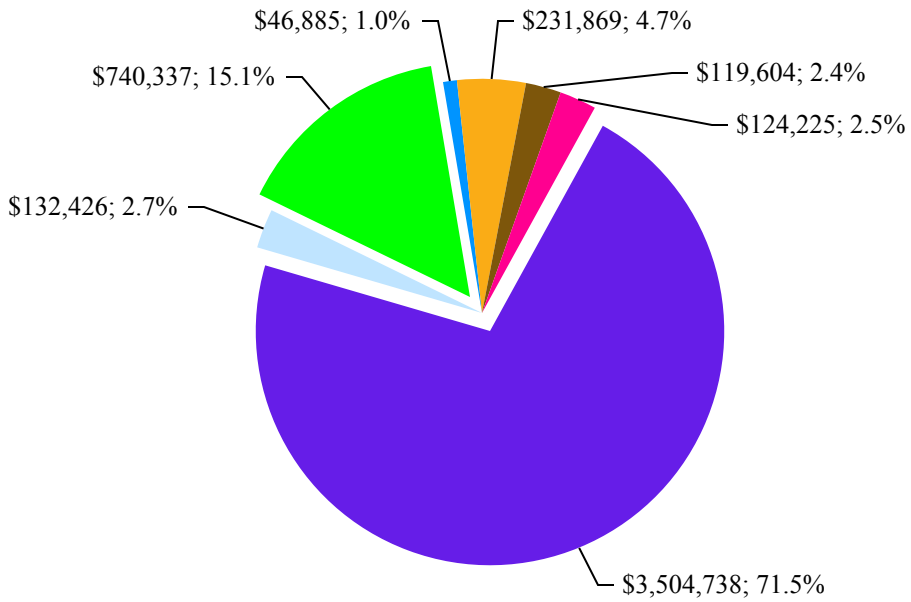
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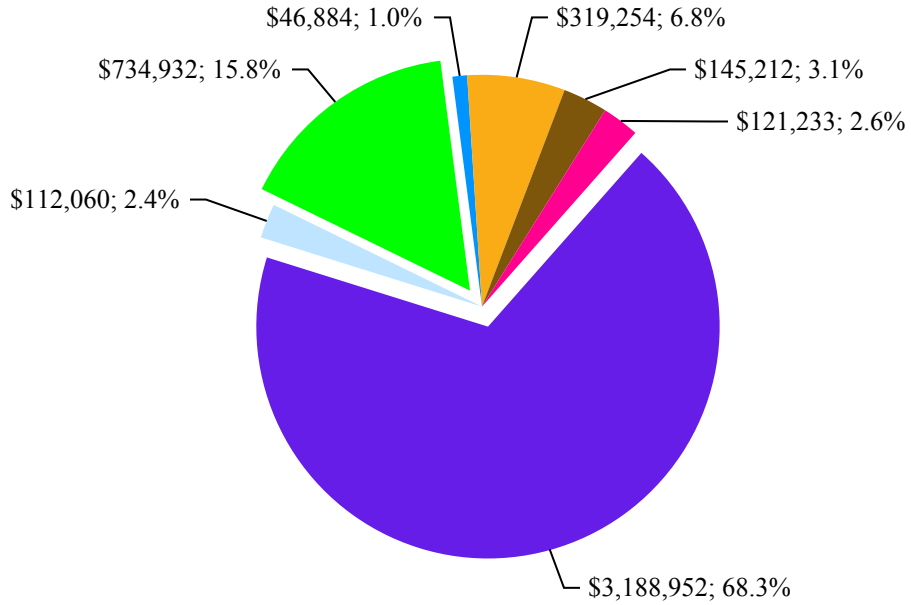
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Temple University —
Of The Commonwealth System of Higher Education and its Subsidiaries
Summary of Financial Statements
(dollars in thousands)

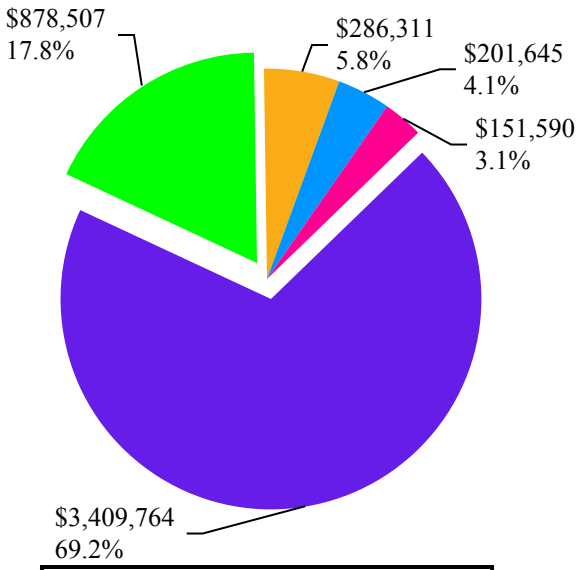
Fiscal 2026 Operating Revenues Without Donor Restrictions by Source: $4,900,084



Fiscal 2025 Operating Revenues Without Donor Restrictions by Source: $4,668,527

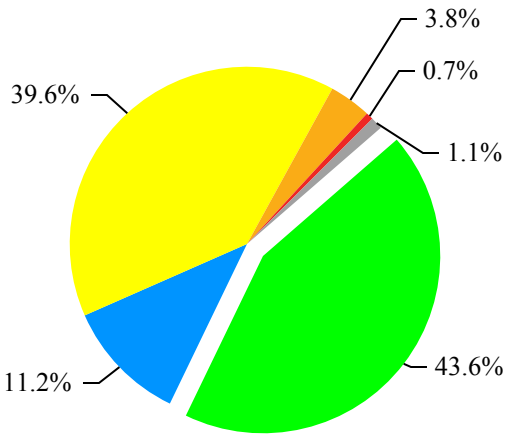


Fiscal 2026 Operating Expenses by Function: $4,927,817



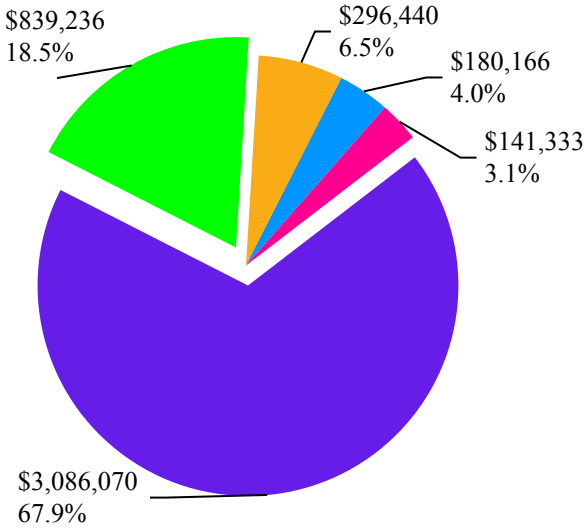
- Academic and student services
- Research and public service
- Institutional support
- Auxiliary enterprises
- Patient care activities

Fiscal 2026 Operating Expenses by Natural Expense Type (Excluding Recoveries)



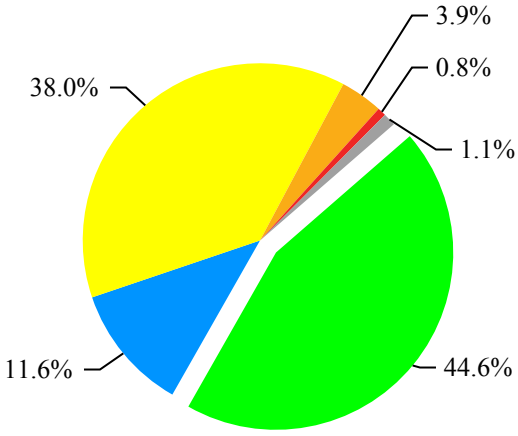
- Salaries and wages
- Employee benefits
- Operating expenses
- Depreciation
- Interest on indebtedness
- Operations and maintenance

Fiscal 2025 Operating Expenses by Function: $4,543,245



- Academic and student services
- Research and public service
- Institutional support
- Auxiliary enterprises
- Patient care activities

Fiscal 2025 Operating Expenses by Natural Expense Type (Excluding Recoveries)



- Salaries and wages
- Employee benefits
- Operating expenses
- Depreciation
- Interest on indebtedness
- Operations and maintenance

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Deloitte & Touche LLP
1700 Market Street
Suite 2700
Philadelphia, PA 19103
USA

Tel: +1 215 246 2300
Fax: +1 215 569 2441
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Temple University – Of The Commonwealth System of Higher Education
Philadelphia, Pennsylvania

Opinion

We have audited the consolidated financial statements of Temple University – Of The Commonwealth System of Higher Education and subsidiaries ("Temple"), which comprise the consolidated balance sheets as of June 30, 2026 and 2025, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Temple as of June 30, 2026, and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Temple 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 Temple's ability to continue as a going concern for 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 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.

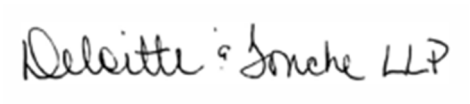
In performing an audit in accordance with GAAS, we:

- 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 Temple'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 Temple'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 Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules presented on pages i through ii and supplemental schedules listed in the table of contents on pages S-1 through S-3 are presented for the purpose of additional analysis and are not a required part of the financial statements. These supplemental schedules are the responsibility of Temple's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules 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 GAAS. In our opinion, such schedules are fairly stated in all material respects in relation to the financial statements as a whole.



October 28, 2026

TEMPLE UNIVERSITY —
OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES
Consolidated Balance Sheets
(in thousands)

	June 30, 2026	June 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 481,387	$ 404,694
Investments and self-insurance trust funds	1,674,835	1,581,663
Accounts, loans, and contributions receivable, net	685,911	759,277
Inventories and other assets	87,182	74,802
Deposits with trustees	24,646	24,296
Total current assets	2,953,961	2,844,732
Non-current assets:		
Accounts, loans, and contributions receivable, net	111,509	140,672
Endowment, investments, and self-insurance trust funds	1,534,122	1,365,056
Deposits with trustees	23,500	23,585
Other assets	136,009	120,357
Property, plant, and equipment, net	2,169,956	2,049,073
Operating lease right-of-use assets	98,715	97,594
Funds held in trust by others	199,937	180,275
Total non-current assets	4,273,748	3,976,612
Total assets	$ 7,227,709	$ 6,821,344
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 668,423	$ 647,334
Deferred revenue	76,368	75,729
Short-term debt	—	25,000
Current portion of long-term debt, net	50,516	47,472
Current portion of accrued pensions and postretirement benefits	242	268
Total current liabilities	795,549	795,803
Non-current liabilities:		
Accrued expenses and other liabilities	314,636	321,265
Deferred revenue	15,641	16,415
Long-term debt, net	792,849	821,018
Operating lease liabilities	83,209	81,866
Refundable federal student loans	27,469	28,481
Accrued pensions and postretirement benefits	1,276	1,278
Total non-current liabilities	1,235,080	1,270,323
Total liabilities	2,030,629	2,066,126
Net assets:		
Without donor restrictions	3,991,433	3,626,841
With donor restrictions	1,205,647	1,128,377
Total net assets	5,197,080	4,755,218
Total liabilities and net assets	$ 7,227,709	$ 6,821,344

See accompanying notes to the consolidated financial statements.

TEMPLE UNIVERSITY —
OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES
Consolidated Statement of Activities
For the Year Ended June 30, 2026 (with Summary Information for the Year Ended June 30, 2025)
(in thousands)

	2026			
	Without Donor Restrictions	With Donor Restrictions	Total	2025
Revenues:				
Tuition and fees, net of discounts of $206,169	$ 740,337	$ —	$ 740,337	$ 734,932
Commonwealth of Pennsylvania appropriation (Note 17)	46,885	—	46,885	46,884
Grants and contracts (federal, state, local, and private)	231,869	—	231,869	319,254
Contributions for operations and endowments	39,482	44,685	84,167	66,023
Investment return, net of expenses	119,604	3,999	123,603	148,863
Sales of educational activities	16,403	—	16,403	15,033
Auxiliary enterprises	124,225	—	124,225	121,233
Patient care activities	3,504,738	—	3,504,738	3,188,952
Other sources	66,220	5	66,225	59,714
Net assets released from restrictions	10,321	(10,321)	—	—
Total revenues	4,900,084	38,368	4,938,452	4,700,888
Expenses:				
Educational and general:				
Academic and student services	878,507	—	878,507	839,236
Research and public service	286,311	—	286,311	296,440
Institutional support	201,645	—	201,645	180,166
Total educational and general	1,366,463	—	1,366,463	1,315,842
Auxiliary enterprises	151,590	—	151,590	141,333
Patient care activities	3,409,764	—	3,409,764	3,086,070
Total expenses	4,927,817	—	4,927,817	4,543,245
(Deficit) excess of revenues over expenses	(27,733)	38,368	10,635	157,643
Other changes in net assets:				
Investment return, net of expenses	197,994	124,706	322,700	195,687
Commonwealth grants for property, plant, and equipment (PP&E)	4,300	83,523	87,823	93,612
Contributions for PP&E	1	122	123	16,460
Gain on extinguishment of debt	—	—	—	20,411
Loss on disposal of PP&E, net	(4,538)	—	(4,538)	(1,101)
Actuarial change in accrued pensions and postretirement benefits	11,098	—	11,098	35,602
Other components of net periodic postretirement benefit cost	15,828	—	15,828	12,209
Loss on asset retirement obligation	—	—	—	(1,052)
Currency translation adjustment and foreign exchange realized (loss) gain, net	(479)	—	(479)	1,421
Other	(1,328)	—	(1,328)	—
Pension settlement charge	—	—	—	(41,992)
Net assets released from restrictions for PP&E	169,449	(169,449)	—	—
Total other changes in net assets	392,325	38,902	431,227	331,257
Change in net assets	364,592	77,270	441,862	488,900
Net assets, beginning of year	3,626,841	1,128,377	4,755,218	4,266,318
Net assets, end of year	$ 3,991,433	$ 1,205,647	$ 5,197,080	$4,755,218

See accompanying notes to the consolidated financial statements.

TEMPLE UNIVERSITY —
OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES
Consolidated Statement of Activities
For the Year Ended June 30, 2025
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Tuition and fees, net of discounts of $185,337	$ 734,932	$ —	$ 734,932
Commonwealth of Pennsylvania appropriation (Note 17)	46,884	—	46,884
Grants and contracts (federal, state, local, and private)	319,254	—	319,254
Contributions for operations and endowments	28,087	37,936	66,023
Investment return, net of expenses	145,212	3,651	148,863
Sales of educational activities	15,033	—	15,033
Auxiliary enterprises	121,233	—	121,233
Patient care activities	3,188,952	—	3,188,952
Other sources	59,699	15	59,714
Net assets released from restrictions	9,241	(9,241)	—
Total revenues	4,668,527	32,361	4,700,888
Expenses:			
Educational and general:			
Academic and student services	839,236	—	839,236
Research and public service	296,440	—	296,440
Institutional support	180,166	—	180,166
Total educational and general	1,315,842	—	1,315,842
Auxiliary enterprises	141,333	—	141,333
Patient care activities	3,086,070	—	3,086,070
Total expenses	4,543,245	—	4,543,245
Excess of revenues over expenses	125,282	32,361	157,643
Other changes in net assets:			
Investment return, net of expenses	124,340	71,347	195,687
Commonwealth grants for property, plant, and equipment (PP&E)	—	93,612	93,612
Contributions for PP&E	1	16,459	16,460
Gain on extinguishment of debt	20,411	—	20,411
Loss on disposal of PP&E, net	(1,101)	—	(1,101)
Actuarial change in accrued pensions and postretirement benefits	35,602	—	35,602
Other components of net periodic postretirement benefit cost	12,209	—	12,209
Loss on asset retirement obligation	(1,052)	—	(1,052)
Currency translation adjustment and foreign exchange realized gain, net	1,421	—	1,421
Pension settlement charge	(41,992)	—	(41,992)
Net assets released from restrictions for PP&E	24,258	(24,258)	—
Total other changes in net assets	174,097	157,160	331,257
Change in net assets	299,379	189,521	488,900
Net assets, beginning of year	3,327,462	938,856	4,266,318
Net assets, end of year	$ 3,626,841	$ 1,128,377	$ 4,755,218

See accompanying notes to the consolidated financial statements.

TEMPLE UNIVERSITY —
OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 441,862	$ 488,900
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Currency translation adjustment and foreign exchange realized loss (gain), net	479	(1,421)
Provision for bad debts	9,248	5,717
Depreciation	189,127	176,979
Amortization and accretion	(6,924)	(6,854)
Realized and unrealized gain on investments, net	(354,988)	(250,657)
Actuarial change in accrued pensions and postretirement benefits	(11,098)	(35,602)
Gain on extinguishment of debt	—	20,411
Loss on asset retirement obligation	—	1,052
Loss on disposal of property, plant, and equipment (PP&E) and assets held for sale, net	4,538	1,101
Noncash contributions received	(6,292)	(4,611)
Proceeds from sale of noncash contributions	6,292	4,611
Contributions, grants, and investment income restricted for PP&E and long-term investment	(125,014)	(135,634)
Equity method investment loss	6,894	3,663
Changes in operating assets and liabilities:		
Accounts and contributions receivable	44,940	(50,224)
Inventories and other assets	(16,484)	(8,202)
Accounts payable and accrued expenses	62,380	(36,273)
Deferred revenue	441	(12,184)
Accrued pensions and postretirement benefits	(6,672)	(6,460)
Net change in operating lease right of use assets / liabilities	664	(3,952)
Net cash provided by operating activities	239,393	150,360
Cash flows from investing activities:		
Purchases of investments, deposits with trustees, and self-insurance trust funds	(1,412,651)	(1,568,694)
Sales and maturities of investments, deposits with trustees, and self-insurance trust funds	1,548,422	1,671,975
Net change in short-term investments	(64,247)	(45,289)
Purchases of PP&E	(315,601)	(300,471)
Proceeds from sales of PP&E and assets held for sale	198	—
Loans to students	(4,510)	(3,276)
Proceeds from collections on student loans	4,807	5,758
Purchase of equity method investment	(5,740)	—
Proceeds from loans to equity method investment	—	26,303
Net cash used in investing activities	(249,322)	(213,694)
Cash flows from financing activities:		
Proceeds from contributions, grants, and investment income restricted for PP&E and long-term investment	125,014	135,634
Refundable federal student loans	(1,011)	(2,097)
Change in split interest agreements	6,257	173
Proceeds from long-term debt, net of bond issuance cost of $0 and $1,035, respectively	22,186	263,707
Repayment of long-term debt	(44,420)	(345,866)
Proceeds from short-term borrowings (line of credit)	20,000	65,000
Repayment of short-term borrowings (line of credit)	(45,000)	(52,000)
Net cash provided by financing activities	83,026	64,551
Effect of exchange rate changes on cash and cash equivalents	(448)	1,643
Net change in cash, cash equivalents, and restricted cash	72,649	2,860
Cash, cash equivalents, and restricted cash, beginning of the year	435,794	432,934
Cash, cash equivalents, and restricted cash, end of the year	$ 508,443	$ 435,794
Cash and cash equivalents	$ 481,387	$ 404,694
Restricted cash included in investments	27,056	31,100
Total cash, cash equivalents, and restricted cash	$ 508,443	$ 435,794
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 41,631	$ 38,803
PP&E acquired through new and modified finance leases	3,775	930
Amounts accrued related to PP&E	25,090	26,752

See accompanying notes to audited consolidated financial statements and Note 9 for additional supplemental cash flow disclosures related to leases.

