MCPHS UNIVERSITY

CONTINUING DISCLOSURES AND AUDITED FINANCIAL STATEMENTS

JUNE 30, 2026

MCPHS UNIVERSITY

CONTINUING DISCLOSURES

Financial Matters

The University operates on a fiscal year ending June 30 and accounts for and reports its financial condition in accordance with Financial Accounting Standards Board (FASB) Accounting Standards through the use of donor-restricted and unrestricted net asset classifications. The financial statements of the University have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America for educational institutions.

Management's Discussion of Recent Financial Performance

Operating Results

The University has experienced strong demand for the University's academic programs, enhanced by continued successful introduction of new degree offerings, particularly in the health science disciplines. Over the last five years, total University enrollment has averaged 6,262 students. Operating revenues were $313 million in fiscal 2026, an increase of $27 million from fiscal 2025. The continued expansion of new health science programs has led to increased program revenue diversification. The University continues to experience growth in non-pharmacy enrollments and revenues. Non-pharmacy enrollment as a percentage of total enrollment was 73% in fiscal 2026 versus 72% in fiscal 2025. The University's tuition discount rate has averaged 26% for the last five years and was 27% for fiscal 2026.

Management has maintained high operating margins through close monitoring of programs and strong budgetary controls. Academic programs are carefully evaluated with respect to student demand and financial viability. Over the last five years, the University's operating margin has averaged 14% of total revenues and was 19% for the year ended June 30, 2026.

Liquidity

Management's focus on budgeting and operating performance has substantially improved the University's liquidity. Improvements in business operations pertaining to revenue collection and expenditure controls have enabled the University to maintain strong debt service coverage and liquidity ratios. Over the last five years, net revenues available for debt service has averaged $53 million and was $75 million in fiscal 2026. Unrestricted cash and investments have increased 68% from $1.52 billion at June 30, 2022 to $2.56 billion at June 30, 2026. Total cash and investments have increased 68% from $1.56 billion at June 30, 2022 to $2.62 billion at June 30, 2026.

MCPHS UNIVERSITY

CONTINUING DISCLOSURES

Total Fall Enrollments

Academic Year	2022-23	2023-24	2024-25	2025-26	2026-27
Students	6,840	6,347	5,954	6,064	6,106
FTE	6,105	5,795	5,536	5,692	5,766

Pharmacy Programs

Academic Year	2022-23	2023-24	2024-25	2025-26	2026-27
Students	2,218	1,913	1,778	1,714	1,630
FTE	2,030	1,773	1,658	1,614	1,567

Other Programs

Academic Year	2022-23	2023-24	2024-25	2025-26	2026-27
Students	4,622	4,434	4,176	4,350	4,476
FTE	4,075	4,022	3,878	4,078	4,199

Total Fall Enrollments by Campus

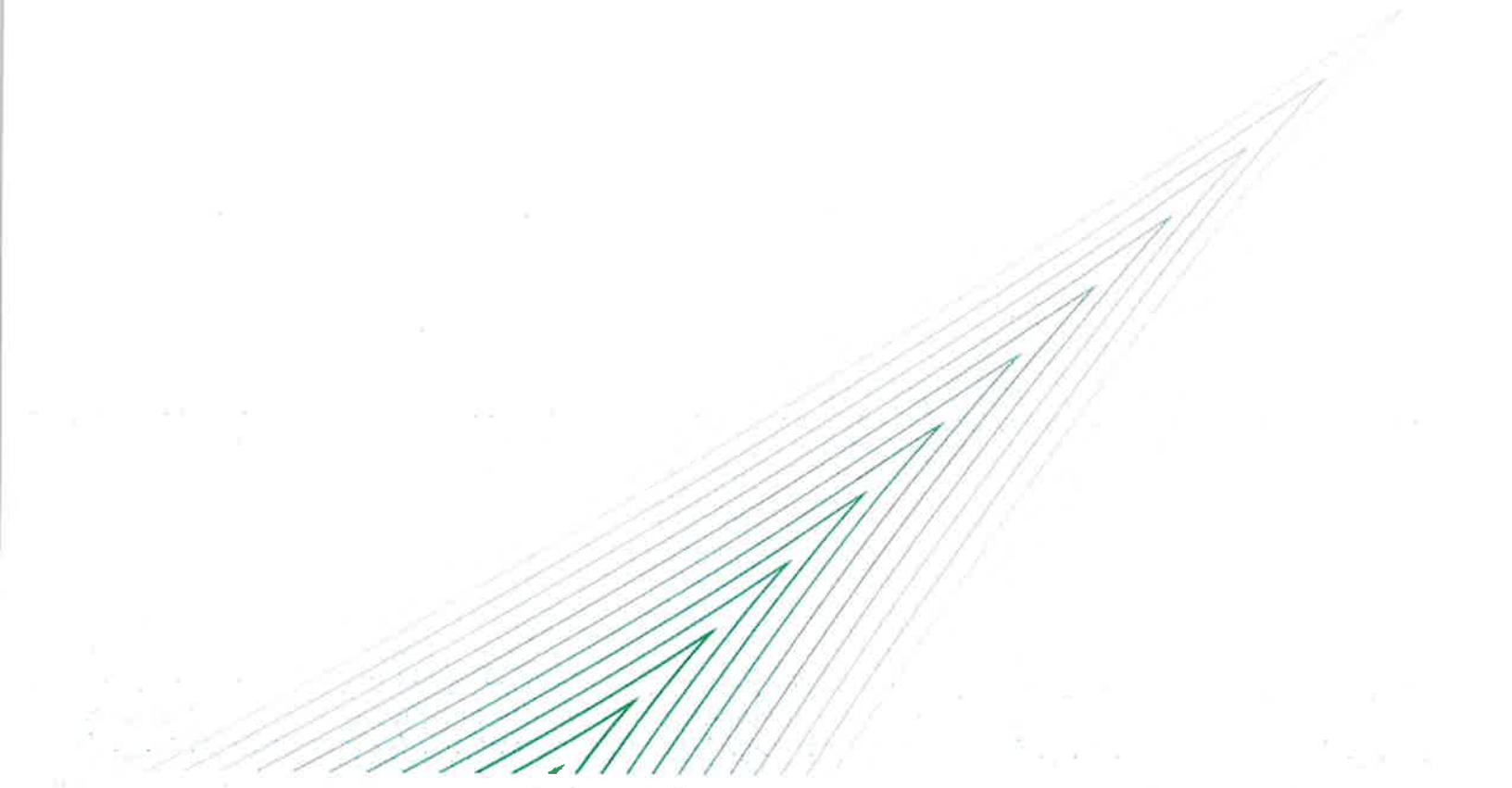
Academic Year	2022-23	2023-24	2024-25	2025-26	2026-27
Boston					
Students	3,944	3,838	3,788	3,969	4,065
FTE	3,833	3,752	3,703	3,885	3,964
Worcester					
Students	1,280	1,257	1,239	1,244	1,246
FTE	1,265	1,237	1,208	1,226	1,228
Manchester					
Students	295	279	251	236	236
FTE	293	276	250	233	234
Online					
Students	1,321	973	676	615	559
FTE	714	530	375	348	340

