

**BOARD OF DIRECTORS OF CITY TRUSTS
ACTING FOR THE CITY OF PHILADELPHIA
2025 ANNUAL REPORT**

**BOARD OF DIRECTORS OF CITY TRUSTS
ACTING FOR THE CLITY OF PHILADELPHIA
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THE ESTATE OF STEPHEN GIRARD, DECEASED

Basic Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

THE ESTATE OF STEPHEN GIRARD, DECEASED

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KPMG LLP
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Independent Auditors' Report

The Members of the Board
The Estate of Stephen Girard, Deceased:

Opinion

We have audited the financial statements of the Estate of Stephen Girard, Deceased (the Estate), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Estate's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Estate, as of June 30, 2025 and 2024, and the changes in fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

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 Estate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Estate's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 Estate'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 Estate'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information in schedules 1 through 4 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
November 24, 2025

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

The following discussion and analysis of the Estate of Stephen Girard, Deceased (the Estate) provides an overview of the financial activities of the Estate for the years ended June 30, 2025 and 2024, with comparative information presented as of and for the year ended June 30, 2023.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the notes to the basic financial statements that are provided in addition to this Management's Discussion and Analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Upon his death in 1831, Stephen Girard bequeathed cash and real estate to the City of Philadelphia for the primary purpose of establishing a boarding school for orphans (Girard College). Girard College, in continuous operation since 1848, is now a full scholarship boarding school for grades 1 through 12 situated on a 43-acre campus in Philadelphia for academically capable students from qualified families of limited financial resources, which is overseen by the Board of Directors of City Trusts (the Board). The Estate comprises personal property and real estate, principally acquired properties and improvements thereto in Philadelphia and throughout the Commonwealth of Pennsylvania (the Commonwealth) and anthracite coal lands in Schuylkill, Columbia, and Northumberland counties in the Commonwealth in the general vicinity of Girardville, Pennsylvania. The primary operations of the Estate include the funding and operation of Girard College. The funding is derived primarily from the Estate's investment portfolio, real estate assets, and anthracite coal assets.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the Estate's basic financial statements. The Estate is considered a fiduciary fund in accordance with governmental accounting standards. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The Estate's basic financial statements comprise the statements of fiduciary net position, statements of changes in fiduciary net position, and notes to the financial statements.

Statements of Fiduciary Net Position

These statements are used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. These statements present the total assets held and deferred outflows of resources related to pension activities, less any liabilities and deferred inflows of resources related to lease income and pension activities to report the net position held in trust for the Estate. Investments and the interest rate swap are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statements of Changes in Fiduciary Net Position

These statements present the results of activities during the year. Activities include additions of contributions to Girard College, lease income and other real estate activity, investment income, net appreciation of investments, and deductions, including expenses for Girard College, real estate activity expenses, and administrative expenses to determine the change in net position for each year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Financial Highlights

The Estate's fiduciary net position increased approximately \$31.1 million (6%) in 2025 compared to an increase of approximately \$27.3 million (6%) in fiscal year 2024. The increase in 2025 is attributable to favorable investment market conditions and a reduction of interest expense due to the early payoff of long-term debt of approximately \$62 million.

In September 2024 the Estate fully defeased its Series 2014 Tax-Exempt Revenue Refunding Bonds (2014 Bonds) with the bank in the amount of \$59,331,072 which included principal of \$59.2 million and interest of approximately \$131,000. In conjunction with the pay-off of the 2014 Bonds, the Estate also terminated its interest rate swap contract with the bank which was paid in full at a final termination value of \$10,301,000. Additionally, in September 2024, the Estate terminated its revolving line of credit agreement with the bank which was paid in full in the amount of \$11,536,473 which included principal of approximately \$11,497,000 million and interest of approximately \$39,000.

Net investment income for the year ended June 30, 2025 was approximately \$57.7 million compared to approximately \$51.0 million for the prior fiscal year.

In fiscal year 2024 The Estate's fiduciary net position increased approximately \$27.3 million (6%) compared to an increase of approximately \$22.7 million (5%) in fiscal year 2023. The increase was primarily due to favorable investment market conditions. Net investment income for the year ended June 30, 2024 was approximately \$51.0 million compared to approximately \$46.8 million for the prior fiscal year.

Condensed Financial Information

The following schedule is a summary of the June 30, 2025 and 2024 statements of fiduciary net position with comparative information as of June 30, 2023.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets:			
Cash and cash equivalents	\$ 3,567	2,506	2,803
Other assets	7,775	7,583	7,440
Investments	469,189	517,062	501,260
Lease receivable	96,000	91,899	97,421
Net pension asset	31,967	26,965	20,198
Capital assets, net	125,853	133,658	129,504
Total assets	734,351	779,673	758,626
Deferred outflows of resources	—	1,542	6,696
Total assets and deferred outflows of resources	734,351	781,215	765,322
Liabilities:			
Accounts payable and accrued expenses	2,987	4,286	3,944
Line of credit	—	11,497	11,497
Interest rate swap	—	8,423	10,329
Other liabilities	3,223	2,869	2,690
Long-term debt	46,337	108,210	110,769
Total liabilities	52,547	135,285	139,229
Deferred inflows of resources	160,174	155,396	162,843
Net position restricted	\$ <u>521,630</u>	<u>490,534</u>	<u>463,250</u>

The Estate's investments are primarily invested in the Collective Legal Investment Fund (CLIF) and various real estate investments.

The CLIF is a pooled investment fund created for the collective investments managed by the Board. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, real estate, and alternative investments held in private equity investments. The real estate investments represent limited partnership interests in real estate assets. The Estate has no authority to operate or govern the assets of these investments, it is not the guarantor of any debt obligations and does not have an ongoing financial responsibility. The Estate is entitled to preferred cumulative dividends and/or operational cash flow from net operating income.

The Estate's investments are reported at fair value and for the year ended June 30, 2025 earned approximately \$14.7 million in investment income and approximately \$41.5 million in net appreciation in the fair value of investments due to favorable market conditions. The Estate's investments for the year ended June 30, 2025, however, decreased by approximately \$48 million primarily due to significant withdrawals from the CLIF in September 2024 to pay off its Series 2014 Tax-Exempt Revenue Refunding Bonds (2014 Bonds) with the bank in the amount of \$59,331,072 which included principal of \$59.2 million and interest of approximately \$131,000. In conjunction with the pay-off of the 2014 Bonds, the Estate also terminated its interest rate swap contract with the bank which was paid in full at a final termination value of \$10,301,000. Additionally, in September 2024, the

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Estate terminated its revolving line of credit agreement with the bank which was paid in full in the amount of \$11,536,473 which included principal of approximately \$11,497,000 million and interest of approximately \$39,000.

The Estate's investments for the year ended June 30, 2024 increased by approximately \$15.8 million primarily due to favorable market conditions during the year. During the year ended June 30, 2024 the Estate earned approximately \$15.2 million in investment income and approximately \$33.4 million in net appreciation in fair value of investments.

For the year ended June 30, 2025 lease receivable increased by approximately \$4.1 million due to the modification of the lease agreement for two of the Estate's largest lease tenants, which among other things extended the overall lease term. In fiscal year 2024 lease receivable decreased by approximately \$5.5 million as a result of receiving one year of lease payments.

The net pension asset is measured as of December 31, 2024 and December 31, 2023 and rolled forward to June 30, 2025 and 2024 respectively. The various stock market indices performance had a direct impact on the Plans' investments, which increased by approximately \$5 million and increased by approximately \$7.7 million, respectively.

The fair value of the interest rate swap liability decreased by approximately \$8.4 million for the year ended June 30, 2025 which was directly related to the payoff of the interest rate swap contract in September of 2024. The fair value of the swap liability decreased in fiscal year 2024 by \$1.9 million due to the changes in interest rates and market conditions.

For the years ended June 30, 2025 and 2024 deferred outflows of resources for pension activities decreased by approximately \$1.5 million and \$5.2 million, respectively, primarily due to the change in the difference between projected and actual earnings on pension plan investments.

In fiscal year 2023 deferred outflows of resources for pension activities increased by approximately \$5.7 million compared to fiscal year 2022 primarily due to the change in the difference between projected and actual earning on pension plan investments.

In fiscal year 2025 deferred inflows of resources increased by approximately \$4.8 million due to an increase in deferred lease income of \$2.9 million resulting from new leases and lease modifications during the year and an increase of \$1.9 million from pension activities for the change in the difference between projected and actual earnings on pension plan investments.

In fiscal year 2024 deferred inflows of resources decreased by approximately \$7.4 million due to recognition of \$7.3 million of lease income and a decrease of \$167 thousand from pension activities for the change in the difference between projected and actual earnings on pension plan investments.

The following schedule is a summary of the statements of changes in fiduciary net position for the years ended June 30, 2025 and 2024 with comparative information for the year ended June 30, 2023.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Changes in Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions:			
Contributions to Girard College	\$ 1,360	1,244	1,074
Lease income	20,674	24,269	23,806
Net investment income	57,705	50,975	46,782
Other	4,002	4,646	3,679
Total additions	<u>83,741</u>	<u>81,134</u>	<u>75,341</u>
Deductions:			
Girard College	26,895	26,617	25,867
Real estate	21,114	19,601	18,897
Administrative and other	1,576	1,222	1,489
Interest	3,060	6,410	6,403
Total deductions	<u>52,645</u>	<u>53,850</u>	<u>52,656</u>
Change in fiduciary net position	<u>\$ 31,096</u>	<u>27,284</u>	<u>22,685</u>

The Estate leases its properties to various tenants with various expiration dates through fiscal year 2038 and with monthly lease income ranging from approximately \$125 per month to \$400 thousand per month. None of the leases allow a lessee to terminate the lease or abate payments. For the year ended June 30, 2025, two of the Estate's largest leases were modified requiring a remeasurement of the lease receivable and deferred inflow of resources which included updating the interest rate to a higher interest rate, resulting in a decrease of lease income of approximately \$3.6 million. For the year ended June 30, 2025, the net change in lease income (with the inclusion of the allocation of interest on lease income) remained relatively flat over the last three years totaling approximately \$25.5 million, \$26.3 million, and \$25.9 million for the years ended June 30, 2025, 2024, and 2023, respectively.

For the years ended June 30, 2025 and 2024 net investment income totaled approximately \$57.7 million compared to approximately \$51.0 million, respectively. The change of approximately \$6.7 million was due to positive investment performance and market conditions for the Estate's investments and increase to interest on lease income of approximately \$2.7 million due from modification of lease agreements with two significant tenants for the year ended June 30, 2025.

For the years ended June 30, 2024 and 2023 net investment income totaled approximately \$51.0 million and \$46.8 million, respectively. The change of approximately \$4.2 million was primarily due to positive investment performance and market conditions for the Estate's investments for the year ended June 30, 2024.

For the year ended June 30, 2025 the expenses for Girard College remained relatively flat over the past three years at approximately \$26.9 million compared to approximately \$26.6 million and \$25.9 million for the years ended June 30, 2024 and 2023, respectively.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

For the year ended June 30, 2025 real estate expenses increased approximately \$1.5 million primarily due to increases in commission expense of approximately \$930 thousand, contract service expense of approximately \$430 thousand, and utility expenses of approximately \$125 thousand.

For the year ended June 30, 2024 real estate expenses increased approximately \$704 thousand primarily due to increases in contract service expense of approximately \$200 thousand, insurance expense of \$160 thousand, and utility expenses of approximately \$120 thousand.