1. Description of Business and Operations

Founded in 1884, Temple University — Of The Commonwealth System of Higher Education (the "University") is a comprehensive state-related research university with its headquarters and largest campus located in Philadelphia, Pennsylvania. The University provides education and training services to approximately 33,000 students at the undergraduate, graduate, and postdoctoral/professional levels, and performs research, training, and other services under grants, contracts, and similar agreements with sponsoring organizations, including federal, state, and local sponsors. The University offers more than 650 academic programs in 17 schools and colleges, including programs in art; business; education; engineering; law; liberal arts; media and communications; music and dance; science and technology; social work; sport, tourism, and hospitality management; theater, film, and media arts; and various health professions, including dentistry; medicine; pharmacy; podiatric medicine; and public health. The University has eight campuses; including six campuses across Pennsylvania and international campuses in Italy (Rome) and Japan (locations in Tokyo and Kyoto), and offers study abroad programs in various locations. The University is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

As a state-related institution, the University receives annual operating and capital non-preferred appropriations from the Commonwealth of Pennsylvania (the "Commonwealth"). Non-preferred appropriations require a two-thirds vote of each chamber of the Commonwealth's General Assembly for passage. The General Assembly is not obligated to appropriate funds to the University, and there is no guarantee that funding from the Commonwealth will continue consistent with historical levels or at levels requested by the University. In 2026 and 2025, the annual operating appropriation from the Commonwealth was $158,206 (both years) and the capital appropriation was $51,000 (both years). In addition to the annual appropriations, the Commonwealth also provides funding for sponsored programs, as well as patient care activities provided by the University's health system (see Notes 17 and 18).

The University is the sole member of its subsidiary Temple University Health System, Inc. ("TUHS"). The University and TUHS are collectively referred to herein as "Temple". See the accompanying supplemental schedule for a complete listing of Temple's subsidiary organizations. A summary of Temple's active and recently active subsidiaries and clinical faculty practice plan is as follows:

Temple's Active Subsidiaries as of June 30, 2026	
Temple University Health System, Inc. ("TUHS")	A Pennsylvania nonprofit corporation dedicated to providing access to quality patient care and supporting excellence in medical education and research, of which the University is the sole member. TUHS was incorporated in August 1995 and serves principally to coordinate the activities and plans of its health care subsidiaries in Philadelphia and the surrounding area. TUHS' subsidiaries and affiliates include a network of hospitals and outpatient centers, a comprehensive physician network of primary care and specialty practices, ambulatory services, various research entities, a foundation to support the health-care related activities of TUHS, and a captive insurance company established to reinsure the professional liability claims of certain subsidiaries of TUHS. See the accompanying supplemental schedules for a complete listing of TUHS' subsidiaries.
Temple Educational Support Services, Ltd. ("TESS")	A limited liability company organized and incorporated under the laws of Japan. TESS was established in December 1995 to operate the University's Japan campus and is a wholly-owned subsidiary of the University.
Temple University School of Podiatric Medicine, Inc. ("TUSPM")	A Pennsylvania nonprofit corporation that holds the real estate associated with the University's School of Podiatric Medicine. With the exception of holding certain real estate, TUSPM has not had any activity since the Pennsylvania College of Podiatric Medicine became affiliated with Temple University in July 1998.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation — The consolidated financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities.* The accompanying consolidated financial statements include the accounts of Temple and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Temple is required to classify its net assets into two categories based on the existence or absence of donor-imposed restrictions: net assets without donor-imposed restrictions and net assets with donor-imposed restrictions. Descriptions of the two net asset categories are as follows:

Net Assets without Donor Restrictions — Net assets not subject to donor-imposed restrictions. These net assets may be designated for specific purposes by action of the board of trustees or may otherwise be limited by contractual agreements with outside parties. Temple reports donor-restricted support whose restrictions are met in the same reporting period as support within *Net assets without donor restrictions*. All expenses from operations are reported as a reduction of *Net assets without donor restrictions*, since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

Net Assets with Donor Restrictions — Net assets subject to donor-imposed restrictions, which are donor stipulations that specify a use for a contributed asset that is more specific than broad limits resulting from the following: a) the nature of the not-for-profit entity, b) the environment in which it operates and c) the purposes specified in its articles of incorporation or bylaws or comparable documents. Net assets subject to donor-imposed restrictions include contributions for which donor-imposed restrictions have not been met (primarily future capital projects), donor restricted endowment funds, charitable remainder unitrusts, pooled income funds, gift annuities, and pledges receivable. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to *Net assets without donor restrictions* and reported in the consolidated statements of activities as *Net assets released from restrictions*.

Cash, Cash Equivalents, and Restricted Cash — Temple considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Temple maintains cash balances in financial institutions, which exceed federal depository insurance limits. Management believes that credit risks related to these deposits are minimal. Cash equivalents that are not traded on an active exchange are carried at cost, which approximates fair value.

Endowment and Investments — Endowment and investments (collectively referred to as "investments") are comprised of the assets of Temple's endowment, certain donor restricted funds, funds designated by the board of trustees to be invested as endowments, certain funds set aside to retire long-term debt, other plant-related funds, and other funds without donor restrictions held for operating purposes. These investments vary as to their level of liquidity, with differing requirements for notice prior to redemption or withdrawal. Investments established for donor and board-designated endowments, investments pledged as collateral, and certain investments set aside to retire long-term debt are classified as non-current assets. All other investments are classified as current assets (see Notes 3, 10, 11, and 14).

Temple reports investments including debt and equity securities at fair value. Temple also invests in various limited partnerships, hedge funds, and other investment funds whose fair value is measured at net asset value per share as determined by the respective fund managers and financial information provided by the

investment entities. This financial information includes assumptions and methods that are reviewed by Temple. Because these investments are not readily marketable, the estimated fair values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market existed, and such differences could be material.

Temple has adopted, for endowments and funds designated by the board of trustees to be invested as endowments, a spending rule based on a percentage of the fair value of such investments, computed as a moving average over the prior twelve quarters. For these investments, the spending rule amount is reported as *Investment return* in revenues with the excess or shortfall of total return over the spending rule amount reported as *Investment return* in *Other changes in net assets* in the consolidated statements of activities. For all other investments, interest and dividend income is reported as *Investment return* in revenues and realized and unrealized gains or losses are reported as *Investment return* in *Other changes in net assets* in the consolidated statements of activities (see Notes 3 and 11).

Investment return, net of external and direct internal investment expenses, is reported as increases to net assets without donor restrictions or assets with donor restrictions based upon the existence or absence of donor-imposed restrictions.

Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Derivatives — The University enters into derivative financial instruments, principally futures contracts, to manage equity price risk. Futures contracts are recorded as contractual commitments on a trade-date basis and are carried at fair value based on closing exchange quotations. The fair value of derivative financial instruments at the reporting date generally reflects the amount the University would receive or pay to terminate the contract at the reporting date. Changes in fair value are recorded as *Investment return* in *Other changes in net assets*. The University does not designate any derivative instruments as hedging instruments (see Note 3).

Self-Insurance Trust Funds — Temple self-insures or maintains deductibles under its various insurance policies for property, casualty, automobile, general liability, medical malpractice, workers' compensation, certain health and welfare, and other claims. Self-insurance trust funds include assets that are designated for payments of workers' compensation risk retained by Temple. Provisions are made for estimated losses (claims made and claims incurred but not reported) generally based on actuarial methods, which include discounting of certain loss provisions (see Note 3).

Accounts, Loans, and Contributions Receivable — Accounts, loans, and contributions receivable are reported at the net amount the University expects to collect over the life of the asset. ASC 326, *Financial Instruments - Credit Losses*, requires the use of a current expected credit loss ("CECL") model. This model applies to trade receivables (including student receivables), institutional loan receivables, and other financial instruments.

The CECL model is based on historical experience, the age of the receivable balances, and other factors that may affect the ability to collect, including the credit quality of customers, current economic conditions, and reasonable and supportable forecasts of future economic conditions. The University's evaluation for expected credit losses considers historical collection rates, current financial status, macroeconomic factors, and other industry-specific factors. Balances are written off when they are determined to be uncollectible. The University does not accrue interest on these amounts (see Note 4).

Inventories and Other Assets — Inventories are stated at the lower of cost or net realizable value, with cost being determined on the first-in, first-out, or average cost method. Inventories at June 30, 2026 and 2025, totaled $45,103 and $40,355, respectively, and are included in *Inventories and other assets* in the consolidated balance sheets. *Inventories and other assets* also include prepaid expenses, and advances. *Other assets, non-current* include pension and postretirement plans that are in an over-funded position, which totaled $95,925 and $76,512 at June 30, 2026 and 2025, respectively (see Note 5).

Deposits with Trustees — Deposits with trustees include assets held in escrow by designated bond trustees for debt service payments and construction or enhancement of property, plant, and equipment (see Note 6).

Property, Plant, and Equipment — Property, plant, and equipment are recorded at cost less accumulated depreciation. Property, plant, and equipment gifted to Temple are recorded at the fair value at the date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to forty years. Leasehold improvements are depreciated over the shorter of the estimated useful life of the leasehold improvements or the lease term. Land is not depreciated. Depreciation for equipment commences once it is placed in service and depreciation for buildings and leasehold improvements commences once they are ready for their intended use (see Note 7).

Estimated useful lives of property, plant, and equipment are as follows:

	Useful Life
Land improvements	8 - 20 years
Buildings	20 - 40 years
Building improvements	15 - 40 years
Furniture, fixtures, and equipment	3 - 20 years
Library books	10 years

Cost of maintenance and repairs is charged to expense as incurred. Upon retirement or other disposition, the cost of the asset and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of activities.

Long-Lived Assets — Temple reviews long-lived assets, such as property, plant, and equipment, for impairment whenever events or changes indicate that the carrying value of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to their expected undiscounted future cash flows. If such assets are considered to be impaired, the impairment is measured by the amount the carrying value exceeds the fair value of the assets. No impairment of long-lived assets occurred in 2026 or 2025.

Intangibles — Intangible assets are accounted for in accordance with the accounting guidance in FASB ASC Topic 350 *Intangibles—Goodwill and Other*. Goodwill and indefinite-lived intangible assets are not amortized, but are evaluated for impairment annually, or when indicators of a potential impairment are present. Temple's annual impairment assessment date is June 30. The annual assessment for impairment of goodwill and indefinite-lived intangible assets is based on valuation models that incorporate assumptions and internal projections of expected future cash flows and operating plans. During 2026 and 2025, there were no intangible assets with indefinite lives.

The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed on a straight-line basis over the estimated periods benefited. Intangibles with contractual terms are generally amortized over their respective legal or contractual lives. When certain events or changes in operating conditions occur, an impairment assessment is performed and the lives of intangible assets with

determinable lives may be adjusted and impairment charges recorded. Intangible assets with determinable useful lives were fully amortized during 2025. At June 30, 2026 and 2025, all intangible assets were either fully amortized or impaired.

Leases — Temple determines if an arrangement is a lease at inception. A contract is or contains a lease if the contract conveys the right to control and obtain substantially all of the economic benefits from an identified asset, and provides Temple with the right to direct the use of the identified asset for a period of time in exchange for consideration. Operating leases are included in *Operating lease right-of-use assets*, *Operating lease liabilities (non-current)*, and *Accounts payable and accrued expenses (current).* Operating lease right-of-use ("ROU") assets represent Temple's right to use an underlying asset for the lease term. Operating lease liabilities represent Temple's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. If a lease agreement does not provide an implicit rate, based on the information available at the commencement date, Temple uses its incremental borrowing rate in determining the present value of lease payments. The rates implicit on Temple's leases were not readily available and, as such, Temple used the incremental borrowing rate when measuring all leases. Temple determines its incremental borrowing rate based on the approximate rate at which Temple would borrow, on a collateralized basis over a similar term. The determination of the incremental borrowing rate includes numerous assumptions such as credit standing, lease term, amount of borrowing, and location of leased assets. Certain real estate leases include options to extend or terminate agreements. Options to extend or terminate the lease are considered in determining the lease term only when it is reasonably certain that the option will be exercised (see Note 9). Lease expense for lease payments is recognized on a straight-line basis over the lease term. Temple elected the practical expedient that allows lessees to choose not to separate lease and non-lease components and is applying this expedient to all real estate leases and all embedded equipment leases related to consumable purchase agreements. Certain lease agreements for real estate include payments based on actual common area maintenance and other expenses, such as insurance and taxes. These variable lease payments are recognized within operating expenses, but are not included in the calculation of right-of-use asset or liability balances. Additionally, Temple elected to not recognize lease assets and lease liabilities for all leases with a term of 12 months or less; such lease payments are recognized as expense on a straight-line basis over the lease term. Temple's operating leases are primarily for facility space, automobiles, and office equipment. Temple's finance leases are included in *Property, plant, and equipment, net*, and *Long-term debt* in the consolidated balance sheet (See Note 9).

Funds Held in Trust by Others — Temple is the irrevocable beneficiary of the income from certain perpetual trusts administered by third parties. Temple's beneficial interest is reported at the fair value of the underlying trust assets. Because the trusts are perpetual and the original corpus cannot be used, these funds are reported as donor-restricted net assets. As Temple does not have the ability to redeem funds held in trust by others, these assets are categorized as Level 3 assets (see Note 10).

Asset Retirement Obligations — Temple recognizes the fair value of an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made. When the liability is initially recorded, Temple capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Changes in the obligation due to revised estimates of the amount or timing of cash flows required to settle the future liability are recognized by increasing or decreasing the carrying amount of the asset retirement obligation liability. Changes due solely to the passage of time (accretion of the discounted liability) are recognized as an increase in the carrying amount of the liability and as an operating expense in the statement of activities. The capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle

the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statement of activities (see Note 8).

Defined Benefit Pension and Other Postretirement Plans — Temple recognizes the over-funded or under-funded status of its defined benefit pension and other postretirement plans as an asset or liability in its balance sheets and recognizes changes in the funded status of the plans that arise during the period, but are not recognized as components of net periodic benefit cost, as *Actuarial change in accrued pensions and postretirement benefits* in the consolidated statements of activities (see Note 5).

Fair Value Measurements — Temple categorizes its assets and liabilities measured at fair value into a three-level hierarchy, based on the priority of the inputs to the respective valuation techniques, with assets that are measured using the net asset value per share practical expedient being excluded from the fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset's or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. Temple's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels (see Note 10).

The carrying values of short-term assets and liabilities, including cash equivalents (not traded on an active exchange), accounts receivable, and accounts payable, approximate their fair values. Investments, self-insurance trust funds, and deposits with trustees are carried at their estimated fair value (see Notes 3 and 10). The fair value of long-term debt is estimated based upon discounted cash flows at current market rates for instruments with similar remaining terms, which Temple considers Level 2 inputs (see Notes 9 and 10). Contribution receivables are recorded at the present value of expected future cash flows (see Note 4). Considerable judgment is necessary to interpret market data and develop estimated fair values. Accordingly, the estimates presented are not necessarily indicative of the amounts at which these instruments could be purchased, sold, or settled.

A reasonable estimate of the fair value of loans receivable from students under government loan programs and refundable federal student loans could not be made because the loans are not readily salable. These loans are recorded at cost, less an allowance for doubtful accounts (see Note 4).

Revenue Recognition — Temple's revenues primarily consist of tuition and fees, auxiliary enterprises, Commonwealth appropriations, grants and contracts, contributions, and patient care activities. Revenue recognition accounting policies for Temple's primary revenue sources are as follows (see Note 18 for additional revenue disclosures):

Tuition and Fees — Tuition and fees are recognized ratably on a daily straight-line basis over the academic period as the University satisfies its performance obligation (e.g., as instruction is provided to students). The University's transaction price is determined based on established fixed tuition rates based on student residency (in-state or out-of-state) and the school or college in which they enroll, net of financial assistance provided directly by the University. Such financial assistance is recorded as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Financial assistance provided to students was $206,169 in 2026 and $185,337 in 2025.

Auxiliary Enterprises — Auxiliary services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, charging fees directly related to, but not necessarily equal to, the cost of

of providing those goods or services. The distinguishing characteristic of auxiliary services is that they are managed as essentially self-supporting activities. Revenues from auxiliary enterprises include revenues from contracts with customers to provide student housing and dining facilities, ticket sales for athletic and community events, other athletic department revenues, parking services, and other miscellaneous activities.

The University's transaction price for housing and meal plans is determined based on established fixed rates based on the dorms students chose to live in (e.g., residence halls and room type) and the meal plan type they elect. Payments for housing services are due approximately two weeks subsequent to the start of the academic term (consistent with tuition). Performance obligations for housing and dining services are delivered over the academic terms. Consequently, revenue from housing and dining services is recognized ratably as services are rendered. For ticket sales, revenue is recognized after the event occurs and for other auxiliary services (e.g., event parking, programs, merchandise, concessions) revenue is recognized at a point in time.

Commonwealth of Pennsylvania Appropriation — The University receives annual operating and capital appropriations from the Commonwealth. Operating appropriations are provided to support the general operations of the University, which, along with additional support provided by the University, allows for a reduction in tuition rates for Pennsylvania resident students. Funds are required to be spent in accordance with applicable laws and revenue is recognized ratably over the fiscal year as the funds are expended. Capital appropriations are provided to fund certain approved capital projects in support of the University's mission. Revenue from Commonwealth capital funding is recognized on an expense reimbursement basis and is classified as "with donor restrictions" until the capital project is completed and placed in service, at such time the net assets are released from restrictions.

Strategic Support Assessment — On an annual basis, the University charges TUHS a strategic support assessment ("SSA") in support of the Lewis Katz School of Medicine ("LKSOM") for its mission of research and education, and the associated benefit to TUHS and the patients it serves. The amount of the SSA and payment terms are determined annually as part of the annual budget process. The revenue, recorded by the University, and the equal expense, recorded by TUHS, are eliminated in consolidation. The SSA is comprised primarily of the share of appropriation used to support matching funds under the Commonwealth of PA Medical Assistance Program (see Note 17).

Grants, Contracts, and Contributions — Temple receives sponsored program funding from various governmental, corporate, and private sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of Temple, the funding organization's mission, or the public at large.