CBIZ CPAs

MCPHS University

Financial Statements

For the Years Ended June 30, 2026 and 2025



MCPHS UNIVERSITY

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CBIZ CPAs

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Independent Auditors' Report

To the Board of Trustees
MCPHS University

Opinion

We have audited the financial statements of MCPHS University (the "University"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

CBIZ CPAs P.C.

Boston, Massachusetts
October 19, 2026

MCPHS UNIVERSITY

Statements of Financial Position

June 30, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	$ 121,841,785	$ 105,309,671
Student and other receivables	8,670,140	11,835,314
Prepaid expenses and other assets	10,371,977	7,014,703
Student loans receivable	8,570,052	8,628,921
Deposits with bond trustees	6,181,386	5,987,917
Funds held in trust	2,134,209	1,945,966
Investments	2,495,282,342	2,085,681,828
Right-of-use assets - operating leases	58,280,441	47,362,378
Property and equipment, net	178,049,041	178,944,317
Total Assets	$ 2,889,381,373	$ 2,452,711,015
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 21,976,522	$ 18,771,878
Deferred revenues	24,172,684	21,038,462
Operating lease obligations	61,699,879	50,866,066
Bonds and other obligations payable	39,973,864	44,685,522
Advances from federal government for student loans	9,218,805	9,234,572
Total Liabilities	157,041,754	144,596,500
Net Assets		
Unrestricted:		
Funds held for long-term investment	2,435,013,965	2,035,166,529
Net investment in plant	161,021,350	151,067,468
Other funds	72,073,091	67,306,308
Total Unrestricted	2,668,108,406	2,253,540,305
Donor-Restricted:		
Endowment funds	61,582,947	52,093,235
Other funds	2,648,266	2,480,975
Total Donor-Restricted	64,231,213	54,574,210
Total Net Assets	2,732,339,619	2,308,114,515
Total Liabilities and Net Assets	$ 2,889,381,373	$ 2,452,711,015

The accompanying notes are an integral part of these financial statements.

MCPHS UNIVERSITY

Statements of Activities

For the Years Ended June 30, 2026 and 2025

	2026	2025
Changes in Unrestricted Net Assets		
Operating:		
Revenues and Other Support		
Tuition and fees (net of scholarship aid to students of $78,951,235 and $68,167,812, respectively)	$ 211,047,843	$ 196,553,966
Auxiliary enterprises	26,071,420	20,030,317
Contributions	972,025	590,241
Contracts and other exchange transactions	13,736,204	14,451,819
Investment return on unrestricted reserves	50,026,531	42,477,674
Rental income	7,136,700	7,339,406
Other income	3,025,219	3,714,482
Net assets released from restrictions	757,432	656,348
Total Revenues and Other Support	312,773,374	285,814,253
Expenses		
Instruction	140,349,962	133,747,833
Academic support	26,908,493	25,163,189
Student services	35,027,598	32,993,673
Auxiliary enterprises	22,049,695	16,237,683
Total program services	224,335,748	208,142,378
Institutional support	28,234,178	28,553,761
Total Operating Expenses	252,569,926	236,696,139
Increase in Unrestricted Net Assets from Operating Activities	60,203,448	49,118,114
Non-Operating:		
Investment return	354,443,416	172,341,167
Federal support associated with COVID-19	5,610	2,262,147
Expenses associated with COVID-19	(2,650)	(34,676)
Other	(81,723)	(93,741)
Increase in unrestricted net assets from non-operating activities	354,364,653	174,474,897
Increase in Unrestricted Net Assets	414,568,101	223,593,011
Changes in Donor-Restricted Net Assets		
Contributions	345,309	454,115
Investment return	9,873,776	5,163,704
Change in value of funds held in trust	195,350	163,659
Net assets released from restrictions	(757,432)	(656,348)
Increase in Donor-Restricted Net Assets	9,657,003	5,125,130
Increase in Net Assets	424,225,104	228,718,141
Net Assets - Beginning of Year	2,308,114,515	2,079,396,374
Net Assets - End of Year	$ 2,732,339,619	$ 2,308,114,515

The accompanying notes are an integral part of these financial statements.