For the year ended June 30, 2025 interest expense decreased by approximately \$3.4 million compared to fiscal year 2024 which was directly related to the Estate paying off the 2014 Bonds and terminating its revolving line of credit agreement with the bank in September 2024.

In fiscal year 2024 interest expense remained flat at approximately \$6.4 million compared to fiscal year 2023.

Debt

The Estate had no new debt obligations during the years ended June 30, 2025 and 2024. In September 2024 the Estate redeemed its option to pay off the outstanding debt related to its 2014 Bonds and consequently terminated the related interest rate swap agreement, as well as its line of credit.

Contacting the Estate

This financial report is designed to provide families, supporters, investors, and creditors with a general overview of the Estate's finances and to demonstrate the Estate's accountability. Additional information is also available on the Estate's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Estate of Stephen Girard, Deceased
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

THE ESTATE OF STEPHEN GIRARD, DECEASED

Statements of Fiduciary Net Position

June 30, 2025 and 2024

(In thousands)

	2025	2024
Assets:		
Cash and cash equivalents	\$ 3,567	2,506
Other receivables, net	2,025	3,635
Prepaid and other assets	5,750	3,948
Investments	469,189	517,062
Lease receivable	96,000	91,899
Net pension asset	31,967	26,965
Nondepreciable capital assets	27,057	27,304
Depreciable capital assets, net	98,796	106,354
Total assets	734,351	779,673
Deferred outflows of resources:		
Pension activities	—	1,542
Total assets and deferred outflows	734,351	781,215
Liabilities:		
Current portion of long-term debt	2,800	2,676
Accounts payable	1,329	1,858
Accrued expenses	1,658	2,428
Line of credit	—	11,497
Interest rate swap liability	—	8,423
Other liabilities	3,223	2,869
Long-term debt, net of current portion	43,537	105,534
Total liabilities	52,547	135,285
Deferred inflows of resources:		
Pension activities	1,899	—
Lease income	158,275	155,396
Total liabilities and deferred inflows	212,721	290,681
Net position restricted for Girard College	\$ 521,630	490,534

See accompanying notes to basic financial statements.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Statements of Changes in Fiduciary Net Position

Years ended June 30, 2025 and 2024

(In thousands)

	<u>2025</u>	<u>2024</u>
Additions:		
Contributions to Girard College	\$ 1,360	1,244
Reimbursements under government grants	1,076	1,624
Lease income	20,674	24,269
Other	2,926	3,022
Net investment income:		
Investment income	14,720	15,240
Interest on lease income	4,790	2,043
Change in fair value of interest rate swap	(1,878)	1,905
Net appreciation in fair value of investments	<u>41,462</u>	<u>33,377</u>
Total investment income	59,094	52,565
Investment expenses	<u>(1,389)</u>	<u>(1,590)</u>
Net investment income	<u>57,705</u>	<u>50,975</u>
Total additions	<u>83,741</u>	<u>81,134</u>
Deductions:		
Girard College expenses	26,895	26,617
Real estate and other expenses	21,114	19,601
Administrative expenses	1,576	1,222
Interest expense	<u>3,060</u>	<u>6,410</u>
Total deductions	<u>52,645</u>	<u>53,850</u>
Net increase in net position	31,096	27,284
Net position restricted:		
Beginning of year	<u>490,534</u>	<u>463,250</u>
End of year	\$ <u><u>521,630</u></u>	<u><u>490,534</u></u>

See accompanying notes to basic financial statements.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Description of the Entity

Upon his death in 1831, Stephen Girard bequeathed cash and real estate to the City of Philadelphia for the primary purpose of establishing a boarding school for orphans (Girard College). Girard College, in continuous operation since 1848, is now a full scholarship boarding school for grades 1 through 12 situated on a 43-acre campus in Philadelphia for academically capable students from qualified families of limited financial resources, which is overseen by the Board of Directors of City Trusts (the Board). The Estate of Stephen Girard, deceased (Estate or Girard Estate) comprises personal property and real estate, principally acquired properties and improvements thereto in Philadelphia and throughout the Commonwealth of Pennsylvania (the Commonwealth) and anthracite coal lands in Schuylkill, Columbia, and Northumberland counties in the Commonwealth in the general vicinity of Girardville, Pennsylvania to support the funding and operation of Girard College. The funding is derived primarily from the Estate's investment portfolio, real estate assets, and anthracite coal assets.

(b) Basis of Accounting

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), which utilizes the accrual basis of accounting where the measurement focus is on the flow of economic resources. The Estate is classified as a Private-Purpose Trust Fund under the fiduciary fund designation of GASB.

(c) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

(d) Deposits

Cash and cash equivalents are defined as deposits with financial institutions, money market accounts and money market mutual funds and highly liquid investments, which are readily convertible into cash and have a maturity date when purchased of three months or less.

The Estate's deposits are insured by the Federal Deposit Insurance Corporation (FDIC) (subject to the FDIC limit of \$250,000). However, the Estate's cash balances can exceed FDIC insured limits. As of June 30, 2025 and 2024, cash in the bank amounted to approximately \$4.1 million and \$3.1 million, of which, approximately \$3.8 million and \$2.8 million, respectively, was uninsured.

(e) Receivables

Receivables include investment income and other receivables, net of an allowance for bad debts, which is estimated based upon the Estate's assessment of factors related to the collectibility of such receivables. Actual losses may vary from current estimates. These estimates are reviewed periodically and if changes to such estimates are deemed necessary, they are recorded in the period in which they become reasonably estimable.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2025 and 2024

(f) Valuation of Investments

(i) Collective Legal Investment Fund (CLIF)

The Estate's investments are primarily invested in the CLIF, which is a pooled investment fund created for the collective investments managed by the Board. The Estate has no restrictions on withdrawals from the CLIF. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The Estate's investment in the CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value. The CLIF issues separately available audited financial statements, which are available at www.citytrusts.com.

(ii) Real Estate Investments

The Estate is a limited partner in several investments that own diversified real estate assets. The Estate has no authority to operate or govern the assets of these limited partnerships, it is not the guarantor of any debt obligations, and does not have an ongoing financial responsibility. The Estate is entitled to preferred cumulative dividends and/or operational cash flow from net operating income. Real estate investments are reported at fair value and considered Level 3 investments in the fair value hierarchy table.

(iii) Money Market Funds

The Estate also invests in money market funds, which are valued at \$1 per share and are considered Level I investments in the fair value hierarchy table.

(g) Interest Rate Swap

The Estate records its interest rate swap at fair value and is considered a Level 3 investment in the hierarchy table. The interest swap is ineffective and, accordingly, is classified as an investment derivative. The change in fair value is recognized as a component of investment income (loss) in the statements of changes in fiduciary net position.

(h) Capital Assets

Capital assets comprise land, equipment, real estate improved and acquired, Girard College real property and facilities, and construction in progress. The Estate capitalizes assets that exceed \$5,000 and have a useful life greater than one year.

Expenditures for capital assets are recorded at cost. Improvements to buildings and Girard College capital assets are stated at cost less accumulated depreciation calculated on a straight-line basis over the estimated useful lives, ranging primarily from 5 to 35 years. Alterations for tenants are stated at cost less accumulated depreciation calculated on a straight-line basis over the terms of the respective leases. Equipment is stated at cost less accumulated depreciation calculated on a straight-line basis over the estimated useful lives, ranging primarily from 5 to 20 years.

(i) Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2025 and 2024

There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted or published prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and money market funds that are traded in an active exchange market and U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices, such as quoted or published prices for similar assets and liabilities; quoted or published prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments, as well as interest-rate swaps. This category generally includes certain U.S. government and agency mortgage-backed debt securities and corporate debt securities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Estate's investments held in the CLIF, are valued at NAV.

(j) Contributions and Grant Reimbursements

Contributions are typically made for the general purpose of Girard College, while reimbursements are typically related to federal programs. Contributions and grant reimbursements are recognized when all applicable eligibility requirements are met. Funds received before the eligibility requirements are met are reported as unearned revenue.

(k) Leases

The Estate is a lessor for various noncancellable leases of its buildings. A lease receivable and deferred inflows of resources are initially recognized at the commencement of the lease and discounted back to present value using the Estate's incremental borrowing rate. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflows of resources is subsequently amortized on a straight line basis and recognized as lease income over the lease term.

(i) Variable Lease Payments

Variable lease payments that are based on a Consumer Price Index and tenant's pay a pro-rata amount of common area maintenance costs are excluded from the measurement of the lease receivable. These amounts are recognized in the period in which the amounts are earned.

(ii) Short-Term Leases

For lease arrangements with a term less than 12 months at commencement, the Estate recognizes lease income based on the provisions of the lease.

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(iii) Advanced Lease Payments

Lease payments received in advance of the commencement of the lease are reported as deferred inflows of resources and recognized as lease income on a straight-line basis over the term of the lease.

(iv) Key Estimates and Judgments

Key estimates and judgments include how the Estate determines the discount rate it uses to calculate the present value of the expected lease receivable, term, and payments.

- The Estate uses its estimated incremental borrowing rate as the discount rate, which is based on the rate of interest it would need to pay if it obtained debt to borrow an amount equal to the lease payments under similar terms at the commencement or remeasurement date.
- The lease term includes the noncancellable period of the lease plus any options that extend the term of the lease by either the Estate or tenant for which the option is reasonably certain to be exercised. Periods in which both the Estate and the tenant have a unilateral option to terminate are excluded from the lease.
- Payments are evaluated by the Estate to determine if they should be included in the measurement of the lease including those payments that require a determination of whether they are reasonably certain of being made.

(v) Remeasurement of Lease

The Estate monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured and a corresponding adjustment is made to the deferred inflows of resources.

(l) Deferred Outflows/Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

(m) Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (benefit) have been determined on the same basis as they are reported by the Board of Directors of City Trusts Contributory and Non-Contributory Retirement plans (the Plans). See note 8 for further information.

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(n) Adoption of Accounting Standards

On July 1, 2024, the Estate adopted GASB Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement requires that a liability be recognized for any leave that has not been used and any leave that has been used but not yet paid in cash or settled through noncash means. The Statement specifies that certain types of compensated absences should not be recognized until the leave commences. The adoption of this Statement does not materially impact the financial statements or disclosures for the Estate.

On July 1, 2024, the Estate adopted GASB Statement No. 102 – *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes a governmental entity report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The adoption of this Statement does not materially impact the financial statements or disclosures for the Estate.

(2) Investments

Investments consist of the following as of June 30, 2025 and 2024 (in thousands):

	<u>2025</u>	<u>2024</u>
Investment in CLIF *	\$ 358,229	403,990
Real estate investments	110,960	112,837
Money market funds	<u>—</u>	<u>235</u>
Total investments	<u>\$ 469,189</u>	<u>517,062</u>

* Amounts include \$8,423,000 at June 30, 2024 that were segregated within the CLIF to comply with provisions under the Collateral Pledge and Security Agreement for the 2014 swap master agreement in which the Estate was required to pledge as collateral certain marketable securities with an adjusted (as defined) market value equal to the monthly net fair value loss of the Estate's rate swap.

