

Quarter-End Report

Temple University Health System, Inc.

Three Months Ended
September 30, 2024 and 2023

UNAUDITED

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Notice to Readers

Forward Looking Information:

This quarter-end report may contain certain disclosures, which contain “forward looking statements” within the meaning of the Federal securities laws. Forward looking statements include all statements that do not relate solely to historical or current fact and can be identified by the use of words such as “estimate,” “anticipate,” “expect,” “likely,” “may,” “might,” “project,” and similar words or expressions. These forward looking statements are based on the current plans and expectations of Temple University Health System, Inc. (“TUHS”) as of the date of this report and are subject to a number of known and unknown risks and uncertainties inherent in the operation of health care facilities, many of which are beyond TUHS’ control. Actual actions and results may differ materially from the forward looking statements. TUHS disclaims any obligation, and makes no promise, to update any such forward looking statements or to disclose any facts, events or circumstances after the date hereof that may affect the accuracy of any forward looking statement, whether as a result of changes in underlying factors, to reflect new information, as a result of the occurrence of events or developments or otherwise.

Quarter-End Financial and Operating Information:

The financial and operating information provided in this quarter-end report has been prepared on the accrual basis of accounting from records maintained by TUHS. All transactions have been included in the accounting records for financial reporting information in conformity with accounting principles generally accepted in the United States (“GAAP”). All financial data in the Consolidated Statements of Operations and Changes in Net Assets and the Consolidated Statements of Cash Flows covering the three months ended September 30, 2024 and 2023, and the Consolidated Balance Sheet as of September 30, 2024, are unaudited. The Consolidated Balance Sheet as of June 30, 2024 has been extracted from the audited financial statements. All statistical data presented is unaudited. Accordingly, the data does not include all of the information and footnotes required by GAAP for complete financial statements.

Non-GAAP Disclosures:

Certain financial data and ratios displayed throughout this quarter-end report are calculated using financial measures that are not considered GAAP. These financial data and ratios are not intended to conform to GAAP, but are displayed to provide more meaningful analysis.

Obligated Group:

The Temple University Health System Obligated Group (“TUHS Obligated Group”) consists of Temple University Health System, Inc., Temple University Hospital, Inc., Temple Physicians, Inc., Temple Health System Transport Team, Inc., American Oncologic Hospital, Institute for Cancer Research, Fox Chase Cancer Center Medical Group, Inc., and Fox Chase Network, Inc. Each TUHS Obligated Group member, as co-obligor and not as guarantor, jointly and severally covenants to pay the principal and interest on all outstanding TUHS Obligated Group obligations, including parity debt. The total amount of debt outstanding, including the current portion of long-term debt, under the TUHS Obligated Group was \$383.4 million and \$399.4 million as of September 30, 2024 and June 30, 2024, respectively.

Overview of Temple University Health System, Inc. and Affiliates

TUHS is a Pennsylvania nonprofit corporation of which Temple University—Of The Commonwealth System of Higher Education is its sole member. TUHS was incorporated in August 1995 and serves principally to coordinate the activities and plans of its health care subsidiaries and affiliates in Philadelphia and the surrounding area. The subsidiaries and affiliates of TUHS (collectively, with TUHS, referred to as the “Health System”), all of which operate in Philadelphia and the surrounding area, include the following:

- Temple University Hospital, Inc. (“TUH”), a nonprofit corporation, operating an 890-bed acute care teaching hospital at three inpatient campuses and additional outpatient locations in Philadelphia and Montgomery Counties, with TUHS as its sole member;
- Temple University Health System Foundation (“TUHSF”), a nonprofit corporation formed to support the health-care-related activities of TUHS, with TUH as its sole member;
- Episcopal Hospital (“Episcopal”), a nonprofit corporation, providing clinical outpatient health care services, with TUHS as its sole member;
- Temple Health System Transport Team, Inc. (“T3”), a nonprofit corporation, is a critical care air and ground ambulance company, with TUHS as its sole member;
- Temple Physicians, Inc. (“TPI”), a nonprofit corporation formed to develop and acquire community-based primary care practices located in the service area of TUHS, with TUHS as its sole member;
- TUHS Insurance Company, Ltd. (“TUHIC”), a captive insurance company established to reinsure the professional liability claims of certain subsidiaries of TUHS. TUHS is the beneficial owner of TUHIC which is domiciled in Bermuda;
- American Oncologic Hospital d/b/a The Hospital of Fox Chase Cancer Center (“AOH”), a nonprofit corporation, is a 100 licensed bed specialty hospital that provides advanced inpatient and outpatient care to cancer patients, with TUHS as its sole member;
- Institute for Cancer Research d/b/a the Research Institute of Fox Chase Cancer Center (“ICR”), a nonprofit corporation, is primarily engaged in basic research, including programs in cancer biology, developmental therapeutics, immune cell development and host disease, cancer epigenetics, and cancer prevention and control and is a National Cancer Institute designated Comprehensive Cancer Center, with AOH as its sole member;
- Fox Chase Cancer Center Medical Group, Inc. (“MGI”), a nonprofit corporation, employs and provides physician services to the Fox Chase family of organizations, with AOH as its sole member;
- Fox Chase Network, Inc. (“Network”), a nonprofit corporation, provides cancer related clinical and administrative services to cancer programs of community hospitals and physicians, with AOH as its sole member;