MCPHS UNIVERSITY

Statements of Cash Flows

For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Change in net assets	$ 424,225,104	$ 228,718,141
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,670,576	14,628,768
Amortization of right-of-use assets - operating leases	10,416,454	8,299,955
Contributions restricted for capital investment	(124,227)	(120,372)
Net realized and unrealized gains on investments	(362,622,675)	(176,021,323)
(Increase) decrease in assets:		
Funds held in trust	(188,243)	(150,318)
Student and other receivables	3,165,174	(913,498)
Prepaid expenses and other assets	(3,357,274)	(638,820)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	2,861,012	(374,362)
Deferred revenues	3,134,222	3,223,845
Operating lease obligations	(10,500,704)	(8,082,291)
Net Cash Provided by Operating Activities	79,679,419	68,569,725
Cash Flows from Investing Activities		
Proceeds from sales of investments	159,602,748	398,342,228
Purchases of investments	(206,580,587)	(437,735,462)
Purchases of property and equipment	(11,478,326)	(10,466,836)
Disbursements of loans to students	(1,161,338)	(1,206,665)
Repayment of student loans	1,220,207	1,475,070
Net Cash Used for Investing Activities	(58,397,296)	(49,591,665)
Cash Flows from Financing Activities		
Increase in deposits with bond trustees	(193,469)	(206,705)
Repayment of principal on indebtedness	(4,665,000)	(4,470,000)
Cash collected on endowment gifts	124,227	120,372
Decrease in government advances for student loans	(15,767)	(66,637)
Net Cash Used for Financing Activities	(4,750,009)	(4,622,970)
Net Increase in Cash and Cash Equivalents	16,532,114	14,355,090
Cash and Cash Equivalents - Beginning of Year	105,309,671	90,954,581
Cash and Cash Equivalents - End of Year	$ 121,841,785	$ 105,309,671

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION

MCPHS University (the "University") is a private, tax-exempt co-educational institution of higher education enrolling students in professional, undergraduate and graduate degree programs in pharmacy and health sciences. The University is accredited by the New England Commission of Higher Education among other accreditation bodies. The University has three campuses: Boston, Massachusetts; Worcester, Massachusetts and Manchester, New Hampshire. The University has over one hundred programs of study and draws its student population from throughout the United States and over seventy foreign countries.

The University participates in student financial aid programs sponsored by the United States Department of Education ("Department of Education"), the United States Department of Health and Human Services, and to a lesser extent state programs. These programs facilitate the payment of tuition and other expenses for eligible students, and are subject to review or audit by funding agencies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the University have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America which requires that information regarding its financial position and activities are reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes herein are classified and reported as follows:

Unrestricted: Net assets available for general use and not subject to donor restrictions. Included in this category are funds designated by the Board of Trustees for long-term investment effectively functioning as endowment. Unrestricted net assets also include property and equipment, net of related accumulated depreciation and bond obligations.

Donor-restricted: Net assets with restrictions that are temporary in nature and may or will be met by events specified by the donor or the passage of time, and other donor-imposed restrictions that are perpetual in nature, where the donor stipulates resources be maintained in perpetuity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are reported at cost plus accrued interest. Cash equivalents consist of short-term, highly liquid investments with original maturities of ninety days or less when purchased, along with routine bank deposits. Cash restricted for grants and loans is included in cash and cash equivalents in the statements of financial position and amounted to $3,214,086 and $2,985,375 for the years ended June 30, 2026 and 2025, respectively. Cash and cash equivalents held by investment managers are classified as investments given the potential for near-term reinvestment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS (CONTINUED)

The University maintains cash accounts with various investment and banking institutions, which periodically may exceed federally insured limits. The University has not experienced losses associated with these accounts.

STUDENT AND OTHER RECEIVABLES

Student receivables are stated net of an allowance for credit losses, which is estimated as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. Changes in the allowance for credit losses are reported in credit loss expense. An account is considered uncollectible when all efforts to collect the account have been exhausted. Other receivables include amounts due under a long-term lease agreement where the University is the lessor and rental income is being recognized on a straight-line basis over the lease term with amounts being accrued to reflect rents earned to date. Other receivables also include amounts due under various grant and contract agreements.

STUDENT LOANS RECEIVABLE

The University participates in Department of Education loan programs and the Department of Health and Human Services programs including the Health Professions Student Loan ("HPSL"), the Nursing Student Loan ("NSL") and the Perkins Loan programs. These programs are operated by the University allowing for loans to students subject to eligibility requirements. The programs have been funded over multiple years with federal funds along with a modest match from the University. As loans are repaid, funds collected are re-loaned to other students, except for the Perkins program which no longer grants new loans. Undisbursed program funds are held in a restricted cash account which is included in cash and cash equivalents. Advances of federal funds are required to be returned should the program cease or the University elect to no longer participate in the program. Accordingly, such advances are classified as liabilities in the statements of financial position. The University utilizes the services of a third party for billing, collection, and other requirements associated with these programs. The University also has a minor amount of institutionally provided loans.

Non-performing (delinquent) loans under the Perkins, HPSL and NSL programs may be returned to the Department of Education, thus reducing the University's cumulative federal advance which migrates credit risk. Accordingly, no reserves have been provided for in connection with these loans. Reserves are provided on institutional loans based on management's historical experience.