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(3) Capital Assets, Net

Capital assets and related accumulated depreciation activity for the years ended June 30, 2025 and 2024 is as follows (in thousands):

	2025		
	Beginning	Increases	Decreases
	Ending		
Nondepreciable capital assets:			
Land	\$ 26,502	—	—
Construction in progress	802	448	(695)
	27,304	448	(695)
Depreciable capital assets:			
Buildings and improvements	219,161	1,501	—
Tenant alterations	29,555	1,159	—
Equipment	5,383	806	—
	254,099	3,466	—
Accumulated depreciation:			
Buildings and improvements	133,629	8,359	—
Tenant alterations	10,439	2,175	—
Equipment	3,677	490	—
	147,745	11,024	—
Depreciable capital assets, net	106,354	(7,558)	—
Total capital assets, net	\$ 133,658	(7,110)	(695)
	125,853		

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Notes to Basic Financial Statements

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		2024		
	Beginning	Increases	Decreases	Ending
Nondepreciable capital assets:				
Land	\$ 26,502	—	—	26,502
Construction in progress	8,964	686	(8,848)	802
	<u>35,466</u>	<u>686</u>	<u>(8,848)</u>	<u>27,304</u>
Depreciable capital assets:				
Buildings and improvements	199,022	20,139	—	219,161
Tenant alterations	27,723	1,832	—	29,555
Equipment	4,491	892	—	5,383
	<u>231,236</u>	<u>22,863</u>	<u>—</u>	<u>254,099</u>
Accumulated depreciation:				
Buildings and improvements	125,621	8,008	—	133,629
Tenant alterations	8,304	2,135	—	10,439
Equipment	3,273	404	—	3,677
	<u>137,198</u>	<u>10,547</u>	<u>—</u>	<u>147,745</u>
Depreciable capital assets, net	<u>94,038</u>	<u>12,316</u>	<u>—</u>	<u>106,354</u>
Total capital assets, net	<u>\$ 129,504</u>	<u>13,002</u>	<u>(8,848)</u>	<u>133,658</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was approximately \$11,024,000 and \$10,547,000, respectively.

(4) Line of Credit

The Estate entered into a secured revolving line of credit agreement with a bank, which provides that the Estate may borrow up to \$25,000,000. Amounts outstanding under this line bear interest at the daily Bloomberg Short-Term Bank Yield Index (BSBY) plus 0.50% (5.89% at June 30, 2024). The agreement also allows the Estate to draw unsecured advances at its option under the line, which bear interest at the daily BSBY rate plus 0.50%. During 2025 and 2024, the Estate made no advances on the line.

At June 30, 2024 the Estate had outstanding borrowings of \$11,497,000 under this line of which all were unsecured.

On September 20, 2024, the Estate terminated its revolving line of credit agreement with the bank which was paid in full in the amount of \$11,536,473 which included principal of approximately \$11,497,000 and interest of approximately \$39,000.

(5) Long-Term Debt

(a) Mortgage Payable

In December 2018, an insurance company issued a \$55,000,000, 4.51% fixed rate, 16-year term, 25-year amortization note relating to the fee and leasehold interest in the office building located at 1101 Market Street in Philadelphia, Pennsylvania. Interest-only payments began in February 2019 for a

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period of 36 months with principal and interest payments due monthly for the remaining 13 years up to and including January 2035.

(b) Series 2014 Tax-Exempt Revenue Refunding Bonds

On December 1, 2014, The Philadelphia Authority for Industrial Development issued \$59,200,000 of Tax-Exempt Revenue Bonds (Girard Estate Project) Series 2014 Tax-Exempt Revenue Refunding Bonds (2014 Bonds) with a bank being the sole holder. All revenues of the Estate secure the 2014 Bonds.

As of June 30, 2024 the interest rate on the bonds was 4.69%. In January 2023, the interest rate was amended to change from London Interbank Offered Rate (LIBOR) to Secured Financing Overnight Rate (SOFR).

On September 20, 2024 the Estate fully defeased its 2014 Bonds with the bank in the amount of \$59,331,072 which included principal of \$59.2 million and interest of approximately \$131,000. In conjunction with the pay-off of the 2014 Bonds, the Estate also terminated its interest rate swap contract with the bank which was paid in full at a final termination value of \$10,301,000.

A summary of long-term debt activity for the years ended June 30, 2025 and 2024 is as follows (in thousands):

	June 30, 2024	Additions	Reductions	June 30, 2025	Amounts due within 1 year
Mortgage payable	\$ 49,013	—	(2,676)	46,337	2,800
2014 Bonds	59,200	—	(59,200)	—	—
Total	<u>\$ 108,213</u>	<u>—</u>	<u>(61,876)</u>	<u>46,337</u>	<u>2,800</u>
	June 30, 2023	Additions	Reductions	June 30, 2024	Amounts due within 1 year
Mortgage payable	\$ 51,569	—	(2,559)	49,010	2,676
2014 Bonds	59,200	—	—	59,200	—
Total	<u>\$ 110,769</u>	<u>—</u>	<u>(2,559)</u>	<u>108,210</u>	<u>2,676</u>

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Future principal and interest maturities of the long-term debt outstanding are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2026	\$ 2,800	2,032	4,832
2027	2,929	1,903	4,832
2028	3,063	1,768	4,831
2029	3,204	1,627	4,831
2030	3,352	1,480	4,832
2031–2035	30,989	4,697	35,686
	<u>\$ 46,337</u>	<u>13,507</u>	<u>59,844</u>

(6) Interest Rate Swap

In connection with the issuance of the 2014 Bonds, in order to address its interest rate risk, the Estate entered into an interest rate swap contract by converting the variable interest rate for the 2014 Bonds to a synthetic fixed rate plus the applicable credit spread. The terms of the swap contract have a notional amount of \$59,200,000, the Estate pays an interest rate of 4.9035% plus 69% of the 30-day LIBOR and receives 69% of the 30-day LIBOR. In December 2022, the interest rate on the swap contract was amended to change from LIBOR to SOFR.

The fair value of the interest rate swap amounted to a liability of \$8,423,000 at June 30, 2024 and is classified as level 3 in the fair value hierarchy. Changes in the fair value are reported as increase or decrease in the statements of changes of fiduciary net position. For the years ended June 30, 2025 and 2024, the change in the fair value of the interest rate swap was a (loss) gain of (\$1,878,000) and \$1,905,000, respectively.

On September 20, 2024, and in conjunction with the pay-off of the 2014 Bonds, the Estate terminated the swap contract and it was paid in full at a final termination value of \$10,301,000

(a) Counterparty Risk

Interest rate swaps are also subject to counterparty risk, which is the risk of loss of an amount expected to be delivered under an agreement in the event of the default or bankruptcy of the counterparty. Counterparty risk with swaps is limited by execution under the standardized International Swap and Derivatives Association Agreements. These contracts allow for the mutual exchange of collateral should an overall unsecured market value exceed a certain threshold.

(b) Credit Risk

As of June 30, 2024, the Estate was not exposed to credit risk on its interest rate swap contract since the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Estate would be exposed to credit risk in the amount of the swap's fair value.

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(c) *Interest rate risk*

The Estate will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

(7) **Leases**

The Estate leases its properties to various tenants with various expiration dates through fiscal year 2038 and with monthly lease income ranging from \$125 per month to \$350,000 per month. None of the leases allow a lessee to terminate the lease or abate payments.

In June 2007, the Estate entered into a long-term ground lease with a lessee, in the form of two leases, for the land and existing buildings located in the City of Philadelphia, between Market and Chestnut Streets and between 11th and 12th Streets and received an up-front payment of \$90,000,000. In addition, the Estate will receive basic net rent, for each lease, of \$1 per year.

The leases are triple net leases with all income, expenses, taxes, and liabilities transferring to the lessee for a term of 75 years. At the lessee's option, the lease term can be extended for an additional term of 75 years for the then current market rate to be determined by binding arbitration in either the 50th, 60th, or 74th year of the lease. Title to the property remains with the Estate. The \$90,000,000 was paid prior to lease commencement and reported as deferred inflows of resources in the statements of fiduciary net position. The unamortized balance at June 30, 2025 and 2024 were \$68,337,000 and \$69,537,000, respectively. The lessee has been granted the right to perform property improvements up to and including the demolishing of current structures and the development of new properties. Title to new properties and improvements passes to the Estate at the end of the lease term. The leases do not contain purchase options.

For the years ended June 30, 2025 and 2024, the components of lease income recognized on the statements of changes in fiduciary net position is as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Amortization of deferred inflows of resources	\$ 9,029	11,707
Short-term lease income	4,156	4,914
Variable lease income	<u>7,489</u>	<u>7,648</u>
	20,674	24,269
Interest on leases	<u>4,790</u>	<u>2,043</u>
Total lease income	<u>\$ 25,464</u>	<u>26,312</u>

As of June 30, 2025 and 2024, the lease receivable and deferred inflows of resources related to the aforementioned leases amounted to approximately \$96.0 million and \$158.3 million and \$91.9 million and \$155.4 million, respectively.

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A summary of principal and interest from the future payments that are included in the measurement of the lease receivable for the next five years and in subsequent five-year increments thereafter is as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2026	\$ 7,899	4,539	12,438
2027	7,697	4,196	11,893
2028	8,226	3,825	12,051
2029	8,551	3,432	11,983
2030	8,439	3,021	11,460
2031–2035	42,651	8,442	51,093
2036–2040	12,537	899	13,436
	<u>\$ 96,000</u>	<u>28,354</u>	<u>124,354</u>

(8) Defined Benefit Pension Plans

(a) Description of the Plans

The Estate contributes to the following single-employer defined benefit pension plans:

1. Board of Directors of City Trusts Contributory Retirement Plan (Contributory Plan) – covers certain union employees, hired prior to December 20, 2019, who have completed one year of service regardless of age and whose union contract does not provide benefits under either a union pension plan or the Estate's noncontributory plans.
2. Board of Directors of City Trusts Non-Contributory Retirement Plan (Non-Contributory Plan) – covers certain employees of the Board of Directors of City Trusts and Girard Estate and Girard College non-union employees, hired prior to September 1, 2010, and certain union employees, hired prior to September 16, 2019, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation.

Both the Contributory and Non-Contributory Plans (the Plans) report on a calendar year-end (December 31) and issue separately available audited financial statements. Additional information for each plan is available at www.citytrusts.com.

Participants in the Plans who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

For the year ended June 30, 2025 and 2024, the Estate's net pension asset for each plan was measured as of December 31, 2024 and 2023 (the measurement date), and the total pension liability used to calculate the net pension asset for each plan were determined by actuarial valuations as of January 1, 2024 and 2023, respectively, and rolled forward to the measurement date.

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(b) Benefits

The following is a summary of the benefits specific to each plan:

Contributory Plan

Benefits are based on cumulative employee contributions required by each plan determined on career salary levels. Benefits payable upon early retirement are computed in the same manner as normal retirement benefits; however, early retirement benefits are discounted by an early retirement factor.

(1) Normal Retirement Benefit:

- (i) Service Benefit: Approximately 1.1% of the first \$3,600 plus 2.75% of the excess over \$3,600 of the annual rate of earnings on each January 1 according to salary class.
- (ii) Minimum Benefit: \$2,400 annually.

(2) Early Retirement Benefit: Retirement benefit accrued to early retirement date, as in (1) above, and reduced 4% for each year that retirement precedes age 65.

