WAKE FOREST UNIVERSITY

Consolidated Financial Statements

June 30, 2026

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 800
500 W 5th St
Winston-Salem, NC 27101

Independent Auditors' Report

The Board of Trustees
Wake Forest University:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wake Forest University (the University), which comprise the consolidated balance sheet as of June 30, 2026, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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 Summarized Comparative Information

We have previously audited the University's 2025 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the consolidated balance sheet, consolidated statement of activities, consolidated statement of cash flows, and the accompanying notes related to the College of Arts and Sciences, Schools of Law, Business, and Divinity, and Reynolda House, Inc. (collectively, Reynolda Campus); and Wake Forest University Health Sciences (WFUHS) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Winston-Salem, North Carolina
October 27, 2026

WAKE FOREST UNIVERSITY

Consolidated Balance Sheet

June 30, 2026
(with summarized comparative financial information as of June 30, 2025)

(Dollars in thousands)

	Supplementary information			
	Reynolda Campus	WFUHS	2026	2025
Assets:				
Cash and cash equivalents	$ 28,092	27,719	55,811	76,900
Accounts receivable, net	33,010	111,125	144,135	260,854
Patient receivables	—	133,442	133,442	109,826
Contributions receivable, net	132,766	6,218	138,984	134,939
Notes receivable, net	3,576	181	3,757	4,687
Investments	2,439,452	1,765,015	4,204,467	3,469,335
Direct investments in real estate	13,253	—	13,253	13,581
Other assets	24,622	25,032	49,654	50,781
Operating lease right-of-use assets	20,271	138,920	159,191	183,596
Land, buildings, and equipment, net	800,906	424,141	1,225,047	1,147,278
Total assets	$ 3,495,948	2,631,793	6,127,741	5,451,777
Liabilities:				
Accounts payable and accruals	$ 50,258	184,998	235,256	344,952
Other liabilities and deferrals	201,639	378,201	579,840	531,311
Annuities payable	15,603	2,848	18,451	22,504
Operating lease obligations	19,749	142,937	162,686	186,810
Notes payable and finance leases	109,934	686	110,620	75,609
Bonds payable	486,342	76,561	562,903	605,025
Postretirement benefits	12,196	14,730	26,926	27,948
Total liabilities	895,721	800,961	1,696,682	1,794,159
Net assets:				
Without donor restrictions	1,174,135	1,325,448	2,499,583	2,049,675
Noncontrolling interest in affiliate	1,417	—	1,417	1,167
With donor restrictions	1,424,675	505,384	1,930,059	1,606,776
Total net assets	2,600,227	1,830,832	4,431,059	3,657,618
Total liabilities and net assets	$ 3,495,948	2,631,793	6,127,741	5,451,777

See accompanying notes to the consolidated financial statements.

WAKE FOREST UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2026
(with summarized comparative financial information for the year ended June 30, 2025)

(Dollars in thousands)

	Without donor restrictions	With donor restrictions	2026	2025
Operating revenues:				
Student tuition and fees	$ 402,945	—	402,945	380,597
Government grants and contracts	303,065	—	303,065	291,946
Private grants and contracts	40,023	66,276	106,299	138,438
Contributions	42,112	74,813	116,925	75,337
Investment return designated for current operations	92,889	96,779	189,668	146,580
Patient service revenue	1,002,074	—	1,002,074	890,500
Other	849,880	—	849,880	712,601
Sales and services of auxiliary enterprises	126,791	—	126,791	121,542
Net assets released from restrictions	149,919	(149,919)	—	—
Total operating revenues	3,009,698	87,949	3,097,647	2,757,541
Operating expenses:				
Salaries and wages	1,659,288	—	1,659,288	1,434,709
Employee benefits	391,830	—	391,830	345,265
Student aid	14,513	—	14,513	18,460
Services	280,877	—	280,877	310,366
Clinical and laboratory supplies	149,857	—	149,857	167,360
Other operating expenses	303,701	—	303,701	182,475
Depreciation and amortization	99,802	—	99,802	86,843
Interest on debt	20,981	—	20,981	23,903
Total operating expenses	2,920,849	—	2,920,849	2,569,381
Operating excess	88,849	87,949	176,798	188,160
Nonoperating activities:				
Contributions for long-term purposes	—	57,156	57,156	75,579
Net assets released from restrictions	4,252	(4,252)	—	—
Investment return in excess of amounts designated for current operations	216,285	169,187	385,472	106,433
Actuarial gains (losses) on annuity obligations	—	2,554	2,554	(1,042)
Unrealized gains (losses) on interest rate swaps	1,138	—	1,138	(279)
Postretirement related changes other than service costs	1,343	—	1,343	(612)
Gains from affiliates, equity method	121,670	—	121,670	41,325
Equity transfer from affiliate	—	10,000	10,000	10,000
Other, net	16,371	689	17,060	(80,715)
Change from nonoperating activities	361,059	235,334	596,393	150,689
Change in net assets	449,908	323,283	773,191	338,849
Change in net assets attributable to noncontrolling interest	250	—	250	(717)
Net assets attributable to noncontrolling interest at beginning of year	1,167	—	1,167	1,884
Net assets at beginning of year	2,049,675	1,606,776	3,656,451	3,317,602
Net assets at end of year	$ 2,501,000	1,930,059	4,431,059	3,657,618

See accompanying notes to the consolidated financial statements.

WAKE FOREST UNIVERSITY

Consolidated Statement of Activities

College of Arts and Sciences, Schools of Law, Business, and Divinity, and Reynolda House, Inc.
(Supplementary Information)

Year ended June 30, 2026

(Dollars in thousands)

	Without donor restrictions	With donor restrictions	2026	2025
Operating revenues:				
Student tuition and fees	$ 355,403	—	355,403	338,225
Government grants and contracts	24,520	—	24,520	14,674
Private grants and contracts	27,057	—	27,057	24,063
Contributions	33,568	49,980	83,548	64,889
Investment return designated for current operations	57,505	35,384	92,889	87,549
Other	15,128	—	15,128	15,777
Sales and services of auxiliary enterprises	126,791	—	126,791	121,542
Net assets released from restrictions	61,379	(61,379)	—	—
Total operating revenues	701,351	23,985	725,336	666,719
Operating expenses:				
Salaries and wages	300,221	—	300,221	283,581
Employee benefits	85,449	—	85,449	74,996
Student aid	5,406	—	5,406	4,897
Services	106,993	—	106,993	100,567
Other operating expenses	99,218	—	99,218	79,820
Depreciation and amortization	60,959	—	60,959	53,629
Interest on debt	17,872	—	17,872	20,486
Total operating expenses	676,118	—	676,118	617,976
Operating excess	25,233	23,985	49,218	48,743
Nonoperating activities:				
Contributions for long-term purposes	—	46,509	46,509	58,560
Net assets released from restrictions	4,252	(4,252)	—	—
Investment return in excess of amounts designated for current operations	105,598	165,962	271,560	82,540
Actuarial gains (losses) on annuity obligations	—	2,554	2,554	(1,169)
Unrealized gains (losses) on interest rate swaps	1,099	—	1,099	(152)
Postretirement related changes other than service costs	1,007	—	1,007	(849)
Other, net	16,418	562	16,980	(30,711)
Change from nonoperating activities	128,374	211,335	339,709	108,219
Change in net assets	153,607	235,320	388,927	156,962
Change in net assets attributable to noncontrolling interest	250	—	250	168
Net assets attributable to noncontrolling interest at beginning of year	1,167	—	1,167	999
Net assets at beginning of year	1,020,528	1,189,355	2,209,883	2,052,921
Net assets at end of year	$ 1,175,552	1,424,675	2,600,227	2,211,050

See accompanying notes to the consolidated financial statements.

WAKE FOREST UNIVERSITY

Consolidated Statement of Activities

Wake Forest University Health Sciences
(Supplementary Information)

Year ended June 30, 2026

(Dollars in thousands)

	Without donor restrictions	With donor restrictions	2026	2025
Operating revenues:				
Student tuition and fees	$ 47,542	—	47,542	42,372
Government grants and contracts	278,545	—	278,545	277,272
Private grants and contracts	12,966	66,276	79,242	114,375
Contributions	8,544	24,833	33,377	10,448
Investment return designated for current operations	35,384	61,395	96,779	59,031
Patient service revenue	1,002,074	—	1,002,074	890,500
Other	834,752	—	834,752	696,824
Net assets released from restrictions	88,540	(88,540)	—	—
Total operating revenues	2,308,347	63,964	2,372,311	2,090,822
Operating expenses:				
Salaries and wages	1,359,067	—	1,359,067	1,151,128
Employee benefits	306,381	—	306,381	270,269
Student aid	9,107	—	9,107	13,563
Services	173,884	—	173,884	209,799
Clinical and laboratory supplies	149,857	—	149,857	167,360
Other operating expenses	204,483	—	204,483	102,655
Depreciation and amortization	38,843	—	38,843	33,214
Interest on debt	3,109	—	3,109	3,417
Total operating expenses	2,244,731	—	2,244,731	1,951,405
Operating excess	63,616	63,964	127,580	139,417
Nonoperating activities:				
Contributions for long-term purposes	—	10,647	10,647	17,019
Investment return in excess of amounts designated for current operations	110,687	3,225	113,912	23,893
Actuarial gains on annuity obligations	—	—	—	127
Unrealized gains (losses) on interest rate swaps	39	—	39	(127)
Postretirement related changes other than service costs	336	—	336	237
Gains from affiliates, equity method	121,670	—	121,670	41,325
Equity transfer from affiliate	—	10,000	10,000	10,000
Other, net	(47)	127	80	(50,004)
Change from nonoperating activities	232,685	23,999	256,684	42,470
Change in net assets	296,301	87,963	384,264	181,887
Change in net assets attributable to noncontrolling interest	—	—	—	(885)
Net assets attributable to noncontrolling interest at beginning of year	—	—	—	885
Net assets at beginning of year	1,029,147	417,421	1,446,568	1,264,681
Net assets at end of year	$ 1,325,448	505,384	1,830,832	1,446,568

See accompanying notes to the consolidated financial statements.