DEPOSITS WITH BOND TRUSTEES

Deposits with bond trustees are invested in cash and fixed income and are carried at fair market value in accordance with fair value policies described in these footnotes. Such amounts are held by bond trustees pursuant to sinking fund requirements associated with debt agreements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNDS HELD IN TRUST

Funds held in trust are beneficial interests in the form of income or residual amounts and are carried at fair market value in accordance with fair value policies described in these footnotes. Assets are recognized as donor-restricted gifts when the University is notified of such an instrument and are subject to periodic adjustment.

INVESTMENTS

Investments are carried at fair market value in accordance with standards discussed in these footnotes. The net investment return (loss) consists of interest, dividends, capital gains and losses, net of all investment expenses including management fees.

The investment pool is unitized for purposes of accounting and allocation of investment returns such that donor-restricted endowment funds and other funds are allocated a ratable share of investment returns.

FAIR VALUE

The University reports financial instruments in accordance with fair value standards on a recurring or non-recurring basis depending on the underlying accounting policy associated with the instrument. Recurring fair value items are summarized in Note 7. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the University reports certain investments using the net asset value ("NAV") per share as determined by investment managers under the so-called "practical expedient" for such investments when permitted. The practical expedient allows NAV per share to represent fair value for reporting purposes.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories along with a category for items at NAV as follows:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on an exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE (CONTINUED)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

PROPERTY AND EQUIPMENT

Property and equipment assets are recorded at acquisition cost when assets' useful lives are estimated to exceed one year and when amounts exceed a management established capitalization threshold. Property and equipment is reported net of accumulated depreciation. Maintenance and repairs are expensed as incurred, and improvements are capitalized. For assets placed in service, depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Buildings	30 years
Furniture, equipment and vehicles	7 years
Software and computer equipment	3 years

LEASES

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 right-of-use assets - operating leases and operating lease obligations in the statements of financial position. 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 over the lease term. Operating lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Operating leases as lessor record rental income over the lease term on the straight-line basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE

Deferred revenue represents the amount of net tuition, fees, and dormitory revenue not yet earned. Deferred revenue is recognized ratably over time as services are provided during the academic period. Deferred revenue is short-term in nature with amounts being recognized as revenue in the subsequent fiscal year. Student deposits and advance payments are considered part of deferred revenue.

BONDS AND OTHER OBLIGATIONS PAYABLE

Bonds and other obligations payable are reported net of unamortized premiums, discounts and issuance costs, all of which are amortized over the term of the underlying debt agreement.

REVENUE RECOGNITION

Earned Revenue

Revenue is either earned or contributed to the University. Earned revenues are recognized using a principles-based set of standards which applies when there is a contract with a customer. Performance obligations are required to be identified and the transaction price needs to be determined and then allocated to performance obligations with revenue being recorded at a point in time or over time depending on the nature of each performance obligation.

The University derives revenues primarily from tuition, fees and auxiliary services (room and board) all of which are under arrangements aligned with academic periods less than one year in length. Tuition, fees and auxiliary service revenues are recorded at established rates, net of institutional scholarships provided directly to students. Revenue amounts are fixed and determinable, and are recorded as revenue over time when educational services are rendered and performance obligations are satisfied. Management believes that recognizing revenue over time is the best measure of services rendered, and has not made any changes in the timing of satisfying performance obligations or amounts allocated to those obligations. Management does not consider there to be significant judgment or qualitative factors involved in the measurement of earned revenue, as the satisfaction of performance obligations is directly linked to the calendar of academic and supporting activities.

Revenue and cash flows are also impacted by tuition and fee refunds resulting from student withdrawals. University withdrawal policy allows for up to a 100% refund of tuition and fees following the start of classes, subject to time limits. Given the University's schedule of academic terms, exposure to refunds is limited at year-end, and no related liability has been estimated or recorded at June 30, 2026 and 2025.

Given that many students fund the payment of tuition through financial aid programs sponsored by the Department of Education, cash flows are impacted by those regulations which regulate the timing of such funds being made available. Financial aid payments made by third parties are a mechanism to facilitate payment on behalf of students, and accordingly, such funding does not represent revenue of the University.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Earned Revenue (Continued)

Contracts and other exchange transactions consist primarily of revenues derived from the University's pharmacy fellowship and residency programs. Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the University has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statements of financial position.

The University leases to a third-party office space under a non-cancelable operating lease. The leases have scheduled annual increases which the University recognizes on the straight-line basis over the lease term beginning with the start of the lease.

Also included in revenue is net investment return which consists of interest, dividends, capital gains and losses, net of all investment expenses including management fees. Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets, such as the donor stipulated purpose has been fulfilled or the stipulated time period has elapsed, are reported as "net assets released from restrictions" between the classes of net assets.

Contributed Support

Unconditional contributions are recorded as revenue based on the amount received or at fair value when verifiably committed in the case of promises. Fair value of promises is determined at the original date of record as described in this section using Level 2 fair value inputs. Conditional contributions are recorded as revenue only when conditions have been met.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs, activities and supporting services have been summarized on a functional basis which requires that certain costs be allocated among programs and supporting services benefited. Depreciation of fixed assets and the expenses of operating and maintaining facilities have been allocated to functional classifications based on square footage of facilities. Interest expense has been allocated to each debt-financed facility, and by functional classification based on facility use.

OPERATING AND NON-OPERATING ACTIVITY

The statements of activities report changes in unrestricted net assets from operating and non-operating activities. Unrestricted operating revenues consist of those items attributable to the University's primary mission of providing education, as well as interest and dividends on unrestricted investments and cash reserves. Non interest and dividend investment returns, certain contributions, COVID-19 related support and expenses and other amounts not directly related to educational activities are classified as non-operating.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX STATUS

The University is recognized as an organization exempt from federal income tax on its related activities under Section 501(c)(3) of the Internal Revenue Code. The University is also generally exempt from state income taxes on such related activities. Certain activities of exempt organizations unrelated to their mission may generate income that is subject to federal and state taxation as unrelated business income. As the University's unrelated business income is de minimis, management has concluded that disclosures related to tax provisions are not necessary.