Revenues from exchange transactions are recognized as performance obligations are satisfied, which in some cases are as related costs are incurred. Revenues from non-exchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied. In addition, Temple has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions will include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Funds received in advance (for an exchange transaction prior to the performance obligation being satisfied; or for a contribution non-exchange transaction, prior to the condition being achieved) are recorded as *Deferred revenue* on the consolidated balance sheets.

In 2026 and 2025, sponsored programs revenue earned from federal, state, local, and private sources totaled $231,869 and $319,254, respectively. The 2025 balance includes employee retention tax credits (see Note 23). Indirect costs recovered on federally sponsored programs are generally based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors. Funds received from federal sources are subject to audit in accordance with compliance standards.

Patient Care Activities — Patient care activities provided by Temple are invoiced daily, from which revenue is recognized at a point in time as patient services are provided. *Patient care activities* include revenues from TUHS as well as clinical activities provided by the University.

Patient care activities revenue is recognized at the amount that reflects the consideration to which Temple expects to be entitled in exchange for providing patient care. These amounts are due from Medicare and Medicaid, managed care health plans, commercial payors, patients, and others. Reimbursement is primarily based on the payment terms of contractual arrangements, such as predetermined rates per visit or procedure, per diem rates, or discounted fee-for-service rates. Generally, Temple bills the patients and third-party payers several days after the services are performed and/or the patient is discharged. In addition, Temple receives medical assistance payments for the reimbursement of services for charity and uncompensated care services. The federal funding of such costs is subject to an upper payment limit and retrospective settlement.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided. Temple recognizes revenues for performance obligations satisfied over a period of time based on actual charges incurred in relation to total expected (or actual) charges. Temple believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in TUHS receiving inpatient acute care services. TUHS measures performance obligations from admission to the point where there are no further services required for the patient, which is generally the time of discharge. Temple recognizes revenues for performance obligations satisfied at a point in time, which generally relates to patients receiving outpatient services, when: (a) services are provided and (b) Temple does not believe the patient requires additional services. The patient care activities provided by the University are for outpatient type services. The University recognizes revenues for performance obligations satisfied at a point in time, which generally relates to patients receiving outpatient services, when services are provided.

Temple estimates the transaction price for patients based on gross charges for services provided, reduced by explicit price concessions which include contractual adjustments provided to third-party payers and discounts provided to uninsured patients in accordance with Temple's policy. Temple determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical collection experience. Revenues are also adjusted for implicit price concessions. Implicit price concessions are determined based on historical collection experience. The implicit price concessions included in estimating the transaction price represent the difference between amounts remaining to be paid and the amounts Temple generally expects to collect based on its historical experience. Subsequent changes to the estimate of transaction price are generally recorded as adjustments to patient service revenue in the period of change and are accrued on an estimated basis in the period the related services are rendered. Adjustments may also occur in future periods as final settlements are determined.

Because Temple's patient service obligations generally relate to contracts with duration of less than one year, Temple has elected to apply the optional exemption and, therefore, is not required to disclose the

aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Generally, patients who are covered by third-party payors are responsible for related co-payments, coinsurance and deductibles, which vary in amount. Temple also provides services to uninsured patients and offers uninsured patients a discount from standard charges. Temple estimates the transaction price for patients with co-pays, co-insurance and deductibles and for those who are uninsured based on historical collection experience and current market conditions. Under Temple's uninsured discount programs, the discount offered to certain uninsured patients is recognized as a contractual discount, which reduces net operating revenues at the time the self-pay accounts are recorded. The uninsured patient accounts, net of contractual discounts recorded, are further reduced to their net realizable value at the time they are recorded through implicit price concessions based on historical collection trends for self-pay accounts and other factors that affect the estimation process. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to *Patient care activities* revenue in the period of the change.

Consistent with Temple's mission, care is provided to patients regardless of their ability to pay. Temple provides care without charge, or at a standard rate discounted for uninsured patients that is not related to published charges, to patients who meet certain criteria under Temple's charity care policy. Some patients qualify for charity care based on federal poverty guidelines or their financial condition being such that requiring payment would impose a hardship on the patient. Because Temple does not pursue collection of amounts determined to qualify as charity care, they are not reported as *Patient care activities* revenue. Temple has determined that it has provided sufficient explicit price concessions for these accounts (see Notes 18, 21, and 22).

In assessing collectability, Temple uses a combination of contract specific adjustments (such as high dollar and long length-of-stay accounts) as well as a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. This portfolio approach is being used as Temple has a large volume of similar contracts with similar classes of customers. Temple reasonably expects that the effect of applying a portfolio approach would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, aggregating all of the contracts (which are at the patient level) by the particular payer or group of payers will result in the recognition of the same amount of revenue as applying the analysis at the individual patient level.

Amounts received under Medicare and Medicaid programs are subject to review and final determination by program intermediaries or their agents and the contracts Temple has with commercial payers typically provide for retroactive audit and review of claims. Revenue includes an estimate of variable consideration for retroactive revenue adjustments due to settlements of audits, reviews and investigations. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered or when known by Temple and adjusted in future periods as final settlements or changes in estimates are determined. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

Temple engages in various contracts with insurance companies where Temple is at risk for the total cost of care to an attributed patient population as well as contracts that provide for pay-for-performance incentives. The value of these agreements is estimated and included in net patient service revenue.

Advertising — Temple charges the costs of advertising to expense as incurred. Advertising expense was $26,459 and $22,752 in 2026 and 2025, respectively.

Other Changes in Net Assets — Temple considers all realized and unrealized gains and losses on investments, net of the endowment payout under Temple's spending formula, as *Other changes in net assets*. *Other changes in net assets* also includes interest and dividends on endowments and funds designated by the board of trustees to be invested as endowments; activity related to property, plant, and equipment (including grants and contributions, gains (losses) on disposals, and net assets released from restrictions); gains (losses) on extinguishment of debt; actuarial changes in accrued pensions and postretirement benefits; other components of net periodic benefit cost (see Note 5); gains (losses) on asset retirement obligations (see Note 8); and foreign currency adjustments.

Income Taxes — With the exception of TUHIC (Temple's captive insurance company domiciled in Bermuda), TESS (operator of the University's Japan campus), and certain inactive subsidiaries (see supplemental schedule), substantially all of the individual members of Temple are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. Temple files U.S. federal, state, and local information returns and no returns are currently under examination. The statute of limitations on Temple's U.S. federal information returns remains open for three years following the year they are filed.

U.S. GAAP requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. Temple does not believe its consolidated financial statements include any uncertain tax positions that would require disclosure.

Functional Expense Allocation — Temple's operation and maintenance of plant expenses ("O&M") and depreciation expense (excluding depreciation related to auxiliary and library books) are allocated to the functional expense classifications based upon the proportionate share of expenses (excluding O&M and depreciation) reported in each functional classification in the statement of activities. Depreciation related to auxiliary fixed assets (e.g., dormitories, parking garages, and athletics) is fully allocated to *Auxiliary enterprises expense* and depreciation related to library books is fully allocated to academic support expense included in *Academic and student services* in the statement of activities (see Note 19).

Contributions from Related Parties — During the years ended June 30, 2026 and 2025, there were contributions from members of the Board of Trustees that did not have a material impact on the consolidated financial statements (see Note 24).

Use of Estimates — The preparation of financial statements and related disclosures in conformity with U.S. 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Temple's critical estimates and assumptions include explicit and implicit price concessions on patient service revenue and patient accounts receivable; revenue recognition; adequacy of allowance for accounts, loans, and contribution receivable; the valuation of assets and liabilities recorded at fair value; valuation of claim based liabilities and conditional asset retirement obligations; useful lives for depreciation and amortization; impairment of intangible assets; incremental borrowing rate used in determining the present value of lease payments; estimated settlements with third-party payors; state Medicaid audit settlements; and accounting for pension and other postretirement benefits. Actual results could differ materially from these estimates.

Recently Issued Accounting Pronouncements — Recently issued accounting pronouncements that are applicable to Temple's consolidated financial statements are as follows:

Standard	Description	Adoption
Standards that were adopted during fiscal years 2026 and 2025:		
Financial Instruments - Credit Losses **ASU 2016-13 and subsequent amendments (Topic 326)**	In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). The ASU adds to U.S. GAAP an impairment model (known as the current expected credit loss, or "CECL" model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which is intended to result in the more timely recognition of losses. Under the CECL model, entities estimate credit losses over the entire contractual term of the instrument from the date of initial recognition of the financial instrument. The adoption of this standard update did not have a material impact on the consolidated financial statements. There was no impact on beginning balance net assets upon adoption of this ASU.	July 1, 2023 Modified-retrospective application
Standards issued, but not yet adopted:		
Financial Instruments - Credit Losses **ASU 2025-05 Financial Instruments — Credit Losses: Measurement of Credit Losses for Accounts Receivable and Contract Assets. (Topic 326)**	In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.* The new guidance provides targeted relief to simplify the application of the CECL model for certain receivables. The standard introduces two key changes: a practical expedient and an accounting policy election: i) **Practical Expedient**: provision allows all entities to assume that current economic conditions as of the balance sheet date will not change over the remaining life of the asset when estimating expected credit losses. This eliminates the need for entities to develop complex, forward-looking macroeconomic forecasts for these short-term receivables, such as student tuition and fees; and ii**) Accounting Policy Election**: permits an accounting policy election to consider cash collections that occur after the balance sheet date but before the financial statements are issued. This allows the University to factor in actual cash received on receivables, which can reduce the allowance for credit losses and provide a more accurate picture of collectibility. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted. Temple is currently evaluating the impact of this new standard on its consolidated financial statements. The adoption will be applied prospectively, with no restatement of prior periods required.	July 1, 2026 Prospective application
Income Taxes **ASU 2023-09 Improvements to Income Tax Disclosures (Topic 740)**	In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The standard enhances annual income tax disclosure requirements to provide greater transparency on income tax risks and opportunities. The ASU introduces two primary enhancements: i) Rate Reconciliation Disclosures: Requires entities subject to income taxes (such as on Unrelated Business Taxable Income or through taxable corporate subsidiaries) to disaggregate their effective tax rate reconciliation using prescribed categories; and ii) Jurisdictional Cash Taxes Paid: Mandates the disaggregation of income taxes paid (net of refunds received) by individual federal, state, and foreign jurisdictions that meet or exceed a 5% quantitative threshold. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2025 (for non-public/all other entities, including applicable not-for-profit entities), with early adoption permitted. Temple is currently evaluating the operational and reporting impacts of this new standard on its consolidated financial statement disclosures. The adoption will be applied prospectively, with no restatement of prior periods required.	July 1, 2026 Prospective application

3. Endowment, Investments, and Self-Insurance Trust Funds

The carrying values of investments, including the endowment (see Note 11), at June 30, 2026 and 2025 are as follows:

	June 30, 2026	June 30, 2025
Investments (including endowment):		
Money market funds	$ 107,997	$ 69,595
Corporate bonds, notes, and other debt securities	438,117	421,174
U.S. government and agency securities	488,318	489,311
Municipal bonds	834	1,528
Fixed income funds	130,054	78,804
Equity funds and securities	1,416,478	1,295,642
Futures contracts	(314)	3,431
Commodity funds*	—	18,076
Private equity funds	138,441	110,869
Real estate funds	95,048	94,148
Multi-strategy hedge funds	334,233	309,562
Opportunistic funds	43,046	36,751
Other	4,771	4,409
Total investments	$ 3,197,023	$ 2,933,300

** During 2026, the asset allocation of the endowment was revised to reallocate the 2% target previously held in commodities to U.S. investment-grade fixed income securities.*

The University utilizes an outsourced chief investment officer for its investment management responsibilities related to the University's endowment, pension plans, and postretirement plan assets.

The carrying values of self-insurance trust funds at June 30, 2026 and 2025 are as follows:

	June 30, 2026	June 30, 2025
Self-insurance trust funds:		
Money market funds	$ 636	$ 1,674
Corporate bonds and notes	1,824	876
U.S. government securities	9,474	10,869
Total self-insurance trust funds	$ 11,934	$ 13,419

Investment return reported in the statements of activities for the years ended June 30, 2026 and 2025 is as follows:

	Year Ended June 30,	
	2026	2025
Investment income:		
Interest and dividends	$ 91,315	$ 93,893
Realized gains, net	284,009	44,927
Change in unrealized gains, net	70,979	205,730
Total investment income	$ 446,303	$ 344,550

Derivatives:

Futures Contracts — A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a type of commodity or financial instrument at a specified future date in accordance with the terms specified by a regulated futures exchange. The University uses equity index futures contracts to manage equity price risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the futures contracts.

Upon entering into a futures contract, the University is required to deposit either cash or securities in an amount equal to a certain percentage of the nominal value of the contract ("initial margin"). Pursuant to the futures contract, the University agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the futures contracts. Such receipts or payments are known as "variation margin" which are settled daily. Any variation margin unsettled at period-end is recorded as an unrealized gain (loss) in *Investment return* in *Other changes in net assets* in the statements of activities. The University recognizes a realized gain or loss when the contract is closed. Futures contracts expose the University to off-balance sheet market and liquidity risk. The University is exposed to market risk to the extent that adverse changes occur in the fair values of the underlying securities or indices. This market risk is in excess of the amount recognized in the statement of assets and liabilities. Liquidity risk represents the possibility that the University might not be able to rapidly adjust the size of its futures position in times of high volatility and financial stress at a reasonable price.

The University has credit risk associated with counterparty nonperformance. However, credit risk associated with exchange-traded contracts are typically perceived to be less because exchanges typically provide clearing house arrangements in which the collective credit of the managers of the exchange is pledged to support the financial integrity of the exchange. Margins, which may be subject to loss in the event of a default, are generally required in exchange trading and further mitigate credit risk. All of the futures contracts held by the University at June 30, 2026 and 2025 were exchange traded contracts.

At June 30, 2026 and 2025, the University had the following open futures subject to equity price risk, for which U.S. Treasury notes were pledged as collateral (see Note 14):

June 30, 2026	Number of Contracts	Notional Amount	Variation Margin Unrealized (Loss) Gain
Equity price futures contracts, not designated as hedging instruments, included in:			
Endowment	1,275	$ 190,513	$ (314)
Postretirement benefits plan assets	429	52,982	530
Pension plans assets	49	8,003	16

June 30, 2025	Number of Contracts	Notional Amount	Variation Margin Unrealized Gain
Equity price futures contracts, not designated as hedging instruments, included in:			
Endowment	1,022	$ 162,152	$ 3,431
Postretirement benefits plan assets	517	66,864	1,485
Pension plans assets	52	7,562	183

4. Accounts, Loans, and Contributions Receivable

Accounts receivable, net of allowances are as follows:

	June 30, 2026	June 30, 2025
Students	$ 66,228	$ 53,605
Patients	350,451	324,548
Health care programs	107,825	165,351
Grants and contracts£	70,585	109,463
Commonwealth (operating and capital appropriations)^	45,464	25,489
Recoveries from insurance providers	28,412	67,382
Other	58,343	79,303
Accounts receivable, gross	727,308	825,141
Less: Allowance for doubtful patient accounts	(433)	(541)
Less: Allowance for credit losses on students, grants, contracts, and other accounts	(30,953)	(24,883)
Total accounts receivable, net	$ 695,922	$ 799,717

£ *Grants and contracts in 2025 includes employee retention credits* that were collected in full during 2026 *(see Note 23).*

^ *Increase in Commonwealth receivables at June 30, 2026 is due to the timing of cost incurred on infrastructure projects supported by the Commonwealth that are billed quarterly.*

Loans to students are disbursed based on financial need and consist of loans granted by the University under federal government loan programs and loans granted from institutional resources. Upon the earlier of graduation or no longer having full-time student status, the students have a grace period, which varies by loan type, until repayment of loans is required.

The availability of funds for loans under federal government revolving loan programs is dependent on reimbursements to the pool from repayments on outstanding loans. At June 30, 2026 and 2025, funds advanced by the federal government totaled $27,469 and $28,481, respectively. Interest and fees collected are included in the revolving loan funds available for students. Federal loan funds are ultimately refundable to the government and are classified as liabilities in the consolidated balance sheets. Outstanding loans canceled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government.

Loans to students are shown net of allowances as follows:

	June 30, 2026	June 30, 2025
Federal government loan programs:		
Perkins loan program*	$ 4,470	$ 6,155
Health professional and disadvantaged student loans	24,706	23,239
Nursing student loans	465	443
Federal government loan programs	29,641	29,837
Institutional loan programs	519	620
Student loans receivable, gross	30,160	30,457
Less: Allowance for doubtful federal government loan programs	(6,449)	(6,487)
Less: Allowance for doubtful institutional loan programs	(300)	(299)
Total student loans receivable, net	$ 23,411	$ 23,671

** On September 30, 2017, the Federal Perkins Loan program was not renewed in Congress, thus effectively ending the loan program. Previously loaned funds will continue to be collected, however, no new loans are being originated.*

Student loans are considered past due when payment has not been received in over 30 days. Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Further, the University does not evaluate the credit quality of the student loans receivable after the initial approval and calculation of the loans. Institutional loan balances are written off when they are deemed to be permanently uncollectible.

The aging of student loans receivable is as follows:

	June 30, 2026	June 30, 2025
30 days or less past due	$ 22,664	$ 22,645
31 through 89 days past due	340	550
90 days and greater past due	407	476
Total student loans receivable, net	$ 23,411	$ 23,671

Contributions receivable are unconditional promises to give, restricted by donors for scholarships, capital acquisitions, and other operating purposes. They are expected to be realized in the following periods:

	June 30, 2026	June 30, 2025
In one year or less	$ 14,540	$ 13,894
One to five years	29,075	29,556
Greater than five years	63,561	59,770
Contributions receivable, gross	107,176	103,220
Less: Allowance for doubtful contributions	(7,531)	(7,272)
Less: Present value discount	(21,558)	(19,387)
Total contributions receivable, net	78,087	76,561
Less: Current portion of contribution receivable, net	(10,733)	(9,053)
Non-current portion of contribution receivable, net	$ 67,354	$ 67,508

Changes to net contributions receivable during the years ended June 30, 2026 and 2025 are as follows:

	Year Ended June 30,	
	2026	2025
Balance, beginning of the year	$ 76,561	$ 67,719
New pledges	26,866	36,941
Collection of pledges	(12,536)	(15,371)
Pledges written off	(10,374)	(474)
Change in allowance	(259)	(2,334)
Change in discount to present value	(2,171)	(9,920)
Balance, end of the year	$ 78,087	$ 76,561

The discount rates used to calculate the present value discount are tied to U.S. Government treasury notes in effect at the time of contribution. Discount rates for durations between 1 and 30 years were between 3.98% and 4.93% for contributions made during the year ended June 30, 2026 and 4.33% and 5.09% for contributions made during the year ended June 30, 2025.

Temple also receives bequest intentions and certain other conditional promises to give. These intentions and conditional promises to give are not included in the consolidated financial statements.