WAKE FOREST UNIVERSITY

Consolidated Statement of Cash Flows

Year ended June 30, 2026
(with summarized comparative financial information for the year ended June 30, 2025)

(Dollars in thousands)

	Supplementary information			
	Reynolda Campus	WFUHS	2026	2025
Cash flows from operating activities:				
Change in net assets	$ 389,177	384,264	773,441	338,132
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization	57,986	38,843	96,829	85,242
Amortization of debt related costs	(1,022)	(6,595)	(7,617)	(1,138)
Gain on extinguishment of debt	(10,361)	—	(10,361)	—
Amortization of right-of-use operating assets	3,602	40,159	43,761	36,405
Net gains on investments	(323,634)	(210,691)	(534,325)	(212,408)
Private gifts restricted for capital and long-term investment	(59,715)	(13,872)	(73,587)	(76,552)
Losses (gains) on disposals of property and equipment	443	(322)	121	1,246
Losses on impairment of property held for sale	2,925	—	2,925	359
Gains from equity method affiliates	—	(121,670)	(121,670)	(41,325)
Unrealized gains on interest rate swaps	(1,099)	(39)	(1,138)	(25)
Bad debt expense and change in allowance for contributions receivable	679	5,978	6,657	1,491
Changes in operating assets and liabilities:				
Accounts and patient receivables	(5,858)	92,630	86,772	(82,078)
Contributions receivable	(9,249)	4,872	(4,377)	(9,805)
Notes receivable	—	46	46	20
Operating lease right-of-use assets, net	(5,586)	(13,770)	(19,356)	(92,557)
Other assets and other liabilities and deferrals	26,209	(20,015)	6,194	44,792
Accounts payable and accruals	3,447	(116,773)	(113,326)	46,001
Operating lease liabilities	2,239	(26,363)	(24,124)	56,821
Postretirement benefits	(429)	(593)	(1,022)	333
Annuities payable	(4,053)	—	(4,053)	1,571
Net cash provided by operating activities	65,701	36,089	101,790	96,525
Cash flows from investing activities:				
Purchases of land, buildings, and equipment and investments in real estate	(102,524)	(69,345)	(171,869)	(131,082)
Proceeds from sale of land, buildings, and equipment	(40)	567	527	(59)
Disbursements of loans to students and other	—	—	—	(120)
Repayments of loans to students and other	890	—	890	2,262
Purchases of investments	(1,295,725)	(60,265)	(1,355,990)	(657,279)
Net proceeds from sales and maturities of investments	1,226,480	91,879	1,318,359	643,418
Net cash used in investing activities	(170,919)	(37,164)	(208,083)	(142,860)
Cash flows from financing activities:				
Proceeds from notes payable	35,564	—	35,564	8,858
Principal payments on notes payable	(1,561)	(735)	(2,296)	(3,444)
Proceeds from issuance of bonds payable	108,640	49,429	158,069	—
Premium on bond issuance	16,522	—	16,522	—
Payments to retire or defease bonds payable	(122,210)	(49,685)	(171,895)	—
Principal payments on bonds payable	(11,790)	(14,170)	(25,960)	(17,299)
Bond issuance costs	(880)	—	(880)	132
Proceeds from finance lease obligations	4,146	—	4,146	4,036
Payments on finance lease obligations	(2,403)	—	(2,403)	(2,507)
Proceeds from private gifts restricted for long-term investment	59,715	13,872	73,587	76,552
Net cash provided by (used in) financing activities	85,743	(1,289)	84,454	66,328
Net (decrease) increase in cash, cash equivalents and restricted cash	(19,475)	(2,364)	(21,839)	19,993
Cash, cash equivalents and restricted cash at beginning of year	47,567	30,083	77,650	57,657
Cash, cash equivalents and restricted cash at end of year	$ 28,092	27,719	55,811	77,650
Cash and cash equivalents	$ 28,092	27,719	55,811	76,900
Restricted cash	—	—	—	750
Total cash, cash equivalents, and restricted cash	$ 28,092	27,719	55,811	77,650
Supplemental disclosures of cash flow information:				
Cash paid for interest, net of amounts capitalized	$ 21,037	3,199	24,236	26,083
Capital expenditures included in accounts payable	7,159	2,978	10,137	6,506
Operating cash flows from finance leases	3,968	—	3,968	3,865
Operating cash flows from operating leases	3,557	40,159	43,716	36,470
Financing cash flows from finance leases	2,486	—	2,486	1,928
Income taxes paid	2	820	822	684

See accompanying notes to the consolidated financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Description of Wake Forest University

Wake Forest University (the University) is a private, coeducational, not-for-profit institution of higher education and research located in Winston-Salem, North Carolina. The consolidated financial statements of the University include the consolidated subsidiaries of the University, such as Verger Capital Management, LLC (VCM), Reynolda House, Inc., and Wake Forest University Health Sciences (WFUHS), and all entities over which the University has control, including all of the subsidiaries of WFUHS.

WFUHS is a wholly owned subsidiary of the University and is a North Carolina nonprofit corporation with the University as its sole member; WFUHS operates the Wake Forest University School of Medicine, educating medical students and others, providing patient care in a variety of clinical, hospital, and other healthcare settings, and conducting biomedical research. Wholly owned affiliates of WFUHS are the Dialysis Centers of Wake Forest University, Wake Forest Innovation Quarter Development Co., Wake Forest Innovation Quarter CDC, Innovation Quarter (f/k/a Wake Forest Innovation Quarter Management Co.), WFIQ Holdings, LLC, WFIQ Holdings II, LLC, WFIQ Holdings III, LLC, Seed Stage Associates, LLC, Park IMP 1, LLC, BRF – A1, LLC, BRF Deck 1, LLC, BRF – A1a, LLC, Childress Institute for Pediatric Trauma, Wake Forest Emergency Providers, North District Owners Association, and RegenMed Development Organization. Wake Forest Ambulatory Ventures, LLC (WFAV) was wholly owned by WFUHS until December 1, 2025 when membership was transferred to Wake Forest University Baptist Medical Center (WFUBMC). Results of WFAV are included in these consolidated financial statements through November 30, 2025.

Effective July 1, 2010, the governing boards of the University, WFUHS, North Carolina Baptist Hospital (NCBH), and Wake Forest University Baptist Medical Center (WFUBMC) approved a Medical Center Integration Agreement (MCIA) whereby an integrated academic medical center was created that combined clinical care, medical education and research under the delegated operational management and oversight of WFUBMC.

Pursuant to a health system integration agreement among the University, WFUBMC, WFUHS, NCBH, and the Charlotte Mecklenburg Hospital Authority (“CMHA”), a North Carolina hospital authority that operates a multi-state integrated healthcare system in the southeastern United States, effective on October 9, 2020, WFUBMC and CMHA became participants in a single, integrated healthcare delivery and academic system (the “Atrium Health Enterprise”) managed and overseen by Atrium Health, Inc., a new joint operating company without members (“Atrium”). Atrium’s seven person board of directors (the “Atrium Board”) consists of five CMHA designees and two WFUBMC designees. The health system integration transaction’s objectives include fostering the mission of the School of Medicine through its relationship with Atrium and the continued flourishing of the Medical Center. As a result of the health system integration agreement, the MCIA was amended to include Atrium as a third member of WFUBMC and the WFUBMC Board was reconstituted to include up to seventeen voting directors of whom the University designates six, NCBH designates six, Atrium designates three, and the WFUBMC Board may elect two. At the time of the amendment and restatement in 2020, the WFUBMC Board elected two independent

directors, but through action taken in December of 2025, which was fully approved by February of 2026, the WFUBMC bylaws were amended to remove the provision for election of the two independent directors such that there are now fifteen voting directors, six of whom are designated by the University, six of whom are designated by NCBH and three of whom are designated by Atrium. Additionally, the 2020 health system integration agreement established the Medical Center (including WFUHS and the School of Medicine) as the academic core of the Atrium Health Enterprise responsible for its academic and research activities. Atrium Health agreed that the School of Medicine is the exclusive medical school affiliate in North Carolina and, pursuant to a Brand Architecture Plan, agreed that the School of Medicine would be acknowledged appropriately in branding for relevant academic activities and generally across the Enterprise as its academic core.

Under this arrangement, each Atrium Health Enterprise participant and its affiliates maintained its separate legal existence and continued to own its assets and retained all power, authorities, rights and remedies necessary or appropriate to allow it to comply with its pre-existing debt instruments and any new debt instruments; all debt and other liabilities of each Atrium Health Enterprise participant remained the debt and liabilities of such Atrium Health Enterprise participant regardless of when incurred (unless otherwise agreed); and no Atrium Health Enterprise participant assumed or guaranteed the debt or other liabilities of any other Atrium Health Enterprise participant.

WFUBMC and CMHA delegated authority to Atrium to manage and oversee their activities and operations, subject to the authority of the University, WFUHS, and WFUBMC over academic and research matters, the exercise of certain reserved powers, and the carrying out of certain responsibilities by the WFUBMC Board and the CMHA Board of Commissioners.

The reserved powers of each Atrium Health Enterprise participant include the power to approve a change in its fundamental business or mission and, subject to the Atrium Board’s approval, to develop its strategic plans (which will be generally consistent with those of the entire Atrium Health Enterprise) and its capital and operating budgets.

Effective December 2022, Atrium and Advocate Aurora Health, Inc., a Delaware nonprofit corporation (Advocate Aurora), entered into a joint operating agreement pursuant to which they created Advocate Health, Inc. (Advocate Health), to manage and oversee an integrated health care delivery and academic system which focuses on meeting patients’ needs by redefining how, when and where care is delivered. Atrium and Advocate Aurora are the sole corporate members of Advocate Health. Advocate Health is governed by a board of directors comprising an equal number of members from the Atrium Health Enterprise and Advocate Aurora. The Atrium Health Enterprise and Advocate Aurora continue to own their respective assets. No assets were transferred as part of the combination, and the Atrium Health Enterprise and its related entities and Advocate Aurora and its related entities maintain their separate legal existence and licensure status of their respective facilities.

The overarching effect of the combination is that Advocate Health replaced Atrium as the management entity of the expanded Advocate Health System (including the Atrium Health Enterprise), but, as with the October 2020 Atrium Health Enterprise transaction, the University shall

continue to hold and exercise, at a minimum, the degree of academic and academically-related administrative authority over WFUBMC, the School of Medicine, and WFUHS that the University exercised prior to the combination.

The School of Medicine continues as an academic unit owned and operated by the University through WFUHS. The Chief Academic Officer (CAO) holds the appointment as the Executive Vice President for Academic Health Affairs for the University. The CAO reports exclusively to the President of the University on School of Medicine related academic matters and the President must consent to the appointment of the Dean of the School of Medicine by the CAO. The University continues to be responsible for, and have the authority regarding, all academic functions of the School of Medicine, including: managing research activities and support; compliance with regulatory and accreditation standards; medical curriculum and academic programs and classes; standards and processes for appointing, compensating, evaluating, promoting, granting tenure to and dismissing faculty; requirements, standards and processes relating to student admission, matriculation, conduct, evaluation/grading, promotion, and graduation (including awarding degrees in the School of Medicine); student clinical rotations, including assignments; processing and administering financial aid and student support services; administration and support of research; grant processing, and research performed by faculty, staff, and students of the School of Medicine; and other customary academic functions associated with the operation of medical schools and health science related programs. As such, the University shall continue to hold and exercise, at minimum, the degree of academic and academically related administrative authority over WFUBMC, the School of Medicine, and WFUHS that the University exercised prior to the creation of the Atrium Health Enterprise and Advocate Health.

In addition to forming a unified health system, a second medical school campus of the School of Medicine has been established in Charlotte and operates under the authority of the University as stated above and is affiliated with Atrium. This campus opened to first year M.D. students in July 2025. By 2029, the addition of the second campus is expected to approximately double the enrollment of the School of Medicine.

The University is not obligated for repayment of indebtedness issued by or for the performance of obligations of NCBH, WFUHS, the Medical Center, the School of Medicine, CMHA, Atrium, Advocate Health or any other affiliate. The assets of the University have not been pledged to secure obligations of NCBH, WFUHS, the Medical Center, the School of Medicine, CMHA, Atrium, Advocate Health or any other affiliate. Similarly, neither NCBH, WFUHS, the Medical Center, the School of Medicine, CMHA, Atrium nor any other affiliate is obligated for the repayment of indebtedness issued by or for the performance of obligations of the University.

All significant intercompany balances and transactions have been eliminated in consolidation.

(b) Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis in conformity with Generally Accepted Accounting Principles (GAAP).

Net assets are reported based on the existence or absence of donor-imposed restrictions and serve as the foundation of the accompanying consolidated financial statements.

Accordingly, net assets of the University and changes therein are classified and reported as follows:

- *Net Assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions.
- *Net Assets with donor restrictions* – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the University and/or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity; generally, the donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases, respectively, in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities. For gifts of long-lived assets, these releases of restrictions are treated as nonoperating.