The University accounts for uncertain tax positions based on the likelihood of positions being sustained on their technical merits while under scrutiny by the applicable taxing authority. If tax positions are deemed to carry significant uncertainty, unrecognized tax liabilities are estimated for disclosure based on a cumulative probability assessment that aggregates the estimated liability for all uncertain tax positions. The University has identified its tax status as an exempt organization and the determination of business income as being related or unrelated to its exempt purposes as its only significant tax positions. The University has determined that such positions do not constitute an uncertainty requiring recognition. The University is not currently under examination by any taxing jurisdiction. The University's federal and state informational filings are generally open to examination for three years following the date filed.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

NEW ACCOUNTING PRONOUNCEMENTS

A number of accounting standards are pending that management does not believe will have a material impact on these financial statements, however such standards are still being evaluated.

RECLASSIFICATIONS

Certain items in the June 30, 2025 financial statements have been reclassified to conform to the June 30, 2026 financial statement presentation. The reclassification had no effect on the previously reported net assets or change in net assets.

SUBSEQUENT EVENTS

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events through October 19, 2026, the date these financial statements were issued. Management determined that no items required recognition or disclosure through that date.

NOTE 3 – LIQUIDITY

The University regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize investment of available funds. The University has various sources of liquidity at its disposal, including cash and cash equivalents, short-term investments and marketable securities. For evaluating resources available to meet general expenditures over future 12-month periods, the University considers all expenditures related to its ongoing academic, administrative and supporting activities. Student loans receivable are not included in the analysis as principal and interest collected on these loans are not available to meet current operating cash flow requirements.

The University anticipates collecting sufficient revenue over the next twelve months to cover general expenditures not covered by donor-restricted resources. Refer to the statements of cash flows which identifies the sources and uses of the University's cash and shows positive cash generated by operations for the years ended June 30, 2026 and 2025. The following table shows financial assets held by the University available within one year of the balance sheet date to meet general expenditure obligations as of June 30:

	2026	2025
Cash and cash equivalents	$ 118,627,699	$ 102,324,295
Student and other receivables due in one year or less	8,670,140	9,886,015
Unrestricted investments, net of illquid investments	2,103,600,114	1,776,312,400
Total Liquidity	$ 2,230,897,953	$ 1,888,522,710

NOTE 4 – STUDENT AND OTHER RECEIVABLES

Student and other receivables consisted of the following at June 30:

	2026	2025
Student accounts receivable	$ 4,814,008	$ 4,808,125
Allowance for doubtful student accounts	(2,003,239)	(2,250,943)
Net student accounts receivable	2,810,769	2,557,182
Long-term lease receivable	391,076	1,949,299
Other receivables	5,468,295	7,328,833
	$ 8,670,140	$ 11,835,314

NOTE 5 – PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consisted of the following at June 30:

	2026	2025
Prepaid expenses	$ 8,449,483	$ 4,825,859
Security deposit - lease	611,088	610,908
Life insurance cash surrender value	1,311,406	1,577,936
	$ 10,371,977	$ 7,014,703

Life insurance is maintained on certain key employees for the benefit of the University.

NOTE 6 – STUDENT LOANS RECEIVABLE

Student loans receivable consisted of the following at June 30:

	2026	2025
Health professsions student loans	$ 6,756,408	$ 6,733,500
Perkins loans	292,406	460,942
Nursing student loans	1,423,558	1,336,896
Institutional loans	240,100	211,213
	8,712,472	8,742,551
Less: Allowance for doubtful accounts	(142,420)	(113,630)
	$ 8,570,052	$ 8,628,921

Detailed disclosures regarding the aging of accounts are not presented given the limited credit risk from the federal sponsorship of the majority of its loan programs.

NOTE 7 – INVESTMENTS AND FINANCIAL INSTRUMENTS

The fair value of investments and financial instruments were as follows at June 30:

	2026			
	Total Fair Value	Measured at NAV	Active Markets (Level 1)	Limited Markets (Level 3)
Investments				
Short-term investments	$ 45,178,271	$ --	$ 45,178,271	$ --
Fixed income	248,436,551	185,812,901	62,623,650	--
Domestic equity	604,703,943	--	604,703,943	--
International equity	655,405,913	237,272,021	418,133,892	--
Real estate	97,008,776	25,959,478	71,049,298	--
Asset allocation	75,748,243	75,748,243	--	--
Inflation protection	129,985,121	129,985,121	--	--
Alternatives	638,815,524	638,815,524	--	--
Total investments	2,495,282,342	1,293,593,288	1,201,689,054	--
Depostits with bond trustees (short-term government money market funds)	6,181,386	--	6,181,386	--
Funds held in trust	2,134,209	--	--	2,134,209
Total	$ 2,503,597,937	$ 1,293,593,288	$ 1,207,870,440	$ 2,134,209

	2025			
	Total Fair Value	Measured at NAV	Active Markets (Level 1)	Limited Markets (Level 3)
Investments				
Short-term investments	$ 22,724,702	$ --	$ 22,724,702	$ --
Fixed income	237,090,392	157,479,342	79,611,050	--
Domestic equity	518,619,234	--	518,619,234	--
International equity	523,514,969	196,743,791	326,771,178	--
Real estate	97,185,166	33,719,011	63,466,155	--
Asset allocation	66,722,593	66,722,593	--	--
Inflation protection	108,607,862	108,607,862	--	--
Alternatives	511,216,910	511,216,910	--	--
Total investments	2,085,681,828	1,074,489,509	1,011,192,319	--
Depostits with bond trustees (short-term government money market funds)	5,987,917	--	5,987,917	--
Funds held in trust	1,945,966	--	--	1,945,966
Total	$ 2,093,615,711	$ 1,074,489,509	$ 1,017,180,236	$ 1,945,966

NOTE 7 – INVESTMENTS AND FINANCIAL INSTRUMENTS (CONTINUED)

There were no transfers between levels during the years ended June 30, 2026 and 2025. In addition, management has no plans to redeem investments at other than the NAV per share.