(3) Postponed (Late) Retirement Benefit: For active members, the retirement benefit accrued to Postponed Retirement Date. For inactive members, the retirement benefit as in (1) above, accrued to Normal Retirement Date is increased 1/3 of 1% for each month that benefit commencement exceeds Normal Retirement Date.

(4) Deferred Vested Benefit: Retirement benefit accrued to date of termination as in (1) above. Benefits commence at normal retirement date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above. If member delays commencement beyond normal retirement date, the benefit shall be increased as described in (3) above.

(5) The Plan was amended effective December 31, 2023 to provide a cost of living increase to certain retirees. Members who retired in 2019 or earlier will receive a 5.0% increase in their monthly pension payment from the Plan. Members who retired in 2020 will receive a 4.0% increase. Members who retired in 2021 will receive a 3.0% increase in their monthly pension payment from the Plan and those participants who retired in 2022 will receive a 2.0% increase.

Non-Contributory Plan

Benefits are based on salary and years of service. Early retirement benefits are calculated by discounting the normal retirement benefit by an early termination factor.

(1) Normal Retirement Benefit, with an effective date of May 1, 1975, except for union employees where the effective date shall be the effective date of the union contract in which the plan participant is first included (effective date includes:

- (i) Accrued Benefit: The annual accrued benefit credited in the prior Contributory Plan as of the effective date of this plan, if any, plus
- (ii) Past Service Benefit: 1% of annual pay on the effective date multiplied by years of service to the effective date, provided the members had not attained age 65 on the effective date, plus

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- (iii) Future Service Benefit: 1.5% (2% for non-union employees) of final 5-year average pay multiplied by years of service from date of participation to retirement.

Monthly retirement income shall not exceed 50% of final monthly base pay.

- (2) Early Retirement Benefit: Income accrued to early retirement date as in (1) above, reduced 1/3 of 1% for each month by which the benefit commencement date preceded Normal Retirement Date.
- (3) Deferred Vested Income: Income accrued to date of termination as in (1) above. Benefits commence at Normal Retirement Date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above.
- (4) The Plan was amended effective December 31, 2023 to provide a cost of living increase to certain retirees. Members who retired in 2019 or earlier will receive a 5.0% increase in their monthly pension payment from the Plan. Members who retired in 2020 will receive a 4.0% increase. Members who retired in 2021 will receive a 3.0% increase in their monthly pension payment from the Plan and those participants who retired in 2022 will receive a 2.0% increase.

(c) Plan Members Covered by Benefit Terms

The following members were covered by the respective benefit terms of each plan for 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Contributory Plan:		
Inactive members or beneficiaries currently receiving benefits	30	32
Inactive members entitled to, but not yet receiving, benefits	15	16
Active members	<u>7</u>	<u>7</u>
Total	<u>52</u>	<u>55</u>
	<u>2025</u>	<u>2024</u>
Non-Contributory Plan:		
Inactive members or beneficiaries currently receiving benefits	151	152
Inactive members entitled to, but not yet receiving, benefits	117	119
Active members	<u>44</u>	<u>49</u>
Total	<u>312</u>	<u>320</u>

(d) Expected Rate of Return

The long-term expected rate of return on the Plans' investments were determined using a building block method in which the best estimate ranges of expected real rates of return (i.e., expected returns, net of investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. For the years ended

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June 30, 2025 and 2024

June 30, 2025 and 2024, the target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

		2025	
		Target asset allocation	Long-term expected real rate of return
Domestic equity		50 %	6.5 %
International equity		10	6.5
Fixed income		30	4.5
Real estate/alternative		10	5.5
Total		<u>100 %</u>	

		2024	
		Target asset allocation	Long-term expected real rate of return
Domestic equity		50 %	6.5 %
International equity		10	6.5
Fixed income		30	3.5
Real estate/alternative		10	5.5
Total		<u>100 %</u>	

(e) Actuarial Assumptions

For the years ended June 30, 2025 and 2024, the total pension liability was determined by actuarial valuations for the Plans using the following actuarial assumptions applied to the period included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

(f) Discount Rate

For the years ended June 30, 2025 and 2024, the discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the rates applicable to each member and that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the

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Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

(g) *Sensitivity of Net Pension Asset to Change in the Discount Rate*

The following presents the net pension asset for each plan as of June 30, 2025 and 2024, calculated using the discount rate of 7.5% for each year, as well as what the net pension asset would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

		2025		
		1% Decrease (6.5%)	Discount rate (7.5%)	1% Increase (8.5%)
Contributory Plan – net pension asset	\$	(4,006,901)	(4,809,789)	(5,391,879)
Non-Contributory Plan – net pension asset		(24,415,562)	(27,157,185)	(29,898,804)

		2024		
		1% Decrease (6.5%)	Discount rate (7.5%)	1% Increase (8.5%)
Contributory Plan – net pension asset	\$	(3,509,030)	(4,161,268)	(4,701,702)
Non-Contributory Plan – net pension asset		(19,694,958)	(22,804,022)	(25,414,356)

Pension expense (benefit) for the years ended June 30, 2025 and 2024 amounted to approximately (\$148,000), (\$191,000) and (\$1,500,000), (\$1,600,000) for the Contributory and Non-Contributory Plans, respectively.

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(h) *Deferred Outflows/Inflows of Resources*

Contributory Plan

At June 30, 2025 and 2024, the Estate reported deferred outflows and inflows of resources related to the Contributory Plan from the following sources:

		2025	
		Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$	—	16,169
Changes in assumptions		—	—
Net difference between projected and actual earnings on pension plan investments		—	268,764
Total	\$	<u>—</u>	<u>284,933</u>

		2024	
		Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$	28,097	—
Changes in assumptions		—	—
Net difference between projected and actual earnings on pension plan investments		187,715	—
Subtotal before post-measurement date contributions		215,812	—
Contributions subsequent to the measurement date		105,382	—
Total	\$	<u>321,194</u>	<u>—</u>

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Non-Contributory Plan

At June 30, 2025 and 2024, the Estate reported deferred outflows and inflows of resources related to the Non-Contributory Plan from the following sources:

		2025	
		Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$	—	84,606
Changes in assumptions		—	—
Net difference between projected and actual earnings on pension plan investments		—	1,529,787
Total	\$	<u>—</u>	<u>1,614,393</u>

		2024	
		Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$	144,074	—
Changes in assumptions		—	—
Net difference between projected and actual earnings on pension plan investments		1,076,626	—
Total	\$	<u>1,220,700</u>	<u>—</u>

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense (benefit) as follows:

		Contributory plan	Non-Contributory plan
Year ended June 30:			
2026	\$	(29,355)	(159,636)
2027		121,842	740,278
2028		(269,305)	(1,573,959)
2029		(108,115)	(621,076)
	\$	<u>(284,933)</u>	<u>(1,614,393)</u>

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June 30, 2025 and 2024

(i) *Changes in Net Pension Asset*

Changes in the net pension asset for the years ended June 30, 2025 and 2024 are as follows:

Contributory Plan

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability/(asset) (a)-(b)
Balances as of June 30, 2024	\$ 4,867,934	9,029,202	(4,161,268)
Changes for the year:			
Service cost	58,216	—	58,216
Interest	355,844	—	355,844
Change in benefit terms	162,447	—	162,447
Differences between expected and actual experience	(56,591)	—	(56,591)
Contributions – member	—	22,295	(22,295)
Net investment income	—	1,202,886	(1,202,886)
Benefit payments, including refunds of member contributions	(369,815)	(369,815)	—
Plan administrative expense	—	(56,744)	56,744
Net changes	150,101	798,622	(648,521)
Balances as of June 30, 2025	\$ 5,018,035	9,827,824	(4,809,789)
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability/(asset) (a)-(b)
Balances as of June 30, 2023	\$ 4,742,986	7,842,827	(3,099,841)
Changes for the year:			
Service cost	66,645	—	66,645
Interest	346,490	—	346,490
Differences between expected and actual experience	98,340	—	98,340
Contributions – employer	—	210,764	(210,764)
Contributions – member	—	28,119	(28,119)
Net investment income	—	1,391,761	(1,391,761)
Benefit payments, including refunds of member contributions	(386,527)	(386,527)	—
Plan administrative expense	—	(57,742)	57,742
Net changes	124,948	1,186,375	(1,061,427)
Balances as of June 30, 2024	\$ 4,867,934	9,029,202	(4,161,268)

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2025 and 2024

Non-Contributory Plan

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability/(asset) (a)-(b)
Balances as of June 30, 2024	\$ 28,760,831	51,564,853	(22,804,022)
Changes for the year:			
Service cost	126,041	—	126,041
Interest	2,090,691	—	2,090,691
Change in benefit terms	755,474	—	755,474
Differences between expected and actual experience	(507,638)	—	(507,638)
Net investment income	—	6,894,178	(6,894,178)
Benefit payments, including refunds of member contributions	(2,059,215)	(2,059,215)	—
Plan administrative expense	—	(76,447)	76,447
Net changes	405,353	4,758,516	(4,353,163)
Balances as of June 30, 2025	\$ 29,166,184	56,323,369	(27,157,185)
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability/(asset) (a)-(b)
Balances as of June 30, 2023	\$ 27,956,833	45,054,637	(17,097,804)
Changes for the year:			
Service cost	126,081	—	126,081
Interest	2,033,321	—	2,033,321
Differences between expected and actual experience	624,320	—	624,320
Contributions – employer	—	570,000	(570,000)
Net investment income	—	7,993,970	(7,993,970)
Benefit payments, including refunds of member contributions	(1,979,724)	(1,979,724)	—
Plan administrative expense	—	(74,030)	74,030
Net changes	803,998	6,510,216	(5,706,218)
Balances as of June 30, 2024	\$ 28,760,831	51,564,853	(22,804,022)

(9) Defined-Contribution Plan

Girard Estate and Girard College nonunion employees hired after August 31, 2010 participate in the Girard Estate/Girard College Retirement Plan, a 403(b) defined-contribution retirement plan. Employees may

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2025 and 2024

choose to defer a portion of their compensation in accordance with Internal Revenue Services' regulations. Employee contributions are immediately fully vested and are not subject to forfeiture for any reason.

Eligible participants receive a discretionary annual employer contribution, which is determined each year. The employer contributions for fiscal year 2025 and 2024 were set at 3% of eligible compensation and in the aggregate were approximately \$69,000 and \$57,000, respectively.

(10) Commitments and Contingencies

The Estate is party to various claims and legal proceedings that arise in the normal course of business. Management, after consultation with legal counsel, does not believe that the resolution of these matters will have a material adverse effect on the Estate's financial condition or results of operations.

Commitments related to construction-in-progress projects were approximately \$800,000 at June 30, 2024.

(11) Related-Party Transactions

The Estate has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable and for the benefit of the Estate, and are in accordance with applicable conflict of interest laws.