(c) Operating Excess

Revenues earned, expenses incurred, and returns made available for the University's operating purposes of teaching, research, patient care, and other programs and services are components of the operating excess or deficiency presented in the consolidated statement of activities. The University considers the following items to be nonoperating activities: restricted contributions for capital and long-term investment and the related net assets released from restriction, investment return in excess of (less than) amounts designated for current operations, actuarial gain or loss on annuity obligations, unrealized gain on interest rate swaps, postretirement related changes other than service cost, gain from affiliates (equity method), donor designation changes, estimates for one-time legal settlements and other, net.

(d) Fair Value Measurements

The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The hierarchy requires the use of observable market data when available. The three levels of the fair value hierarchy are as follows:

Level 1 – Valuations for assets and liabilities traded in active exchange markets as of the reporting date. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

(Continued)

Level 2 – Valuations for assets and liabilities are determined through direct or indirect observations other than quoted market prices.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies including discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions.

Net asset value (NAV) – Certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient to fair value have not been categorized in the fair value hierarchy.

In the event that changes in the inputs used in the fair value measurement of an asset or liability result in a transfer of the fair value measurement to a different categorization (e.g., from Level 3 to Level 2), such transfers between fair value categories are recognized at the end of the reporting period.

(e) Cash and Cash Equivalents

Cash equivalents include highly liquid investments with original maturities at date of purchase of three months or less. Such assets, reported at fair value, primarily consist of depository account balances, and money market funds. The University maintains bank accounts at various financial institutions covered by the Federal Deposit Insurance Corporation (FDIC). At various times throughout the year, the University may maintain bank accounts in excess of the FDIC-insured limit. Management believes that the risk associated with these bank accounts is minimal.

Cash and cash equivalents that are managed as part of the University's intermediate and long term investments, including the unitized endowment, are reported within investments on the consolidated balance sheet and excluded from cash in the consolidated statement of cash flows as these funds are not used for operating needs.

(f) Restricted Cash

The University maintains separate accounts to hold unspent tax-exempt bond proceeds which are restricted for capital purposes and to satisfy collateral posting requirements.

(g) Contributions Receivable

Pledges that represent unconditional promises to give are recognized at fair value as contributions with donor restrictions in the period such promises are made by donors. Pledges are recorded after discounting, using rates ranging from 2.74% – 5.40% in order to derive the present value of future cash flows. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and nature of fund-raising activity.

(h) Notes Receivable

Notes receivable, which are recorded at face value, principally represent amounts due from students under the Perkins Loan Program. A general allowance is made for uncollectible student loans after considering long-term collection experience and current trends. Other notes receivable are evaluated

individually for impairment, with allowances based on management's expectations given facts and circumstances related to each note.

The University assigns loans receivable from students under governmental loan programs, also carried at cost, to the federal government. The University classifies refundable advances from the federal government as liabilities in the consolidated statement of financial position. Outstanding loans canceled under a governmental program result in a reduction of the funds available for loan and a decrease in the liability to the government.

(i) Investments

The University's Board of Trustees created an asset management company, VCM, that provides research, advice, counsel, and management with respect to the University's long-term investment portfolio. VCM manages the investment funds of Verger Capital Fund, LLC (Master Fund), Verger Fund I, LLC (Verger Fund I), and Verger Fund II, LLC (Verger Fund II). The Master Fund is controlled by the University and provides investment services for Verger Fund I and Verger Fund II. Verger Fund I was created to hold the Reynolda Campus long-term endowment and working capital pool and Verger Fund II was created to hold the WFUHS and Reynolda House long-term endowment and working capital pools. VCM also manages long-term investments for the University outside of the Verger Fund I and Verger Fund II portfolios.

Certain investments, however, are held in specific instruments outside of VCM to comply with donor restrictions or other considerations.

Valuation – Investments are recorded at fair value in the consolidated balance sheet. Investments in readily marketable debt and equity securities are stated at their fair values, which are determined based on quoted market prices. For shares in mutual funds, the University considers fair value based on share prices reported by the funds as of the last business day of the fiscal year. Investments in private equity and absolute return funds are generally reported at the NAV reported by fund managers and these values are reviewed and evaluated by the University's investment management company. Unless it is probable that all or a portion of the investment will be sold for an amount other than NAV, the University has concluded, as a practical expedient, that the NAV approximates fair value. Additionally, the University's interest in both Verger Fund I and Verger Fund II is included at NAV in investments on the consolidated balance sheet. Investments in joint ventures are accounted for using the equity method or as an equity security without a readily determinable fair value. The equity method of accounting is used for investments in joint ventures when ownership or membership interest is 50% or less and the University has the ability to exercise significant influence over the operating and financial policies of the investee.

Risks – Investments are exposed to several risks, including interest rate, currency, market and credit risks. Due to the level of risk associated with certain investments, it is at least possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the University's consolidated financial statements.

Reporting – Investment transactions are accounted for on a trade date basis. Short and Intermediate term investment income is reported as investment return included in operating

revenues and realized and unrealized gains (losses) are reported as nonoperating revenues. Long-term investment spending rate distribution (see Note 8) is reported as operating revenues and any excess (deficiency) of income and realized and unrealized gains (losses) earned on investments above (below) spending rate, including split-interest agreements, are reported as nonoperating revenues. Investment management fees are netted against investment return.

(j) Investments in Real Estate

Investments in real estate are primarily comprised of rental properties of the University and are valued at the lower of net book value or market. The University records depreciation on rental properties over 40 years or the life of the asset. Depreciation is calculated using the straight-line method. Real estate gifts held for sale are recorded at fair value, based on periodic external appraisals.

(k) Interests in Perpetual Trusts Held by Others and Split-Interest Agreements

The University's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts for which the University serves as trustee and charitable gift annuities. Assets held in these trusts are stated at fair value and are included in investments. Contribution revenue is recognized at the dates the trusts are established. The University recognizes the change in value of split-interest agreements according to the fair value of assets that are associated with each trust and recalculates the liability for the present value of annuity obligations. Any change in fair value is recognized in the consolidated statement of activities.

The University is also the beneficiary of certain trusts and other assets held and administered by others. The University's share of these assets is recognized in investments at fair value.

(l) Other Assets

Other assets are primarily comprised of prepaid expenses, intangible assets, deferred expenses, and inventories. Inventories are valued at the lower of average cost or net realizable value.

(m) Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost at date of acquisition or estimated fair value on the date received for donated items. Depreciation is calculated using the straight-line method over the estimated useful life of each class or component of depreciable assets. Estimated lives range from 2 to 80 years. Depreciation is not calculated on land and construction in progress. Gains or losses on the disposal of land, buildings, and equipment are included in the consolidated statement of activities. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of constructing these assets.

(n) Impairment of Long-Lived Assets

The University periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. The

University recognizes an impairment charge when the fair value of the asset or group of assets is less than the carrying value.

(o) Asset Retirement Obligations

The University has asset retirement obligations (AROs) arising from regulatory requirements to perform certain asset retirement activities at the time that certain buildings and equipment are disposed of or renovated. The liability was initially measured at fair value and subsequently is adjusted for accretion expense and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's useful life. The University revalues asset retirement obligations as remediation costs are incurred or as additional cost information becomes available.

(p) Leases

The University has operating and finance leases for real estate and equipment. The University determines if an arrangement is a lease at inception. The University has both leases under which it is obligated as a lessee and leases for which it is a lessor. Operating leases as a lessee are included in operating right-of-use assets and operating lease obligations in the consolidated balance sheet. Finance leases as a lessee are included in land, buildings, and equipment, net, and notes payable and finance leases in the consolidated balance sheet.

Right-of-use assets represent the University's right to use an underlying asset for the lease term. Lease obligations represent the University's liability to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related obligations are recognized at the commencement date based on the net present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. As most of the University's leases do not provide an implicit rate, the University uses its incremental borrowing rate which is based on the information available at the commencement date in determining the present value of lease payments. The University considers recent debt issuances, as well as publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases.

Rental income arising from operating leases as a lessor is included in operating revenue in sales and services of auxiliary enterprises in the consolidated statement of activities.

(q) Derivative Instruments

The University holds certain interest rate swap agreements to manage the fixed/variable mix of its debt portfolio. The notional amounts of the agreements dictate the payments between the counterparties based on agreed-upon rates as determined in the agreements. The University records all derivative instruments on the consolidated balance sheet at their respective fair values. All changes in fair value are reflected in the consolidated statement of activities. Cash payments and receipts are included in interest on debt.

(r) Postretirement Plans

The University records annual amounts relating to its postretirement plans based on calculations that incorporate various actuarial and other assumptions including discount rates, mortality, retirement rates, and healthcare cost trend rates. The University reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded as a change in net assets without donor restriction and amortized to net periodic benefit cost over future periods using the corridor method. The University believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions. The net periodic benefit costs are recognized as employees render the services necessary to earn the postretirement benefits. The University records the service cost component of net benefit cost in the employee benefits expense line item and all other costs associated with net benefit costs are reflected in nonoperating activities.

(s) Revenue Recognition

The University's significant revenue recognition policies are as follows:

Student tuition and fees – Student tuition and fees for instruction and other educational services, net of scholarships and fellowships, are substantially billed and collected prior to the end of each semester. Revenues are earned and recognized over the course of each semester as education services are delivered. Student tuition and fees received in advance of services to be rendered are recorded as deferred revenue. Student aid provided by the University is reflected as a reduction in student tuition and fee revenue up to the tuition and mandatory fees. Student financial aid in excess of the tuition and mandatory fees is reflected as a reduction in auxiliary revenue. Student aid does not include payments made to students for services rendered to the University.

Grants and contracts – Grants for basic research and other sponsored programs are generally subject to restrictions and conditions that must be met before the University is entitled to funding. Accordingly, advances from granting agencies are generally considered refundable in the unlikely event specified services are not performed. The University recognizes revenues on grants for basic research and other sponsored programs as the awards for such programs are expended, since expenditures in accordance with award terms typically result in the release of restrictions and conditions imposed by the grantor. Revenue from exchange contracts for applied research is recognized as the University's contractual performance obligations are substantially met. Indirect cost recovery by the University on U.S. government grants and contracts is based upon a predetermined negotiated rate and is recorded as private grants and contracts revenue and government grants and contracts revenue.

Contributions – Contributions, including unconditional promises to give, are recognized in the period the contribution or promise is made. Contributions of assets other than cash are recorded at their estimated fair value. Unconditional promises expected to be collected in future years are recorded at the present value of expected future cash flows discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met.

Patient revenue – Patient revenue is reported at the amount that reflects the consideration to which WFUHS expects to be entitled in exchange for providing patient care. These amounts are due from patients, third party payors (including commercial payors and government programs), and others, and include variable consideration for retroactive revenue adjustments due to settlements of audits, reviews, and investigations.

Revenue is recognized as performance obligations are satisfied. Performance obligations are identified based on the nature of the services provided by WFUHS. Revenue associated with performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. For outpatient services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. WFUHS believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

As the performance obligations relate to contracts with a duration of less than one year, WFUHS applied the optional exemption provided in the guidance 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.

WFUHS uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes and types of services provided for outpatient revenue. Based on the historical collection trends and other analyses, WFUHS believes revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

WFUHS determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by explicit and implicit price concessions, including contractual adjustments provided to third-party payors, discounts provided to uninsured and underinsured patients in accordance with policy and/or implicit price concessions based on the historical collection experience of patient accounts. WFUHS determines the transaction price associated with services provided to patients who have third-party payor coverage based on reimbursement terms per contractual agreements, discount policies and historical experience. For uninsured patients who do not qualify for charity care, WFUHS determines the transaction price associated with services based on charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on historical collection experience for applicable patient portfolios. Patients who meet WFUHS' criteria for charity care are provided care without charge; such amounts are not reported as revenue.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

WFUHS does not incur significant incremental costs in obtaining contracts with patients. Any costs incurred are expensed in the period of occurrence, as the amortization period of any asset that WFUHS would have recognized is one year or less in duration.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews and investigations. As a result, there is a possibility that recorded estimates will change by a material amount.