Of the NAV investments, a summary of the time associated with redemption provisions is as follows at June 30:

	2026	2025
Daily redemption	$ 185,812,901	$ 157,479,342
Monthly redemption	425,729,705	355,386,908
Quarterly redemption	294,921,493	249,384,012
Semi-annual redemption	57,026,744	54,963,053
Longer notice or illiquid	330,102,445	257,276,194
Total NAV investments	$ 1,293,593,288	$ 1,074,489,509

Total unfunded commitments under investment agreements amounted to $284.7 million and $152.2 million at June 30, 2026 and 2025, respectively.

Investments by net asset class consisted of the following at June 30:

	2026	2025
Unrestricted net assets	$ 2,433,699,395	$ 2,033,588,593
Donor-restricted net assets	61,582,947	52,093,235
Total investments	$ 2,495,282,342	$ 2,085,681,828

Total investment return was as follows for the years ended June 30:

	2026	2025
Operating:		
Interest and dividends, net	$ 50,026,531	$ 42,477,674
Non-operating:		
Interest and dividends, net	1,694,517	1,483,548
Net realized and unrealized gains on pooled investments	362,622,675	176,021,323
Total Investment Return	$ 414,343,723	$ 219,982,545

NOTE 8 – ENDOWMENT AND OTHER RESTRICTED FUNDS

The University's endowment consists of approximately 200 individually named funds which are invested and administered in accordance with donor stipulation. The University interprets the Massachusetts Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the tracking of original gifts as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this, the University classifies as donor-restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unrestricted endowments consist of board-designated funds.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds and unspent gains, as applicable:

- The duration and preservation of the fund
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policies of the University

Amounts released to operations annually consist of interest and dividend earnings designated by donors for scholarship expenditure or the general purposes of the University. No other amounts have been drawn from the University's endowment funds during the years ended June 30, 2026 or 2025.

The University's investments are managed in accordance with sound practices emphasizing long-term fundamentals to achieve long-term rates of return exceeding any spending policy plus the effects of inflation. Investments are diversified to reduce volatility and risk associated with concentrated positions, and returns sought are those comparing favorably to other endowments, foundations and appropriate benchmarks. Portfolio volatility is intended to approximate the weighted composite of market indices correlating with the policy target portfolio, periodically adjusted for market conditions.

To satisfy investing objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A diversified target asset allocation places emphasis on equities, fixed income, real estate and managers employing multi-asset and absolute return strategies.

Board-designated funds are managed in a fashion that is consistent with the endowment, however those funds are not subject to the same considerations of prudence under state law.

NOTE 8 – ENDOWMENT AND OTHER RESTRICTED FUNDS (CONTINUED)

Changes in endowment net assets were as follows for the years ended June 30:

	Unrestricted	Donor-Restricted	Total
Net assets at July 1, 2024	$ 14,730,710	$ 47,294,562	$ 62,025,272
Investment income	310,579	995,852	1,306,431
Investment gain	1,387,764	4,449,812	5,837,576
Total return	1,698,343	5,445,664	7,144,007
Contributions	10,000	120,372	130,372
Transferred to operations	(407,617)	(767,363)	(1,174,980)
Net assets at June 30, 2025	16,031,436	52,093,235	68,124,671
Investment income	361,550	1,172,816	1,534,366
Investment gain	2,790,813	9,052,989	11,843,802
Total return	3,152,363	10,225,805	13,378,168
Contributions	15,000	124,227	139,227
Transferred to operations	(458,583)	(860,320)	(1,318,903)
Net assets at June 30, 2026	$ 18,740,216	$ 61,582,947	$ 80,323,163

Total funds with donor restrictions were as follows at June 30:

	2026	2025
Accumulated unspent gains:		
For scholarships	$ 15,424,579	$ 11,600,876
For general purpose	23,631,315	18,351,459
Total Accumulated Unspent Gains	39,055,894	29,952,335
Endowment corpus:		
For scholarships	10,404,355	10,162,963
For general purpose	12,122,698	11,977,937
Total Endowment Corpus	22,527,053	22,140,900
Total Endowment Funds	61,582,947	52,093,235
Other funds	2,648,266	2,480,975
Total Donor-Restricted Net Assets	$ 64,231,213	$ 54,574,210

NOTE 8 – ENDOWMENT AND OTHER RESTRICTED FUNDS (CONTINUED)

Net assets released from restrictions by incurring expenses that satisfy restricted purposes or by occurrence of events specified by donors were as follows for the years ended June 30:

	2026	2025
For scholarships	$ 615,178	$ 587,940
For program service costs	142,254	68,408
Total Net Assets Released	$ 757,432	$ 656,348

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2026	2025
Land and buildings	$ 383,780,258	$ 375,044,714
Furniture and equipment	18,608,473	17,732,916
Construction in progress	9,079,559	7,936,780
	411,468,290	400,714,410
Less: Accumulated depreciation	(233,419,249)	(221,770,093)
Property and Equipment, Net	$ 178,049,041	$ 178,944,317

Depreciation expense was $12,717,234 and $14,718,424 for the years ended June 30, 2026 and 2025, respectively.