THE ESTATE OF STEPHEN GIRARD, DECEASED
CONTRIBUTORY RETIREMENT PLAN

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)

June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 58,216	66,645	56,800	69,764	89,282	86,038	83,001	71,894	67,782	59,390
Interest	355,844	346,490	344,290	341,443	349,689	356,009	356,110	347,575	338,252	323,854
Changes of benefit terms	162,447	—	—	—	—	—	—	—	—	—
Differences between expected and actual experience	(56,591)	98,340	24,737	(71,805)	(122,177)	(49,736)	72,023	84,417	25,517	225,972
Changes of assumptions	—	—	—	85,290	(17,390)	(16,901)	(18,990)	(14,589)	230,890	—
Benefit payments, including refunds of member contributions	(369,815)	(386,527)	(376,859)	(392,897)	(391,849)	(382,870)	(370,987)	(375,873)	(344,077)	(319,551)
Net change in total pension liability	150,101	124,948	48,968	31,795	(92,445)	(7,460)	121,157	113,424	318,364	289,665
Total pension liability – beginning	4,867,934	4,742,986	4,694,018	4,662,223	4,754,668	4,762,128	4,640,971	4,527,547	4,209,183	3,919,518
Total pension liability – ending	5,018,035	4,867,934	4,742,986	4,694,018	4,662,223	4,754,668	4,762,128	4,640,971	4,527,547	4,209,183
Plan fiduciary net position										
Contributions – employer	—	210,764	421,527	421,527	263,855	232,320	256,356	385,160	237,720	354,051
Contributions – member	22,295	28,119	22,296	24,857	30,768	36,390	40,026	35,117	36,306	37,527
Net investment income	1,202,886	1,391,761	(1,253,490)	1,263,337	898,459	1,253,875	(348,873)	831,003	344,926	(29,651)
Benefit payments, including refunds of member contributions	(369,815)	(386,527)	(376,859)	(392,897)	(391,849)	(382,870)	(370,987)	(375,873)	(344,077)	(319,551)
Administrative expense	(56,744)	(57,742)	(77,765)	(51,133)	(51,720)	(69,887)	(47,874)	(46,363)	(48,851)	(45,867)
Net change in plan fiduciary net position	798,622	1,186,375	(1,264,291)	1,265,691	749,513	1,069,828	(471,352)	829,044	226,024	(3,491)
Plan fiduciary net position – beginning	9,029,202	7,842,827	9,107,118	7,841,427	7,091,914	6,022,086	6,493,438	5,664,394	5,438,370	5,441,861
Plan fiduciary net position – ending	9,827,824	9,029,202	7,842,827	9,107,118	7,841,427	7,091,914	6,022,086	6,493,438	5,664,394	5,438,370
Net pension asset	\$ (4,809,789)	(4,161,268)	(3,099,841)	(4,413,100)	(3,179,204)	(2,337,246)	(1,259,958)	(1,852,467)	(1,136,847)	(1,229,187)
Plan fiduciary net position as a percentage of the total pension liability	195.85%	185.48%	165.36%	194.02%	168.19%	149.16%	126.46%	139.92%	125.11%	129.20%
Covered employee payroll	\$ 512,286	553,650	527,808	643,969	815,357	908,334	946,203	897,132	993,694	1,241,350
Net pension asset as a percentage of covered employee payroll	(938.89)%	(751.61)%	(587.30)%	(685.30)%	(389.92)%	(257.31)%	(133.16)%	(206.49)%	(114.41)%	(99.02)%

See accompanying independent auditors' report.

THE ESTATE OF STEPHEN GIRARD, DECEASED
CONTRIBUTORY RETIREMENT PLAN

Schedule of Employer Contributions (Unaudited)

June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ —	\$ —	142,971	142,971	263,855	232,320	256,356	385,160	237,720	354,051
Contributions in relation to the actuarially determined contribution	—	210,764	421,527	421,527	263,855	232,320	256,356	385,160	237,720	354,051
Contribution deficiency (excess)	<u>\$ —</u>	<u>(210,764)</u>	<u>(278,556)</u>	<u>(278,556)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered employee payroll	\$ 512,286	553,650	527,808	643,969	815,357	908,334	946,203	897,132	993,694	1,241,350
Contributions as a percentage of covered employee payroll	0.00%	38.07%	79.86%	65.46%	32.36%	25.58%	27.09%	42.93%	23.92%	28.52%

See accompanying independent auditors' report.

**THE ESTATE OF STEPHEN GIRARD, DECEASED
CONTRIBUTORY RETIREMENT PLAN**

Notes to Required Supplementary Information (Unaudited)

June 30, 2025

(1) Significant methods and assumptions used in calculating the actuarially determined contributions

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Valuation date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions:										
Investment rate of return (discount rate)	7.50 %	7.50 %	7.50 %	7.50 %	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %	8.00 %
Projected salary increases	3.00 %	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2020 MP generational scale	RP-2014 with 2018 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale	RP-2000
Cost-of-living adjustments	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	7.50 %	7.50	2.79	2.79	2.72	3.49	4.14	3.79	3.48	4.20

See accompanying independent auditors' report.

THE ESTATE OF STEPHEN GIRARD, DECEASED
NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)

June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 126,041	126,081	112,607	167,962	163,327	169,689	185,901	219,495	225,789	239,019
Interest	2,090,691	2,033,321	2,018,499	2,022,900	2,019,863	1,986,825	1,963,436	1,989,149	1,961,454	1,864,464
Change of benefit terms	755,474	—	—	—	—	—	—	—	—	—
Differences between expected and actual experience	(507,638)	624,320	(480,787)	87,917	(1,494)	(51,111)	(822,615)	(293,763)	27,297	78,633
Changes of assumptions	—	—	—	114,890	376,911	(94,901)	(98,567)	(91,205)	1,225,000	—
Benefit payments, including refunds of member contributions	(2,059,215)	(1,979,724)	(1,915,348)	(1,744,323)	(1,741,520)	(1,703,893)	(1,667,431)	(1,506,874)	(1,372,869)	(1,306,149)
Net change in total pension liability	405,353	803,998	(265,029)	649,346	817,087	306,609	(439,276)	316,802	2,066,671	875,967
Total pension liability – beginning	28,760,831	27,956,833	28,221,862	27,572,516	26,755,429	26,448,820	26,888,096	26,571,294	24,504,623	23,628,656
Total pension liability – ending	29,166,184	28,760,831	27,956,833	28,221,862	27,572,516	26,755,429	26,448,820	26,888,096	26,571,294	24,504,623
Plan fiduciary net position										
Contributions – employer	—	570,000	1,140,000	1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488	1,927,488
Net investment income	6,894,178	7,993,970	(7,483,680)	7,542,470	5,351,887	7,499,404	(2,111,704)	4,588,022	2,017,683	(167,071)
Benefit payments, including refunds of member contributions	(2,059,215)	(1,979,724)	(1,915,348)	(1,744,323)	(1,741,520)	(1,703,893)	(1,667,431)	(1,506,874)	(1,372,869)	(1,306,149)
Administrative expense	(76,447)	(74,030)	(101,056)	(63,746)	(64,410)	(60,911)	(59,318)	(57,347)	(54,683)	(55,841)
Net change in plan fiduciary net position	4,758,516	6,510,216	(8,360,084)	6,874,401	4,335,957	6,254,600	(2,362,837)	4,951,289	2,517,619	398,427
Plan fiduciary net position – beginning	51,564,853	45,054,637	53,414,721	46,540,320	42,204,363	35,949,763	38,312,600	33,361,311	30,843,692	30,445,265
Plan fiduciary net position – ending	56,323,369	51,564,853	45,054,637	53,414,721	46,540,320	42,204,363	35,949,763	38,312,600	33,361,311	30,843,692
Net pension asset	\$ (27,157,185)	(22,804,022)	(17,097,804)	(25,192,859)	(18,967,804)	(15,448,934)	(9,500,943)	(11,424,504)	(6,790,017)	(6,339,069)
Plan fiduciary net position as a percentage of the total pension liability	193.11%	179.29%	161.16%	189.27%	168.79%	157.74%	135.92%	142.49%	125.55%	125.87%
Covered employee payroll	\$ 2,457,702	2,817,949	2,824,541	3,586,030	3,667,840	3,799,354	4,565,227	4,865,493	4,607,230	4,940,396
Net pension asset as a percentage of covered employee payroll	(1,104.98)%	(809.24)%	(605.33)%	(702.53)%	(517.14)%	(406.62)%	(208.12)%	(234.81)%	(147.38)%	(128.31)%

See accompanying independent auditors' report.

THE ESTATE OF STEPHEN GIRARD, DECEASED
NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Employer Contributions (Unaudited)

June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ —	—	185,692	1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488	1,927,488
Contributions in relation to the actuarially determined contribution	—	570,000	1,140,000	1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488	1,927,488
Contribution deficiency (excess)	<u>\$ —</u>	<u>(570,000)</u>	<u>(954,308)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered employee payroll	\$ 2,457,702	2,817,949	2,824,541	3,586,030	3,667,840	3,799,354	4,565,227	4,865,493	4,607,230	4,940,396
Contributions as a percentage of covered employee payroll	0.00%	20.23%	40.36%	31.79%	21.54%	13.69%	32.32%	39.62%	41.84%	39.01%

See accompanying independent auditors' report.

**THE ESTATE OF STEPHEN GIRARD, DECEASED
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Required Supplementary Information (Unaudited)

June 30, 2025

(1) Significant methods and assumptions used in calculating the actuarially determined contributions

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Valuation date	January 1, 2024	January 1, 2023	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions:										
Investment rate of return	7.50 %	7.50 %	7.50 %	7.50 %	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %	8.00 %
Projected salary increases	3.00 %	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2020 MP generational scale	RP-2014 with 2018 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale	RP-2000
Cost-of-living adjustments	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	7.50 %	7.50	2.79	2.73	2.64	3.46	4.14	3.77	3.51	4.27

See accompanying independent auditors' report.



WILLS EYE HOSPITAL

Basic Financial Statements

June 30, 2025 and 2024

(With Independent Auditor's Report Thereon)

WILLS EYE HOSPITAL

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Independent Auditors' Report

The Board of Directors of City Trusts:

Opinion

We have audited the financial statements of Wills Eye Hospital (the Hospital), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Hospital, as of June 30, 2025 and 2024, and the changes in its financial position, and its cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Hospital's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Hospital'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 Hospital'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of changes in the employer's net pension liability (asset) and related ratios, and schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The schedule of blended component units – ambulatory surgery centers is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KPMG LLP

Philadelphia, Pennsylvania
January 14, 2026

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

The following discussion and analysis of the Wills Eye Hospital ("Hospital") provides an overview of the financial activities of the Hospital for the years ended June 30, 2025, 2024 and 2023.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that are provided in addition to this Management's Discussion and Analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

The Hospital was established in 1832 through a bequest of James Wills, a Quaker merchant, to the City of Philadelphia, and is administered by the Board of Directors of City Trusts (the Board). The Hospital, located in Philadelphia, is a trust that owns and operates various facilities that provide medical services to area residents. Certain of these services are provided through affiliated organizations controlled by the Hospital.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction into the Hospital's basic financial statements. The Hospital is considered a proprietary fund in accordance with governmental accounting standards. Proprietary funds report on business-type activities and the financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. The Hospital's basic financial statements comprise the statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows and notes to the financial statements. All amounts are reported in the thousands ('000s).

Despite being legally separate from the Hospital, the following component units are considered blended component units and reported as if they were part of the Hospital because the governing body of the component units are essentially the same as the Hospital:

Wills Eye Foundation, Inc., ("the Foundation") a domestic nonprofit corporation, owned 100% by the Hospital, established to solicit, collect, and administer charitable donations made in order to further the institutional objectives of the Trust under the Will of James Wills, as determined from time to time by the Board.

AASOP, Inc., ("AASOP") a wholly owned subsidiary of the Hospital, established to own and operate physician practices.