For the years ended June 30, 2026 and 2025, changes in WFUHS' estimates of implicit price concessions, discounts and contractual adjustments or other changes to expected payments for performance obligations related to prior years were not material.

Charity care – WFUHS provides health care services without charge or at discounted rates to patients who meet the criteria of its financial assistance policies. Charity care services provided under those policies are not reported as patient service revenue, because payment is not anticipated, while the related costs to provide the health care are included in operating expenses.

Sales and services of auxiliary enterprises – Sales and services of auxiliary enterprises primarily consist of revenues from athletics, residence halls, dining services, parking, real estate, and retail stores, which furnish goods and services to students, faculty, staff, and in some cases, the general public. Fee charges are directly related to the cost of goods provided or services rendered and are recognized accordingly. Student aid provided by the University in excess of tuition and mandatory fees is reflected as a reduction of sales and services of auxiliary enterprises.

Certain auxiliary revenues arise from contracts. Revenues from intercollegiate athletics ticket sales, media rights, licensing and royalties and other contracts are received and recognized concurrent with event-based obligations or the passage of contract terms, but typically within the fiscal year. However, season ticket proceeds received prior to the report date for events scheduled in the upcoming fiscal year are recorded as deferred revenue and recognized as the associated events are completed. Charges to students for campus residence and dining are substantially billed and collected prior to the end of each semester. Associated revenues are earned and recognized over the course of each semester as these services are delivered. Accounts receivable from students are typically insignificant at the end of each fiscal year.

(t) Use of Estimates

The University prepares its consolidated financial statements in accordance with GAAP that requires management to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(u) Income Taxes

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. If applicable, unrelated business income is reported by all member and subsidiary organizations on IRS Form 990-T. Fiscal years ended on or after June 30, 2023 remain subject to examination by federal and state tax authorities. The University has evaluated uncertain tax positions for the year ended June 30, 2026, including a quantification of tax risks in areas such as unrelated business income and taxation of its for-profit subsidiaries. This evaluation did not identify any material items that affect the consolidated financial statements for the year ended June 30, 2026.

(v) Comparative Financial Information

The consolidated financial statements include certain prior year information for comparative purposes, which does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the University's consolidated financial statements for the year ended June 30, 2025 from which this information was derived.

(w) Reclassifications

Certain amounts previously reported in accounts payable and accruals in the 2025 balance sheet have been reclassified to other liabilities and deferrals to conform to the 2026 presentation. Such reclassifications have no effect on total assets, liabilities, or net assets or operating, investing, or financing cash flows as previously reported.

(2) Liquidity and Availability

Financial assets available for general expenditure within one year of June 30 are as follows:

	2026			
	Reynolda Campus	WFUHS	Total	2025
Cash and cash equivalents	$ 28,092	27,719	55,811	76,900
Accounts receivable, net	33,010	111,125	144,135	260,854
Patient receivables	—	133,442	133,442	109,826
Investments available to be liquidated	687,204	727,696	1,414,900	1,220,279
Total financial assets available within one year	$ 748,306	999,982	1,748,288	1,667,859

For WFUHS, the investments above include $716,427 of quasi endowment funds available to be liquidated.

In addition to amounts included above, as part of the University's liquidity management, it invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, Reynolda Campus has a committed line of credit with a total borrowing capacity of $150,000 at June 30, 2026 and 2025, which could be drawn upon. WFUHS had a line of credit with a borrowing capacity of $300,000 at June 30, 2025. The line of credit terminated on June 24, 2026. Additionally, Reynolda Campus and WFUHS have board-designated endowment funds of $322,417 and $640,606, respectively at June 30, 2026 and $270,757 and $545,901 at June 30, 2025, respectively. Although the University does not intend to spend from the board-designated endowment funds other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation, amounts from the board-designated endowment funds could be made available, subject to certain lock-up provisions that reduce the total investments that could be made available if necessary.

(3) Accounts Receivable

The following is an analysis of accounts receivable at June 30, 2026 and 2025:

	2026			2025
	Reynolda Campus	WFUHS	Total	Total
Accounts receivable	$ 28,461	47,661	76,122	173,805
Grants receivable	5,585	64,512	70,097	89,028
Total accounts receivable	34,046	112,173	146,219	262,833
Less allowance for bad debts	(1,036)	(1,048)	(2,084)	(1,979)
Accounts receivable, net	$ 33,010	111,125	144,135	260,854

(4) Student Services Revenue

Student services revenue consists of revenue for tuition and fees, housing, and dining. The revenue is determined based on published rates for such services, less any institutional financial aid awarded by the University to qualifying students. The University's policy attributes aid first to tuition and fees and any excess to auxiliary services, for financial reporting purposes.

	2026						2025					
	Reynolda Campus			WFUHS			Reynolda Campus			WFUHS		
	Published rates	Financial aid	Net revenue	Published rates	Financial aid	Net revenue	Published rates	Financial aid	Net revenue	Published rates	Financial aid	Net revenue
Student tuition and fees	$ 488,782	(133,379)	355,403	76,687	(29,145)	47,542	459,570	(121,345)	338,225	68,463	(26,091)	42,372
Housing and dining	58,077	(19,897)	38,180	—	—	—	54,277	(18,035)	36,242	—	—	—
Total	$ 546,859	(153,276)	393,583	76,687	(29,145)	47,542	513,847	(139,380)	374,467	68,463	(26,091)	42,372

(5) Patient Revenue and Patient Receivables

Patient revenue by major payer source, net of price concessions, is as follows for the years ended June 30:

	2026		2025	
Medicare	$ 306,589	31 %	$ 279,188	31 %
Medicaid	158,740	16	147,287	17
Commercial	487,000	49	417,863	47
Self-pay and other	49,745	4	46,162	5
Patient service revenue	$ 1,002,074	100 %	$ 890,500	100 %

Deductibles, co-payments and co-insurance under third-party payment programs which are the patient's responsibility are included within the primary payor category in the table above.

The composition of patient receivables is summarized as follows as of June 30:

	2026		2025	
Medicare	$ 29,489	22 %	$ 22,845	21 %
Medicaid	8,331	6	9,019	8
Commercial	53,852	40	42,933	39
Self-pay and other	41,770	32	35,029	32
	$ 133,442	100 %	$ 109,826	100 %

The self-pay patient accounts receivable above includes amounts due from patients for co-insurance, deductibles, installment payment plans and amounts due from patients without insurance.

Charity Care

Patients whose income falls below 300% of the federal poverty level receive full financial assistance. WFUHS' cost of providing charity care was $24,443 and $21,389 for the years ended June 30, 2026 and 2025, respectively, as determined using total cost to charge ratios.

(6) Contributions Receivable

The following is an analysis of the maturities of the University's contributions receivable at June 30, 2026 and 2025:

	2026			2025
	Reynolda Campus	WFUHS	Total	Total
One year or less	$ 43,563	2,765	46,328	51,500
Between one and five years	70,340	4,940	75,280	67,824
More than five years	85,874	—	85,874	83,809
Contributions receivable, gross	199,777	7,705	207,482	203,133
Estimated uncollectible amounts	(9,604)	(970)	(10,574)	(10,524)
Discount to present value	(57,407)	(517)	(57,924)	(57,670)
Contributions receivable, net	$ 132,766	6,218	138,984	134,939

(Continued)

Contributions receivable are discounted at a rate commensurate with the scheduled timing of receipt. Such amounts outstanding as of June 30, 2026, and 2025, were discounted at rates ranging from 2.74% to 2.87% for Reynolda Campus, respectively, and 5.40% to 4.93% for WFUHS, respectively.

Contributions receivable, net for Reynolda Campus included significant pledges from a few donors and perpetual commitments from a foundation with a long-standing history of support to the University. These long-term unconditional promises to give represented 45% and 42% of Reynolda Campus' net contributions receivable as of June 30, 2026 and 2025, respectively, a portion of which are from related parties.

(7) Investments

Investments at June 30, 2026 and 2025 consist of the following:

		2026	2025
Short-term investments[(a)]	$	32,743	20,116
Absolute return[(b)]		2,673,250	2,210,765
Commodities[(c)]		37,307	25,409
Fixed income:[(d)]			
Domestic		517,975	510,899
International		16,395	13,347
Private equity[(e)]		278	309
Public equity:[(f)]			
Domestic		85,853	77,195
International		136,726	85,807
Real estate[(g)]		23,015	17,017
Beneficial interest in perpetual trusts and assets held by others[(h)]		62,638	56,237
Other[(i)]		618,287	452,234
Total investments	$	4,204,467	3,469,335

(a) Includes short duration U.S. Treasury debt securities and other short-term, higher quality debt securities, cash and money market mutual funds.

(b) Includes investments in hedge funds and hedge fund-of-funds that invest both long and short on a global basis primarily in: equity securities (common stocks), credit securities (both investment grade and noninvestment grade), commodities, and currencies. In aggregate, the expectation is that the returns of this segment should not be highly correlated to the broad equity market. Includes $2,672,046 and $2,209,497 of funds managed by Verger valued under the NAV practical expedient in fiscal years 2026 and 2025, respectively, whose underlying investments were comprised of 60.4% and 58.4% of equities, 12.2% and 13.4% of real assets, 16.9% and 18.6% of absolute return, and 10.5% and 9.6% fixed income in fiscal years 2026 and 2025, respectively.

(Continued)

(c) Includes primarily funds that invest in timberland, oil and gas properties, and water rights and entitlements held through limited partnership interests. While many of the investments are U.S. focused, some are more global. The category also includes more liquid allocations made to commodity (precious metals, industrial materials, and energy) mutual funds.

(d) Includes long-only, hedge strategies, and illiquid investments in various fixed income strategies (both U.S. and non-U.S.) including: investment grade securities, noninvestment grade securities, mortgage backed securities, asset backed securities, Treasury Inflation Protected Securities (TIPS), distressed debt, senior loans, and bank loans. The long-only position also includes mutual funds that have daily liquidity in U.S. and non-U.S. fixed income markets.

(e) Includes illiquid investments primarily in buyout, growth equity, and venture capital (both U.S. and non-U.S.) held through limited partnership interests.

(f) Includes investments primarily in U.S. and non-U.S. common stocks (including emerging markets) as well as funds that invest in U.S. and non-U.S. common stocks (including emerging markets), mutual funds, and exchange traded funds. While most of the assets are invested long-only, some assets are invested on a hedged basis (both long and short).

(g) Includes illiquid investments in commercial real estate, residential real estate, and farmland held through limited partnership interests. While many of the investments are U.S. focused, some are more global. The category also includes real estate mutual funds and exchange traded funds and real estate held for sale.

(h) Includes trusts and certain other assets held and administered by others from which the University has an unconditional right to receive all or a portion of the specified cash flows.

(i) Includes primarily equity method investments and funds held under retirement and benefit plans which are invested in readily marketable securities.

In addition to the long-term pool, the University also manages other investment portfolios. Generally, these portfolios are invested in mutual funds, U.S. Treasury debt securities, and fixed income securities with daily liquidity. Each portfolio's asset allocation is customized based upon the return and risk objectives and distribution requirements of the portfolio.