NOTE 10 – BONDS AND OTHER OBLIGATIONS PAYABLE

Revenue bonds issued through Massachusetts Development Finance Agency consisted of the following at June 30:

	2026	2025
Bonds Payable:		
Revenue Bonds, 2013 Series F: $3.055 million are due under annual serial maturities from 2026 to 2028. $5.895 million term bonds are due July 1, 2032 and July 1, 2035. Serial bonds bear fixed interest from 3% to 5%, and term bonds bear interest at 4%.	$ 8,950,000	$ 10,505,000
Revenue Bonds, 2013 Series G: $5.365 million term bonds are due July 1, 2027 and July 1, 2030. Term bonds bear fixed interest at 4% and 4.524%.	5,365,000	6,315,000
Revenue Bonds, 2015 Series H: $6.925 million are due under annual serial maturities from 2026 to 2032. $6.235 million term bonds are due July 1, 2035 and July 1, 2037. Serial bonds bear fixed interest from 3.125% to 5%, and term bonds bear fixed interest at 3.5% and 5%.	13,160,000	13,995,000
Revenue Bonds, 2015 Series I: $12.650 million term bonds are due July 1, 2029 and July 1, 2033. Term bonds bear fixed interest at 3.907% and 4.305%.	12,650,000	13,975,000
Total Outstanding Debt	40,125,000	44,790,000
Net unamortized premiums, discounts and issue costs	(151,136)	(104,478)
Total Bonds and Other Obligations Payable	$ 39,973,864	$ 44,685,522

Bond obligations include a pledge of gross receipts, and financing agreements contain debt service coverage and liquidity covenants.

NOTE 10 – BONDS AND OTHER OBLIGATIONS PAYABLE (CONTINUED)

The aggregate principal maturities for all the University's bonds are as follows:

Years Ending June 30,	Bond Maturities
2027	$ 4,870,000
2028	4,085,000
2029	4,230,000
2030	4,390,000
2031	4,555,000
Thereafter	17,995,000
Total	$ 40,125,000

NOTE 11 – COMMITMENTS AND CONTINGENCIES

SELF-INSURED MEDICAL PLAN

The University operates a self-insured medical care plan. The plan provides eligible enrolled employees, COBRA participants, and dependents with coverage for certain medical care costs and procedures as defined in the plan. The University contracts with a major health care insurance company to provide administrative services, access to hospital and physician networks and stop loss insurance. Administrative fees are fixed and paid monthly. Estimated claim reserves are funded monthly by the University, and actual claims are paid by the contractor managing the program. On a monthly basis, funding and claim activity is reconciled with any difference either being funded or rolled forward as being available to the University. The University accounts for medical claims and administrative costs on the accrual basis. Claims outstanding but not yet paid amounted to $1,300,853 and $1,278,713 at June 30, 2026 and 2025, respectively.

LITIGATION

From time to time, the University is subject to various claims in the ordinary course of business. Management believes that none of the current claims of which it has knowledge will result in a material adverse impact on the University.

GROUND LEASE

On June 15, 2026, the University entered into an agreement to execute, at a future date, a ground lease with Wentworth Institute of Technology for certain student housing facilities located in Boston. The cost of the ground lease is $102,500,000 and will be payable at the time of the execution and closing of the ground lease agreement. The agreement also provides for a bargain purchase so it is expected that this will be a capital asset of the University in the future. The University made a $4.3 million escrow deposit in accordance with the agreement which is included in prepaid expenses and other assets in the accompanying statements of financial position. The transaction is subject to due diligence, closing conditions, and execution of related ground lease and sublease agreements. Closing is expected to occur subsequent to fiscal year-end, subject to satisfaction of these contractual conditions.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

LEASE AS LESSOR

The University rents certain research facilities under a long-term operating lease running through September 30, 2028.

Future rental receipts under the lease are as follows:

Years Ending June 30,	
2027	$ 3,194,292
2028	1,704,300
2029	426,075
Total	$ 5,324,667

The tenant is obligated for its allocable share of repair, maintenance and operating costs of the facility. The tenant has provided a security deposit which is included in accrued liabilities in the statements of financial position.

LEASES AS LESSEE

The University has non-cancelable operating leases for dining, residence halls, and equipment, which expire at various dates through July 31, 2034. Lease expense is recognized on the straight-line basis over the respective lease terms.

Lease expense for the years ended June 30 is as follows:

	2026	2025
Lease cost:		
Operating lease expense	$ 12,613,788	$ 10,583,987
Total Lease Cost	$ 12,613,788	$ 10,583,987
Other information:		
Right-of-use assets obtained in exchange for operating lease agreement	$ 21,334,517	$ --
Weighted average remaining lease term - operating leases	5.74 years	6.35 years
Weighted average discount rate - operating leases	4.00%	3.98%

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

LEASES AS LESSEE (CONTINUED)

Approximate minimum annual rental commitments under these agreements are as follows:

2027	$	14,579,800
2028		11,308,000
2029		11,466,100
2030		11,810,400
2031		7,071,000
Thereafter		14,434,900
		70,670,200
Less amounts representing interest		8,970,321
Total	$	61,699,879

NOTE 12 – EMPLOYEE BENEFIT PLANS

Eligible University employees are participants in a qualified defined contribution retirement plan offering investment choices through certain third parties. The University contributes 10% of eligible compensation to this plan for the benefit of participants each plan year. Total contributions amounted to $8,953,984 and $8,449,234 for the years ended June 30, 2026 and 2025, respectively.