- Fox Chase, Ltd. (“Limited”), a business corporation that holds minority interests in joint ventures with area hospitals, with AOH as its sole stockholder;
- Temple Center for Population Health, LLC (“TCPH”), a Pennsylvania limited liability company, participating in accountable care, coordinated care, shared savings, bundled payment programs and other similar programs or initiatives with or implemented by governmental payers, commercial payers and other parties, with TUHS as its sole member;
- Temple Faculty Practice Plan, Inc. (“TFPP”), a nonprofit corporation, provides teaching and physician services to the TUHS hospitals, with TUHS as its sole member;
- Temple Health Subsidiaries, Inc. (“THS”), a business corporation formed to participate in for-profit joint ventures, the sole shareholder of which is TUH; and
- Temple Care, Inc. (“TC”), a Pennsylvania nonprofit corporation, organized to participate in the Centers for Medicare and Medicaid (CMS) backed Accountable Care Organization Realizing Equity, Access, and Community Health Model (REACH), with an aim to support the REACH goals of tying provider reimbursements to quality and health equity metrics and reductions in the cost of care, with TCPH as its sole member.

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2024 AND JUNE 30, 2024 (In thousands)

	September 30, 2024	June 30, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 98,535	\$ 156,992
Patient accounts receivable—net	312,119	312,831
Other receivables—net	170,672	210,652
Inventories and other current assets	75,610	57,537
Current portion of assets limited as to use	5,113	27,729
Investments	708,126	662,411
Current portion of workers' compensation fund	6,849	6,849
Current portion of self-insurance program receivables	10,894	10,894
Expenditures reimbursable by research grants and awards	<u>14,855</u>	<u>13,991</u>
Total current assets	<u>1,402,773</u>	<u>1,459,886</u>
PROPERTY, PLANT AND EQUIPMENT:		
Land and land improvements	13,743	13,743
Buildings	536,710	530,380
Fixed and movable equipment	656,721	639,050
Construction-in-progress	<u>56,841</u>	<u>59,983</u>
	1,264,015	1,243,156
Less accumulated depreciation	<u>881,163</u>	<u>864,679</u>
Net property, plant and equipment	<u>382,852</u>	<u>378,477</u>
OPERATING LEASE RIGHT-OF-USE ASSETS	19,228	20,331
ASSETS LIMITED AS TO USE	144,864	142,651
INVESTMENTS	141,602	140,437
WORKERS' COMPENSATION FUND	2,820	2,820
SELF-INSURANCE PROGRAM RECEIVABLES	60,127	59,944
GOODWILL AND OTHER INTANGIBLES	82	109
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	139,724	135,467
OTHER ASSETS	<u>66,434</u>	<u>64,158</u>
TOTAL ASSETS	<u>\$ 2,360,506</u>	<u>\$ 2,404,280</u>

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2024 AND JUNE 30, 2024 (In thousands)

	September 30, 2024	June 30, 2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 18,826	\$ 18,507
Line of credit	-	12,000
Current portion of operating lease liabilities	4,019	4,142
Accounts payable	131,558	165,334
Accrued expenses	141,173	143,616
Current portion of estimated settlements with third-party payers	26,156	29,301
Current portion of self-insurance program liabilities	91,112	91,112
Unexpended research grants and awards	7,806	7,806
Other current liabilities	<u>125,134</u>	<u>100,420</u>
Total current liabilities	<u>545,784</u>	<u>572,238</u>
LONG-TERM DEBT	364,607	380,874
OPERATING LEASE LIABILITIES	16,490	17,501
SELF-INSURANCE PROGRAM LIABILITIES	187,690	237,190
ACCRUED POSTRETIREMENT BENEFITS	1,999	1,999
OTHER LONG-TERM LIABILITIES	<u>82,606</u>	<u>82,546</u>
Total liabilities	<u>1,199,176</u>	<u>1,292,348</u>
NET ASSETS:		
Without donor restrictions	950,561	909,828
With donor restrictions	<u>210,769</u>	<u>202,104</u>
Total net assets	<u>1,161,330</u>	<u>1,111,932</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,360,506</u>	<u>\$ 2,404,280</u>

(Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(In thousands)

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues and other support without donor restrictions:		
Net patient service revenue	\$ 689,418	\$ 605,052
Research revenue	11,450	10,471
Contribution revenue	846	623
Other revenue	8,921	6,029
Investment income	188	117
Net assets released from restrictions used for operations	<u>1,685</u>	<u>1,724</u>
Revenues and other support without donor restrictions	<u>712,508</u>	<u>624,016</u>
Expenses:		
Salaries	318,988	297,313
Employee benefits	81,928	76,990
Professional fees	25,479	21,553
Supplies and pharmaceuticals	194,947	153,925
Purchased services and other	57,641	51,335
Maintenance and utilities	12,725	12,820
Leases	3,049	3,383
Insurance	14,566	14,064
Depreciation and amortization	16,659	15,173
Interest	3,665	3,677
(Gain) loss on disposal of fixed assets	<u>-</u>	<u>(2)</u>
Expenses	<u>729,647</u>	<u>650,231</u>
Operating loss	<u>(17,139)</u>	<u>(26,215)</u>
Other income—net:		
Investment gain (loss)	46,055	(12,673)
Other—net	<u>1,328</u>	<u>1,358</u>
Other income—net	<u>47,383</u>	<u>(11,315)</u>
Deficiency of revenues and other support over expenses	<u>30,244</u>	<u>(37,530)</u>

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(In thousands)