5. Pensions and Postretirement Benefits

Temple sponsors various postretirement programs, which include defined benefit pension plans, retiree health benefits pre-funding plans, referred to below as "postretirement benefits", and defined contribution plans. Participation in these plans is based on prescribed eligibility requirements and certain TUHS employees also participate in the University's defined benefit plan.

Temple contributes to its defined benefit pension plans in compliance with the funding provisions of the Internal Revenue Code. Employees participating in the pension plans are eligible to begin receiving benefit payments upon retirement, provided age and service requirements have been met. In 2001, two of the University's defined benefit pension plans were frozen, with no future accruals. The third pension plan sponsored by the University remains active for two collectively bargained groups of employees. Effective June 30, 2025, the University consolidated its three defined benefit pension plans into a single defined benefit pension plan. This consolidation did not affect the benefits provided to plan participants.

Effective June 30, 2022, the TUHS sponsored pension plans were merged into a single defined benefit plan; and the single pension plan was subsequently terminated effective June 30, 2023. The pension plan termination was approved by the Pension Benefit Guaranty Corporation ("PBGC"). During 2025, TUHS executed a lump sum window for the terminated plan, resulting in total lump sum payments of $14,070 to plan participants. TUHS purchased annuities totaling $81,729 from an insurance company and transferred $1,769 to the PBGC missing participant program. This settlement activity resulted in a settlement charge of $41,992, recognized in *Other changes in net assets* in the 2025 statement of activities. As of June 30, 2025, all remaining plan assets and liabilities from the TUHS sponsored plans have been transferred to the insurance company.

The postretirement benefits plans are postretirement trusts established for the purpose of providing medical and prescription drug coverage to eligible retirees. Eligible active employees could elect to pre-pay a portion of their future medical costs. Contributions for a period of ten years were required in order to be eligible to retire and receive benefits on or after the age of 62. This plan had a series of sunset dates beginning in 1999 through June 30, 2003. No employees hired or rehired on or after the earlier of their respective sunset date or June 30, 2003 are eligible to participate in the postretirement benefits plan.

Defined contribution retirement plans are offered to all full-time faculty and staff, with the exception of the two collectively bargained groups that participate in the defined benefit pension plan. Deposits to the defined contribution plans are provided through contributions made by Temple and its employees into participant managed accounts. Temple's contributions to participants' accounts are based on a defined percentage of the participants' elected contributions, base wages, and length of service. Temple's contributions to the defined contribution plans in 2026 and 2025 were $100,769 and $97,292, respectively.

Certain union employees are covered by multi-employer pension plans to which Temple contributes. A contributor to a multi-employer plan is liable, upon termination of the plan or its withdrawal from the plan, for its share of the plan's unfunded vested liabilities. Until either event occurs, Temple's share, if any, of the unfunded vested liabilities cannot be determined. At present, Temple has no plans to withdraw from the multi-employer pension plans. Pension expense for these plans was $14,570 and $13,034 in 2026 and 2025, respectively.

The activity of the defined benefit pension and postretirement benefit plans for the years ended June 30, 2026 and 2025 is as follows:

	Pensions		Postretirement Benefits	
	2026	2025	2026	2025
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 65,822	$ 169,193	$ 336,337	$ 307,813
Service cost	965	2,393	10,099	9,088
Interest cost	3,293	6,852	18,392	17,530
Plan participant contributions	218	267	1,024	1,081
Actuarial loss	4,212	1,479	11,457	20,249
Benefits paid	(3,836)	(24,466)	(19,429)	(19,424)
Plan expenses	(808)	(2,159)	—	—
Annuities purchased and PBGC transfers	—	(83,498)	—	—
Settlement	—	(4,239)	—	—
Benefit obligation, end of year	$ 69,866	$ 65,822	$ 357,880	$ 336,337
Change in plan assets:				
Fair value of plan assets, beginning of year	$ 67,816	$ 153,211	$ 409,308	$ 384,789
Actual return on plan assets	6,319	9,101	57,395	39,042
Employer contributions	—	15,359	4,148	3,820
Plan participant contributions	218	267	1,024	1,081
Benefits paid	(3,836)	(24,466)	(19,429)	(19,424)
Plan expenses	(808)	(2,159)	—	—
Annuities purchased and PBGC transfers	—	(83,498)	—	—
Fair value of plan assets, end of year	$ 69,708	$ 67,816	$ 452,445	$ 409,308
Funded status:				
Funded status, end of year	$ (158)	$ 1,994	$ 94,565	$ 72,971

The accumulated benefit obligation for the pension plans at June 30, 2026 and 2025 was $67,924 and $64,574, respectively.

	Pensions		Postretirement Benefits	
	2026	2025	2026	2025
The funded status recognized in the balance sheets:				
Assets, non-current	$ —	$ 1,994	$ 95,925	$ 74,518
Liabilities, current	—	—	(242)	(269)
Liabilities, non-current	(158)	—	(1,118)	(1,278)
Net amount recognized, funded status	$ (158)	$ 1,994	$ 94,565	$ 72,971

	Pensions		Postretirement Benefits	
	2026	2025	2026	2025
Accumulated amounts recognized in net assets without donor restrictions:				
Unrecognized net loss (gain)	$ 15,812	$ 13,703	$ (83,471)	$ (70,264)
Net amount recognized	$ 15,812	$ 13,703	$ (83,471)	$ (70,264)

	Pensions		Postretirement Benefits	
	2026	2025	2026	2025
Changes in plan assets and benefit obligations recognized in other changes in net assets:				
Actuarial loss (gain)	$ 2,584	$ (4,450)	$ (14,088)	$ 8,582
Amortization of net actuarial (loss) gain	(475)	(1,113)	881	3,515
Recognition of settlement loss	—	(41,992)	—	—
Total recognized in other changes in net assets	$ 2,109	$ (47,555)	$ (13,207)	$ 12,097

The amortization of any prior service cost and unrecognized net loss is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the pension plans or the expected average future service to retirement under the postretirement benefit plan.

Temple uses the full yield curve (or spot rate) approach to estimate the service and interest costs related to Temple's pensions and postretirement benefits plans. Such approach estimates service and interest costs by applying specific spot rates along the yield curve to determine the benefit obligation of relevant projected cash outflows (as opposed to applying an average rate). The full yield curve approach (compared to an average rate approach) provides a more precise measurement of service and interest costs by aligning the timing of the plans' liability cash flows to the corresponding spot rate on the yield curve.

	Pensions		Postretirement Benefits	
	2026	2025	2026	2025
Components of net periodic cost:				
Operating expenses:				
Service cost	$ 965	$ 2,393	$ 10,099	$ 9,088
Other changes in net assets:				
Interest cost	3,293	6,852	18,392	17,530
Expected return on plan assets	(4,690)	(7,267)	(31,847)	(27,372)
Amortization of net actuarial loss (gain)	475	1,113	(882)	(3,516)
Settlement	—	41,992	—	—
Net periodic cost (including settlement expense)	$ 43	$ 45,082	$ (4,238)	$ (4,270)

	Pensions		Postretirement Benefits	
	2026	2025	2026	2025
Weighted-average assumptions used to determine the benefit obligations at end of year:				
Discount rate(s)	5.74%	5.54%	5.63%	5.50%
Expected long-term rate of return on plan assets	6.80%	6.80%	8.00%	8.00%
Rate of compensation increase	3.25%	2.50%	N/A	N/A
Assumed health care cost trend rates (pre-65 / post-65):				
Health care cost trend rate assumed for next year	N/A	N/A	8.02% / 9.07%	7.79% / 8.39%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	N/A	N/A	4.46% / 4.46%	4.45% / 4.45%
Year that ultimate rate is reached	N/A	N/A	2035 / 2035	2034 / 2034

	Pensions		Postretirement Benefits	
	2026	2025	2026	2025
Weighted-average assumptions used to determine net periodic cost at beginning of year:				
Discount rate(s) for benefit obligations	5.55%	5.33%-5.47%	5.50%	5.44%
Discount rate(s) for service cost	5.92%	5.62%	5.94%	5.63%
Discount rate(s) for interest cost	5.10%	5.29%-5.34%	5.07%	5.27%
Expected long-term rate of return on plan assets	6.80%	4.70%-6.30%	8.00%	7.30%
Rate of compensation increase	2.50%	2.5%	N/A	N/A
Assumed health care cost trend rates (pre-65 / post-65):				
Health care cost trend rate assumed for current year	N/A	N/A	8.34% / 9.57%	8.30% / 8.95%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	N/A	N/A	4.46% / 4.46%	4.45% / 4.45%
Year that ultimate rate is reached	N/A	N/A	2035 / 2035	2034 / 2034

Plan Assets and Expected Return — The long-term investment strategy for assets held in the pension and postretirement benefits plans is to meet present and future benefit obligations to all participants and beneficiaries; cover reasonable expenses incurred to provide such benefits; and provide a total return that maximizes the ratio of assets to liabilities by maximizing investment return at the appropriate level of risk. The expected return on plan assets equals a weighted-average of the individual expected returns for each asset category in the plans' portfolio. The target and actual asset allocation as of June 30, 2026 and 2025 is as follows (see Note 10 for plan asset fair value disclosures):

	Pensions			Postretirement Benefits		
	Target*	2026	2025	Target*	2026	2025
Asset class:						
Equity funds and securities	25%	21%	21%	65%	66%	65%
Fixed income and cash	75%	79%	79%	35%	34%	35%

** Target asset allocations presented above are as of June 30, 2026 and include the impact of the portable alpha overlay strategies. The target asset allocations, excluding portable alpha, are as follows: Pensions 15% equity / 85% fixed income (both years); Postretirement benefits 60% equity / 40% fixed income at June 30, 2026 and 62% equity / 38% fixed income at June 30, 2025.*

Expected Cash Flows — The following table shows expected cash flows of the pension and postretirement benefits plans:

	Pensions	Postretirement Benefits
Expected contributions for next fiscal year:		
Employer	$ —	$ 242
Employee	N/A	900
Estimated future benefit payments reflecting expected future service for fiscal years ending June 30:		
2027	$ 4,308	$ 22,593
2028	4,417	23,695
2029	4,511	24,940
2030	4,611	25,496
2031	4,696	26,186
2032 through 2036	25,178	134,428

Other Plans — The actuarial present value of accumulated plan benefits related to a non-active group annuity pension plan has neither been determined nor included above because a guarantee of payment to the plan's beneficiaries has been made by The Equitable Life Assurance Society of America. This plan had total net assets available for benefits of $501 and $601 at June 30, 2026 and 2025, respectively.

6. Deposits with Trustees

Temple has on deposit with trustees amounts established for debt repayment. These deposits are primarily invested in U.S. Government securities and money market funds (see Note 9 for a description of debt issuances and Note 10 for fair value disclosures).

The fair values of deposits with trustees by debt issuance at June 30, 2026 and 2025 are as follows:

	June 30, 2026	June 30, 2025
Debt Repayment Funds:		
PAID, Second Series of 2016 (University)*	$ —	$ 3
PAID, First Series of 2015 (University)*	—	9
PHEFA, First Series of 2010B (University)*	1,067	1,101
THHEFAP, First Series of 2022 (TUHS)	3,753	3,741
THHEFAP, First Series of 2017 (TUHS)	43,326	43,027
Total debt repayment funds	$ 48,146	$ 47,881

** Amount includes a federal subsidy payment received subsequent to the debt service payment and interest earned on deposits.*

7. Property, Plant, and Equipment

Property, plant, and equipment at June 30, 2026 and 2025 is summarized as follows:

	June 30, 2026	June 30, 2025
Land and land improvements	$ 173,347	$ 147,898
Buildings and building improvements	3,076,897	2,859,440
Furniture, fixtures, equipment, and library books	1,522,139	1,448,723
Construction in progress^	200,182	248,628
Property, plant, and equipment, gross	4,972,565	4,704,689
Less: Accumulated depreciation	(2,802,609)	(2,655,616)
Total property, plant, and equipment, net	$ 2,169,956	$ 2,049,073

^ *As of June 30, 2026, construction in progress includes capitalized costs for the Media and Performing Arts infrastructure project, which is anticipated to be placed into service during the first quarter of fiscal year 2028. As of June 30, 2025, construction in progress included capitalized costs for the College of Public Health infrastructure project, which was placed into service during the first quarter of fiscal year 2026.*

Depreciation expense was $189,127 and $176,979 in 2026 and 2025, respectively.

In February 2025, the University acquired Terra Hall through a formal bankruptcy process. The property, formerly owned by the University of the Arts, is located at Broad and Walnut Streets in Center City, Philadelphia. The 274,000 square-foot building was acquired for approximately $18,000, plus customary closing costs. Terra Hall will serve as the new home for Temple University Center City beginning in the 2027-2028 academic year. Additionally, the building will host specific programs for the Tyler School of Art and Architecture and the Boyer College of Music and Dance. The University plans to terminate its current center city campus lease effective June 2027 (see Note 9).

8. Asset Retirement Obligations

Temple has recognized liabilities for conditional asset retirement obligations, primarily related to asbestos remediation in certain University facilities, which are included in *Accrued expenses and other liabilities* in Temple's consolidated balance sheets. Changes to the asset retirement obligation liability during the years ended June 30, 2026 and 2025 are as follows:

	2026	2025
Balance, beginning of the year	$ 29,577	$ 27,898
Liabilities incurred	11	1,052
Accretion expense	1,563	1,104
Revision of estimated cash flows	—	45
Liabilities settled	(1,965)	(562)
Foreign currency translation	(52)	40
Balance, end of the year	$ 29,134	$ 29,577

During 2026 and 2025, Temple recorded new liabilities of $11 and $1,052, respectively, related to acquisitions that contain future asbestos remediation obligations.

The fair value of the obligation at June 30, 2026 and 2025 of $29,134 and $29,577, respectively, was calculated using the expected cash flow (expected present value) valuation method with the following Level 3 inputs: years to abatement ranging from 1 to 10 years and 1 to 12 years, respectively, an inflation factor of 2.00% to 4.50% (both years), a credit-adjusted risk free rate of 4.63% to 7.00% (both years), and a contractor market risk premium of 5.00% to 5.70% (both years).

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9. Debt and Leases

Long-term debt consists of the following at June 30, 2026 and 2025:

	Maturity	Interest Rate†	Effective Rate 2026	June 30, 2026	June 30, 2025
Long-term debt:					
University bond issuances:					
Revenue Bonds, First Series of 2025, including unamortized premium of $21,439 and $24,332, respectively	April 1, 2045	5.00%	4.55%	$ 245,634	$ 263,972
Revenue Bonds, First Series of 2020, issued at par	April 1, 2042	1.86%-3.18%	2.59%	$ 115,955	$ 121,275
PHEFA Revenue Bonds, First Series B of 2010, issued at par	April 1, 2040	6.14%-6.29%	4.08%	96,435	101,490
Total University bond issuances				458,024	486,737
TUHS bond issuances:					
THHEFAP Hospital Revenue Bonds, Series 2022, including unamortized premium of $16,823 and $18,629, respectively	July 1, 2041	4.00%-5.00%	3.47%	182,713	184,159
THHEFAP Hospital Revenue Bonds, Series 2017, including unamortized premium of $7,758 and $9,549, respectively	July 1, 2034	5.00%	3.72%	172,473	189,184
Total TUHS bond issuances				355,186	373,343
Other long-term debt:					
PENNVEST (Pennsylvania Infrastructure Investment Authority)	May 1, 2039	1.00%-1.29%	1.00%	4,518	4,838
Loans payable (TESS)	Various	0.3%-1.67%	0.3%-1.67%	21,539	415
Software financing arrangements (TUHS)	December 31, 2035	0%		1,340	1,415
Finance leases				9,729	9,398
Deferred financing costs				(6,971)	(7,656)
Total long-term debt, net of deferred financing costs				843,365	868,490
Less: Current maturities of long-term debt				(50,516)	(47,472)
Non-current maturities of long-term debt, net of deferred financing costs				$ 792,849	$ 821,018

† Stated interest rate remaining through maturity. All bonds have an interest rate mode of fixed.

University Bond Issuances:

Revenue Bonds, First Series of 2025 — In January 2025, The University issued $239,630 of Federally Tax-Exempt Revenue Bonds, First Series of 2025 ("First Series of 2025 Bonds") with a stated interest rate of 5%. The proceeds from the sale of the 2025 Bonds were used to (i) refund through defeasance and redemption of the Philadelphia Authority for Industrial Development's (a) Temple University Revenue Bonds, First Series of 2015, (b) Temple University Revenue Bonds, First Series of 2016, and (c) Temple University Revenue Bonds, Second Series of 2016, previously issued on behalf of the University; (ii) refund, through a tender offer, a portion of the University's Federally Taxable Revenue Bonds, First Series of 2020; and (iii) pay the

issuance costs of the 2025 Bonds and the tender offer expenses. The First Series of 2025 Bonds require annual principal payments of varying amounts beginning April 1, 2026 and ending on April 1, 2045, with a first option call date of April 1, 2035. The First Series of 2025 Bonds are secured by a pledge of gross revenues of the University, excluding all revenues of TUHS. Interest expense on the First Series of 2025 Bonds during the year ended June 30, 2026 and 2025 was $8,918 and $3,501, respectively.

Revenue Bonds, First Series of 2020 — On June 25, 2020, the University issued $176,690 of Temple University Federally Taxable Revenue Bonds, First Series of 2020 ("First Series of 2020 Bonds") with stated interest rates ranging from 0.80% to 3.18%. The proceeds from the sale of the First Series of 2020 Bonds, together with other available funds, were used for the following items: (i) advance refund, on a taxable basis, a portion of the Pennsylvania Higher Educational Facilities Authority ("PHEFA") Temple University First Series of 2012 previously issued on behalf of the University and (ii) paying costs of issuing the First Series of 2020 Bonds. The First Series of 2020 Bonds require annual principal payments of varying amounts beginning April 1, 2021 and ending on April 1, 2042. The First Series of 2020 Bonds are subject to redemption prior to their stated maturities at the option of the University, in whole or in part, on any date at the make-whole redemption price. The make-whole redemption price is the greater of (i) 100% of the principal amount of the bonds to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the bonds to be redeemed. During 2025, the University used proceeds from the First Series of 2025 Bonds to tender and redeem a portion of the First Series of 2020 bonds, totaling $28,565. The First Series of 2020 Bonds are secured by a pledge of gross revenues of the University, excluding all revenues of TUHS. Interest expense on the First Series of 2020 Bonds during the years ended June 30, 2026 and 2025 was $3,134 and $3,495, respectively.