Wills Eye Surgical Network, L.L.C., ("the Management Company") established to provide certain management services to the Ambulatory Surgery Centers (the Centers). The Management Company is 99% owned by one of the Hospital's controlled corporations and 1% by the Hospital.

Wills Eye Community Surgical Services Corp. (Services Corp), Wills Community Services of Plymouth Meeting, Inc. and Wills Community Surgical Services of Cottman – Buxmont, Inc., (Services of Cottman-Buxmont) wholly-owned subsidiaries of the Hospital, established to be the majority owners of the Centers.

Wills Eye Ophthalmology Clinic, Inc., ("WEOC") a wholly-owned subsidiary of the Hospital, established to provide outpatient clinical services, which also owns and operates optical shops at the Hospital and other locations.

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Abbot, Inc., ("Abbott") a wholly-owned subsidiary of the Hospital, established to own and operate real estate for leasing purposes in which operations ceased in the Spring of 2023.

The Hospital also has a majority ownership in several Centers which are deemed to be blended component units since the Hospital is deemed to be financially accountable and the governing body of the component units are essentially the same as the Hospital. The Centers were established to provide high-quality, cost-effective, outpatient surgical services at five locations more accessible to the Hospital's patients. The Hospital has developed its network of the Centers to provide outpatient surgical services in the Delaware Valley area. The Centers provide both single-specialty (ophthalmology) and multispecialty services. The following Centers have been included as part of the Hospital's financial statements:

Cherry Hill Ambulatory Surgical Center, LLC (Cherry Hill),
Cottman Ambulatory Surgical Center, LLC (Cottman) (Closed in September 2024),
Warminster Ambulatory Surgical Center, LLC (Warminster),
Plymouth Meeting Ambulatory Surgical Center, LLC (Plymouth Meeting), and
Stadium Campus Ambulatory Surgical Center, LLC (Stadium)

The Hospital and its blended component units are collectively referred to as the Organization.

Statements of Net Position

This statement provides information about the nature and amount of the Hospital's investments in resources (assets), obligations to the Organization's creditors (liabilities) as well as the deferred outflows and inflows of resources, with the difference between these amounts reported as the Organization's net position.

Statements of Revenues, Expenses and Changes in Net Position

This statement reports how the Organization's net position changed during the year presented by accounting for all revenues and expenses and measuring the financial results of operations. The information may be used to determine how the Organization has funded its costs.

Statements of Cash Flows

This statement provides information regarding the Organization's cash receipts and payments as well as net changes in cash resulting from operating, noncapital and related financing, capital and related financing and investing activities.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

FINANCIAL HIGHLIGHTS

The Organization's net position decreased \$10,144 (11%) during the year ended June 30, 2025 compared to decreases of \$3,635 (4%) for the year ended June 30, 2024. The \$10,144 decrease is primarily due to a loss from operations of \$15,934, plus interest expense of \$1,321 and a \$2,786 loss on termination of an interest rate swap, offset by net investment income of \$6,018, contributions of \$2,806 and earnings from a minority interest in a surgery center of \$1,073. Operating revenues increased by \$6,179 (6%) but operating expenses also increased by \$4,306 (4%) primarily due to increases in supplies and other expenses and salaries and benefits.

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

During the year ended June 30, 2025, the Organization liquidated approximately \$22,460 of its investments to repay long-term debt and line of credit. Lastly, the Organization closed one of its centers (Cottman Center) in September 2024.

During the year ended June 30, 2025, the Organization identified an error relating to the year ended June 30, 2023 whereby expenses and accounts payable were underreported by \$832. The impact also increased accounts payable as of June 30, 2024 and reduced unrestricted net position by the same amount. The amounts in the table below have been revised to correct this error. Accordingly, accounts payable as of June 30, 2023 and 2024 and operating expenses for the year ended June 30, 2023 were increased by \$832 to account for this error in the tables below.

For the year ended June 30, 2024, operating revenues increased \$2,079 (2%) and operating expenses increased \$4,406 (4%). Nonoperating revenues increased \$3,330 due to an increase in net investment income of \$2,456, a reduction of other expenses of \$1,523, offset by decreases in contributions of \$533 and an increase in interest expense of \$307.

Condensed Financial Information

The following schedule is a summary of the Organization's June 30, 2025 Statement of Net Position with comparative information as of June 30, 2024 and 2023.

Summary of Net Position

	2025	2024	2023
Assets and deferred outflows of resources:			
Current assets:			
Cash and cash equivalents	\$ 3,823	4,189	4,762
Patient accounts receivable	12,014	12,564	11,271
Lease receivable, current	621	589	558
Investments	21,151	26,321	30,216
Other current assets	8,009	6,806	6,657
	45,618	50,469	53,464
Noncurrent assets:			
Investments	35,059	60,801	60,146
Lease receivable, net of current portion	1,345	1,966	2,554
Net pension asset	9,922	6,282	679
Capital assets, net	37,921	38,146	41,644
Other assets	553	516	487
	84,800	107,711	105,510
Total assets	130,418	158,180	158,974
Deferred outflows of resources	—	3,310	7,789
Total assets and deferred outflows of resources	\$ 130,418	161,490	166,763

WILLS EYE HOSPITAL
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Liabilities, deferred inflows of resources and net position:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 32,131	28,471	24,915
Current portion of long-term debt	632	19,352	20,143
Lines of credit	—	4,213	4,492
Current portion of lease liabilities	1,828	1,895	2,294
Other current liabilities	<u>787</u>	<u>939</u>	<u>972</u>
	35,378	54,870	52,816
Noncurrent liabilities:			
Long-term debt, net of current portion	5,510	5,935	7,048
Lease liabilities, net of current portion	8,408	7,692	9,178
Interest rate swap liabilities	—	2,306	2,817
Other noncurrent liabilities	<u>200</u>	<u>186</u>	<u>198</u>
Total noncurrent liabilities	<u>14,118</u>	<u>16,119</u>	<u>19,241</u>
Total liabilities	49,496	70,989	72,057
Deferred inflows of resources	2,842	2,277	2,847
Net position:			
Net investment in capital assets	21,962	4,139	5,230
Restricted	43,756	69,192	69,973
Unrestricted	<u>12,362</u>	<u>14,893</u>	<u>16,656</u>
Total net position	<u>78,080</u>	<u>88,224</u>	<u>91,859</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 130,418</u>	<u>161,490</u>	<u>166,763</u>

At June 30, 2025, cash decreased by \$366 from the prior year due to cash provided by investing activities of \$37,935, offset by cash used in operations of \$10,248, and use of cash in noncapital and capital and related financing activities of \$3,957 and \$24,096, respectively. Investments decreased by \$30,855 primarily due to the sale of investments to repay long-term debt and a line of credit and for working capital needs. Other current assets increased \$1,203 due to an increase of \$684 in inventory, \$91 in grant receivables, and \$428 in prepaid expenses and miscellaneous receivables.

As of June 30, 2024, cash decreased from the prior year due to use of cash in operating activities of \$12,091 and in capital and related financing activities of \$3,934, which was offset by cash provided from noncapital financing activities of \$100 and by investing activities of \$15,622.

The increase in patient accounts receivable as of June 30, 2024 is due to an increase of \$1,203 for the Hospital, an increase of \$479 in the Centers, offset by a decrease of \$389 for WEOC. The increase in patient

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

accounts receivable as of June 30, 2023 is due to an increase of \$1,000 for the Hospital, an increase of \$1,938 at WEOC, offset by a decrease in the ASCs of \$154.

The Organization's investments primarily are concentrated in the Collective Legal Investment Fund (CLIF), which represented 97% and 92% of its total investment portfolio as of June 30, 2025 and 2024, respectively. The balance of the Organization's investments are held in cash and cash equivalents. The CLIF is a pooled investment fund created for the collective investments managed by the Board. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The Organization has no authority to operate or govern the assets of these investments, it is not the guarantor of any debt obligations and does not have an ongoing financial responsibility. The Organization is entitled to preferred cumulative dividends and/or operations cash flow from net operating income. The CLIF is reported at net asset value (NAV) which is a practical expedient to fair value.

The Organization also holds a minority interest as a limited partner in an ambulatory surgical center. The Organization reports this investment on the equity method of accounting.

The Organization's total investments, including its investment in the surgery center, decreased by \$30,912 and \$3,326 as of June 30, 2025 and 2024, respectively. The decrease at June 30, 2025 was primarily driven by \$38,293 of investment sales, \$1,030 of proceeds from interest and dividends, and \$1,065 of distributions received from its investment in its surgery center, offset by realized and unrealized loss on its investments of \$4,988. The decrease at June 30, 2024 was driven by \$14,555 of investment sales, \$1,622 of proceeds from interest and dividends, and \$1,056 of distributions received from its investment in its surgery center, offset by purchases of and unrealized gains on its investments of \$2,065 and \$10,184, respectively.

Capital assets include leased assets and decreased by \$225 as of June 30, 2025 due to capital additions of \$3,175 and extensions of existing leases and new leases of \$2,906, offset by depreciation and amortization of \$5,678 and gain from disposition of \$199. Capital assets decreased by \$3,498 as of June 30, 2024 due to depreciation and amortization of \$5,888 and loss from disposition of \$9 offset by capital additions of \$1,993 and new leases of \$406.

The net pension asset increased by \$3,640 and \$5,603 as of June 30, 2025 and 2024, respectively, primarily driven by investment gains and losses.

Other assets include the charitable gift annuity and the balance has remained relatively consistent as of June 30, 2025 and 2024.

Deferred outflows of resources include amounts related to the Organization's defined benefit pension plan and interest rate swaps. The Organization terminated its interest rate swap during the fiscal year ended June 30, 2025 which decreased the deferred outflows of resources by \$2,306. Changes in the investment performance of assets held by the defined benefit plan resulted in a reduction of deferred outflow of resources as of June 30, 2025 and 2024.

During the year ended June 30, 2023, the Organization obtained lines of credit which were partially repaid during the year ended June 30, 2024 and was fully repaid during the year ended June 30, 2025.

As of June 30, 2025, the Organization's debt decreased by \$19,139 due to principal payments of \$19,280, offset by new debt of \$612, and reclassification of debt to a lease liability of \$480. As of June 30, 2024, the

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Organization's debt decreased by \$1,904 due to \$2,536 principal repayments under the terms of the existing agreements, offset by \$632 of proceeds from new financing.

The fair value of the interest rate swap liabilities decreased by \$511 as of June 30, 2024, due to the addition of a new swap in 2023 and changes in interest rates and market conditions. The change in the fair value of the interest swap liability has the opposite impact to the deferred outflows of resources.

Total lease liabilities increased by \$649 as of June 30, 2025 due to the addition of \$2,906 in new and extension of existing leases, offset by lease payments and accretion of the lease liability of \$2,257. The \$2,906 addition of new leases during the year ended June 30, 2025 includes a \$460 reclassification from debt to lease liability. Total lease liabilities decreased by \$1,885 as of June 30, 2024, due to new leases and remeasurements of existing leases less payments of the lease liabilities.

The Organization's other current and noncurrent liabilities decreased by \$138 and \$45 as of June 30, 2025 and 2024, respectively, through the normal course of operations.

Deferred inflows of resources for leases decreased by \$569 and \$570 as of June 30, 2025 and 2024, respectively, due to the amortization of lease income. Deferred inflows increased by \$1,134 related to the pension assets as of June 30, 2023 due to the changes in investment performance.