	2024	2023
Deficiency of revenues and other support over expenses	\$ 30,244	\$ (37,530)
Other changes in net assets without donor restrictions:		
Net transfers to the University	1,694	21
Net assets released from restrictions used for purchase of property, plant and equipment	3,391	356
Net change in fair value of investments	<u>5,404</u>	<u>(2,643)</u>
Decrease in net assets without donor restrictions	<u>40,733</u>	<u>(39,796)</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contribution income	7,582	2,343
Net assets released from restrictions	(5,076)	(2,080)
Net change in fair value of investments	1,144	(665)
Investment income	758	730
Change in beneficial interest in assets held by others	<u>4,257</u>	<u>(2,768)</u>
Decrease in net assets with donor restrictions	<u>8,665</u>	<u>(2,440)</u>
DECREASE IN NET ASSETS	49,398	(42,236)
NET ASSETS—Beginning of year	<u>1,111,932</u>	<u>1,024,702</u>
NET ASSETS—End of quarter	<u>\$ 1,161,330</u>	<u>\$ 982,466</u>

(Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In thousands)

	2024	2023
OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 49,398	\$ (42,236)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Net realized and unrealized (gains) losses on investments	(46,933)	21,621
Net realized and unrealized (gains) losses on beneficial interests in assets held by others	(4,257)	2,768
Depreciation, amortization and accretion	16,659	15,173
Amortization of bond premium, discount, debt issuance costs and underwriter's discount	(712)	(745)
Net assets released from restrictions used for purchase of property, plant and equipment	(3,391)	(356)
Gain on disposal of fixed assets	-	(2)
Perpetually restricted gifts and donations received	(1,837)	(31)
Net transfers from the University	(1,694)	(21)
Equity method investment loss	2,954	-
Changes in operating assets and liabilities:		
Patient accounts receivable	712	(5,924)
Other receivables	20,294	(41,846)
Inventories and other current assets	(18,073)	(7,292)
Expenditures reimbursable by research grants and awards	(864)	(550)
Other assets	(2,276)	3,888
Accounts payable and accrued expenses	(33,348)	(15,089)
Estimated settlements with third-party payers	(3,145)	19,543
Self-insurance program receivables and liabilities	(49,683)	(13,683)
Net change in operating lease right-of-use assets and liabilities	(31)	12
Other liabilities	<u>24,860</u>	<u>12,521</u>
Net cash used in operating activities	<u>(51,367)</u>	<u>(52,249)</u>

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(In thousands)

	2024	2023
INVESTING ACTIVITIES:		
Decrease in assets limited as to use and workers' compensation fund	\$ 22,555	\$ 19,393
Purchases of property, plant and equipment	(23,644)	(14,257)
Purchases of investments	(12,469)	(16,573)
Proceeds from sales of investments	10,409	13,960
Proceeds from loans to equity method investment	16,732	-
Net cash provided by investing activities	<u>13,583</u>	<u>2,523</u>
FINANCING ACTIVITIES:		
Proceeds from contributions and investments restricted to property, plant and equipment and endowments	3,391	356
Repayment of long-term debt	(14,636)	(11,119)
Repayment of finance lease liabilities	(920)	(644)
Repayment of line of credit	(12,000)	-
Perpetually restricted gifts and donations received	1,837	31
Net transfers from the University	1,694	21
Net cash used in financing activities	<u>(20,634)</u>	<u>(11,355)</u>
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(58,418)	(61,081)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH— Beginning of year	<u>181,658</u>	<u>198,651</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH— End of quarter	<u>\$ 123,240</u>	<u>\$ 137,570</u>
Cash and cash equivalents	\$ 98,535	\$ 113,993
Restricted cash included in assets limited as to use	24,705	23,577
Total cash, cash equivalents, and restricted cash	<u>\$ 123,240</u>	<u>\$ 137,570</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
INFORMATION—Cash paid for interest	<u>\$ 8,829</u>	<u>\$ 8,964</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITY:		
Amounts recorded for purchases of property and equipment in excess of amounts paid	<u>\$ 11,429</u>	<u>\$ 5,072</u>
Cost of assets acquired through finance leases	<u>\$ 37</u>	<u>\$ 38</u>

(Concluded)

Management’s Discussion and Analysis of Consolidated Operations and Financial Performance

Three months September 30, 2024 compared to the three months ended September 30, 2023

Temple University Health System (“TUHS”) reported net income of \$30,244,000 for the three months ended September 30, 2024 versus a net loss of (\$37,530,000) for the three months ended September 30, 2023, resulting in a favorable year-over-year variance of \$67,774,000.

Operating income (loss), which excludes investment income, changes in market value of equity securities, and other non-operating income, was (\$17,139,000) versus (\$26,215,000) for the three months ended September 30, 2023, resulting in a favorable year-over-year variance of \$9,076,000.

Other investment income (loss) was \$46,055,000 versus (\$12,673,000) for the three months ended September 30, 2023, resulting in a favorable year-over-year variance of \$58,728,000 due to increases in the market value of equity securities.

The year-over-year increase in operating income was driven by an increase in net patient service revenue, partially offset by growth in operating expenses.

Total net patient service revenue, excluding Commonwealth funding, increased by \$67,538,000 due to a \$55,631,000 increase in outpatient revenue, largely driven by performance of the specialty and retail pharmacies, and a \$10,586,000 increase in inpatient revenues driven by higher acuity, surgical volumes, and transplant volumes. Net Commonwealth funding increased by \$11,759,000. Key operating indicators versus the prior year were as follows:

<i>TUHS Consolidated</i>	Actual	Prior Yr	V	V%
<i>Inpatient</i>				
Inpatient Discharges	8,597	8,873	(276)	-3.1%
CMI	2.02	1.97	0.05	2.5%
ED Inpatient Discharges	6,125	6,126	(1)	0.0%
Inpatient Surgeries	2,179	2,436	(257)	-10.6%
Transplants	117	95	22	23.2%
<i>Outpatient</i>				
Outpatient Surgeries	3,572	3,438	134	3.9%
ED Visits	38,449	40,511	(2,062)	-5.1%
Outpatient Registrations (Excl. HBB)	133,078	133,522	(444)	-0.3%
HBB Clinic Registrations	57,048	55,718	1,330	2.4%
Physician Visits	214,218	228,239	(14,021)	-6.1%

Operating expenses increased \$74,182,000 year-over-year. Salaries increased \$21,675,000, driven by higher nursing pay rates and annual salary increases. Supplies and pharmaceuticals increased by \$41,022,000 primarily due to higher drug spending driven by outpatient infusion and pharmacy volumes.