PAID Revenue Bonds, First Series of 2016 — In fiscal 2016, the University, via the Philadelphia Authority for Industrial Development ("PAID") issued $134,080 of PAID Temple University Revenue Bonds, First Series of 2016 ("First Series of 2016 Bonds") with a stated interest rate of 5.00%. The proceeds from the sale of the First Series of 2016 Bonds, together with other available funds, were used for the following items: (i) capital projects of the University, (ii) refunding a portion of the PHEFA Temple University Revenue Bonds, First Series of 2006, and (iii) paying costs of issuing the First Series of 2016 Bonds. The First Series of 2016 Bonds were secured by a pledge of the University's gross revenues, excluding those from TUHS. The bonds were scheduled to mature in varying annual principal payments from April 1, 2016, to April 1, 2029, with a first option call date of April 1, 2025. During 2025, the proceeds from the First Series of 2025 bonds were used to defease and redeem the outstanding principal balance of the First Series of 2016 Bonds. As of June 30, 2025, there was no outstanding balance for the First Series of 2016 Bonds. Interest expense on the First Series of 2016 Bonds during the years ended June 30, 2026 and 2025 was $0 and $1,686, respectively.

PAID Revenue Bonds, Second Series of 2016 — In fiscal 2016, the University, via PAID issued $78,110 of PAID Temple University Revenue Bonds, Second Series of 2016 ("Second Series of 2016 Bonds") with a stated interest rate of 5.00%. The proceeds from the sale of the Second Series of 2016 Bonds, together with other available funds, were used for the following items: (i) refunding the outstanding portion of PHEFA's Temple University Revenue Bonds, First Series of 2006, and (ii) paying costs of issuing the Second Series of 2016 Bonds. The Second Series of 2016 Bonds were secured by a pledge of the University's gross revenues, excluding those from TUHS. The bonds were scheduled to mature in varying annual principal payments from April 1, 2030, to April 1, 2036, with a first option call date of April 1, 2025. During 2025, the proceeds from the First Series of 2025 bonds were used to defease and redeem the outstanding principal balance of the Second Series of 2016 Bonds. As of June 30, 2025, there was no outstanding balance for the Second Series of 2016 Bonds. Interest expense on the Second Series of 2016 Bonds during the years ended June 30, 2026 and 2025 was $0 and $2,125, respectively.

PAID Revenue Bonds, First Series of 2015 — In fiscal 2016, the University, via PAID issued $130,440 of PAID Temple University Revenue Bonds, First Series of 2015 ("First Series of 2015 Bonds") with stated interest rates ranging from 2.00% to 5.00%. The proceeds from the sale of the First Series of 2015 Bonds, together with other available funds, were used for the following items: (i) capital projects of the University, (ii) refunding a portion of PHEFA's Temple University Revenue Bonds, First Series of 2006, and (iii) paying costs of issuing the First Series of 2015 Bonds. The First Series of 2015 Bonds were secured by a pledge of the University's gross revenues, excluding those from TUHS. The bonds were scheduled to mature in varying annual principal payments from April 1, 2016, to April 1, 2045, with a first option call date of April 1, 2025. During 2025, the proceeds from the First Series of 2025 bonds were used to defease and redeem the outstanding principal balance of the First Series of 2015 Bonds. As of June 30, 2025, there was no outstanding balance for the First Series of 2015 Bonds. Interest expense on the First Series of 2015 Bonds during the years ended June 30, 2026 and 2025 was $0 and $3,030, respectively.

PHEFA Revenue Bonds, First Series B of 2010 — In fiscal 2010, the University, via PHEFA issued $143,590 of PHEFA Temple University Revenue Bonds, Federally Taxable Build America Bonds, First Series B of 2010 ("First Series B of 2010 Bonds") with stated interest rates ranging from 4.21% to 6.29%. The proceeds from the sale of the First Series B of 2010 Bonds, together with other available funds, were used for the following items: (i) capital projects of the University and (ii) paying costs of issuing the First Series B of 2010 Bonds. The First Series B of 2010 Bonds require annual principal payments of varying amounts beginning April 1, 2016 and ending on April 1, 2040, with an optional redemption at any time upon payment of the redemption price. The First Series A of 2010 Bonds are secured by a pledge of gross revenues of the University, excluding all revenues of TUHS. Interest expense on the First Series B of 2010 Bonds during the years ended June 30, 2026 and 2025 was $4,185 and $4,362, respectively.

TUHS Bond Issuances:

THHEFAP Hospital Revenue Bonds, Series 2022 — In fiscal 2022, TUHS, via the Hospitals and Higher Education Facilities Authority of Philadelphia ("THHEFAP") issued $165,890 of THHEFAP Hospital Revenue Bonds, Series 2022. The proceeds of the Bonds were used to defease the Authority's outstanding Revenue Bond Series A of 2012, which is recorded as a non-operating loss in other income.

THHEFAP Hospital Revenue Bonds, Series 2017 — In fiscal 2018, TUHS, via THHEFAP issued $235,240 of THHEFAP Hospital Revenue Bonds, Series 2017. The proceeds of the Bonds were used to defease the Authority's outstanding Revenue Bond Series A and B of 2007 and Revenue Bond Series B of 2012.

The TUHS bond issuances are generally collateralized by the assets and gross revenues of the TUHS Obligated Group. The TUHS Obligated Group includes TUHS, Temple University Hospital, Inc., Temple Physicians, Inc., Temple Health System Transport Team, Inc., American Oncologic Hospital, Institute for Cancer Research, Fox Chase Cancer Center Medical Group, Inc., and Fox Chase Network, Inc.

Interest expense on TUHS long-term debt during the years ended June 30, 2026 and 2025 was $16,751 and $16,963, respectively.

Temple has complied with all financial debt covenants during the years ended June 30, 2026 and 2025.

Other Long-term Debt:

PENNVEST Debt Obligation — In June 2017, the University and the Pennsylvania Infrastructure Investment Authority ("PENNVEST") entered into an agreement for PENNVEST to provide financing totaling $6,748 for the construction of certain storm water improvements, including a green roof assembly and

green roof landscaping on the University's library. Construction commenced in fiscal 2018 and the library project was completed and placed into service in the first quarter of fiscal year 2021. During the years ended June 30, 2020 and 2019, the University borrowed $1,644 and $5,104, respectively, against the obligation. The stated interest rate is 1.00% for years 1 through 5 and 1.29% for years 6 through maturity (May 1, 2039). Interest expense during the years ended June 30, 2026 and 2025 was $60 and $65, respectively.

Loans Payable (TESS) — In February 2026, the TESS secured a $21,621 bank loan from Mizuho Bank, Ltd. (the "Second Mizuho Loan") to finance the acquisition of the Hillside Center location (see Note 21). The loan matures in February 2046 and carries a variable interest rate adjusted monthly, which was 1.67% at June 30, 2026. Because the Hillside Center was undergoing renovations to prepare the property for its intended use, interest incurred during the construction period was capitalized pursuant to ASC 835. For the year ended June 30, 2026, capitalized interest associated with the Second Mizuho Loan totaled $141.

In September 2019, TESS obtained two unsecured bank loans totaling $2,792. The bank loans were in equal amounts of $1,396 from Mizuho Bank, Ltd. (the "First Mizuho Loan") and Sumitomo Mitsui Banking Corporation (the "SMBC Loan"). Proceeds from the bank loans were used to fund TESS` campus relocation in Tokyo, Japan. The First Mizuho Loan matures in June 2029 and the SMBC Loan matured in September 2024; and both Loans accrue interest at 0.3 %. Interest expense on the two bank loans during the years ended June 30, 2026 and 2025 was $1 and $4, respectively.

Lines of Credit — TUHS has a $100,000 line of credit (the "TUHS JPM Line of Credit") with JPMorgan Chase Bank, N.A. ("JPM") that expires in November 2026. Amounts borrowed accrue interest at the secured overnight financing rate ("SOFR") plus 95 basis points. During 2026 and 2025, TUHS borrowed $20,000 and $65,000 against the TUHS JPM line of Credit and had outstanding borrowings of $25,000 at June 30, 2025. No amount was outstanding at June 30, 2026. Interest expense on the TUHS JPM Line of Credit (related to drawn and undrawn capacity) during the years ended June 30, 2026 and 2025 was $819 and $1,465, respectively.

During 2026 and 2025, the University had a $50,000 revolving line of credit with an accordion feature permitting certain increases to the revolving commitment up to an additional maximum principal amount of $50,000 (the "JPM Line of Credit") and a $7,500 unsecured line of credit (the "JPM Unsecured Line of Credit") from JPM. In April 2026, the JPM Line of Credit and JPM Unsecured Line of Credit were renewed (amounts unchanged) with a maturity date of April 23, 2027. Through April 24, 2026 (and unchanged through April 23, 2027), amounts borrowed against the JPM Line of Credit accrued interest at SOFR plus 60 basis points; with an unused fee of 15 basis points. Amounts pledged against the JPM Unsecured Line of Credit accrue interest at 60 basis points, with no unused fee. The JPM Line of Credit is secured by a subordinated gross revenue pledge of the University and is cross-defaulted to the University's covenants in the various bond documents. The JPM Line of Credit can be used to fund seasonal working capital requirements, fund capital expenditure bridge financing, and fund general corporate purposes. During the years ended June 30, 2026 and 2025, no amount under the JPM Line of Credit or JPM Unsecured Line of Credit was outstanding, drawn, or pledged as collateral. Interest expense on the JPM Line of Credit (related to undrawn capacity) during the years ended June 30, 2026 and 2025 was $116 and $114, respectively.

Interest — Total interest expense incurred, net of capitalized interest, was $33,191 and $35,360 for the years ended June 30, 2026 and 2025, respectively. Temple capitalizes interest cost on qualifying assets. Capitalized interest totaled $141 at June 30, 2026. There was no capitalized interest at June 30, 2025.

Fair Value and Maturity — As of June 30, 2026 and 2025, the fair value of Temple's bond issuances (excluding net unamortized premium of $46,020 and $52,160, respectively, deferred financing costs of $6,971

and $7,656, respectively, and accrued interest of $12,879 and $13,545, respectively) with a principal value of $767,190 and $807,920, respectively, fair value of debt was approximately $786,123 and $856,450, respectively. The fair value was determined based upon discounted cash flows at current market rates for instruments with similar remaining terms. Temple considers these valuation inputs to be Level 2 inputs in the fair value hierarchy (see Note 10). The market prices utilized reflect the rate that Temple would have to pay to a credit-worthy third-party to assume its obligation and do not reflect an additional liability to Temple.

Long-term debt matures in varying amounts through 2045. The aggregate amounts of principal payments are as follows:

2027	$	44,704
2028		44,863
2029		47,632
2030		46,953
2031		48,532
Thereafter		561,903
Total principal payments		794,587
Deferred financing costs		(6,971)
Unamortized premium and discount, net		46,020
Finance leases		9,729
Total long-term debt, net of deferred financing costs	$	843,365

Leases:

Temple reports its leases in accordance with FASB ASC 842 – *Leases*, which defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (the underlying asset) for a period of time in exchange for consideration. Both finance leases and operating leases create a right-of-use asset and a liability measured at the present value of the lease payments, with the corresponding right-of-use asset being adjusted for any prepaid (accrued) rent, lease incentives, and initial direct costs.

Temple leases certain facilities and equipment with initial terms in excess of one year. Leases with an initial term of 12-months or less are not recorded on the consolidated balance sheet; Temple recognizes lease expense for these leases on a straight-line basis over the lease term. The useful life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase/renewal option that is reasonably certain of exercise. There are no material restrictions or covenants imposed by Temple's leases. See Note 2 for a summary of Temple's lease accounting policy.

The right-of-use assets and lease liabilities under Temple's finance and operating leases as of June 30, 2026 and 2025 are as follows:

Leases	June 30, 2026		June 30, 2025	
	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Assets:				
Right-of-use assets	$ 32,765	$ 168,491	$ 21,224	$ 154,649
Accumulated amortization on finance leases and periodic reduction of ROU assets on operating leases	(23,012)	(69,776)	(11,794)	(57,055)
Right-of-use assets, net	$ 9,753	$ 98,715	$ 9,430	$ 97,594
Balance sheet classification (non-current)	PP&E	Operating lease right-of-use assets	PP&E	Operating lease right-of-use assets
Liabilities:				
Current portion of lease liability, balance	$ 3,208	$ 14,285	$ 3,292	$ 13,843
Non-current portion of lease liability, balance	6,521	83,209	6,106	81,866
Lease liabilities	$ 9,729	$ 97,494	$ 9,398	$ 95,709
Current portion of lease liabilities, classification	Long-term debt, current	AP and accrued expenses	Long-term debt, current	AP and accrued expenses
Non-current portion of lease liabilities, classification	Long-term debt, non-current	Operating lease liabilities	Long-term debt, non-current	Operating lease liabilities

A summary of the components of lease expense for the year ended June 30, 2026 and 2025 is as follows:

	Natural Expense Type	2026	2025
Operating lease cost:			
Fixed rent expense	Operating expenses	$ 17,208	$ 15,218
Finance lease cost:			
Amortization of ROU assets	Depreciation	3,430	3,239
Interest expense (on lease liability)	Interest	385	441
Short-term lease cost	Operating expenses	11,683	10,849
Variable lease cost	Operating expenses	4,883	5,389
Total lease cost		$ 37,589	$ 35,136

A maturity analysis of the future lease payments under finance and operating leases (with initial terms excess of one year) at June 30, 2026 is as follows:

Maturity of Lease Liabilities	Finance Leases	Operating Leases
2027	$ 3,572	$ 16,526
2028	3,192	12,886
2029	1,982	9,748
2030	1,104	8,638
2031	651	7,268
Thereafter	8	59,746
Obligation, gross	10,509	114,812
Liability accretion	(780)	(17,318)
Total obligation, net of liability accretion	$ 9,729	$ 97,494

Supplemental lease information as of June 30, 2026 and 2025 is as follows:

	June 30, 2026		June 30, 2025	
Lease-Term and Discount Rates	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Weighted average remaining lease-term (years)	3.51	13.17	3.44	12.80
Weighted average discount rates	4.49 %	2.57 %	4.21 %	1.97 %

	June 30, 2026		June 30, 2025	
Supplemental Cash Flow Information	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows[§]	$ 385	$ 16,543	$ 441	$ 19,185
Financing cash flows from finance leases[†]	3,443	N/A	3,437	N/A
Right-of-use assets obtained in exchange for new and modified finance and operating lease liabilities[¢]	3,775	19,813	930	20,014

§ Payments arising from operating leases and the interest portion of finance leases are presented within operating activities in the consolidated statements of cash flows.

† Principal payments of lease liabilities arising from finance leases are included in Repayment of long-term debt and principal payments on finance leases in the financing section of the consolidated statements of cash flows.

¢ 2026 balance includes new operating lease for Pennsylvania Academy of The Fine Arts. 2025 balance includes new operating lease for facilities in Japan.

As most of Temple's leases do not provide an implicit rate, the incremental borrowing rate, which is based on information available at the lease commencement date, is used to determine the present value of future lease payments. Temple’s incremental borrowing rate applicable to the lease, is determined by estimating what it would cost Temple to borrow a collateralized amount equal to the total lease payments over the lease term based on the contractual terms of the lease and the location of the leased asset. The incremental borrowing

rate on July 1, 2020 is used for operating leases that commenced prior to July 1, 2020 (the effective date of ASC 842).

Temple Japan — The University's Japan Campus leases facilities space with a lease term of 20 years (terminating on July 31, 2039). After the first ten years from commencement, the University may terminate the agreement, provided a three years notice is given to the lessor. At this time, the University has no intent to terminate the lease prior to July 31, 2039. At June 30, 2026 and 2025, the present value of lease payments related to this operating lease totaled $20,731 and $24,937, respectively.

In January 2025, the University's Japan campus opened a satellite campus in Kyoto. The Kyoto facilities lease commenced on January 1, 2025, and extends through December 31, 2044. The University may terminate the lease with 12 months' notice. Termination within the initial 10-year term incurs a monetary penalty of 6,000 Japanese yen (approximately $40) multiplied by the number of unused months remaining in the initial 10-year term. Currently, there is no intention to terminate the lease before December 31, 2044. At June 30, 2026 and 2025, the present value of lease payments related to this operating lease totaled $6,921 and $6,406, respectively.

On June 1, 2024, the University's Japan Campus entered into an operating lease for additional facilities in Tokyo with a lease term of 20 years (terminating on May 31, 2044). After the initial ten years from commencement, the University may terminate the agreement, provided a 13 month notice and a payment of 13 months rent within six months of the notice being provided to the lessor. At this time, the University has no intent to terminate the lease prior to May 31, 2044. At June 30, 2026 and 2025, the present value of lease payments related to this operating lease totaled $5,987 and $7,065, respectively.

Temple Rome — In September 2023, The University's Rome Campus entered into an operating lease for primary facilities space with a lease term of 12 years (terminating on August 31, 2035). The University may terminate the lease, at any time, provided a 12-month notice is given to the lessor. At this time, the University has no intent to terminate the lease prior to August 31, 2035. At June 30, 2026 and 2025, the present value of lease payments related to this operating lease totaled $8,796 and $9,583, respectively.

Temple University Center City — The University leases facilities space in Center-City Philadelphia, for its Temple University Center City ("TUCC") Campus. During 2022, the TUCC lease was renewed through 2027 and includes two separate three-year extension options, at the discretion of the University, that extend the lease through June 30, 2033. The University does not intend to exercise these extension options and plans to terminate the lease on June 30, 2027 (see Note 7). At June 30, 2026 and 2025, the present value of lease payments related to this operating lease totaled $3,046 and $5,985, respectively.

Related Party Lease Transactions — The University enters into various lease arrangements with TUHS, primarily for the use of facilities. During 2026 and 2025, lease payments to TUHS totaled $17 and $73, respectively, and lease payments collected from TUHS totaled $1,114 and $1,104, respectively, and are eliminated in consolidation.

TUHS has certain consumable agreements in which a vendor provides certain equipment at no additional cost in exchange for a commitment to purchase a minimum quantity of consumable products. These agreements are considered embedded finance leases. At June 30, 2026 and 2025, ROU assets related to these agreements totaled $130 and $0, respectively, (included in *Property, plant, and equipment, net),* and lease liabilities totaled $144 and $0, respectively, (included in *Accounts payable and accrued expenses, current*. During the years ended June 30, 2026 and 2025, amortization of the leased assets totaled $26 and $220, respectively,

interest on the lease liabilities totaled $5 and $1, respectively, operating cash flows totaled $5 and $1, respectively, and financing cash flows totaled $12 and $231, respectively.

A maturity analysis of future lease payments under these agreements as of June 30, 2026 is as follows:

2027	$	33
2028		46
2029		58
2030		21
2031		—
Thereafter		—
Obligation, gross		158
Liability accretion		(14)
Total obligation, net of liability accretion	$	144

10. Fair Value Measurements

Temple applies the provisions of FASB ASC 820, *Fair Value Measurement*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements. ASC 820 defines fair value 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. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

A financial asset or liability classification is determined based on the lowest level input that is significant to the fair value measurement. The fair value hierarchy consists of the following three levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that Temple can access at the measurement date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 assets primarily consist of money market funds, U.S. treasury securities, equity securities, exchange traded futures contracts, and equity and fixed income mutual funds.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 2 assets primarily consist of corporate bonds and notes, U.S. government agency securities, municipal bonds, and certain equity and fixed income funds.