The following schedule is a summary of the Organization's Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2025 with comparative information for the years ended June 30, 2024 and 2023.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenue:			
Patient service revenue	\$ 98,625	96,239	95,572
Grant revenue	3,428	1,927	553
Other revenue	<u>7,730</u>	<u>5,732</u>	<u>5,694</u>
Total operating revenue	109,783	103,898	101,819
Operating expenses:			
Salaries and benefits	59,687	58,540	57,416
Other expenses	60,352	57,277	54,614
Depreciation and amortization	<u>5,678</u>	<u>5,888</u>	<u>6,101</u>
Total operating expenses	125,717	121,705	118,131
Operating loss	(15,934)	(17,807)	(16,312)
Nonoperating revenues, net	5,534	13,793	10,463
Contributions to permanent endowment fund	<u>256</u>	<u>379</u>	<u>1,015</u>
Decrease in net position	<u>\$ (10,144)</u>	<u>(3,635)</u>	<u>(4,834)</u>

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

For the year ended June 30, 2025, overall patient service revenue increased by \$2,386 (3%) primarily due to an increase in the supplemental payment compared to the prior year since the payor and service case mix was consistent with the prior year. For the year ended June 30, 2024, patient service revenue increased by \$667 (1%) due to increases in Hospital revenue of \$674 (2%) and an increase WEOC of \$823, offset by decreases in the Centers of \$545 and AASOP of \$285.

Grant revenue increased by \$1,501 and \$1,374 for the years ended June 30, 2025 and 2024, respectively, due to new grants received by the Hospital.

Other revenue increased by \$2,922 due to the Hospital receiving an increase in assessment income and the receipt of Employee Retention Tax Credit (ERTC) refunds. Other revenue was flat for the year ended June 30, 2024.

There was no material change (2%) in salaries and benefits during the year ended June 30, 2025. Salaries and benefits increased by \$1,124 (2%) during the year ended June 30, 2024 due to an increase of \$2,271 in compensation expense, and an increase of \$379 in benefits offset by decreases in pension expense of \$1,526.

Other operating expenses increased by \$3,075 (5%) for the year ended June 30, 2025 due to an increase in insurance of \$60, professional fees of \$273 and other expenses of \$2,743. Other operating expenses increased by \$2,663 for the year ended June 30, 2024 due to an increase in insurance of \$363, professional fees of \$421 and other expenses of \$1,879.

For the year ended June 30, 2025, nonoperating revenues and expenses primarily consist of net investment income (loss), contributions from private donors, equity in net earnings of equity method investments and interest expense. Overall nonoperating (expenses) revenues, net decreased by \$8,259 due to a decrease in net investment income of \$5,878, loss on termination of interest rate swap of \$2,786, decrease in contributions of \$1,103, offset by a reduction in interest expense of \$1,325.

For the year ended June 30, 2024, nonoperating revenues and expenses primarily consist of net investment income (loss), contributions from private donors, equity in net earnings of equity method investments and interest expense. Overall nonoperating (expenses) revenues, net increased by \$3,330 due to an increase in net investment income of \$2,647, decrease in other expenses of \$1,523, offset by a decrease in contributions of \$533 and an increase in interest expense of \$307.

Contributions to the permanent endowment fluctuate from year to year and decreased by \$123 and \$636 for the years ended June 30, 2025 and 2024, respectively.

Non-GAAP Financial Measures

The following discussion includes references to Adjusted Operating Loss and Adjusted Net Cash Used in Operating Activities which are non-GAAP financial measures (collectively, Non-GAAP Financial Measures). A Non-GAAP Financial Measure is a numerical measure of an entity's historical or future financial performance, financial position and cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most direct comparable financial measure calculated and presented in accordance with GAAP in the statements of net position, statements of revenues, expenses and changes in net position, or statements of cash flows of the entity; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable financial measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

States of America. We have provided reconciliations of the Non-GAAP Financial Measures to the most directly comparable GAAP financial statements.

We believe the presentation of Non-GAAP Financial Measures provides useful information to stakeholders regarding our results of operations because these financial measures are useful for trending, analyzing, and benchmarking our performance. By including or excluding certain revenues and expenses and other items that may not be indicative of our core operating results, these Non-GAAP Financial Measures:

- Allow stakeholders to evaluate our performance from management's perspective, resulting in greater transparency with respect to supplemental information used by us in our financial and operational decision making;
- Facilitate comparisons with prior periods and reflect the principal basis on which management monitors financial performance;
- Facilitate comparisons with the performance of others in the healthcare industry; and
- Provide better transparency as to the measures used by management and others who follow our industry to estimate the value of our Organization.

We primarily use two Non-GAAP Financial Measures (Adjusted Operating Loss and Adjusted Net Cash Used in Operating Activities) as performance measures and believe that the GAAP financial measure most directly comparable to these two Non-GAAP Financial Measures is Operating Loss and Net Cash Used in Operating Activities. We use Non-GAAP Financial Measures to assess the performance of our operations. Non-GAAP Financial Measures are useful in this regard because they include contributions received by the Organization which other healthcare organizations include in their operating revenues and do not include such operating costs required to secure the contributions or pension expense, which is primarily determined by actuarial calculations, and may vary from period-to-period as compared to the actual cash contributions to the plan. By excluding such factors when measuring financial performance, we are better able to evaluate the operating performance of the business and compare our results with other similar healthcare organizations.

We adjust Operating Loss when evaluating our performance because we believe that the consideration of certain additional items described below provides useful supplemental information to stakeholders regarding our ongoing performance, in the case of Adjusted Operating Loss. We believe the presentation of Adjusted Operating Loss, when combined with GAAP Operating Loss is beneficial to a stakeholder's complete understanding of our operating performance.

We adjust Operating Loss for the following items:

- Contributions.
- Expenses incurred from restricted contributions.
- Pension expense (income).

The Organization understands that not all fees for services support the operations of the Hospital, and therefore, soliciting of contributions from individuals and other organizations is a necessary part of the Hospital's operations. Additionally, the Foundation's purpose is to solicit contributions on behalf of the Hospital and the Foundation is a component unit of the Hospital. Pursuant to U.S. generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board, contributions are not

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

reported as operating revenues, and therefore, are reflected as nonoperating revenue in the Organization's statements of revenues, expenses and changes in net position. Some contributions are received from donors that designate specific purposes for which funds should be utilized, with related expenses being classified by the Organization as operating expenses, despite the accounting principles requiring classification of the income as nonoperating revenues.

In accordance with GAAP, pension expense (income) is based upon an actuarial valuation, which is performed at a measurement date that does not coincide with the Organization's fiscal year-end. As such, there could be activity impacting pension expense (income), subsequent to the measurement date, which is excluded from the pension expense (income) reported in the Organization's statements of revenues, expenses and changes in net position. Furthermore, pension expense is primarily calculated by the difference between actual and projected assumptions used in the actuarial calculation versus the cash outlay to the pension plan by the Organization.

The following table provides a reconciliation of the GAAP operating loss to Non-GAAP Adjusted Operating Loss for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating loss	\$ (15,934)	(17,807)
Add: Current year unrestricted contributions	1,055	1,800
Add: restricted contributions used to fund current expenses	1,950	2,821
Subtract: Pension income (negative expense)	(1,302)	(1,385)
Subtract: interest expense	<u>(1,321)</u>	<u>(2,646)</u>
Adjusted Operating Loss	<u>\$ (15,552)</u>	<u>(17,217)</u>

We adjust Net Cash Used in Operating Activities when evaluating our performance because we believe that the consideration of certain additional items described below provides useful supplemental information to stakeholders regarding our ongoing performance, in the case of Adjusted Net Cash Used in Operating Activities. We believe that the presentation of Adjusted Net Cash Used in Operating Activities, when combined with GAAP Net Cash Used in Operating Activities is beneficial to a stakeholder's complete understanding of our operating performance.

We adjust Net Cash Used in Operating Activities for the following items:

- Proceeds from contributions.
- Expenses incurred from restricted contributions.

In addition to the presentation of the Organization's operating loss, GAAP also has impacted the presentation of the statements of cash flows, specifically cash flows from operations. Disbursements for restricted funds are reported as part of operations, and therefore deemed a use of operating cash. However, the proceeds for those restricted expenses are not reported as cash from operations. Accordingly, there is a mismatch of cash flows

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

from operations. The following table provides a reconciliation of Net Cash Used in Operating Activities to Non-GAAP Adjusted Net Cash Used in Operating Activities for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Net cash used in operating activities	\$ (10,248)	(12,091)
Add: Proceeds from current year unrestricted contributions	1,055	1,800
Add: Restricted contributions used to fund current expenses	<u>1,950</u>	<u>2,821</u>
Adjusted Net Cash Used In Operating Activities	<u>\$ (7,243)</u>	<u>(7,470)</u>

CONTACTING THE HOSPITAL

This financial report is designed to provide customers and creditors with a general overview of the Organization's finances and to demonstrate the Organization's accountability for the resources at its disposal. Additional information is also available on the Organization's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Wills Eye Hospital
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

WILLS EYE HOSPITAL

Statements of Net Position

June 30, 2025 and 2024

(In thousands)

Assets and Deferred Outflows of Resources	2025	2024
Current assets:		
Cash and cash equivalents	\$ 3,823	4,189
Patient accounts receivable	12,014	12,564
Other receivables	1,880	1,789
Lease receivable, current	621	589
Inventory	3,112	2,428
Investments	21,151	26,321
Other current assets	3,017	2,589
Total current assets	45,618	50,469
Noncurrent assets:		
Investments	31,731	57,416
Investment in surgery center	3,328	3,385
Lease receivable, net of current portion	1,345	1,966
Net pension asset	9,922	6,282
Capital assets, net	37,921	38,146
Other assets	553	516
Total noncurrent assets	84,800	107,711
Total assets	130,418	158,180
Deferred outflows of resources:		
Pension	—	1,004
Interest rate swaps	—	2,306
Total deferred outflows of resources	—	3,310
Total assets and deferred outflows of resources	\$ 130,418	161,490
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable	\$ 23,636	19,411
Accrued liabilities	8,495	9,060
Lines of credit	—	4,213
Current portion of long-term debt	632	19,352
Current portion of lease liabilities	1,828	1,895
Other current liabilities	787	939
Total current liabilities	35,378	54,870
Noncurrent liabilities:		
Long-term debt, net of current portion	5,510	5,935
Lease liabilities, net of current portion	8,408	7,692
Interest rate swap liabilities	—	2,306
Other noncurrent liabilities	200	186
Total noncurrent liabilities	14,118	16,119
Total liabilities	49,496	70,989
Deferred inflows of resources:		
Pension	1,134	—
Lease	1,708	2,277
Total deferred inflows of resources	2,842	2,277
Net position:		
Net investment in capital assets	21,962	4,139
Restricted:		
Expendable:		
Collateral for debt	—	22,044
Other	13,654	17,011
Nonexpendable	30,102	30,137
Unrestricted	12,362	14,893
Total net position	78,080	88,224
Total liabilities, deferred inflows of resources and net position	\$ 130,418	161,490

See accompanying notes to basic financial statements.