Liquidity

Liquidity at September 30, 2024 was \$932,288,000 compared to \$806,756,000 at September 30, 2023. The increase of \$125,532,000 versus September 30, 2023 was primarily driven by unrealized gains on equity investments. Other factors include revenue cycle improvements following the fiscal year 2023 EPIC implementation, which initially led to delays in patient cash collections. There were no outstanding borrowings on the line of credit at September 30, 2024 or September 30, 2023.

Days cash on hand at September 30, 2024 was 122 compared to 117 at September 30, 2023.

Consolidated Key Statistics

Health System utilization data for the fiscal years ended June 30, 2022, 2023, and 2024, and the three months ended September 30, 2023 and 2024 are presented in the following table. Data for CHH Community Health are shown separately.

	Fiscal Year Ended June 30,			Three Months Ended	
				September 30,	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
Discharges	37,753	35,577	37,470	9,307	9,015
Discharged Patient Days	264,736	257,651	268,930	65,248	65,482
Census Patient Days	266,840	263,305	268,009	64,952	67,927
Discharged Length of Stay	6.1	6.3	6.2	6.0	6.4
Observation Discharges	10,644	12,581	11,645	2,988	2,755
Emergency Department Visits	155,673	152,625	159,866	40,511	38,449
Admissions from ED	24,977	23,625	25,545	6,126	6,125
% Admissions from ED	66.2%	66.4%	68.2%	69.0%	71.2%
Inpatient Surgeries	9,719	9,361	9,172	2,436	2,179
Outpatient Surgeries	12,924	13,985	14,222	3,438	3,572
Case Mix Index	1.97	1.99	1.99	1.98	2.02
Births – Discharges	2,092	2,031	2,052	531	448
Cardiology Procedures	6,041	6,641	5,082	1,343	1,190
Total Transplants	346	370	342	95	117
Total Outpatient Registrations	658,745	599,613	753,145	189,240	190,126
MRI/CT Procedures	47,396	48,880	52,609	40,248	41,578
Radiation Procedures	30,274	30,295	29,993	7,197	8,517

CHH Community Health utilization data for the fiscal year ended June 30, 2024 and the three months ended September 30, 2023 and 2024 are presented in the following table:

	Fiscal Year Ended	Three Months Ended	
	<u>June 30, 2024</u>	September 30,	
		<u>2023</u>	<u>2024</u>
Discharges	6,508	1,405	1,711
Discharged Patient Days	35,126	7,801	9,031
Census Patient Days	35,604	8,229	9,334
Discharged Length of Stay	4.89	5.1	4.8
Observation Discharges	1,831	600	428
Emergency Department Visits	45,353	10,873	11,306
Emergency Department Admissions	5,874	1,262	1,583
% Admissions from ED	90.3%	94.7%	95.8%
Inpatient Surgeries	1,455	390	379
Outpatient Surgeries	3,112	640	879
Case Mix Index	1.48	1.48	1.47

Inpatient Payor Mix

The following table summarizes payor mix by discharge for TUHS hospitals. Data for CHH Community Health are shown separately.

PAYOR MIX BY DISCHARGE										
	Fiscal Year Ended June 30,						Three Months Ended			
							September 30,			
	<u>2022</u>		<u>2023</u>		<u>2024</u>		<u>2023</u>		<u>2024</u>	
Medicaid*	16,022	43%	14,438	41%	15,242	41%	3,729	40%	3,424	38%
Medicare*	15,566	41%	15,307	43%	16,064	43%	3,937	42%	3,827	42%
Blue Cross	3,411	9%	3,376	9%	3,510	9%	889	10%	858	10%
Managed Care	2,343	6%	1,873	5%	1,609	4%	427	5%	438	5%
Other	411	1%	583	1%	1,045	3%	325	3%	468	5%
Totals	37,753	100%	35,577	100%	37,470	100%	9,307	100%	9,015	100%

*Includes Managed Care

The following table summarizes the payor mix by discharge for CHH Community Health.

			Three Months Ended			
	Fiscal Year Ended		September 30,			
	<u>June 30, 2024</u>		<u>2023</u>		<u>2024</u>	
Medicaid*	955	15%	202	14%	220	13%
Medicare*	4,479	69%	952	68%	1,188	69%
Blue Cross	547	8%	123	9%	166	10%
Managed Care	428	7%	98	7%	111	6%
Other	99	2%	30	2%	26	2%
Totals	6,508	100%	1,405	100%	1,711	100%