(8) Endowment

The University's unitized pooled endowment (endowment) was established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Separately managed long-term investments, planned giving investments, beneficial interest in perpetual trusts and assets held by others, and contributions receivable are not considered components of the endowment.

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the University to appropriate for expenditure or accumulate so much of an endowment fund as the University determines is prudent for the uses, benefits, purposes, and duration for

which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, the University's policy is to report as donor restricted net assets (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment until those amounts meet the donor's restriction and are appropriated for expenditure.

In accordance with UPMIFA, the board of trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the University and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the University
7. The investment policies of the University

The University has adopted investment and spending policies for endowment assets that support the objectives of optimizing long-term returns and providing a sustainable level of endowment income distribution to support the University's activities through the annual operating budget while preserving the real (inflation adjusted) purchasing power of the endowment. The University's primary investment objective is to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs. The endowment spending rate is calculated as a percentage of the average of the previous three-year semiannual moving market value per unit and is subject to a 10% maximum annual growth or decline in per-unit spending. The endowment spending rate for the years ended June 30, 2026 and 2025 was 4.4% for Reynolda Campus and 5.3% for WFUHS.

The portfolio is constructed on a foundation of modern portfolio theory and strategic asset allocation. Under the direction of VCM the University diversifies its investments among various asset classes incorporating multiple strategies and investment advisors to help manage risk. Management and investment decisions are not made in isolation, but in the context of the portfolio of investments as a whole and as part of the overall investment strategy.

The University invests the majority of these assets in Verger Capital Fund. The University has established three individual unitized endowment pools for Reynolda Campus, Reynolda House, and WFUHS. The internal long-term pools are reported on a fair value basis, with each individual fund subscribing to or disposing of units based on the fair value per unit at the beginning of each quarter after which the transaction took place.

Endowment net assets consist of the following at June 30, 2026 and 2025:

	2026			2025
	Without donor restrictions	With donor restrictions	Total	Total
Reynolda Campus:				
Donor-restricted endowment funds:				
Historical value	$ —	643,514	643,514	588,837
Appreciation	—	535,378	535,378	373,762
Underwater endowments	—	(412)	(412)	(1,256)
Total donor-restricted endowment funds	—	1,178,480	1,178,480	961,343
Board-designated endowment funds	322,417	—	322,417	274,442
Total endowment net assets	$ 322,417	1,178,480	1,500,897	1,235,785
WFUHS:				
Donor-restricted endowment funds:				
Historical value	$ —	264,572	264,572	255,353
Appreciation	—	136,442	136,442	77,632
Underwater endowments	—	—	—	(330)
Total donor-restricted endowment funds	—	401,014	401,014	332,655
Board-designated endowment funds	640,606	—	640,606	545,901
Other non-pooled endowment funds	664	37,371	38,035	35,348
Total endowment net assets	$ 641,270	438,385	1,079,655	913,904

(Continued)

Changes in endowment net assets for the years ended June 30, 2026 and 2025 are as follows:

	2026			2025
	Without donor restrictions	With donor restrictions	Total	Total
Reynolda Campus:				
Endowment, beginning of year	$ 274,442	961,343	1,235,785	1,138,196
Investment returns, net	50,416	200,653	251,069	100,933
Contributions	3,428	46,919	50,347	45,170
Transfers	5,200	7,235	12,435	52
Appropriation for expenditure	(11,069)	(37,670)	(48,739)	(48,566)
Endowment, end of year	$ 322,417	1,178,480	1,500,897	1,235,785
WFUHS:				
Endowment, beginning of year	$ 546,065	367,839	913,904	859,104
Investment returns, net	113,951	70,926	184,877	73,590
Contributions	—	10,701	10,701	8,163
Transfers	8,859	—	8,859	10,309
Appropriation for expenditure	(27,605)	(11,081)	(38,686)	(37,262)
Endowment, end of year	$ 641,270	438,385	1,079,655	913,904

The purposes of endowed net assets as of June 30, 2026 and 2025 are as follows:

	2026			2025
	Without donor restrictions	With donor restrictions	Total	Total
Reynolda Campus:				
Instruction and research	$ 11,255	313,851	325,106	265,429
Student aid	38,155	779,857	818,012	662,322
Program support	273,007	84,772	357,779	308,034
Total endowment net assets	$ 322,417	1,178,480	1,500,897	1,235,785
WFUHS:				
Instruction and research	$ 264,663	179,016	443,679	371,348
Student aid	7,370	97,776	105,146	86,998
Healthcare services	14,893	3,054	17,947	15,336
Program support	354,344	158,539	512,883	440,222
Total endowment net assets	$ 641,270	438,385	1,079,655	913,904

(Continued)

(9) Fair Values of Financial Instruments

The following table summarizes the valuation of the University's financial assets and liabilities within the fair value hierarchy levels as of June 30:

	2026				
	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Financial assets:					
Cash and cash equivalents	$ 55,811	—	—	—	55,811
Investments:					
Short-term investments	32,743	—	—	—	32,743
Absolute return	1,013	—	—	2,672,237	2,673,250
Commodities	37,307	—	—	—	37,307
Fixed income:					
Domestic	517,975	—	—	—	517,975
International	16,395	—	—	—	16,395
Private equity	—	—	278	—	278
Public equity:					
Domestic	85,853	—	—	—	85,853
International	136,726	—	—	—	136,726
Real estate	23,015	—	—	—	23,015
Beneficial interest in perpetual trusts and assets held by others	—	—	62,638	—	62,638
Other	—	234,747	—	383,540	618,287
Total assets	$ 906,838	234,747	62,916	3,055,777	4,260,278
Financial liabilities:					
Other liabilities and deferrals:					
Interest rate swap agreements	$ —	4,066	—	—	4,066
Total liabilities	$ —	4,066	—	—	4,066

(Continued)

	2025				
	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Financial assets:					
Cash and cash equivalents	$ 76,900	—	—	—	76,900
Investments:					
Short-term investments	20,116	—	—	—	20,116
Absolute return	1,268	—	—	2,209,497	2,210,765
Commodities	25,409	—	—	—	25,409
Fixed income:					
Domestic	510,899	—	—	—	510,899
International	13,347	—	—	—	13,347
Private equity	—	—	309	—	309
Public equity:					
Domestic	77,195	—	—	—	77,195
International	85,807	—	—	—	85,807
Real estate	17,017	—	—	—	17,017
Beneficial interest in perpetual trusts and assets held by others	—	—	56,237	—	56,237
Other	—	189,271	—	262,963	452,234
Total assets	$ 827,958	189,271	56,546	2,472,460	3,546,235
Financial liabilities:					
Other liabilities and deferrals:					
Interest rate swap agreements	$ —	5,992	—	—	5,992
Total liabilities	$ —	5,992	—	—	5,992

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks or liquidity of each investment's underlying assets and liabilities. In general, for Level 2 and Level 3 investments, the University utilizes the investment manager to provide a valuation estimate based on disclosed techniques and processes, which have been reviewed for propriety and consistency with consideration given to type and investment strategy.

The University's policy is to recognize transfers into and out of Levels 1, 2, and 3 as of the end of the year or when a change in level becomes known. There were no transfers between Level 1 and Level 2 securities during the years ended June 30, 2026 and 2025. Transfers into and out of Level 3 are typically the result of a change in observation of significant valuation inputs required by various models.

Fair value for interest rate swaps is determined using a relative price approach, by discounting the future expected cash flows at the market discount rate. For the variable leg of a swap, the expected cash flows are based on implied market forward rates for the appropriate underlying index. A credit value adjustment is applied to the total market value of the swap and quantifies the default risk of a counterparty using a default probability assumption based on the counterparty's credit default swap pricing at year-end.

(Continued)

The following tables present the reconciliation of Level 3 assets measured at fair value for the years ended June 30, 2026 and June 30, 2025, respectively. Both observable and unobservable inputs may be used to determine the fair value of positions that the University has classified as Level 3.

	Balances as of June 30, 2025	Total realized and unrealized (losses) gains	Purchases	Sales	Net transfers out of Level 3	June 30, 2026
Investments:						
Private equity	$ 309	—	—	(31)	—	278
Beneficial interest in perpetual trusts and assets held by others	56,237	6,920	3,084	(3,603)	—	62,638
Total Level 3 investments	$ 56,546	6,920	3,084	(3,634)	—	62,916

	Balances as of June 30, 2024	Total realized and unrealized (losses) gains	Purchases	Sales	Net transfers out of Level 3	June 30, 2025
Investments:						
Private equity	$ 350	—	—	(41)	—	309
Beneficial interest in perpetual trusts and assets held by others	38,994	1,784	16,613	(1,154)	—	56,237
Total Level 3 investments	$ 39,344	1,784	16,613	(1,195)	—	56,546

Private investments are generally made through limited partnership agreements where the University is normally one of many limited partners. Under the terms of such agreements, the University is required to provide funding, up to the total amount committed by the University, when fund managers make capital calls. These partnerships have a stated maturity date, but can provide for annual extensions for the purpose of disposing of remaining portfolio positions and returning capital to investors. Alternatively, the fund may dispose of all portfolio investments and return all capital to investors before the stated maturity date. While the timing and amount of future capital calls and distributions in any particular year are inherently uncertain, the University considers these factors when allocating funds to private investments and believes that it has adequate liquidity to meet its obligations.

(Continued)

As of June 30, 2026, redemption frequency and the corresponding notice period for all investments are as follows:

Category	Redemption frequency (in days) (if currently eligible)	Redemption notice period (in days)
Short-term investments	1 to 7 days	1 day
Absolute return	Daily to >365	1 to 90 days
Commodities	1 to N/A	1 to N/A
Fixed income:		
Domestic	1 to 180 days	Daily to monthly
International	N/A	N/A
Private equity	N/A	N/A
Public equity:		
Domestic	1 to 65 days	Daily to quarterly
International	90 days	Quarterly
Real estate	N/A	N/A
Beneficial interest in perpetual trusts and assets held by others	N/A	N/A
Other	N/A	N/A

(10) Land, Buildings, and Equipment

Land, buildings, and equipment are summarized as follows at June 30, 2026 and 2025:

	2026			2025
	Reynolda Campus	WFUHS	Total	Total
Land	$ 68,457	137,573	206,030	168,369
Buildings and other improvements	1,166,451	574,851	1,741,302	1,670,415
Equipment and furnishings	191,065	248,221	439,286	410,184
Construction in progress	88,617	62,731	151,348	149,128
	1,514,590	1,023,376	2,537,966	2,398,096
Less accumulated depreciation	(713,684)	(599,235)	(1,312,919)	(1,250,818)
	$ 800,906	424,141	1,225,047	1,147,278

(Continued)

Total depreciation expense on buildings, improvements, equipment, and furnishings was $94,380 and $86,692 for the years ended June 30, 2026 and 2025, respectively.

As of June 30, 2026 and 2025, gross land, buildings, and equipment includes $14,347 and $12,916, respectively, associated with land, building and equipment finance leases.

The University's policy is to capitalize interest cost incurred on debt during the construction of major projects exceeding one year. Interest cost of $3,734 and $3,419 was capitalized in the years ended June 30, 2026 and 2025, respectively.

The liabilities associated with AROs for the years ended June 30, 2026 and 2025 were $3,824 and $3,879, respectively, for Reynolda Campus, and $2,804 and $2,659, respectively, for WFUHS. These liabilities are reported in other liabilities and deferrals on the accompanying consolidated balance sheet.

(11) Leases

The University has operating and finance leases for real estate and equipment. The University leases with an initial term of twelve months or less are not recorded on the consolidated balance sheet.