Level 3 — Unobservable inputs based on management's own assumptions used to measure assets and liabilities at fair value or assets that management does not have the ability to redeem. Level 3 inputs include values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting Temple's own assumptions. Level 3 assets consist of perpetual trusts administered by third parties for which Temple does not have the ability to manage or redeem.

Investments for which fair value is measured using the net asset value per share practical expedient are not included within the fair value hierarchy.

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The following tables provide the financial assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2026 and 2025:

June 30, 2026	Level 1	Level 2	Level 3	Total
Investments (including endowment):				
Money market funds	$ 106,983	$ 1,014	$ —	$ 107,997
Corporate bonds, notes, and other debt securities	—	438,117	—	438,117
U.S. government and agency securities	386,659	101,659	—	488,318
Municipal bonds	—	834	—	834
Fixed income funds	68,924	—	—	68,924
Equity funds and securities	556,905	—	—	556,905
Futures contracts§	(314)	—	—	(314)
Real estate funds	—	691	—	691
Other	—	96	—	96
Total investments in fair value hierarchy	$ 1,119,157	$ 542,411	$ —	1,661,568
Investments measured at NAV				1,530,780
Investments carried at equity				4,675
Total investments				$ 3,197,023
Self-insurance trust funds:				
Money market funds	$ 636	$ —	$ —	$ 636
Corporate bonds and notes	885	939	—	1,824
U.S. government securities	9,474	—	—	9,474
Total self-insurance trust funds	$ 10,995	$ 939	$ —	$ 11,934
Deposits with trustees:				
Money market funds	$ 24,655	$ —	$ —	$ 24,655
U.S. government securities	19,035	—	—	19,035
Corporate bonds and notes	—	4,456	—	4,456
Total deposits with trustees	$ 43,690	$ 4,456	$ —	$ 48,146
Funds held in trust by others:				
Funds held in trust by others	$ —	$ —	$ 95,755	$ 95,755
Beneficial interest in assets held by Episcopal Foundation	—	—	34,623	34,623
Beneficial interest in the Fox Chase Cancer Center Foundation	—	—	69,559	69,559
Total funds held in trust by others	$ —	$ —	$ 199,937	$ 199,937

§ Futures contracts are valued at the net unrealized appreciation (depreciation) on the instrument (see Note 3).

June 30, 2026	Level 1	Level 2	Level 3	Total
Pension plans:				
Money market funds	$ 4,145	$ —	$ —	$ 4,145
Corporate bonds and notes	—	23,599	—	23,599
U.S. government and agency securities	20,221	1,150	—	21,371
Municipal bonds	—	517	—	517
Collateralized mortgage obligations	—	2,029	—	2,029
Equity funds	527	—	—	527
Total pension plans in fair value hierarchy	$ 24,893	$ 27,295	$ —	52,188
Pension plans measured at NAV				17,520
Total pension plans				$ 69,708
Postretirement plans:				
Money market funds	$ 23,715	$ —	$ —	$ 23,715
U.S. government securities	93,927	—	—	93,927
Total postretirement plans in fair value hierarchy	$ 117,642	$ —	$ —	117,642
Postretirement plans measured at NAV				334,803
Total postretirement plans				$ 452,445

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June 30, 2025	Level 1	Level 2	Level 3	Total
Investments (including endowment):				
Money market funds	$ 68,614	$ 981	$ —	$ 69,595
Corporate bonds, notes, and other debt securities	1,751	419,423	—	421,174
U.S. government and agency securities	404,044	85,267	—	489,311
Municipal bonds	—	1,528	—	1,528
Fixed income funds	25,343	—	—	25,343
Equity funds and securities	915,833	—	—	915,833
Futures contracts§	3,431	—	—	3,431
Real estate funds	—	324	—	324
Other	—	97	—	97
Total investments in fair value hierarchy	$ 1,419,016	$ 507,620	$ —	1,926,636
Investments measured at NAV				1,002,352
Investments carried at equity				4,312
Total investments				$ 2,933,300
Self-insurance trust funds:				
Money market funds	$ 1,674	$ —	$ —	$ 1,674
Corporate bonds and notes	876	—	—	876
U.S. government securities	10,869	—	—	10,869
Total self-insurance trust funds	$ 13,419	$ —	$ —	$ 13,419
Deposits with trustees:				
Money market funds	$ 24,443	$ —	$ —	$ 24,443
U.S. government securities	15,646	3,344	—	18,990
Corporate bonds and notes	—	4,448	—	4,448
Total deposits with trustees	$ 40,089	$ 7,792	$ —	$ 47,881
Funds held in trust by others:				
Funds held in trust by others	$ —	$ —	$ 86,482	$ 86,482
Beneficial interest in assets held by Episcopal Foundation	—	—	32,489	32,489
Beneficial interest in the Fox Chase Cancer Center Foundation	—	—	61,304	61,304
Total funds held in trust by others	$ —	$ —	$ 180,275	$ 180,275

§ Futures contracts are valued at the net unrealized appreciation (depreciation) on the instrument (see Note 3).

June 30, 2025	Level 1	Level 2	Level 3	Total
Pension plans:				
Money market funds	$ 2,965	$ —	$ —	$ 2,965
Corporate bonds and notes	—	22,499	—	22,499
U.S. government and agency securities	22,663	721	—	23,384
Municipal bonds	—	525	—	525
Collateralized mortgage obligations	—	1,348	—	1,348
Equity funds	364	—	—	364
Total pension plans in fair value hierarchy	$ 25,992	$ 25,093	$ —	51,085
Pension plans measured at NAV				16,731
Total pension plans				$ 67,816
Postretirement plans:				
Money market funds	$ 17,070	$ —	$ —	$ 17,070
U.S. government securities	93,982	—	—	93,982
Total postretirement plans in fair value hierarchy	$ 111,052	$ —	$ —	111,052
Postretirement plans measured at NAV				298,256
Total postretirement plans				$ 409,308

Temple assesses the valuation hierarchy for each asset or liability measured on an annual basis. From time to time, assets or liabilities will be transferred within the fair value hierarchy as a result of changes in, among other things, inputs used, liquidity, or valuation methodologies.

There were no transfers into or out of Level 3, nor were there any purchases or sales of Level 3 assets.

Information for investments whose fair value is estimated using its net asset value ("NAV") practical expedient (or its equivalent) at June 30, 2026 and 2025 is as follows:

	Fair Values			Redemption	
June 30, 2026	Investments / Endowment	Pensions	Post-retirement	Frequency	Notice Period
Multi-strategy hedge funds	$ 334,233	$ 7,320	$ 88,085	Weekly-Annual	10-90 days
Private equity	138,441	—	49,617	Illiquid	N/A
Real estate funds	94,357	—	13,140	Quarterly	45-90 days^
Fixed income funds	61,130	3,139	36,290	Monthly-Semi-annually	15-90 days
Equity funds	859,573	7,061	127,267	Daily-Quarterly	1-90 days
Opportunistic funds	43,046	—	20,404	Quarterly-Illiquid	60 days - N/A
Total value	$ 1,530,780	$ 17,520	$ 334,803		

June 30, 2025	Fair Values			Redemption	
	Investments / Endowment	Pensions	Post-retirement	Frequency	Notice Period
Commodity funds	$ 18,076	$ —	$ 7,486	Daily	2 days
Multi-strategy hedge funds	309,562	7,067	81,731	Quarterly-Annual	45-90 days
Private equity	110,869	—	42,430	Illiquid	N/A
Real estate funds	93,824	—	11,111	Quarterly	45-90 days^
Fixed income funds	53,461	2,994	34,003	Monthly-Semi-annually	15-90 days
Equity funds	379,809	6,670	104,293	Daily-Quarterly	1-90 days
Opportunistic funds	36,751	—	17,202	Quarterly-Illiquid	60 days - N/A
Total value	$ 1,002,352	$ 16,731	$ 298,256		

^ *Subject to fund liquidity.*

Unfunded commitments at June 30, 2026 and 2025 are as follows:

	June 30, 2026			June 30, 2025		
	Endowment	Post-retirement	Total	Endowment	Post-retirement	Total
Private equity	$ 136,116	$ 37,600	$ 173,716	$ 122,347	$ 37,668	$ 160,015
Real estate funds	4,000	1,500	5,500	—	—	—
Fixed income funds	877	—	877	5,162	—	5,162
Opportunistic funds	7,356	2,535	9,891	7,318	2,570	9,888
Unfunded commitments	$ 148,349	$ 41,635	$ 189,984	$ 134,827	$ 40,238	$ 175,065

Commodity funds include investments in both long and short commodity derivatives in a unitized fund structure. During 2026 commodity funds were removed from the asset allocation.

Multi-strategy hedge funds include hedge fund-of-funds that invest in the commingled funds of hedge fund managers. Funds are allowed to take both long and short positions, use leverage and derivatives, and invest in many markets. Hedge funds may make equity, credit/fixed income, rate, and currency investments. Strategies employed may include long/short, event-driven, arbitrage, and macro.

Private equity investments include private partnerships, funds and/or other special purpose vehicles that invest in a range of strategies including, venture capital, growth equity, leveraged buyouts, credit-oriented opportunities, mezzanine and distressed debt, and special situations. Investments fund “start-up” companies or the buyout of existing companies or divisions within a company. Investments include domestic or international and encompass private and public securities. These funds can never be redeemed and these investments typically require capital lock-ups of 10 years or more.

Real estate funds include investments in public or private partnerships, funds and/or special purpose vehicles that make private real estate investments located within or outside the United States. Major sectors within this space include apartments, office properties, regional properties, industrial properties, and hotels, but may include land, medical facilities, self-storage and other real property investments. Investments may include

equity, debt, or both and may encompass “core”, “value-added”, or “opportunistic” opportunities. Investments are typically structured as partnerships.

Fixed income funds include investments made in commingled funds or fund-of-funds that invest in sovereign and government debt securities, corporate debt securities, U.S. Treasury Inflation-Protected securities. These funds generally seek long-term capital appreciation and provide a hedge against inflation.

Equity funds include investments made in commingled funds or fund-of-funds that invest in U.S., international, and global equity securities through a variety of active strategies. The funds generally seek long-term capital appreciation.

Opportunistic funds include investments with attractive risk/return characteristics based on a particular market environment. These investments include strategies such as private credit, distressed debt, and direct lending.

11. Endowment Funds

Temple’s endowment consists of a portfolio of actively managed individual funds established for a variety of purposes, including providing a funding source for (i) operations; (ii) scholarships and awards; (iii) academic leadership funds; and (iv) the master facility plan. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Board-Designated Endowment Funds — Board-designated endowment funds are quasi-endowment funds created by the Board of Trustees by designating a portion of Temple’s net assets without donor restrictions to be invested to provide income for an intended purpose. Board-designated endowment fund assets are recognized in net assets without donor restrictions.

Interpretation of Relevant Law — ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and improves disclosure about an organization’s endowment funds regardless of whether the organization is subject to UPMIFA. The Commonwealth has not adopted UPMIFA, but rather has enacted Pennsylvania Act 141. The Board of Trustees has interpreted Commonwealth of Pennsylvania Act 141 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, Temple classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of Temple has interpreted the relevant law as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Temple considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. Temple has interpreted the relevant law to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with the relevant law, Temple considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (i) the duration and preservation of the fund; (ii) the purposes of the organization

and the donor-restricted endowment fund; (iii) general economic conditions; (iv) the possible effect of inflation and deflation; (v) the expected total return from income and the appreciation of investments; (vi) other resources of the organization; and (vii) the investment policies of Temple.

Underwater Endowment — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original value or the level that the donor requires Temple to retain as a fund of perpetual duration. When donor-restricted endowment deficiencies exist, they are classified as a reduction of donor-restricted net assets. These deficiencies resulted from unfavorable market fluctuations that occurred subsequent to the investment of contributions (often shortly after the investment of newly established endowments) and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

Underwater endowments at June 30, 2026 and 2025 are as follows:

	June 30, 2026	June 30, 2025
Underwater endowments:		
Number of underwater donor-restricted endowments	3	6
Original gift value	$ 96	$ 1,677
Fair value	62	1,545
Endowment deficiencies	$ (34)	$ (132)

Endowment Investment Policy — Temple has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this approach, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the total of the amount drawn annually for operations plus the rate of inflation and investment management fees. Temple expects its endowment funds, over time, to provide an average real rate of return, net of investment management fees, of approximately 5.00% annually. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, Temple relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Temple targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy — Annually, the Board of Trustees approves a spending rule distribution percentage that is consistent with the long-term preservation of the real value of the assets, but in no event shall the percentage be less than 2.00% nor more than 7.00% per year. In 2026 and 2025, the spending rule limited the spending of endowment resources to 4.25% (both years) for the University, and 4.00% (both years) for TUHS, of the average fair value of endowment funds for the prior twelve fiscal quarters. To the extent that current yield is inadequate to meet the spending rule, a portion of cumulative realized net gains is available for current use. These endowment funds include scholarship funds, awards funds, academic leadership funds, and master facility funds. The draw to operations under the spending policy for the years ended June 30, 2026 and 2025 totaled $42,288 and $40,194, respectively.

Temple's endowment balances, including board-designated endowment funds, by net asset classification at June 30, 2026 and 2025 are as follows:

June 30, 2026	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 435,751	$ —	$ 435,751
Donor-restricted endowment funds:*			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	516,755	516,755
Accumulated investment gains	—	303,274	303,274
Term endowment funds	—	19,730	19,730
Total endowment funds	$ 435,751	$ 839,759	$ 1,275,510

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 375,766	$ —	$ 375,766
Donor-restricted endowment funds:*			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	482,448	482,448
Accumulated investment gains	—	204,377	204,377
Term endowment funds	—	17,075	17,075
Total endowment funds	$ 375,766	$ 703,900	$ 1,079,666

* *Excludes donor restricted funds held in trust by others of $95,755 at June 30, 2026 and $86,482 at June 30, 2025 (see Notes 10 and 15).*

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The changes in Temple's endowment assets (excluding changes in funds held in trust by others, see Notes 10 and 15) for the years ended June 30, 2026 and 2025 are as follows:

June 30, 2026	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 375,766	$ 703,900	$ 1,079,666
Investment return:			
Net investment income	10	12,012	12,022
Net realized gain	39,948	68,213	108,161
Net unrealized gain	31,928	54,517	86,445
Total investment return	71,886	134,742	206,628
Contributions and transfers:			
Donor contributions	333	29,503	29,836
Board-designated endowment	1,061	—	1,061
Other	—	607	607
Total contributions and transfers	1,394	30,110	31,504
Appropriation of endowment assets for expenditure (spending rule)	(13,295)	(28,993)	(42,288)
Endowment net assets, end of the year	$ 435,751	$ 839,759	$ 1,275,510

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 337,450	$ 623,479	$ 960,929
Investment return:			
Net investment income	9	7,863	7,872
Net realized gain	12,154	20,151	32,305
Net unrealized gain	36,863	61,120	97,983
Total investment return	49,026	89,134	138,160
Contributions and transfers:			
Donor contributions	7	18,232	18,239
Board-designated endowment	2,050	—	2,050
Other	48	434	482
Total contributions and transfers	2,105	18,666	20,771
Appropriation of endowment assets for expenditure (spending rule)	(12,815)	(27,379)	(40,194)
Endowment net assets, end of the year	$ 375,766	$ 703,900	$ 1,079,666

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12. Liquidity and Availability of Resources

Temple's financial assets and liquidity resources available within one year of the consolidated balance sheet date for general expenses (e.g., operating expenses and scheduled payments on debt) are as follows:

	June 30, 2026	June 30, 2025
Financial assets:		
Cash and cash equivalents	$ 481,387	$ 404,694
Investments (excluding purpose designated funds)	1,660,549	1,568,450
Accounts, loans, and contributions receivable, net (excluding donor restricted receivables)	661,127	728,994
Appropriation of board-designated endowment assets for general operating expenditures in the following year (estimate based on the fiscal year-end fair values and board approved spending rate for the subsequent year)	10,951	9,475
Total financial assets available within one year to fund general expenses	2,814,014	2,711,613
Liquidity resources (Note 9):		
Revolving line of credit (undrawn) (University)	50,000	50,000
Revolving line of credit (undrawn) (TUHS)	100,000	75,000
Unsecured line of credit (undrawn and unpledged) (University)	7,500	7,500
Total financial assets and liquidity resources available within one year	$ 2,971,514	$ 2,844,113

Temple's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 11, for fiscal year 2026 and 2025 the Board of Trustees approved distribution of 4.00% to 4.25% of the average fair value for the prior 12 fiscal quarters, for a total spending rule appropriation of $42,288 and $40,194, respectively.

Temple's cash flows have seasonal variations during the year, primarily attributable to the collection of tuition, the timing of receipts of the Commonwealth appropriation, and the collection of donor contributions, which are typically more concentrated at calendar and fiscal year-end. As part of Temple's liquidity management, Temple structures its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, Temple invests cash in excess of daily requirements in cash equivalents and short-term investments. To help manage unanticipated liquidity needs, at June 30, 2026 and 2025, Temple has committed lines of credit in excess of $150,000 (both years). Additionally, at June 30, 2026 and 2025, Temple's board-designated endowment totaled $435,751 and $375,766, respectively, of which $257,670 and $222,944, respectively, has been board-designated to support general operations. Although Temple does not intend to spend from its board-designated endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. Both the board-designated endowment and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available. Temple also has unfunded commitments on alternative investments (see Note 9 for line of credit availability, Note 10 for investments, and Note 11 for endowments).

13. Commitments and Contingencies

From time to time, claims are made against Temple based on a variety of theories of liability, including without limitation alleged negligence, acts of discrimination, medical malpractice, breach of contract, or disagreements arising from the interpretation of laws or regulations. In the opinion of management, after consultation with legal counsel, and subject to the disclosure below, the ultimate disposition of these matters is not expected to have a material adverse effect on Temple's future financial position or changes in its net assets.

On May 5, 2020, a putative class action complaint was filed against the University in the United States District Court for the Eastern District of Pennsylvania claiming that the decision to close campus and transition to distance education in response to the COVID-19 pandemic deprived students of the benefits of in-person instruction, access to campus facilities, student activities, and other benefits and services. The complaint alleged that plaintiffs were deprived of certain opportunities and benefits during approximately 40% of the spring 2020 semester for which they paid and seeks disgorgement of a portion of tuition and a pro-rata amount of fees paid for the spring 2020 semester. The complaint was similar to many other lawsuits filed against colleges and universities in the United States since late March 2020. In September 2024, the University and the plaintiffs reached a settlement, with the University paying total monetary damages of $6,900 in April 2025.

Under its hospital affiliation agreement with Chestnut Hill Hospital, TUHS has committed to making additional capital contributions any time a capital call is approved by the Chestnut Hill Hospital board of directors. See Note 21 for further discussion of the Chestnut Hill Hospital affiliation.