*Includes Managed Care

TEMPLE UNIVERSITY HEALTH SYSTEM

**SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF SEPTEMBER 30, 2024
(In thousands)**

	Temple University Hospital, Inc.	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc.	Fox Chase Network, Inc.	Temple Physicians Inc.	Temple Health System Transport Team, Inc.	TUHS Parent Company	Obligated Group Eliminations	Obligated Group Consolidated
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 31,320	\$ 1,563	\$ 2,300	\$ 2,546	\$ 1,030	\$ 1,945	\$ 783	\$ 3,855	\$ -	\$ 45,342
Patient accounts receivable—net	257,617	(169)	25,281	223	-	4,031	-	(625)	-	286,358
Other receivables—net	121,610	4,265	4,727	1,608	-	1,050	159	21,288	-	154,707
Inventories and other current assets	47,023	1,022	6,797	1,251	-	1,236	-	11,776	-	69,105
Current portion of assets limited as to use	-	800	744	-	-	-	-	117	-	1,661
Investments	586,636	7,758	55,208	-	-	-	-	18,612	-	668,214
Current portion of workers' compensation fund	5,983	453	676	7	-	20	1	-	(158)	6,982
Current portion of self-insurance program receivables	-	-	-	-	-	-	-	10,894	-	10,894
Expenditures reimbursable by research grants and awards	-	13,944	911	-	-	-	-	-	-	14,855
Due from affiliates—current portion	42,325	6,217	58,794	27,301	84	15,695	452	79,711	(106,037)	124,542
Total current assets	<u>1,092,514</u>	<u>35,853</u>	<u>155,438</u>	<u>32,936</u>	<u>1,114</u>	<u>23,977</u>	<u>1,395</u>	<u>145,628</u>	<u>(106,195)</u>	<u>1,382,660</u>
PROPERTY, PLANT AND EQUIPMENT:										
Land and land improvements	8,889	1,221	3,393	-	-	-	-	9	-	13,512
Buildings	444,244	28,166	36,743	-	-	4,724	-	8,055	-	521,932
Fixed and movable equipment	424,594	34,179	67,712	835	-	4,704	1,949	107,169	-	641,142
Construction-in-progress	48,176	3,258	5,407	-	-	-	-	-	-	56,841
	925,903	66,824	113,255	835	-	9,428	1,949	115,233	-	1,233,427
Less accumulated depreciation	<u>669,250</u>	<u>33,727</u>	<u>58,710</u>	<u>204</u>	<u>-</u>	<u>8,999</u>	<u>1,462</u>	<u>80,660</u>	<u>-</u>	<u>853,012</u>
Net property, plant and equipment	256,653	33,097	54,545	631	-	429	487	34,573	-	380,415
OPERATING LEASE RIGHT-OF USE ASSETS	2,555	-	1,917	-	-	786	5	13,852	-	19,115
ASSETS LIMITED AS TO USE	13,878	26,298	16,649	56	-	47	-	25,468	-	82,396
INVESTMENTS	120,529	324	7,762	-	-	-	-	5,220	-	133,835
WORKERS' COMPENSATION FUND	1,277	145	1,142	79	-	-	177	-	-	2,820
SELF-INSURANCE PROGRAM RECEIVABLES	7,349	-	-	3,178	-	10,346	-	59,944	(20,690)	60,127
INVESTMENT IN TUHIC	-	-	-	-	-	-	-	25,706	-	25,706
GOODWILL AND OTHER INTANGIBLES	-	82	-	-	-	-	-	-	-	82
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	64,113	68,736	6,875	-	-	-	-	-	-	139,724
DUE FROM AFFILIATES	-	-	-	-	-	-	-	288,186	(288,186)	-
OTHER ASSETS	29,292	16,200	228	37	-	78	-	14,712	-	60,547
TOTAL ASSETS	<u>\$ 1,588,160</u>	<u>\$ 180,735</u>	<u>\$ 244,556</u>	<u>\$ 36,917</u>	<u>\$ 1,114</u>	<u>\$ 35,663</u>	<u>\$ 2,064</u>	<u>\$ 613,289</u>	<u>\$ (415,071)</u>	<u>\$ 2,287,427</u>

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION

AS OF SEPTEMBER 30, 2024

(In thousands)

	Episcopal Hospital	TUHS Insurance Company, Ltd.	TUHS Foundation	Fox Chase Limited	Temple Center for Population Health	Temple Faculty Practice Plan, Inc.	Non-Obligated Group Eliminations	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 12,315	\$ 15,651	\$ 11,350	\$ -	\$ 12,069	\$ 1,808	\$ -	\$ 53,193	\$ -	\$ 98,535
Patient accounts receivable—net	-	-	-	-	-	25,761	-	25,761	-	312,119
Other receivables—net	316	587	342	-	364	14,356	-	15,965	-	170,672
Inventories and other current assets	-	16	-	-	-	6,489	-	6,505	-	75,610
Current portion of assets limited as to use	-	3,452	-	-	-	-	-	3,452	-	5,113
Investments	3,848	-	36,064	-	-	-	-	39,912	-	708,126
Current portion of workers' compensation fund	-	-	-	-	-	-	-	-	(133)	6,849
Current portion of self-insurance program receivables	-	-	-	-	-	-	-	-	-	10,894
Expenditures reimbursable by research grants and awards	-	-	-	-	-	-	-	-	-	14,855
Due from affiliates—current portion	770	-	140	4	2,934	35,326	(343)	38,831	(163,373)	-
Total current assets	17,249	19,706	47,896	4	15,367	83,740	(343)	183,619	(163,506)	1,402,773
PROPERTY, PLANT AND EQUIPMENT:										
Land and land improvements	231	-	-	-	-	-	-	231	-	13,743
Buildings	12,867	-	-	-	-	1,911	-	14,778	-	536,710
Fixed and movable equipment	533	-	-	-	-	15,046	-	15,579	-	656,721
Construction-in-progress	-	-	-	-	-	-	-	-	-	56,841
	13,631	-	-	-	-	16,957	-	30,588	-	1,264,015
Less accumulated depreciation	12,586	-	-	-	-	15,565	-	28,151	-	881,163
Net property, plant and equipment	1,045	-	-	-	-	1,392	-	2,437	-	382,852
OPERATING LEASE RIGHT-OF-USE ASSETS	-	-	-	-	-	113	-	113	-	19,228
ASSETS LIMITED AS TO USE	-	62,403	-	-	-	65	-	62,468	-	144,864
INVESTMENTS	862	-	6,845	60	-	-	-	7,767	-	141,602
WORKERS' COMPENSATION FUND	-	-	-	-	-	-	-	-	-	2,820
SELF-INSURANCE PROGRAM RECEIVABLES	-	-	-	-	-	14,683	-	14,683	(14,683)	60,127
INVESTMENT IN TUHIC	-	-	-	-	-	-	-	-	(25,706)	-
GOODWILL AND OTHER INTANGIBLES	-	-	-	-	-	-	-	-	-	82
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	31,500	-	-	-	-	-	-	31,500	(31,500)	139,724
DUE FROM AFFILIATES	-	-	-	-	-	-	-	-	-	-
OTHER ASSETS	-	-	4,200	-	-	1,687	-	5,887	-	66,434
TOTAL ASSETS	\$ 50,656	\$ 82,109	\$ 58,941	\$ 64	\$ 15,367	\$ 101,680	\$ (343)	\$ 308,474	\$ (235,395)	\$ 2,360,506