The following tables present the components of the lease right-of-use assets and lease liabilities and their classification in the consolidated balance sheets at June 30, 2026 and 2025:

Components of lease balances	Classification in consolidated balance sheet	Reynolda Campus	WFUHS	Total	2025 Total
Assets:					
Operating lease assets	Operating lease right-of-use assets	$ 20,271	138,920	159,191	183,596
Finance lease assets	Land, buildings, and equipment, net	9,199	—	9,199	7,576
Total leased assets		29,470	138,920	168,390	191,172
Liabilities:					
Operating lease liabilities	Operating lease obligations	19,749	142,937	162,686	186,810
Finance lease liabilities	Notes payable and finance leases	8,598	—	8,598	6,855
Total lease liabilities		$ 28,347	142,937	171,284	193,665

Components of lease expense	Classification in consolidated statement of activities	Reynolda Campus	WFUHS	Total	2025 Total
Operating lease expense	Other operating expenses	$ 3,964	40,159	44,123	36,801
Finance lease expense:					
Amortization of leased assets	Depreciation and amortization	2,345	—	2,345	1,850
Interest on lease liabilities	Interest on debt	245	—	245	209
Total finance lease expense		2,590	—	2,590	2,059
Variable and short-term lease expense	Other operating expenses	—	11,377	11,377	9,314
Total lease expense		$ 6,554	51,536	58,090	48,174

(Continued)

The University is committed to minimum annual rent payments under several long-term noncancellable operating and finance leases for equipment and space through fiscal year 2043.

Other information:

	2026		2025	
	Reynolda Campus	WFUHS	Reynolda Campus	WFUHS
Weighted average remaining lease term – finance leases	3.64 years	— years	3.74 years	— years
Weighted average remaining lease term – operating leases	6.61 years	9.19 years	6.05 years	9.04 years
Weighted average discount rate – finance leases	2.92 %	— %	2.96 %	— %
Weighted average discount rate – operating leases	2.58 %	4.68 %	2.19 %	4.48 %

Payments due include options to extend finance leases through fiscal year 2031, are summarized below as of June 30, 2026:

	Reynolda Campus	WFUHS	Total
2027	$ 2,884	—	2,884
2028	2,122	—	2,122
2029	1,456	—	1,456
2030	1,447	—	1,447
2031	689	—	689
In total thereafter	—	—	—
	$ 8,598	—	8,598

(Continued)

Payments due include options to extend operating leases through fiscal year 2043, are summarized below as of June 30, 2026:

	Reynolda Campus	WFUHS	Total
2027	$ 3,135	32,576	35,711
2028	2,885	19,744	22,629
2029	2,940	12,425	15,365
2030	3,068	7,224	10,292
2031	3,208	6,020	9,228
In total thereafter	4,513	64,948	69,461
	$ 19,749	142,937	162,686

The University maintains rental properties and has entered into long-term operating lease agreements for this real estate providing for future rental income as follows:

	Reynolda Campus	WFUHS	Total
Year ending June 30:			
2027	$ 5,347	391	5,738
2028	4,459	400	4,859
2029	4,265	408	4,673
2030	4,426	375	4,801
2031	4,514	340	4,854
	$ 23,011	1,914	24,925

Total income from real estate was $5,654 and $5,368 for Reynolda Campus and $2,712 and $1,267 for WFUHS for the years ended June 30, 2026 and 2025, respectively.

(Continued)

(12) Notes, Finance Leases, and Bonds Payable

Notes, finance leases, and bonds payable at June 30, 2026 and 2025 consist of the following:

Reynolda Campus	Years to nominal maturity	Interest rate at June 30, 2025		2026	2025
Notes payable and finance leases:					
Line of credit	2	SOFR plus 0.56%	Variable	$ 101,162	65,599
Promissory note	>1	SOFR plus 0.11%	Variable	125	1,625
Finance leases	<1 to 4	2.41 to 3.14%	Fixed	8,598	6,855
Other installment loans	1	0.76%	Fixed	49	109
Total notes payable and finance leases				109,934	74,188
Bonds payable:					
2012 Series serial taxable	17	3.10%	Fixed	5,305	10,450
2012 Series term taxable	17	3.45% to 3.70%	Fixed	104,575	104,575
2016 Series serial tax-exempt	—		Fixed	—	128,855
2016 Series term tax-exempt	20	2.75% to 3.00%	Fixed	22,370	22,370
2018 Series serial tax-exempt	23	4.47%	Fixed	12,000	12,000
2018 Series term tax-exempt	23	3.38% to 5.00%	Fixed	15,920	15,920
2018 Series term tax-exempt	23	3.50% to 5.00%	Fixed	69,950	69,950
2021 Series term taxable	26	2.91%	Fixed	25,000	25,000
2021 Series bullet taxable	26	3.01%	Fixed	100,000	100,000
2026 Series bullet tax-exempt	10	5.00 %	Fixed	108,640	—
Unamortized bond premium				25,434	21,128
Unamortized bond issuance costs				(2,852)	(2,805)
Total bonds payable				486,342	507,443
Total notes payable, finance leases, and bonds payable				$ 596,276	581,631

Reynolda Campus entered into a restated capital projects financing agreement with Truist Bank that permits the University to borrow up to $150,000. The line of credit is due on July 3, 2028 and bears interest at SOFR plus 0.56%, 4.2% at June 30, 2026.

Reynolda Campus entered into a financing agreement with Truist Bank to finance the purchase and implementation of an enterprise resource planning program that permits the University to borrow up to $12,000. The term loan is due on July 1, 2026. For the year ended June 30, 2026, it bears interest at SOFR plus 0.11%, 4.5%.

(Continued)

The Series 2012 taxable bonds are evidenced by a loan agreement dated August 2, 2012, by and between the University and Truist Bank, as trustee. The Series 2012 taxable bonds have final maturities of January 15, 2027 for the serial bonds and January 15, 2042 for the term bonds. The 2012 bonds maturing on January 15, 2032 and 2042 are subject to mandatory sinking fund redemptions through 2032 and 2042 in increasing annual amounts of $5,445 to $6,205 and $6,405 to $8,830, respectively. Interest is payable each January 15 and July 15. The University's obligation under the loan agreement is an unsecured, unconditional obligation. There are no related covenants underlying the bonds.

Reynolda Campus issued $159,100 of tax exempt North Carolina Capital Facilities Finance Agency Educational Facilities Revenue and Revenue Refunding Bonds, Series 2016. The 2016 Series bonds were issued for the purpose of the current refunding and defeasance of the Series 2009 tax exempt bonds ($110,000) and financing the costs of acquisition, construction, renovation and installation of capital assets of the Reynolda Campus. The Series 2016 tax exempt bonds are evidenced by a loan agreement dated July 1, 2016, by and between the University and Truist Bank, as trustee. The Series 2016 tax exempt bonds have final maturities of January 1, 2039 for the series bonds and January 1, 2041 and 2046 for the term bonds. The 2016 bonds maturing on January 1, 2040 and 2046 are subject to mandatory sinking fund redemptions through 2041 and 2046 with annual amounts of $1,720 to $2,930 and $1,290 to $3,485, respectively.

On May 6, 2026, the University legally defeased $122,210 of the outstanding Series 2016 serial bonds maturing annually on January 1, 2027 through January 1, 2039, using proceeds from the issuance of the Series 2026 Refunding Bonds. Net proceeds of $124,282 were placed into an irrevocable trust with an escrow agent to fund the call price and accrued interest through the call date of July 1, 2026, at a call price of 100%. As a result, the refunded portion of the Series 2016 bonds is considered extinguished, and neither the liability nor the escrow assets are included in the consolidated balance sheet.

Following the refunding transaction, unrefunded Series 2016 term bonds totaling $22,370 remain outstanding with final maturities of January 1, 2041 and January 1, 2046. The remaining 2016 term bonds are subject to mandatory sinking fund redemptions through 2041 and 2046. Interest is payable each January 1 and July 1. The University's obligation under the loan agreement is an unsecured, unconditional obligation. There are no related covenants underlying the bonds, and the University has complied with all continuing disclosure requirements.

Reynolda Campus issued $97,900 of tax-exempt North Carolina Capital Facilities Finance Agency Educational Facilities Revenue and Revenue Refunding Bonds, Series 2018. The 2018 Series bonds were issued for the purpose of repaying a portion of the line of credit and financing the costs of acquisition, construction, renovation and installation of capital assets of the Reynolda Campus. The Series 2018 tax-exempt bonds are evidenced by a loan agreement dated July 1, 2018, by and between the University and Truist Bank, as trustee. The Series 2018 tax-exempt bonds have final maturities of January 1, 2039 for the series bonds and January 1, 2043 and 2048 for the term bonds. The 2018 bonds maturing on January 1, 2043 and 2048 are subject to mandatory sinking fund redemptions through 2043 and 2048 with annual amounts of $875 to $8,205 and $4,870 to $8,940, respectively. Interest is payable each January 1 and July 1. The University's obligation under the loan agreement is an unsecured, unconditional obligation. There are no related covenants underlying the bonds.

The Series 2021 taxable bonds are evidenced by a loan agreement dated June 1, 2021, by and between the University and Truist Bank, as trustee. The Series 2021 taxable bonds have final maturities of January 1, 2044 for the term bonds and January 1, 2051 for the bullet bond. The 2021 bonds maturing on January 1, 2044 are subject to mandatory sinking fund redemptions from 2040 through 2044 with annual amounts of $5,000. Interest is payable each January 1 and July 1. The University's obligation under the loan agreement is an unsecured, unconditional obligation. There are no related covenants underlying the bonds.

On May 6, 2026, the University issued $108,640 of North Carolina Capital Facilities Finance Agency Educational Facilities Revenue Refunding Bonds, Series 2026, at an aggregate original issue premium of $16,522, yielding total proceeds of $125,162. The Series 2026 bonds were issued to refund a portion of the Series 2016 bonds ($122,210). The Series 2026 bonds have a final serial maturity date of January 1, 2036. Interest is payable semi-annually on each January 1 and July 1, beginning January 1, 2027. The obligation of the University under the loan agreement is an unsecured and unconditional general obligation. There are no related covenants underlying the bonds.

WFUHS	Years to nominal maturity	Interest rate at June 30, 2026		2026	2025
Notes payable and finance leases:					
Loan agreement	<1 to 2	1.88%	Fixed	$ 686	1,421
Total notes payable				686	1,421
Bonds payable:					
Series 2019 A	<1 to 8	5.00 %	Fixed	24,150	26,600
Series 2012 B	<1 to 8	2.00% to 5.00%	Fixed	—	61,405
Series 2026A-3	<1 to 8	5.0%	Fixed	45,715	—
Unamortized bond premium				7,157	10,190
Unamortized bond issuance costs				(461)	(613)
Total bonds payable				76,561	97,582
Total notes payable, finance leases, and bonds payable				$ 77,247	99,003

Effective March 26, 2011, NCBH, WFUHS, and WFUBMC formed a single obligated group (Obligated Group) under the existing NCBH Master Trust Indenture (the "Original Master Indenture"). Effective March 19, 2026, NCBH, WFUHS and WFUBMC replaced the Original Master Indenture with, and became Members of the Obligated Group under, the Second Amended and Restated Master Trust Indenture dated as of August 1, 2018 (as supplemented, the "Replacement Master Indenture"), between Advocate Aurora Health, Inc. and the other Members of the Obligated Group identified therein and U.S. Bank National Association, succeeded by U.S. Bank Trust Company, National Association, as master trustee.