See Note 9 for commitments under finance and operating leases, Note 10 for unfunded investment commitments, and Note 14 for assets pledged as collateral.

14. Pledged Assets

At June 30, 2026 and 2025, TUHIC had restricted cash of $876 and $444, respectively, and non-current investments in fixed income securities of $68,163 and $70,218, respectively, held in trust in order to secure TUHIC's liabilities under certain reinsurance contracts.

At June 30, 2026 and 2025, the University had $11,735 and $11,630, respectively, of non-current investments in fixed income securities pledged as collateral under futures contracts (see Note 3). In addition, at June 30, 2026 and 2025, the University had $2,966 and $5,919, respectively, of postretirement benefits plan assets and $422 and $424, respectively, of pension plan assets in fixed income securities pledged as collateral under futures contracts (see Notes 3 and 5).

See Note 9 for amounts pledged as collateral under Temple's bond issuances, lines of credit, and letters and credit and Note 10 for unfunded investment commitments.

15. Net Assets

A summary of Temple's net assets is as follows:

	June 30, 2026	June 30, 2025
Net Assets:		
Without donor restrictions	$ 3,991,433	$ 3,626,841
With donor restrictions:		
Term endowments, life income funds, and accumulated endowment gains	323,004	221,452
Contributions for instruction, research, and support	58,498	59,978
Contributions for property, plant, and equipment	107,236	184,007
Corpus of contributions for endowments	516,755	482,448
Corpus of contributions for student loans	217	217
Funds held in trust by others	95,755	86,482
Beneficial interest in Episcopal Foundation	34,623	32,489
Beneficial interest in Fox Chase Cancer Center Foundation	69,559	61,304
Total net assets with donor restrictions	1,205,647	1,128,377
Total net assets	$ 5,197,080	$ 4,755,218

16. Accounts Payable and Other Accrued Expenses

Accounts payable and other accrued expenses at June 30, 2026 and 2025 consist of the following:

	June 30, 2026	June 30, 2025
Accounts payable	$ 276,129	$ 290,272
Accrued interest payable	12,879	13,545
Accrued payroll	57,453	53,174
Accrued vacation	53,520	51,073
Claim based liabilities, professional (Note 20), worker's compensation, general liability, and health and welfare benefits	298,959	315,549
Conditional asset retirement obligation (Note 8)	29,134	29,577
Student and other deposits	6,229	6,068
Operating lease liabilities (current portion)	14,285	13,843
Estimated settlements with third-party payers (Note 21)	53,089	44,887
Other	181,382	150,611
Total accounts payable and other accrued expenses	983,059	968,599
Less: Current portion	(668,423)	(647,334)
Non-current, accounts payable and other accrued expenses	$ 314,636	$ 321,265

17. Commonwealth of Pennsylvania Grants and Other Support

Temple receives support from the Commonwealth primarily in the form of appropriations (operations and capital), grants and contracts, and medical assistance supplemental funding. Medical assistance supplemental funding is to provide access to health care services, including care for the uninsured and indigent population of Pennsylvania (see Note 18). Patient care supplemental funding provided by the Commonwealth is included in *Patient care activities* revenue in the consolidated statements of activities. There is no guarantee that funding from the Commonwealth will continue consistent with historical levels or at levels requested by Temple. Under certain circumstances, Temple could be required to repay certain of the support received from the Commonwealth.

Support received from the Commonwealth during 2026 and 2025 is as follows:

	Year Ended June 30,	
	2026	**2025**
Commonwealth of Pennsylvania support:		
Patient care related:		
Access to care and state and local hospital assessment programs, net	$ 486,107	$ 467,496
Academic Health Center funding	6,809	6,662
Total patient care support	492,916	474,158
Non-patient care related:		
Appropriation	158,206	158,206
Share of appropriation used to support matching funds under the Commonwealth of PA Medical Assistance Program*	(111,321)	(111,322)
Appropriation, net	46,885	46,884
Grants and contracts	16,510	20,182
Grants for property, plant, and equipment	87,823	93,612
Total non-patient care support	151,218	160,678
Total Commonwealth of Pennsylvania support	$ 644,134	$ 634,836

* Amount recorded in *Patient care activities* revenue by TUHS.

Academic Health Center funding from the Commonwealth is transferred from TUHS to the University to support allowable academic health center costs. Such funding is included in *Transfer from TUHS* in the consolidated statements of activities (and eliminated in consolidation).

18. Revenue

Tuition revenue is recognized in the fiscal year in which the academic programs are delivered. Undergraduate and graduate students who adjust their course load or withdraw completely within the “drop/add period”, typically the first two weeks of the academic term, are entitled to receive a full credit for all charges and a refund for any payments made in accordance with the University’s “drop/add” policy. Professional students do not have a formal “drop/add” period and all course load adjustments for professional students are at the discretion of the University. Payments for tuition are due approximately two weeks subsequent to the start of the academic term.

When students enroll or register for classes, a contract exists between the University and the student. For professional students, this typically occurs prior to fiscal year-end for the subsequent academic year. As professional students do not have discretion over the “drop/add” process, the University considers such

contract an indication of the professional student's financial responsibility for the tuition and fees associated with those courses and a contractual agreement to the related payment terms. For non-professional students, the contract is considered cancellable until the "drop/add" period has ended, therefore, revenue and any deferred revenue contract obligation is recorded subsequent to the "drop/add" period (or if cash is received in advance of performance obligation).

The University offers two summer sessions. Summer I is provided in fiscal quarter four and Summer II spans fiscal years. Because the academic term for Summer II spans two reporting periods, a portion of the payments for Summer II (approximately 90%) are included in deferred revenue at June 30.

Temple's revenues primarily consist of tuition and fees, auxiliary enterprises, Commonwealth appropriations, grants and contracts, contributions, and patient care activities. Revenue recognition by revenue source is as follows (see Note 2 for additional revenue disclosures):

Revenue Source	Revenue Recognition
Tuition and fees	Ratably over the academic term
Commonwealth operating appropriation	Ratably over the fiscal year
Commonwealth capital appropriation	Expense reimbursement
Grants and contracts (exchange transaction)	As performance obligations are satisfied
Grants and contracts (conditional contributions)	When the barrier (condition) is satisfied
Contributions (non-exchange transaction)	When the barrier (condition) is satisfied. If no barrier and no right of return/release exist, then recognized when received.
Patient care activities	As services are provided
Auxiliary enterprises:	
Housing	Ratably over the academic term
Meal plans	Ratably over the academic term
Ticket sales	After event occurs
Parking passes	Ratably over the parking permit period
Other (e.g., event parking, programs, merchandise, concessions)	Point-of-sale

Deferred Revenue — Deferred revenue primarily includes payments received prior to the start of the academic term. The following table depicts activities for deferred revenue during the years ended June 30, 2026 and 2025.

	Tuition and Fees							
	Summer II (Undergrad/ Grad/ Professional)	Fall Semester (Undergrad/ Grad)	Fall Semester Professional Students	Sponsored Contracts (Exchange)	Auxiliary Contract Liabilities	Deferred Rent	Other Deferred Revenues	Total
Balance at June 30, 2024	$ 16,678	$ 118	$ 17,633	$ 43,799	$ 14,590	$ 1,697	$ 9,390	$103,905
Revenue Recognized in 2025	(16,678)	(118)	(17,633)	(43,799)	(3,529)	(816)	(9,390)	(91,963)
Cash received and contracts entered into in advance of performance	18,231	131	17,918	29,553	3,375	3,447	7,547	80,202
Balance at June 30, 2025	18,231	131	17,918	29,553	14,436	4,328	7,547	92,144
Revenue Recognized in 2026	(18,231)	(131)	(17,918)	(29,553)	(3,602)	(813)	(7,547)	(77,795)
Cash received and contracts entered into in advance of performance	19,311	297	18,796	28,564	3,809	—	6,883	77,660
Balance at June 30, 2026	$ 19,311	$ 297	$ 18,796	$ 28,564	$ 14,643	$ 3,515	$ 6,883	$ 92,009

The current portion of *Deferred revenue* of $76,368 at June 30, 2026 will be recognized as revenue in fiscal 2027 in accordance with the revenue recognition policies described above and in Note 2.

Temple has elected the optional exemption to not disclose amounts where the performance obligation is part of a contract that has an original expected duration of one year or less. Temple expects to recognize substantially all revenue on these remaining performance obligations over the next twelve months.

Disaggregation of Revenue —In the fall semester of academic years 2026 and 2025, approximately 62% (both years), of the University's students are residents of the Commonwealth, and approximately 38% (both years), are from outside of Pennsylvania. The following tables provide the disaggregation of revenues at June 30, 2026 and 2025 for *Tuition and fees*, *Grants and contracts*, *Auxiliary enterprises*, and *Patient care activities.*

Revenues from *Tuition and fees*, during the years ended June 30, 2026 and 2025 were as follows:

	2026	2025
Tuition and fees revenues:		
Undergraduate students	$ 563,919	$ 562,572
Graduate students	116,426	114,366
Professional	161,256	152,851
Continuing education	5,815	6,117
Temple's Japan campus	49,339	38,860
Fees	49,751	45,503
Total tuition and fee revenues	946,506	920,269
Less: Discounts	(206,169)	(185,337)
Total tuition and fees revenues, net of discounts	$ 740,337	$ 734,932

Revenues from *Grants and contracts*, during the years ended June 30, 2026 and 2025 were as follows:

	2026	2025
Grants and contracts revenues:		
Federal^	$ 140,559	$ 220,423
Commonwealth of Pennsylvania	16,510	20,182
Local	3,509	4,596
Private	71,291	74,053
Total grants and contracts revenues	$ 231,869	$ 319,254

^ *Federal grants and contracts in 2025 includes employee retention credits (see Note 23).*

Revenues from *Auxiliary enterprises*, during the years ended June 30, 2026 and 2025 were as follows:

	2026	2025
Auxiliary enterprises revenues:		
Housing	$ 61,678	$ 59,620
Meal plans	28,476	26,537
General activity fee	2,455	2,510
Athletics	12,332	13,874
Parking service	6,865	6,560
Liacouras Center	4,096	3,970
Other (primarily includes food services, bookstore, and TU Press)	8,323	8,162
Total auxiliary enterprises revenues	$ 124,225	$ 121,233

Revenues from *Patient care activities* recognized by major payor sources based on primary insurance designation during the years ended June 30, 2026 and 2025 were as follows:

	2026			2025		
	Inpatient	**Outpatient**	**Total**	**Inpatient**	**Outpatient**	**Total**
Patient care activities:						
Medicare	$ 465,501	$ 545,052	$ 1,010,553	$ 460,859	$ 468,700	$ 929,559
Medicaid	308,627	197,867	506,494	273,938	181,141	455,079
Commercial	215,434	559,689	775,123	238,444	500,798	739,242
Self-pay	1,362	6,351	7,713	637	6,967	7,604
Other	496,808	708,047	1,204,855	499,159	558,309	1,057,468
Total patient care activities*	$ 1,487,732	$ 2,017,006	$ 3,504,738	$ 1,473,037	$ 1,715,915	$ 3,188,952

** Physician revenue is included in outpatient revenue in the above table.*

19. Expenses by Functional and Natural Classification

Expenses are presented by functional classification in alignment with the overall service mission of Temple. Temple's primary service missions are academic instruction, research, and patient care. Each functional classification displays all expenses related to the underlying operations by natural classification. Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Operation and maintenance of plant expenses ("O&M") and depreciation expense (excluding depreciation related to auxiliary and library books) are allocated to the functional expense classifications based upon the proportionate share of expenses (excluding O&M and depreciation) reported in each functional classification. Depreciation related to auxiliary fixed assets (e.g., dormitories, parking garages, and athletics) is fully allocated to *Auxiliary enterprises expense* and depreciation related to library books is fully allocated to *Academic support expense*. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt.

Functional expense categories are as follows:

Academic and Student Services:

Instruction: Expenses for all activities that are part of the University's instruction program and include expenses for credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions.

Academic Support: Expenses incurred to provide support services for the University's primary missions of instruction, research, and public service and includes expenses related to providing services that directly assist the academic functions of the University.

Student Services: Expenses incurred for activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. It includes expenses for student services administration; social and cultural development; counseling and career guidance; financial aid administration; student admissions; maintenance of student records; and student health services.

Student aid: Grants-in-aid, trainee stipends, tuition and fee waivers, and prizes to students.

Research and Public Service:

Research: Expenses for activities specifically organized to produce research, whether commissioned by an agency external to Temple or separately budgeted by an organizational unit within Temple.

Public Service: Expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the University. These activities include community service programs (excluding instructional activities) and cooperative extension services.

***Institutional Support*:** Expenses for central, executive-level activities concerned with management and long-range planning for the entire University. Institutional support includes executive management, fiscal operations, general administration, and public relations/development.

Auxiliary Enterprises: Expenses relating to the operation of auxiliary enterprises. Auxiliary enterprises exist to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed as an essentially self-supporting activity. Auxiliary enterprises include residence halls, food services, intercollegiate athletics, University stores, faculty clubs, and parking.

Patient Care Activities: Primarily includes expenses associated with TUHS, as well as expenses from the University's medicine, podiatry and dental programs.

Expenses by functional and natural classification for the year ended June 30, 2026 and 2025 are as follows:

2026	Academic and Student Services	Research and Public Service	Institutional Support	Operations and Maintenance	Auxiliary Enterprises	Patient Care Activities	Total Expenses
Salaries and wages	$ 480,020	$ 130,419	$ 82,373	$ 38,659	$ 27,036	$ 1,388,764	$ 2,147,271
Employee benefits	136,357	34,542	25,265	10,537	7,863	339,368	553,932
Operating expenses	125,833	81,818	75,092	70,026	82,848	1,516,351	1,951,968
Allocations and cost recoveries:							
Depreciation	66,744	19,069	14,137	348	24,388	64,441	189,127
Interest on indebtedness	5,913	711	708	(188)	9,455	16,592	33,191
Operations and maintenance	64,123	19,752	15,079	(96,600)	—	52,128	54,482
TUHS cost recovery	(483)	—	(11,009)	(22,782)	—	32,120	(2,154)
Total operating expenses	$ 878,507	$ 286,311	$ 201,645	$ —	$ 151,590	$ 3,409,764	4,927,817
Other components of net periodic postretirement benefit cost							(15,828)
Total							$ 4,911,989

2025	Academic and Student Services	Research and Public Service	Institutional Support	Operations and Maintenance	Auxiliary Enterprises	Patient Care Activities	Total Expenses
Salaries and wages	$ 458,032	$ 134,165	$ 77,392	$ 37,369	$ 27,779	$ 1,292,243	$ 2,026,980
Employee benefits	132,365	35,293	24,133	9,995	7,955	316,381	526,122
Operating expenses	125,337	88,846	64,079	58,245	70,968	1,318,012	1,725,487
Allocations and cost recoveries:							
Depreciation	61,280	18,606	12,028	140	24,378	60,547	176,979
Interest on indebtedness	6,978	761	709	(207)	10,253	16,866	35,360
Operations and maintenance	55,779	18,764	12,272	(84,399)	—	49,901	52,317
TUHS cost recovery	(535)	5	(10,447)	(21,143)	—	32,120	—
Total operating expenses	$ 839,236	$ 296,440	$ 180,166	$ —	$ 141,333	$ 3,086,070	4,543,245
Other components of net periodic postretirement benefit cost							(12,209)
Total							$ 4,531,036

20. Medical Professional Liability Insurance

Temple purchases primary commercial claims-made insurance coverage for medical professional liability claims from a commercial insurer, which in turn reinsures all of the risk with TUHIC, a wholly-owned captive insurance company domiciled in Bermuda. Temple is self-insured through its captive insurance company. In addition, Temple obtains $500 ($1,500 aggregate) coverage for its physicians from the Medical Care Availability and Reduction of Error fund ("Mcare") and also purchases excess coverage from unaffiliated commercial insurers.

The Mcare Act was enacted by the Pennsylvania legislature in 2002. The Mcare Act created the Mcare Fund, which is the state-mandated funding mechanism for the payment of medical malpractice claims exceeding the primary layer of professional liability insurance carried by Temple's physicians and other health care providers practicing in the state. The Mcare Fund is funded on a pay-as-you-go basis. The Mcare Fund levies health care provider surcharges, calculated as a percentage of the premiums established by the Joint Underwriting Association (also a Commonwealth of Pennsylvania agency) for basic coverage, to pay claims and administrative expenses on behalf of Mcare Fund participants. The Mcare Act legislation provides for the gradual phase-out of Mcare Fund coverage; however, this has been deferred by the Pennsylvania legislation and will be considered in the future.

Self-insured professional liabilities include amounts for reported claims, which, depending on occurrence and aggregate limits, are retained by Temple's insurance captive or TUHS, and claims incurred but not reported, which are retained by TUHS. The gross carrying amount of accrued asserted and unasserted actuarially determined professional liability claims, includes self-insured professional liabilities plus amounts retained by Mcare and commercial insurers. Professional liabilities (discounted at 4.25% at June 30, 2026 and 4.00% at June 30, 2025) and related recoveries are as follows:

	June 30, 2026	June 30, 2025
Accrued professional liability claims retained, net	$ 232,230	$ 207,384
Plus: Accrued liabilities above retention limits (estimated insurance recoveries)	26,468	66,208
Accrued professional liability claims, gross	258,698	273,592
Less: Current portion of accrued professional liability claims, gross	(46,727)	(47,442)
Non-current, accrued professional liability claims, gross	$ 211,971	$ 226,150

Professional liability claims are included in *Accrued expenses* with the corresponding estimated insurance recoveries recorded in *Accounts, loans, and contributions receivable, net* in Temple's consolidated balance sheets.

21. Patient Care Activities

Temple provides health care services primarily to area residents through its inpatient and outpatient care facilities in the Greater Philadelphia Metropolitan Area. Temple serves a disproportionately high number of poor or indigent patients and accordingly, derives a substantial portion of its patient care revenues from the Federal Government (Medicare) and Commonwealth of Pennsylvania (Medical Assistance) programs. At June 30, 2026 and 2025, Temple had net accounts receivable from Medicare of $72,708 and $77,063, respectively, and from Medical Assistance of $46,969 and $39,204, respectively (see Note 4).

Patient accounts receivables are written off against the allowance for doubtful accounts when management determines that recovery is unlikely and Temple ceases collection efforts. Overall, the total of self-pay write-offs for the year ended June 30, 2026 has not changed significantly from the year ended June 30, 2025. Temple has not experienced significant changes in write-off trends nor has Temple changed its charity care policy (see Note 22).

As discussed in Note 2, *Patient care activities* revenue includes estimates of reimbursement from third-party payers. During the years ended June 30, 2026 and 2025, Patient care activities revenue increased by $15,576 and $35,311, respectively, as a result of settlements related to prior years and changes in estimates associated with Medicare cost reports and state Medicaid audits. Audits pertaining to fiscal years through 2022 have been closed.