(Continued)

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF SEPTEMBER 30, 2024
(In thousands)

	Temple University Hospital, Inc.	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc.	Fox Chase Network, Inc.	Temple Physicians Inc.	Temple Health System Transport Team, Inc.	TUHS Parent Company	Obligated Group Eliminations	Obligated Group Consolidated
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES:										
Current portion of long-term debt	\$ 3,231	\$ 36	\$ 555	\$ -	\$ -	\$ 11	\$ -	\$ 14,993	\$ -	\$ 18,826
Current portion of operating lease liabilities	352	-	699	-	-	515	5	2,353	-	3,924
Accounts payable	95,991	3,397	6,640	111	46	280	9	19,603	-	126,077
Accrued expenses	63,553	6,942	13,733	13,386	-	5,214	257	54,066	(20,848)	136,303
Current portion of estimated settlements with third-party payers	7,541	-	18,615	-	-	-	-	-	-	26,156
Current portion of self-insurance program liabilities	42,305	453	2,289	3,029	-	1,350	-	10,906	-	60,332
Unexpended research grants and awards	-	7,027	779	-	-	-	-	-	-	7,806
Due to affiliates—current portion	144,020	20,712	16,157	11,367	213	11,387	3,797	8,846	(106,037)	110,462
Other current liabilities	73,124	197	6,243	51	-	521	-	25,451	-	105,587
Total current liabilities	430,117	38,764	65,710	27,944	259	19,278	4,068	136,218	(126,885)	595,473
LONG-TERM DEBT	7,428	-	1,552	-	-	3	-	355,624	-	364,607
OPERATING LEASE LIABILITIES	2,252	-	1,252	-	-	278	-	12,689	-	16,471
SELF-INSURANCE PROGRAM LIABILITIES	35,707	36	4,360	6,506	-	9,396	49	60,046	-	116,100
ACCRUED POSTRETIREMENT BENEFITS	431	468	799	301	-	-	-	-	-	1,999
DUE TO AFFILIATES	205,102	19,468	63,616	-	-	-	-	-	(288,186)	-
OTHER LONG-TERM LIABILITIES	74,297	1,890	1,424	145	-	243	-	1,075	-	79,074
Total liabilities	755,334	60,626	138,713	34,896	259	29,198	4,117	565,652	(415,071)	1,173,724
NET ASSETS (DEFICIT):										
Without donor restrictions	754,167	9,222	84,626	2,021	855	6,465	(2,053)	47,637	-	902,940
With donor restrictions	78,659	110,887	21,217	-	-	-	-	-	-	210,763
Total net assets (deficit)	832,826	120,109	105,843	2,021	855	6,465	(2,053)	47,637	-	1,113,703
TOTAL LIABILITIES AND NET ASSETS	\$ 1,588,160	\$ 180,735	\$ 244,556	\$ 36,917	\$ 1,114	\$ 35,663	\$ 2,064	\$ 613,289	\$ (415,071)	\$ 2,287,427

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION

AS OF SEPTEMBER 30, 2024

(In thousands)