Simultaneously with the replacement of the Existing Master Indenture with the Replacement Master Indenture, Advocate Health, Inc. also became a Member of the Obligated Group and was appointed as the Obligated Group Agent under the Replacement Master Indenture, thereby creating a credit group (the "Advocate Health Nonprofit Credit Group"), consisting of the Advocate Health Nonprofit Obligated Group Members plus certain of their affiliates that have been designated as "Restricted Affiliates". Substitute Obligations have been issued under the Replacement Master Indenture for each Obligation outstanding under the Original Master Indenture.

Bonds issued under the MTI are general, unsecured joint and several obligations of the Members of the Obligated Group. Additionally, the Advocate Health Nonprofit Credit Group must remain compliant with certain covenants and restrictions required by the MTI and loan agreements underlying the bonds, such as restrictions or limitations with respect to property encumbrance and consolidation or merger.

WFUHS believes it is in compliance with such covenants and restrictions of the Replacement Master Indenture as of June 30, 2026. As of June 30, 2026, WFUHS is jointly and severally liable for $4,656,189 of bonds payable and $286,871 of notes payable borrowed by the other members of the Obligated Group. Because WFUHS does not expect to fund repayment of any of the amounts attributed to the other members of the Obligated Group under the MTI, no portion of these amounts meets the criteria for liability recognition in the accompanying consolidated financial statements.

The Series 2019 Revenue Bonds represent bonds originally issued by Wake Forest Baptist Obligated Group, representing funds borrowed by the entities pursuant to loan agreements with the North Carolina Medical Care Commission (NCMCC). As a conduit issuer, the NCMCC loans the debt proceeds to the borrower and the bonds are issued by the NCMCC under an MTI structure. The MTI provides the flexibility for multiple parties to participate in debt issuances as part of an obligated group. Substitute Obligations for the Series 2019 Revenue Bonds have been issued under the Replacement MTI.

The Series 2019A bonds mature in full in fiscal year 2034. The fixed rate instruments bear interest at fixed coupon rates of 5.00%. Per the bond agreements, the principal payments on the bonds are due on December 1 of each year beginning in 2019 in annual amounts ranging from $185 to $4,505.

The Series 2012 Revenue Bonds represent bonds originally issued by Wake Forest Baptist Obligated Group, representing funds borrowed by the entities pursuant to loan agreements with the North Carolina Medical Care Commission (NCMCC). As a conduit issuer, the NCMCC loans the debt proceeds to the borrower and the bonds are issued by the NCMCC under an MTI structure. The MTI provides the flexibility for multiple parties to participate in debt issuances as part of an obligated group. Substitute Obligations for the Series 2012 Revenue Bonds were issued under the Replacement MTI.

The Series 2012B bonds were refunded in full by the Series 2026A-3 bonds issued by the Advocate Health Nonprofit Credit Group on June 24, 2026.

The Series 2026A Revenue Bonds represent bonds issued by the Advocate Health Nonprofit Credit Group representing funds borrowed by the entities pursuant to loan agreements with NCMCC. As a conduit issuer, the NCMCC loans the debt proceeds to the borrower and the bonds are issued by the NCMCC under an MTI structure. The MTI provides the flexibility for multiple parties to participate in debt issuances as part of an obligated group.

(Continued)

The Series 2026A-3 bonds mature in full in fiscal year 2034. The fixed rate instruments bear interest at fixed coupon rates of 5.00%. Per the bond agreements, the principal payments on the bonds are due on December 1 of each year beginning in 2027 and in annual amounts ranging from $5,770 to $7,380.

WFUBMC entered into a taxable, unsecured loan agreement with WFUHS and NCBH as Borrowers, with a fixed interest rate of 1.88% to refinance a previously outstanding loan agreement held by WFUHS and NCBH and owned subsidiaries. Principal payments and accrued interest are due monthly with a final maturity date of April 15, 2027.

WFUBMC had an unsecured credit facility with a total borrowing capacity of $100,000 to provide for the working capital needs of NCBH, WFUHS, and WFUBMC. The line of credit was terminated on March 19, 2026. WFUHS had no outstanding balance on the facility at June 30, 2025.

An additional unsecured credit facility with a total borrowing capacity of $200,000 was entered into in June 2021 to provide for the working capital needs of NCBH, WFUHS, and WFUBMC. The facility was structured with NCBH, WFUHS and WFUBMC as Co-borrowers. The line of credit was terminated on June 24, 2026. WFUHS had no outstanding balance on the facility at June 30, 2025.

Aggregate annual maturities of notes, finance leases, and bonds payable for each of the five fiscal years subsequent to June 30, 2026 and thereafter are as follows:

		Reynolda Campus	WFUHS	Total
2027	$	8,379	9,001	17,380
2028		8,567	8,665	17,232
2029		109,242	9,065	118,307
2030		8,257	9,475	17,732
2031		7,679	9,915	17,594
In total thereafter		431,570	24,430	456,000
	$	573,694	70,551	644,245

Costs related to the registration and issuance of bonds, totaling $22,582 and $6,696, respectively, for Reynolda Campus and WFUHS, are carried at cost less accumulated amortization and are amortized over the life of the bonds on a method that approximates the effective-interest method and are included in bonds payable on the accompanying consolidated balance sheet. Total amortization expense for issue costs and premium included in interest expense in the consolidated statements of activities for Reynolda Campus and WFUHS totaled $4,217 and $6,595, respectively, for 2026 and $837 and $1,138, respectively, for 2025.

(13) Net Assets

The following is a summary of net assets at June 30:

	2026		
	Without donor restrictions	With donor restrictions	Total
Reynolda Campus:			
Operating	$ 648,505	—	648,505
Endowment	322,417	1,178,480	1,500,897
Investment in plant, net	204,630	—	204,630
Donor pledges and gifts	—	215,114	215,114
Trust (annuity, perpetual, split-interest) and loan agreements	—	31,081	31,081
Total net assets	$ 1,175,552	1,424,675	2,600,227
WFUHS:			
Operating	$ 318,670	—	318,670
Endowment	641,270	391,385	1,032,655
Investment in plant, net	365,508	—	365,508
Donor pledges and gifts	—	80,663	80,663
Trust (annuity, perpetual, split-interest) and loan agreements	—	33,336	33,336
Total net assets	$ 1,325,448	505,384	1,830,832

(Continued)

	2025		
	Without donor restrictions	With donor restrictions	Total
Reynolda Campus:			
Operating	$ 547,857	—	547,857
Endowment	274,442	961,343	1,235,785
Investment in plant, net	199,396	—	199,396
Donor pledges and gifts	—	195,692	195,692
Trust (annuity, perpetual, split-interest) and loan agreements	—	32,320	32,320
Total net assets	$ 1,021,695	1,189,355	2,211,050
WFUHS:			
Operating	$ 168,856	—	168,856
Endowment	546,065	320,839	866,904
Investment in plant, net	314,226	—	314,226
Donor pledges and gifts	—	65,778	65,778
Trust (annuity, perpetual, split-interest) and loan agreements	—	30,804	30,804
Total net assets	$ 1,029,147	417,421	1,446,568

(14) Functional Expenses

Expenses are presented by functional classification in accordance with the overall mission of the University. The University's primary program services are academic instruction and research and health care and related services. Expenses for auxiliary enterprises, library, and student services are incurred in support of academic instruction and research, and as such are included therein. Plant operation and maintenance expense is allocated to program and supporting activities based upon direct costing or allocated using a variety of allocation techniques such as square footage. The amounts allocated in 2026 and 2025 were $112,034 and $124,933, respectively.

(Continued)

Expenses are reported in the consolidated statements of activities in natural categories. Functional expenses for the years ended June 30, 2026 and 2025 are categorized as follows:

	2026								
	Academic instruction and research		Health care and other related services		Administration and other institutional support		Total		
	Reynolda Campus	WFUHS	Reynolda Campus	WFUHS	Reynolda Campus	WFUHS	Reynolda Campus	WFUHS	Total
Salaries and wages	$ 254,202	320,848	—	1,027,980	46,019	10,239	300,221	1,359,067	1,659,288
Employee benefits	77,584	72,200	—	231,901	7,865	2,280	85,449	306,381	391,830
Student aid	5,275	9,107	—	—	131	—	5,406	9,107	14,513
Services	91,895	88,621	—	72,505	15,098	12,758	106,993	173,884	280,877
Clinical and laboratory supplies	—	25,119	—	124,738	—	—	—	149,857	149,857
Other operating expenses	96,252	54,118	—	65,781	2,966	84,584	99,218	204,483	303,701
Depreciation and amortization	54,723	10,686	—	17,764	6,236	10,393	60,959	38,843	99,802
Interest on debt	17,319	1,496	—	830	553	783	17,872	3,109	20,981
Total expenses	$ 597,250	582,195	—	1,541,499	78,868	121,037	676,118	2,244,731	2,920,849

	2025								
	Academic instruction and research		Health care and other related services		Administration and other institutional support		Total		
	Reynolda Campus	WFUHS	Reynolda Campus	WFUHS	Reynolda Campus	WFUHS	Reynolda Campus	WFUHS	Total
Salaries and wages	$ 246,186	276,336	—	831,449	37,395	43,343	283,581	1,151,128	1,434,709
Employee benefits	70,119	65,810	—	194,165	4,877	10,294	74,996	270,269	345,265
Student aid	4,897	13,563	—	—	—	—	4,897	13,563	18,460
Services	87,671	93,128	—	111,514	12,896	5,157	100,567	209,799	310,366
Clinical and laboratory supplies	—	41,895	—	125,465	—	—	—	167,360	167,360
Other operating expenses	76,074	32,667	—	53,612	3,746	16,376	79,820	102,655	182,475
Depreciation and amortization	47,707	10,879	—	13,851	— 5,922	8,484	53,629	33,214	86,843
Interest on debt	19,815	1,650	—	935	671	832	20,486	3,417	23,903
Total expenses	$ 552,469	535,928	—	1,330,991	65,507	84,486	617,976	1,951,405	2,569,381

(15) Contingencies and Other Commitments

The estimated cost to complete construction in progress at June 30, 2026 and 2025, respectively, was $108,141 and $123,555 for Reynolda Campus and $121,027 and $116,389 for WFUHS.

Expenditures related to federal and state grants and contracts are subject to adjustment based upon review by the granting agencies. Amounts of expenditures that granting agencies might disallow cannot be determined at this time. These amounts affect government grants and contracts revenue as well as facilities and administrative cost recovery. The University would not expect these costs to influence the consolidated financial position significantly.

The University receives significant funding from federal sources, including student financial aid, research grants, and other sponsored programs, as well as Medicare and Medicaid related to patient services. The University is monitoring developments in the federal and state regulatory environment that may impact the availability, timing, and terms of such funding and could materially affect the University's operations.

Management continues to assess the potential impact of proposed legislation, administrative actions, and judicial decisions that may affect the higher education and health care sectors. While the ultimate outcome of these matters cannot be predicted, the University believes it is taking appropriate steps to mitigate associated risks.

The University is self-insured for dental benefits, self-insured or fully insured for retiree medical benefits (depending on retiree benefit elections), and self-insured for active employees receiving medical benefits. The University provides an accrual for actual claims reported but not paid and a provision for incurred but not reported claims based on historical trends. Accrued employee health and dental costs, including estimated claims incurred but not reported, amounted to approximately $3,632 and $2,831 at June 30, 2026 and 2025, respectively, for Reynolda Campus and $13,148 and $18,893 at June 30, 2026 and 2025, respectively, for WFUHS.

The University self-insures workers' compensation liability with excess commercial insurance providing per loss and aggregate annual coverage. The University provides an accrual for actual claims reported but not paid and a provision for incurred but not reported claims based on historical trends, which are included in other liabilities and deferrals on the accompanying consolidated balance sheet.