Chestnut Hill Hospital — On August 8, 2022, TUHS formed an alliance with Redeemer Health ("Redeemer") and Philadelphia College of Osteopathic Medicine ("PCOM"), and collectively signed a definitive agreement to acquire Chestnut Hill Hospital and its associated physician practice plan, Chestnut Hill Clinic Company, LLC ("CHC") from Tower Health. The alliance completed the acquisition on January 1, 2023 for a purchase price of $28,000. CHH Community Health, Inc. ("CHH") is a Pennsylvania nonprofit corporation which owns and operates Chestnut Hill Hospital. CHC is a Pennsylvania limited liability company which employs the physicians and operates the physician practices that support Chestnut Hill Hospital, with CHH as its sole member.

TUHS is the majority equity holder of CHH and manages the 148-bed hospital, which operates under the name Temple Health – Chestnut Hill Hospital. As of June 30, 2026 and 2025, TUHS held an 80% and 60% ownership interest in CHH, respectively. Through August 27, 2025, Redeemer held a 20% ownership interest in CHH; effective August 28, 2025, TUHS acquired Redeemer's 20% stake. PCOM holds the remaining 20% ownership interest in CHH and held substantive participating rights through June 30, 2026. Effective July 1, 2026, TUHS and PCOM amended their affiliation agreement to remove PCOM's substantive participating rights (see Note 24). In 2026 and 2025, TUHS accounted for its investment in CHH under the equity method. TUHS's initial investment in CHH was $16,800. For the years ended June 30, 2026 and 2025, TUHS's share of CHH's net loss was $(6,894) and $(3,663), respectively, and is included within *Other sources revenue* in the consolidated statements of operations. At June 30, 2026 and 2025, the value of TUHS' investment in CHH was $0 (both years). At June 30, 2026 and 2025, TUHS also had $13,301 and $32,465, respectively, of current receivables included in current *Accounts, loans, and contributions receivable, net,* and $9,200 (both years) of long-term receivables due from CHH included in non-current *Other assets*, and $6,117 and $4,921, respectively, of payables owed to CHH, current *Accounts payable and accrued expenses* in the consolidated balance sheets.

See Note 18 for a summary of Patient care activities revenues recognized by major payor sources based on primary insurance designation.

22. Charity Care

Temple maintains detailed records to identify and monitor the level of charity care it provides to its patients. Charity care costs are estimated by applying an overall cost to charge ratio to charity care charges. During the years ended June 30, 2026 and 2025, the estimated costs and expenses incurred to provide charity care, including the estimated unreimbursed cost of services in excess of specific payments for services rendered to Medical Assistance recipients, were $284,379 and $268,557, respectively (see Note 17).

23. Employee Retention Credits

In response to the COVID-19 pandemic, the federal government, through the Internal Revenue Service ("IRS"), established the Employee Retention Credit ("ERC"). This credit was available to businesses that continued paying employees during qualifying periods of closure or significant declines in gross receipts, specifically from March 13, 2020, to December 31, 2021. Eligible employers could claim the ERC by filing original or adjusted employment tax returns.

In calendar year 2022, the University filed for ERCs covering March 13, 2020, to June 30, 2021, totaling $68,308. The University received $42,078 in ERCs and $1,522 in accrued interest in the fourth quarter of 2023, and $26,230 in ERCs and $4,338 in accrued interest in the first quarter of 2026.

Upon formal review by the IRS and full payment, ERCs of $68,308 are recorded as federal *Grant revenues*, and the total interest of $5,860 is included in *Investment return, net of expenses* in the 2025 statement of activities. ERCs and related interest totaling $30,567, received subsequent to June 30, 2025, are included in current *Accounts, loans, and contributions receivable, net* at June 30, 2025. ERCs totaling $43,600 were collected prior to June 30, 2025. Due to the evolving nature of the IRS guidance surrounding ERCs, there is a risk of audit or examination by the IRS. Should the University be required to repay a material portion of the recognized ERCs, such payment could have an adverse effect on the University's combined financial statements.

24. Subsequent Events

Temple has evaluated subsequent events through October 28, 2026, the date the consolidated financial statements were available to be issued. Except as noted below, there were no events requiring adjustments to or disclosure in the consolidated financial statements.

In October 2025, the University received a multi-year pledge of $55,000, with all payments scheduled for future years. In September 2026, the pledge agreement was rescinded. No amounts related to this pledge are included in the accompanying financial statements. The donor, a trustee of the University, resigned from the board citing health reasons.

In August 2026, the University opened the Hillside Center, its second Tokyo metropolitan location in Mizonokuchi (Kawasaki). The eight-story, 75,000-square-foot facility supports general education, first-year experience, and bridge program courses. This Hillside Center was acquired to accommodate steady enrollment growth across the University's Tokyo and Kyoto locations, which surpassed 3,500 total students

during the 2025–2026 academic year. Enrollment at the Hillside Center exceeded 1,000 students in the Fall 2026 semester and is expected to continue increasing over the next several years (see Note 9).

Effective July 1, 2026, TUHS and PCOM amended the CHH affiliation agreement to remove PCOM's substantive participating rights, which resulted in TUHS obtaining a controlling financial interest in CHH (see Note 21).

In December 2025, the University's Board of Trustees approved a definitive agreement to merge with The Library Company of Philadelphia ("The Library Company"). The transaction is currently pending regulatory approval from the Pennsylvania Office of the Attorney General and the Philadelphia County Orphans' Court. Upon finalization, the entity will be known as The Library Company of Philadelphia at Temple University, operating as a division of Temple Libraries. The Library Company will maintain its current mission, staffing, and physical location at 1314 Locust Street. Because the merger remains subject to these external approvals, no assets, liabilities, or results of operations related to The Library Company are included in the accompanying financial statements.

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Supplemental Schedules

The following schedules reflect the changes in net assets without donor restrictions for the University and its controlled entities. The columnar classification reflects the various budgetary categories and operations of Temple. Most patient care activities are provided by TUHS. Activities in the University's *Clinical Practice Plan* include clinical activities performed by the LKSOM. The remaining *Patient care activities* provided by the University's podiatry and dental programs are included in *Educational and General* services. *Other long-term* net assets include the net book value of property, plant, and equipment, net assets set aside to retire debt, University matching of federal loan programs, and the unfunded liability for pensions and postretirement benefits.

TEMPLE UNIVERSITY — OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES

Changes in Net Assets Without Donor Restrictions — For the Year Ended June 30, 2026 (in thousands)

	Net Assets Without Donor Restrictions										
			University, Excluding Temple Educational Support Services								
	Temple University Health System	Temple Educational Support Services	Clinical Practice Plan	Educational and General	Quasi - Endowment	Externally Sponsored Activities	Unexpended Capital	Other Long-term	Total University	Consolidating Eliminations	Total
Revenues:											
Tuition and fees, net of discounts of $206,169	$ —	$ 53,913	$ —	$ 688,671	$ —	$ 3	$ —	$ —	$ 688,674	$ (2,250)	$ 740,337
Commonwealth of Pennsylvania appropriation	—	—	—	46,885	—	—	—	—	46,885	—	46,885
Strategic support assessment (Note 19)	—	—	—	130,321	—	—	—	—	130,321	(130,321)	—
Grants and contracts	50,385	—	—	42,602	—	138,882	—	—	181,484	—	231,869
Contributions for operations and endowments	9,491	—	—	1,593	235	28,163	—	—	29,991	—	39,482
Investment return	31,440	682	—	53,302	—	31,918	1	2,261	87,482	—	119,604
Sales of educational activities	—	—	—	16,403	—	—	—	—	16,403	—	16,403
Auxiliary enterprises	—	—	—	123,044	—	—	88	1,093	124,225	—	124,225
Patient care activities	3,502,076	—	1	2,661	—	—	—	—	2,662	—	3,504,738
Other sources	48,872	—	—	13,778	—	3,445	40	85	17,348	—	66,220
Net assets released from restrictions	8,414	—	—	—	—	1,907	—	—	1,907	—	10,321
Total revenues	3,650,678	54,595	1	1,119,260	235	204,318	129	3,439	1,327,382	(132,571)	4,900,084
Expenses:											
Educational and general	63,182	45,877	—	982,860	—	163,855	10,167	102,772	1,259,654	(2,250)	1,366,463
Auxiliary enterprises	—	—	—	116,261	—	1,258	229	33,842	151,590	—	151,590
Patient care activities	3,534,349	—	1	5,694	—	—	—	41	5,736	(130,321)	3,409,764
Total expenses	3,597,531	45,877	1	1,104,815	—	165,113	10,396	136,655	1,416,980	(132,571)	4,927,817
Transfers:											
Property, plant, and equipment (PP&E) acquisitions	—	—	—	(13,762)	—	(4,663)	(198,806)	217,231	—	—	—
Retirement of indebtedness	—	—	—	(43,925)	—	—	(1,619)	45,544	—	—	—
Capital replacement and expansion	—	—	(2)	(85,567)	—	(4,113)	89,682	—	—	—	—
Other transfers	—	—	38	6,103	1,158	(25,421)	16,967	1,155	—	—	—
Total transfers	—	—	36	(137,151)	1,158	(34,197)	(93,776)	263,930	—	—	—
Excess (deficit) of revenues over expenses and transfers	53,147	8,718	36	(122,706)	1,393	5,008	(104,043)	130,714	(89,598)	—	(27,733)
Other changes in net assets:											
Investment return	147,765	—	—	(8,103)	58,592	—	—	(260)	50,229	—	197,994
Commonwealth grants for PP&E	—	—	—	—	—	—	4,300	—	4,300	—	4,300
Contributions for PP&E	—	—	—	—	—	—	1	—	1	—	1
(Loss) gain on disposal of PP&E, net	(21)	—	—	—	—	—	—	(4,517)	(4,517)	—	(4,538)
Actuarial change in accrued pensions and postretirement	4,567	—	—	—	—	—	—	6,531	6,531	—	11,098
Other components of NPBC (Note 5)	3,451	—	—	12,377	—	—	—	—	12,377	—	15,828
Transfer from TUHS, net	(21,419)	—	—	17,051	—	—	4,368	—	21,419	—	—
Currency translation adjustment	—	(425)	—	(54)	—	—	—	—	(54)	—	(479)
Other	(1,328)	—	—	—	—	—	—	—	—	—	(1,328)
Net assets released from restrictions for PP&E	7,435	—	—	36,929	—	—	125,085	—	162,014	—	169,449
Total other changes in net assets	140,450	(425)	—	58,200	58,592	—	133,754	1,754	252,300	—	392,325
Change in net assets without donor restrictions	193,597	8,293	36	(64,506)	59,985	5,008	29,711	132,468	162,702	—	364,592
Net assets without donor restrictions, beginning of year	1,078,265	26,944	11,820	663,926	375,766	191,406	101,156	1,177,558	2,521,632	—	3,626,841
Net assets without donor restrictions, end of year	$ 1,271,862	$ 35,237	$ 11,856	$ 599,420	$ 435,751	$ 196,414	$ 130,867	$1,310,026	$ 2,684,334	$ —	$ 3,991,433

TEMPLE UNIVERSITY — OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES

Changes in Net Assets Without Donor Restrictions — For the Year Ended June 30, 2025 (in thousands)

	Net Assets Without Donor Restrictions										
			University, Excluding Temple Educational Support Services								
	Temple University Health System	Temple Educational Support Services	Clinical Practice Plan	Educational and General	Quasi - Endowment	Externally Sponsored Activities	Unexpended Capital	Other Long-term	Total University	Consolidating Eliminations	Total
Revenues:											
Tuition and fees, net of discounts of $185,337	$ —	$ 43,010	$ —	$ 694,072	$ —	$ —	$ —	$ —	$ 694,072	$ (2,150)	$ 734,932
Commonwealth of Pennsylvania appropriation	—	—	—	46,884	—	—	—	—	46,884	—	46,884
Strategic support assessment (Note 19)	—	—	—	127,322	—	—	—	—	127,322	(127,322)	—
Grants and contracts	48,796	—	—	49,269	—	221,189	—	—	270,458	—	319,254
Contributions for operations and endowments	4,639	—	—	1,530	7	21,911	—	—	23,448	—	28,087
Investment return	50,062	853	—	56,894	—	35,093	—	2,310	94,297	—	145,212
Sales of educational activities	—	—	—	15,033	—	—	—	—	15,033	—	15,033
Auxiliary enterprises	—	—	—	119,889	—	—	89	1,255	121,233	—	121,233
Patient care activities	3,185,989	—	—	2,963	—	—	—	—	2,963	—	3,188,952
Other sources	47,128	—	—	9,073	—	3,337	114	47	12,571	—	59,699
Net assets released from restrictions	6,741	—	—	—	—	2,500	—	—	2,500	—	9,241
Total revenues	3,343,355	43,863	—	1,122,929	7	284,030	203	3,612	1,410,781	(129,472)	4,668,527
Expenses:											
Educational and general	64,687	37,263	—	932,763	—	179,297	7,493	96,489	1,216,042	(2,150)	1,315,842
Auxiliary enterprises	—	—	—	105,165	—	1,004	534	34,630	141,333	—	141,333
Patient care activities	3,207,346	—	12	5,983	—	—	—	51	6,046	(127,322)	3,086,070
Total expenses	3,272,033	37,263	12	1,043,911	—	180,301	8,027	131,170	1,363,421	(129,472)	4,543,245
Transfers:											
Property, plant, and equipment (PP&E) acquisitions	—	—	—	(35,593)	—	(2,324)	(153,866)	191,783	—	—	—
Retirement of indebtedness	—	—	—	(43,924)	—	—	(1,619)	45,543	—	—	—
Capital replacement and expansion	—	—	(2)	(31,613)	—	(67)	31,682	—	—	—	—
Other transfers	—	—	1	(12,793)	2,098	(29,924)	41,012	(394)	—	—	—
Total transfers	—	—	(1)	(123,923)	2,098	(32,315)	(82,791)	236,932	—	—	—
Excess (deficit) of revenues over expenses and transfers	71,322	6,600	(13)	(44,905)	2,105	71,414	(90,615)	109,374	47,360	—	125,282
Other changes in net assets:											
Investment return	68,088	—	—	19,450	36,211	—	—	591	56,252	—	124,340
Contributions for PP&E	—	—	—	—	—	—	1	—	1	—	1
Loss on extinguishment of debt	—	—	—	—	—	—	—	20,411	20,411	—	20,411
(Loss) gain on disposal of PP&E, net	(213)	(2)	—	—	—	—	—	(886)	(886)	—	(1,101)
Actuarial change in accrued pensions and postretirement	46,450	—	—	—	—	—	—	(10,848)	(10,848)	—	35,602
Other components of NPBC (Note 5)	651	—	—	11,558	—	—	—	—	11,558	—	12,209
Loss on asset retirement obligation	—	—	—	—	—	—	—	(1,052)	(1,052)	—	(1,052)
Transfer from TUHS, net	19,398	—	—	(22,099)	—	—	2,701	—	(19,398)	—	—
Currency translation adjustment	—	1,285	—	136	—	—	—	—	136	—	1,421
Pension settlement charge	(41,992)	—	—	—	—	—	—	—	—	—	(41,992)
Net assets released from restrictions for PP&E	4,733	—	—	19,433	—	—	92	—	19,525	—	24,258
Total other changes in net assets	97,115	1,283	—	28,478	36,211	—	2,794	8,216	75,699	—	174,097
Change in net assets without donor restrictions	168,437	7,883	(13)	(16,427)	38,316	71,414	(87,821)	117,590	123,059	—	299,379
Net assets without donor restrictions, beginning of year	909,828	19,061	11,833	680,353	337,450	119,992	188,977	1,059,968	2,398,573	—	3,327,462
Net assets without donor restrictions, end of year	$ 1,078,265	$ 26,944	$ 11,820	$ 663,926	$ 375,766	$ 191,406	$ 101,156	$1,177,558	$ 2,521,632	$ —	$ 3,626,841

TEMPLE UNIVERSITY —
OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION AND ITS SUBSIDIARIES
Subsidiary Organizations
June 30, 2026

The following is a summary of Temple's subsidiary organizations included in the consolidated financial statements and their tax-exempt status. Unless otherwise indicated, all exempt organizations are such under Internal Revenue Code Section 501(c)(3).

Temple University — Of The Commonwealth System of Higher Education ("Temple"), exempt
- Temple Educational Support Services, Ltd. ("TESS"), non-exempt (Japan Domicile)
- Temple University School of Podiatric Medicine, Inc. ("TUSPM"), exempt 501(c)(2)
- Good Samaritan Insurance Co. Ltd. ("GSIC"), non-exempt (Bermuda Domicile) (inactive)
- TUMP Offices, Inc. ("TUMP"), exempt 501(c)(2) (inactive)
- Global Technology Management Corp. ("GTM"), non-exempt (inactive)

- Temple University Health System, Inc. ("TUHS"), exempt
  - Temple University Hospital, Inc. ("TUH"), exempt
    - Temple University Health System Foundation ("TUHSF"), exempt
    - TUH - Jeanes Campus Auxiliary ("Jeanes"), exempt
    - Temple Health Subsidiaries, Inc. ("THS"), non-exempt (inactive)
  - Temple Physicians, Inc. ("TPI"), exempt
  - Temple Faculty Practice Plan, Inc. ("TFPP"), exempt
  - Episcopal Hospital ("EH"), exempt
  - TUHS Insurance Co., Ltd. ("TUHIC"), non-exempt (Bermuda Domicile)
  - Temple Health System Transport Team, Inc. ("T3"), exempt
  - Temple Center for Population Health, LLC ("TCPH"), non-exempt
    - Temple Care, Inc. ("TC"), non-exempt
  - The American Oncologic Hospital ("AOH"), doing business as, Hospital of the Fox Chase Cancer Center, exempt
    - Fox Chase Limited ("FC"), non-exempt
    - The Institute for Cancer Research ("ICR"), doing business as, The Research Institute of Fox Chase Cancer Center, exempt (Delaware Domicile)
    - Fox Chase Network, Inc. ("Network"), exempt
    - Fox Chase Cancer Center Medical Group, Inc. ("MGI"), exempt
      - Temple Health Physicians, P.C. ("THP"), exempt (New Jersey Domicile)
  - CHH Community Health, Inc. ("CHH"), doing business as, Temple Health – Chestnut Hill Hospital and/or Chestnut Hill Health, exempt. Effective August 18, 2025, TUHS maintains 80% ownership interest in CHH and the Philadelphia College of Osteopathic Medicine ("PCOM"), exempt, maintains 20% ownership interest in CHH. CHH is the sole member of Chestnut Hill Clinic Company, LLC. (doing business as, Chestnut Hill Physicians). Effective May 3, 2022, and through August 17, 2025, ownership of CHH was follows: TUHS 60%, PCOM, exempt, 20%, and Holy Redeemer Health System, exempt, 20%.