	Episcopal Hospital	TUHS Insurance Company, Ltd.	TUHS Foundation	Fox Chase Limited	Temple Center for Population Health	Temple Faculty Practice Plan, Inc.	Non-Obligated Group Eliminations	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES:										
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	18,826
Current portion of operating lease liabilities	-	-	-	-	-	95	-	95	-	4,019
Accounts payable	45	157	-	-	-	5,279	-	5,481	-	131,558
Accrued expenses	71	104	-	-	440	15,868	-	16,483	(11,613)	141,173
Current portion of estimated settlements with third-party payers	-	-	-	-	-	-	-	-	-	26,156
Current portion of self-insurance program liabilities	-	18,463	-	-	-	12,317	-	30,780	-	91,112
Unexpended research grants and awards	-	-	-	-	-	-	-	-	-	7,806
Due to affiliates—current portion	816	4,005	189	70	3,738	44,436	(343)	52,911	(163,373)	-
Other current liabilities	6,648	-	-	-	11,156	1,743	-	19,547	-	125,134
Total current liabilities	7,580	22,729	189	70	15,334	79,738	(343)	125,297	(174,986)	545,784
LONG-TERM DEBT	-	-	-	-	-	-	-	-	-	364,607
OPERATING LEASE LIABILITIES	-	-	-	-	-	19	-	19	-	16,490
SELF-INSURANCE PROGRAM LIABILITIES	2,416	33,674	-	-	-	38,703	-	74,793	(3,203)	187,690
ACCRUED POSTRETIREMENT BENEFITS	-	-	-	-	-	-	-	-	-	1,999
DUE TO AFFILIATES	-	-	-	-	-	-	-	-	-	-
OTHER LONG-TERM LIABILITIES	34,561	-	-	-	-	471	-	35,032	(31,500)	82,606
Total liabilities	44,557	56,403	189	70	15,334	118,931	(343)	235,141	(209,689)	1,199,176
NET ASSETS (DEFICIT):										
Without donor restrictions	6,099	25,706	58,752	(6)	27	(17,251)	-	73,327	(25,706)	950,561
With donor restrictions	-	-	-	-	6	-	-	6	-	210,769
Total net assets (deficit)	6,099	25,706	58,752	(6)	33	(17,251)	-	73,333	(25,706)	1,161,330
TOTAL LIABILITIES AND NET ASSETS	\$ 50,656	\$ 82,109	\$ 58,941	\$ 64	\$ 15,367	\$ 101,680	\$ (343)	\$ 308,474	\$ (235,395)	\$ 2,360,506

(Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

(In thousands)

	Temple University Hospital, Inc.	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc.	Fox Chase Network, Inc.	Temple Physicians Inc.	Temple Health System Transport Team, Inc.	TUHS Parent Company	TUHS Obligated Group Eliminations	Obligated Group Consolidated
NET ASSETS WITHOUT DONOR RESTRICTIONS:										
Revenues and other support without donor restrictions:										
Total net patient service revenue	\$ 545,941	\$ -	\$ 65,907	\$ 11,642	\$ -	\$ 8,417	\$ -	\$ -	\$ -	\$ 631,907
Research revenue	-	11,911	-	-	-	-	-	-	(461)	11,450
Contribution revenue	242	560	44	-	-	-	-	-	-	846
Other revenue	4,813	84	1,708	10,688	-	3,945	930	70,462	(78,240)	14,390
Investment income	-	-	-	-	-	-	-	188	-	188
Net assets released from restrictions used for operations	72	1,384	223	-	-	-	-	-	-	1,679
Revenues and other support without donor restrictions	551,068	13,939	67,882	22,330	-	12,362	930	70,650	(78,701)	660,460
Expenses:										
Salaries	158,404	13,483	25,785	19,190	38	7,985	1,103	25,683	-	251,671
Employee benefits	45,307	4,295	7,647	2,848	10	1,907	341	7,190	-	69,545
Professional fees	44,503	135	4,688	594	-	2,517	31	6,044	(12,915)	45,597
Supplies and pharmaceuticals	171,280	2,248	11,721	203	-	352	34	6,676	-	192,514
Purchased services and other	107,432	1,466	13,774	(1,788)	-	1,330	238	9,143	(61,663)	69,932
Maintenance and utilities	8,292	1,176	1,177	24	-	185	52	1,379	-	12,285
Leases	1,880	32	701	1	-	566	42	829	(693)	3,358
Insurance	6,209	43	418	846	-	865	5	-	-	8,386
Depreciation and amortization	9,753	1,082	1,983	5	-	48	37	3,578	-	16,486
Interest	2,881	152	516	-	-	4	-	3,542	(3,430)	3,665
Expenses	555,941	24,112	68,410	21,923	48	15,759	1,883	64,064	(78,701)	673,439
Operating income (loss)	(4,873)	(10,173)	(528)	407	(48)	(3,397)	(953)	6,586	-	(12,979)
Other income—net:										
Investment income (loss)	38,507	378	2,238	27	12	60	-	1,363	-	42,585
Other income (loss)	1,068	(10)	(20)	(4)	-	-	-	-	-	1,034
Other income—net	39,575	368	2,218	23	-	60	-	1,363	-	43,619
Excess (deficiency) of revenues and other support over expenses from continuing operations	34,702	(9,805)	1,690	430	(48)	(3,337)	(953)	7,949	-	30,640