The University also sponsors qualified and non-qualified tax-deferred retirement plans as permitted by Internal Revenue Code Sections 403(b) and 457(b) which allow eligible employees to make elective deferrals to contribute compensation on a pre-tax basis to these plans, subject to annual statutory limitations. The University also allows post-tax contributions to the 403(b) plan by way of Roth contributions.

NOTE 13 – SUPPLEMENTAL CASH FLOWS INFORMATION

CASH PAID FOR INTEREST AND LEASES

Cash paid for interest was $1,718,712 and $1,871,168 for the years ended June 30, 2026 and 2025, respectively.

Net amortization of bond premium was $46,658 and $89,656 for the years ended June 30, 2026 and 2025, respectively.

Cash paid for amounts included in the measurement of lease liabilities for operating leases amounted to $12,698,041 and $10,366,321 at June 30, 2026 and 2025, respectively.

NOTE 14 – FUNCTIONAL EXPENSES

Operating expenses by function were as follows for the years ended June 30:

	2026				
		Institutional Support			
	Program Services	Management and General	Fundraising	Total	Total Expenses
Salaries and wages	$ 116,993,967	$ 10,905,994	$ 544,069	$ 11,450,063	$ 128,444,030
Employee benefits	30,856,007	3,118,998	164,901	3,283,899	34,139,906
Payroll taxes	7,948,517	838,143	44,396	882,539	8,831,056
Fees for services	3,226,665	1,557,821	4,847	1,562,668	4,789,333
Advertising and promotion	2,458,538	--	--	--	2,458,538
Information technology	6,620,150	150,685	39,179	189,864	6,810,014
Occupancy	25,805,886	2,490,820	33,527	2,524,347	28,330,233
Conferences and Travel	4,720,787	747,664	62,177	809,841	5,530,628
Interest	1,359,364	250,162	12,276	262,438	1,621,802
Depreciation	10,295,364	2,335,278	86,592	2,421,870	12,717,234
Insurance	--	1,295,392	--	1,295,392	1,295,392
Clinical stipends	4,368,853	--	--	--	4,368,853
Student meal plans	2,843,387	--	--	--	2,843,387
Bank and credit card fees	--	616,431	--	616,431	616,431
Classroom and office supplies	3,100,429	38,428	4,491	42,919	3,143,348
Other expenses	3,737,834	2,865,993	25,914	2,891,907	6,629,741
Total Operating Expenses	224,335,748	27,211,809	1,022,369	28,234,178	252,569,926
Non-Operating expenses	--	84,373	--	84,373	84,373
Total Functional Expenses	$ 224,335,748	$ 27,296,182	$ 1,022,369	$ 28,318,551	$ 252,654,299

NOTE 14 – FUNCTIONAL EXPENSES (CONTINUED)

	2025				
		Institutional Support			
	Program Services	Management and General	Fundraising	Total	Total Expenses
Salaries and wages	$ 111,496,508	$ 10,648,274	$ 523,082	$ 11,171,356	$ 122,667,864
Employee benefits	27,366,968	2,817,388	142,576	2,959,964	30,326,932
Payroll taxes	7,538,983	832,576	42,394	874,970	8,413,953
Fees for services	3,544,319	1,200,616	28,908	1,229,524	4,773,843
Advertising and promotion	1,774,114	--	--	--	1,774,114
Information technology	5,893,921	496,382	40,967	537,349	6,431,270
Occupancy	20,327,889	2,345,149	30,348	2,375,497	22,703,386
Conferences and Travel	4,091,885	800,719	96,779	897,498	4,989,383
Interest	1,497,104	269,553	13,092	282,645	1,779,749
Depreciation	10,827,713	3,805,302	85,409	3,890,711	14,718,424
Insurance	--	1,209,396	--	1,209,396	1,209,396
Clinical stipends	4,445,144	--	--	--	4,445,144
Student meal plans	2,346,993	--	--	--	2,346,993
Bank and credit card fees	--	581,710	--	581,710	581,710
Classroom and office supplies	3,081,255	43,591	10,515	54,106	3,135,361
Other expenses	3,909,582	2,440,624	48,411	2,489,035	6,398,617
Total Operating Expenses	208,142,378	27,491,280	1,062,481	28,553,761	236,696,139
Non-Operating expenses	--	128,417	--	128,417	128,417
Total Functional Expenses	$ 208,142,378	$ 27,619,697	$ 1,062,481	$ 28,682,178	$ 236,824,556

NOTE 15 – FEDERAL SUPPORT ASSOCIATED WITH COVID-19

Given the effects of COVID-19, the University was eligible for Federal Emergency Management Agency grant funding in 2026 and 2025. The University recognized revenue of $5,610 and $2,262,147 associated with this funding during the years ended June 30, 2026 and 2025, respectively. These grants reimbursed the University for certain costs that have been incurred over the course of the COVID-19 pandemic.

NOTE 16 – RISKS AND UNCERTAINTIES RELATED TO FEDERAL POLICY CHANGES

As a recipient of federal financial aid and other federally supported programs, the University is subject to the evolving regulatory and funding environment. Any future changes in federal policy may affect the University's access to funding or its compliance obligations. Management is actively monitoring federal decision-making and proposed regulatory changes to assess potential impacts on the University's operations, financial aid administration, and broader strategic planning. The University will continue to evaluate developments at the federal level to respond appropriately to any changes that could affect its financial position, results of operations, or future enrollment.