The estimated liability for self-insurance and workers' compensation claims will be significantly affected if current and future claims differ from historical trends. While management monitors reported claims closely and considers potential outcomes as estimated by its actuaries when determining its self-insurance liability accruals, the complexity of the claims, the extended period of time to settle the claims and the wide range of potential outcomes complicate the estimation. In the opinion of management, adequate provision has been made for this related risk.

Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the federal government has authority to complete fraud and abuse investigations. HIPAA has established substantial fines and penalties for offenders. WFUHS maintains policies, procedures and requires regular training sessions for employers to monitor compliance with HIPAA, as well as other applicable local, state and federal statutes and regulations.

The University is involved in various legal matters arising in the normal course of activities. Management, after taking into consideration advice of legal counsel, believes that the matters will not have a materially adverse effect, individually or in the aggregate, upon the University's consolidated financial statements.

(16) Sale-Leaseback Agreement

In 2006, WFUHS entered into a sale-leaseback agreement to sell and lease back certain assets. The initial lease term is 20 years with four 5-year renewal options. The lease is classified as an operating lease. Expected operating lease expected payments for the year 2027 are $7,229.

In 2010, WFUHS entered into another sale-leaseback agreement to sell and lease back certain assets. The initial lease term is 16 years with three 5-year renewal options. The lease is classified as an operating lease. Operating lease payments are due monthly, and expected payments for the year 2027 are $7,041.

WFUHS has a deferred gain related to the sale and leaseback of certain assets, which is amortized over the remaining lease term using the straight-line method. The deferred gain was $1,664 and $3,610 at June 30, 2026 and 2025, respectively, and is included in other liabilities and deferrals in the accompanying consolidated balance sheet.

(17) Retirement Plans

All employees of the University, unless they are part of an excluded class, are eligible to participate in defined contribution benefit plans. They may contribute on a pre – and/or post-tax basis immediately upon hire. Expenses for the years ended June 30, 2026 and 2025, respectively, were $19,011 and $18,161 for Reynolda Campus and $72,461 and $74,360 for WFUHS.

Certain employees of the University and WFUHS are eligible to participate in 457(b) defined contribution plans. The Reynolda Campus and WFUHS have accrued $28,940 and $205,807 at June 30, 2026, respectively, and $25,721 and $163,550 at June 30, 2025, respectively, for liabilities associated with these plans.

Certain employees of the University are eligible to participate in other benefit plans including a defined supplemental executive retirement plan, deferred compensation arrangements, and supplemental retirement agreements. The Reynolda Campus and WFUHS have accrued $4,877 and $1,631 at June 30, 2026, respectively, and $2,472 and $2,902 at June 30, 2025, respectively, for liabilities associated with these plans. These liabilities are included in other liabilities and deferrals on the consolidated balance sheet.

(18) Postretirement Benefits

The University sponsors postretirement medical and dental plans that cover all of its full-time employees who elect coverage and satisfy the plans' eligibility requirements when they retire. In addition, Reynolda Campus sponsors a death benefit plan, which pays a $2 benefit for each retiree. To be eligible, retired employees of Reynolda Campus must be at least 62 years of age with ten or more years of service or be at least 65 years of age with five or more years of service.

WFUHS sponsors a defined benefit postretirement medical and dental plan that covers all WFUHS full-time employees who elect coverage and satisfy the plan eligibility requirements when they retire. On June 2, 2011, the Board of WFUHS approved that effective as of January 1, 2012, the defined benefit postretirement plan would be discontinued for most future retirees and the minimum age required for postretirement benefits will increase from 60 to 62. However, the additional requirement of the Rule of 75

(age and years of service) remains unchanged. All current retirees and currently eligible employees previously grandfathered will continue to be eligible for benefits under this plan. Any WFUHS employee who is within 5 years of meeting the new retirement eligibility of age 62 with combined age and years of service equal to at least 75 as of January 1, 2012 will be grandfathered into this benefit.

The measurement date for the defined postretirement benefit plan is June 30.

The following table provides a reconciliation of the changes in each plan's benefit obligation, fair value of plan assets, and funded status for the years ended June 30, 2026 and 2025:

	2026			2025
	Reynolda Campus	WFUHS	Total	Total
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 12,625	15,323	27,948	27,615
Service cost	569	—	569	474
Interest cost	675	782	1,457	1,438
Participants' contributions	543	21	564	593
Actuarial loss (gain)	(1,183)	414	(769)	1,065
Benefits paid	(1,033)	(1,810)	(2,843)	(3,237)
Benefit obligation at end of year	12,196	14,730	26,926	27,948
Change in plan assets:				
Fair value of plan assets at beginning of year	—	—	—	—
Employer's contributions	490	1,789	2,279	2,644
Participants' contributions	543	21	564	593
Benefits paid	(1,033)	(1,810)	(2,843)	(3,237)
Fair value of plan assets at end of year	—	—	—	—
Total liability	$ (12,196)	(14,730)	(26,926)	(27,948)
Amounts recognized in unrestricted net assets:				
Prior service cost	$ (804)	—	(804)	(1,178)
Net actuarial gain	(6,348)	(1,805)	(8,153)	(8,730)
Total increase	$ (7,152)	(1,805)	(8,957)	(9,908)

(Continued)

The following table provides the components of net periodic benefit cost for the years ended June 30, 2026 and 2025:

	2026			2025
	Reynolda Campus	WFUHS	Total	Total
Service cost	$ 569	—	569	474
Interest cost	675	782	1,457	1,438
Amortization of prior service credit	(374)	—	(374)	(382)
Amortization of net actuarial gain	(307)	(1,038)	(1,345)	(2,690)
Net periodic benefit cost (gain)	$ 563	(256)	307	(1,160)

The prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains in excess of 10% of the greater of the benefit obligation and the market-related value of assets are amortized over the average remaining service period of active participants.

The weighted average discount rate used to determine the accumulated postretirement benefit obligation at June 30, 2026 for Reynolda Campus and WFUHS, respectively, was 5.68% and 5.35%, and at June 30, 2025 was 5.53% and 5.48%, respectively. The discount rate reflects the current yield curve results as of June 30, 2026 and 2025. Reynolda Campus used 8.20% and 8.80%, and WFUHS used 7.25% and 7.50% for 2026 and 2025, respectively, for the annual rate of increase in the per capita cost of covered healthcare benefits for the first year, and a 4.50% rate was assumed in each year as the ultimate rate.

Aggregate benefits expected to be paid by the University, net of participant contributions, for the postretirement benefit plans are as follows:

	Reynolda Campus	WFUHS	Total
2027	$ 814	1,783	2,597
2028	860	1,724	2,584
2029	927	1,640	2,567
2030	975	1,563	2,538
2031	998	1,475	2,473
Five years thereafter	5,457	6,013	11,470

The expected benefits to be paid are based on the same assumptions used to measure the University's benefit obligation at June 30, 2026 and include estimated future employee service.

(Continued)

(19) Related-Party Transactions

As described in Note 1, there is an approved MCIA. The MCIA states the unrestricted operating income of the integrated academic medical center will be shared equally between NCBH and WFUHS. WFUHS recorded revenue under the MCIA of $778,457 and $629,242 for the years ended June 30, 2026 and 2025, respectively, included in other operating revenues without donor restrictions in the accompanying consolidated statement of activities. In connection with the MCIA, WFUHS records a 50% equity investment in WFUBMC, which was $368,694 and $248,145 as of June 30, 2026 and 2025, respectively, and is included in investments in the accompanying consolidated balance sheet. WFUHS recognized income from the equity method investment of $120,550 and $39,801 for the years ended June 30, 2026 and 2025, respectively, included in gains from affiliates, equity method in the accompanying consolidated statement of activities.

Advocate Health and its affiliates provide certain corporate shared services to WFUHS, including administrative, financial, information technology, human resources, legal, compliance, treasury, and other corporate support functions. Charges for these services are based on management's allocation methodologies to reasonably reflect the services provided or received. Corporate shared services provided by (to) Advocate Health and affiliates were $90,279 and ($51,157) for the years ended June 30, 2026 and 2025, respectively. WFUHS' physician cost allocation to NCBH and WFUBMC was $89,295 and $76,231 for the years ended June 30, 2026 and 2025, respectively. The net receivable from Advocate Health and affiliates was $22,337 and $63,681 as of June 30, 2026 and 2025, respectively.

WFUHS has operating leases with Advocate Health affiliates, which are included in the accompanying consolidated balance sheets at June 30:

		2026	2025
Operating lease right-of-use assets	$	79,311	83,232
Operating lease obligations		80,177	83,093

WFUBMC had unsecured credit facilities available for working capital needs of NCBH, WFUHS, and WFUBMC that were terminated as disclosed in Note 12. NCBH's outstanding balance on the facility was $200,000 at June 30, 2025, which was refunded with proceeds from the Series 2026A-1 Revenue Bonds issued by the Advocate Health Nonprofit Credit Group in June 2026.

As part of the master agreement between the Atrium Health Enterprise and Advocate Aurora, CMHA contributed $47,000 to WFUHS in fiscal year 2023 to create an academic endowment to be used to support academic enrichment activities such as recruitment of academic and research faculty, bridge funding for researchers, new or enhanced academic programs, and related development of flagship/destination clinical programs (the New Academic Endowment). The agreement stipulates that the New Academic Endowment should be invested without distribution until January 1, 2028, at which time and continuing each year thereafter, 4.75% of the prior year ending balance of the New Academic Endowment shall be made available in equal quarterly installments to WFUBMC.

(Continued)

Additionally, the agreement has a “right of return” clause that states that if WFUBMC terminates its participation in the new Advocate Enterprise within the first ten years, the New Academic Endowment must be returned to CMHA within thirty days following the effective date of such termination. Because of this condition upon the contribution, WFUHS recorded the $47,000 in other liabilities and deferrals upon receipt in February 2023. The funds are invested similarly to WFUHS’ traditional endowments, but the $47,000 will not be moved from other liabilities and deferrals to restricted contributions until May 2032, when the “right of return” clause will expire.

(20) Professional Liability Insurance

WFUHS maintains professional liability coverage, which included a $6,000 per occurrence self-insured retention (no aggregate), plus $2,000 per loss buffer layer and $6,000 aggregate buffer layer for the year ended June 30, 2026. The primary policy’s aggregate of coverage was $10,000 with tower of coverage through nine other carriers extending up to a total of $175,000 of coverage for the year ended June 30, 2026. Accrued insurance liabilities and contributions were determined using a discount rate of 4.00% as of June 30, 2026 and 2025. WFUHS estimates its professional liability on an actuarial basis. WFUHS’ accrued professional liability costs, including estimated claims incurred but not reported, totaled $28,087 and $19,758 at June 30, 2026 and 2025, respectively, and are included in other liabilities and deferrals in the accompanying consolidated balance sheets. Total accrued insurance liabilities would have been $3,928 and $2,810 greater at June 30, 2026 and 2025, respectively, had these liabilities not been discounted.

The estimated liability for self-insurance claims will be significantly affected if current and future claims differ from historical trends. While management monitors reported claims closely and considers potential outcomes as estimated by its actuaries when determining its self-insurance liability accruals, the complexity of the claims, the extended period of time to settle the claims and the wide range of potential outcomes complicate the estimation. In the opinion of management, adequate provision has been made for this related risk.

(21) Subsequent Events

Management has evaluated subsequent events from June 30, 2026 through October 27, 2026, the date the financial statements were issued and determined that there are no items to disclose.