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

**SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024
(In thousands)**

	Episcopal Hospital	TUHS Insurance Company, Ltd.	TUHS Foundation	Fox Chase Limited	Temple Center for Population Health	Temple Faculty Practice Plan, Inc.	Non-Obligated Group Eliminations	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
NET ASSETS WITHOUT DONOR RESTRICTIONS:										
Revenues and other support without donor restrictions:										
Total net patient service revenue	\$ -	\$ -	\$ -	\$ -	\$ 324	\$ 68,829	\$ -	\$ 69,153	\$ (11,642)	\$ 689,418
Research revenue	-	-	-	-	-	-	-	-	-	11,450
Contribution revenue	-	-	-	-	-	-	-	-	-	846
Other revenue	697	-	-	-	-	43,359	-	44,056	(49,525)	8,921
Investment income	-	-	-	-	-	-	-	-	-	188
Net assets released from restrictions used for operations	-	-	-	-	-	6	-	6	-	1,685
Revenues and other support without donor restrictions	697	-	-	-	324	112,194	-	113,215	(61,167)	712,508
Expenses:										
Salaries	226	-	-	-	953	66,138	-	67,317	-	318,988
Employee benefits	186	-	-	-	332	11,865	-	12,383	-	81,928
Professional fees	-	-	-	-	170	18,133	-	18,303	(38,421)	25,479
Supplies and pharmaceuticals	48	-	-	-	134	2,251	-	2,433	-	194,947
Purchased services and other	83	-	-	-	4	8,930	-	9,017	(21,308)	57,641
Maintenance and utilities	174	-	-	-	3	263	-	440	-	12,725
Leases	-	-	-	-	1	1,128	-	1,129	(1,438)	3,049
Insurance	71	-	-	-	316	5,793	-	6,180	-	14,566
Depreciation and amortization	89	-	-	-	-	84	-	173	-	16,659
Interest	-	-	-	-	-	-	-	-	-	3,665
Expenses	877	-	-	-	1,913	114,585	-	117,375	(61,167)	729,647
Operating income (loss)	(180)	-	-	-	(1,589)	(2,391)	-	(4,160)	-	(17,139)
Other income—net:										
Investment income (loss)	422	-	2,688	-	105	255	-	3,470	-	46,055
Other income (loss)	(144)	-	-	-	-	438	-	294	-	1,328
Other income—net	278	-	2,688	-	105	693	-	3,764	-	47,383
Excess (deficiency) of revenues and other support over expenses from continuing operations	98	-	2,688	-	(1,484)	(1,698)	-	(396)	-	30,244

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

**SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024
(In thousands)**

	Temple University Hospital, Inc.	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc.	Fox Chase Network, Inc.	Temple Physicians, Inc.	Temple Health System Transport Team, Inc.	TUHS Parent Company	Obligated Group Eliminations	Obligated Group Consolidated
Excess (deficiency) of revenues and other support over expenses from continuing operations	\$ 34,702	\$ (9,805)	\$ 1,690	\$ 430	\$ (36)	\$ (3,337)	\$ (953)	\$ 7,949	\$ -	\$ 30,640
Other changes in net assets without donor restrictions:										
Transfers (to) from affiliates/the University	(15,146)	8,291	9,364	175	-	3,375	-	(4,732)	-	1,327
Net assets released from restrictions used for purchase of property and equipment	3,302	3	86	-	-	-	-	-	-	3,391
Net change in fair value of investments	2,968	580	1,417	-	-	-	-	439	-	5,404
Increase (decrease) in net assets without donor restrictions	25,826	(931)	12,557	605	(36)	38	(953)	3,656	-	40,762
NET ASSETS WITH DONOR RESTRICTIONS:										
Contribution income	3,757	3,318	507	-	-	-	-	-	-	7,582
Net assets released from restrictions	(3,367)	(1,387)	(318)	-	-	-	-	-	-	(5,072)
Net change in fair value of investments	199	644	301	-	-	-	-	-	-	1,144
Investment income (loss)	21	628	109	-	-	-	-	-	-	758
Change in beneficial interest in assets held by others	1,729	2,242	286	-	-	-	-	-	-	4,257
Increase (decrease) in net assets with donor restrictions	2,339	5,445	885	-	-	-	-	-	-	8,669
INCREASE (DECREASE) IN NET ASSETS	28,165	4,514	13,442	605	(36)	38	(953)	3,656	-	49,431
NET ASSETS (DEFICIT)—Beginning of year	804,661	115,595	92,401	1,416	891	6,427	(1,100)	43,981	-	1,064,272
NET ASSETS (DEFICIT)—End of quarter	\$ 832,826	\$ 120,109	\$ 105,843	\$ 2,021	\$ 855	\$ 6,465	\$ (2,053)	\$ 47,637	\$ -	\$ 1,113,703

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

**SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024
(In thousands)**

	Episcopal Hospital	TUHS Insurance Company, Ltd.	TUHS Foundation	Fox Chase Limited	Temple Center for Population Health	Temple Faculty Practice Plan, Inc.	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
Excess (deficiency) of revenues and other support over expenses from continuing operations	\$ 98	\$ -	\$ 2,688	\$ -	\$ (1,484)	\$ (1,698)	\$ (396)	\$ -	\$ 30,244
Other changes in net assets without donor restrictions:									
Transfers (to) from affiliates/the University	-	-	-	-	-	367	367	-	1,694
Net assets released from restrictions used for purchase of property and equipment	-	-	-	-	-	-	-	-	3,391
Net change in fair value of investments	-	-	-	-	-	-	-	-	5,404
Increase (decrease) in net assets without donor restrictions	98	-	2,688	-	(1,484)	(1,331)	(29)	-	40,733
NET ASSETS WITH DONOR RESTRICTIONS:									
Contribution income	-	-	-	-	-	-	-	-	7,582
Net assets released from restrictions	-	-	-	-	(4)	-	(4)	-	(5,076)
Net change in fair value of investments	-	-	-	-	-	-	-	-	1,144
Investment income (loss)	-	-	-	-	-	-	-	-	758
Change in beneficial interest in assets held by others	-	-	-	-	-	-	-	-	4,257
Increase (decrease) in net assets with donor restrictions	-	-	-	-	(4)	-	(4)	-	8,665
INCREASE (DECREASE) IN NET ASSETS	98	-	2,688	-	(1,488)	(1,331)	(33)	-	49,398
NET ASSETS (DEFICIT)—Beginning of year	6,001	25,706	56,064	(6)	1,521	(15,920)	73,366	(25,706)	1,111,932
NET ASSETS (DEFICIT)—End of quarter	\$ 6,099	\$ 25,706	\$ 58,752	\$ (6)	\$ 33	\$ (17,251)	\$ 73,333	\$ (25,706)	\$ 1,161,330

(Concluded)