WILLS EYE HOSPITAL

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2025 and 2024

(In thousands)

	2025	2024
Operating revenues:		
Patient service revenue	\$ 98,625	96,239
Grant revenue	3,428	1,927
Other revenue	7,730	5,732
Total operating revenues	109,783	103,898
Operating expenses:		
Salaries and benefits	59,687	58,540
Supplies and other expenses	50,217	47,474
Insurance	3,647	3,588
Professional fees	6,488	6,215
Depreciation and amortization	5,678	5,888
Total operating expenses	125,717	121,705
Operating loss	(15,934)	(17,807)
Nonoperating revenues (expenses):		
Investment income, net	6,018	11,896
Equity in net earnings of investee	1,073	1,013
Contributions	2,550	3,530
Loss on interest rate swap termination	(2,786)	—
Interest expense	(1,321)	(2,646)
Total nonoperating revenues (expenses)	5,534	13,793
Loss before contributions	(10,400)	(4,014)
Contributions to permanent endowment	256	379
Decrease in net position	(10,144)	(3,635)
Net position - beginning of year (as revised)	88,224	91,859
Net position - end of year	\$ 78,080	88,224

See accompanying notes to basic financial statements

WILLS EYE HOSPITAL
Statements of Cash Flows
Years Ended June 30, 2025 and 2024
(In thousands)

	2025	2024
Cash flows from operating activities:		
Cash receipts from customers	\$ 99,175	94,945
Other operating cash receipts	10,454	8,420
Cash payments to employees for services	(61,755)	(59,455)
Cash payments to vendors for goods and services	(58,122)	(56,001)
Net cash used in operating activities	(10,248)	(12,091)
Cash flows from noncapital financing activities:		
Repayments of lines of credit	(4,213)	(279)
Contributions to permanent endowment	256	379
Net cash (used in) provided by noncapital financing activities	(3,957)	100
Cash flows from capital and related financing activities:		
Additions to capital assets	(3,175)	(1,993)
Proceeds from sale of capital assets	86	—
Repayments of lease liabilities	(2,826)	(2,291)
Proceeds from lease receivable	589	647
Proceeds from contributions	3,447	3,855
Repayments of long-term debt	(19,280)	(2,536)
Proceeds from long-term debt	612	632
Payment of debt issue costs	(11)	—
Termination fee on interest rate swap	(2,786)	—
Interest paid	(752)	(2,248)
Net cash used in capital and related financing activities	(24,096)	(3,934)
Cash flows from investing activities:		
Proceeds from sales of investments	38,293	14,555
Purchases of investments	(2,453)	(1,425)
Proceeds from interest and dividends	1,030	1,622
Distributions from investment in surgery center	1,065	870
Net cash provided by investing activities	37,935	15,622
Net increase (decrease) in cash and cash equivalents	(366)	(303)
Cash and cash equivalents - beginning of year	4,189	4,492
Cash and cash equivalents - end of year	\$ 3,823	4,189
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (15,934)	(17,807)
Adjustments for noncash charges to operations:		
Depreciation and amortization	5,678	5,888
(Gain) loss on disposition of assets	(199)	9
Change in allowance for patient accounts receivable	1,150	1,136
Changes in assets and liabilities:		
Patient accounts receivable	(600)	(2,429)
Other assets	(2,060)	(268)
Accounts payable, accrued and other liabilities	3,507	3,585
Deferred outflows/inflows of resources, net	(1,790)	(2,205)
Net cash used in operating activities	\$ (10,248)	(12,091)
Noncash investing and financing activities:		
Increase in fair value of surgery centers	\$ 1,008	1,057
Change in fair value of investments	(4,988)	10,184
Lease assets exchanged for lease liabilities	2,446	479
Reclassification of debt to lease	460	—
Accretion on lease liability	570	516
Terminated lease liabilities and lease assets	—	72

See accompanying notes to basic financial statements.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(1) Reporting Entity

Wills Eye Hospital (the Hospital), established in 1832 through a bequest of James Wills, a Quaker merchant, to the City of Philadelphia, is administered by the Board of Directors of City Trusts (the Board). The Hospital, located in Philadelphia, is a trust that owns and operates various facilities, through various component units, which provide medical services to area residents.

Blended Component Units

Component units that provide service exclusively to the Hospital whose governing bodies are substantially the same as that of the Hospital, whose total debt outstanding are expected to be repaid with resources of the Hospital, or who are organized as not-for-profits and the Hospital is the sole corporate member (business-type activities), are reported as if they were part of the Hospital, or blended into the Hospital's financial statements. They include the following:

- Wills Eye Foundation, Inc. (the Foundation), a domestic nonprofit corporation, established to solicit, collect, and administer charitable donations made in order to further the institutional objectives of the Trust under the Will of James Wills, as determined from time to time by the Board. The Hospital is the sole member of the Foundation.
- AASOP, Inc. (AASOP), a wholly owned subsidiary of the Hospital, established to own and operate physician practices.
- Wills Eye Surgical Network, L.L.C. (the Management Company), established to provide certain management services to the Ambulatory Surgery Centers (the Centers, see below). The Management Company is 99% owned by one of the Hospital's controlled corporations and 1% by the Hospital.
- Wills Eye Community Surgical Services Corp. (Services Corp.), Wills Community Services of Plymouth Meeting, Inc. (Services of Plymouth Meeting) and Wills Community Surgical Services of Cottman – Buxmont, Inc. (Services of Cottman – Buxmont), wholly-owned subsidiaries of the Hospital, established to be the majority owners of the Centers.
- Wills Eye Ophthalmology Clinic Inc. (WEOC), a wholly owned subsidiary of the Hospital, established to provide outpatient clinical services, which also owns and operates optical shops at the Hospital and other locations.
- Abbot, Inc. (Abbot), a wholly-owned subsidiary of the Hospital, established to own and operate real estate for leasing purposes.

Ambulatory Surgery Centers

The Centers were established to provide high-quality, cost-effective, outpatient surgical services at five locations more accessible to the Hospital's patients. The Hospital has developed its network of Centers to provide outpatient surgical services in the Delaware Valley area. The Centers provide both single-specialty (ophthalmology) and multispecialty services.

The Centers include Cherry Hill Ambulatory Surgical Center, LLC (Cherry Hill), Cottman Ambulatory Surgical Center, LLC (Cottman), Warminster Ambulatory Surgical Center, LLC (Warminster), Plymouth Meeting Ambulatory Surgical Center, LLC (Plymouth Meeting), and Stadium Campus Ambulatory Surgical Center, LLC (Stadium). The Centers represent partnerships, between the Hospital and practicing

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

physicians, of which the Hospital owns a majority of the respective outstanding shares. Additionally, the Hospital appoints the governing body of the Centers and management of the Centers is performed by employees of Services Corp. Therefore, the Centers meet the definition of a blended component unit.

On September 13, 2024, the Organization ceased its operations in Cottman and terminated its lease for the property, effective February 17, 2025. The Organization recorded a \$100 loss on the related lease termination during the fiscal year ended June 30, 2025 which is included supplies and other expenses on the statement of revenues, expenses and changes in net position.

The Hospital and its blended component units are collectively referred to as the Organization.

(2) Summary of Significant Accounting Policies

(a) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Organization's activities are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The Organization is reported as a special-purpose government engaged in business-type activities. Business-type activities are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

All significant transactions between the Hospital and its blended component units have been eliminated.

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Operating and Non-Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services in connection with the Organization's principal ongoing operations. Operating revenues primarily include patient service revenue, and other government grants and funding, whereas nonoperating revenues include contributions and investment income. Operating expenses include the cost of services provided,

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

administrative expenses, and depreciation on capital assets whereas nonoperating expense includes interest on debt and other gains (losses).

(d) Cash and Cash Equivalents

Cash consists of on-hand petty cash and amounts in the Organization's operating bank accounts. The Organization does have a formal deposit policy and considers all certificates of deposit and commercial paper with an original maturity of three months or less from the date of purchase to be cash equivalents, excluding amounts whose use is limited by board designation or other arrangements under trust or debt agreements. The Organization's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit of \$250,000). Periodically during the years, cash and cash equivalents may have exceeded the FDIC limitation. As of June 30, 2025 and 2024, cash in the bank amounted to \$5,226 and \$5,756, respectively of which, \$4,749 and \$3,694, respectively, was uninsured.

(e) Patient Accounts Receivable

The Organization's accounts receivable are primarily comprised of amounts due from Medicare, Medicaid, managed care companies, self-pay patients and other third-party payors. The Organization evaluates the valuation of patient accounts receivable (after the adjustment for the contractual allowance), based on analysis of historical collection trends, as well as its understanding of the nature and collectability of patient accounts, based on their age and other factors. The allowance for doubtful accounts amounted to \$6,338 and \$5,238 as of June 30, 2025 and 2024, respectively.

(f) Inventory

Inventory is stated at the lower of cost or market. Cost is determined by using the first-in, first-out method of accounting.

(g) Capital Assets

Capital assets consists of buildings, improvements and equipment and are recorded at cost. The Organization capitalizes assets that exceed \$5 and have a useful life greater than one year. Depreciation is provided over the following useful lives on a straight-line basis:

Buildings and improvements	5 - 40 years
Equipment	3 - 20 years

(h) Investments and Restricted Assets

Collective Legal Investment Fund (CLIF)

The CLIF is a pooled investment fund created for the collective investments managed by the Board. The Organization has no restrictions on withdrawals from the CLIF. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments and alternative investments held in private equity investments. The Hospital has no authority to operate or govern the assets of these investments, it is not the guarantor of any debt obligations and does not have an ongoing financial responsibility. The Organization's investment in the CLIF is measured using net asset

WILLS EYE HOSPITAL
Notes to Financial Statements
June 30, 2025 and 2024
(In thousands)

value (NAV) per share as a practical expedient to fair value. The CLIF issues stand-alone audited financial statements, which are available at www.citytrusts.com.

Money Market Accounts

The Organization holds money market accounts. As of June 30, 2025 and 2024, the Organization recorded \$1,517 and \$6,563, respectively, of money market accounts, of which, \$1,517 and \$6,485, respectively, exceeded the FDIC coverage and was uninsured.

(i) *Investment in Surgery Center*

The Organization holds a 38% interest in an ambulatory surgical center for which the Organization does not have an ongoing financial interest nor is it the guarantor of any debt obligations. The Organization accounts for this investment under the equity method.

(j) *Interest Rate Swaps*

The Organization records its interest rate swaps at fair value. The interest rate swaps are deemed to be effective hedging instruments, and the changes in fair value are recognized as deferred inflows/outflow of resources in the statements of net position. The fair value of the interest rate swaps are based on discounted cash flow models, with Level 2 inputs, including the value of the relevant market index, upon which the swaps are based. As such, the interest rate swaps are classified as Level 2 investments in the fair value hierarchy.

(k) *Fair Value*

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Level 1: Quoted prices in active markets for identical assets or liabilities; Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

At June 30, 2025 and 2024, the Organization's investments held in the CLIF are valued at NAV as a practical expedient to fair value.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(l) Deferred Outflows or Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

(m) Net Position

Net position represents the difference between the Organization's assets and deferred outflows of resources and liabilities and deferred inflows of resources.

Net investment in capital assets represents capital assets, reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction or improvement of those assets, including lease liabilities.

Restricted net position represents net position with restrictions imposed by external creditors, grantors, contributions, laws or regulations, or by law through constitutional provisions or enabling legislation. Nonexpendable includes permanent endowment which represents funds used to report resources that are legally restricted to the extent that only earnings may be used for purposes that support the Organization's programs (See Note 10 for more information on the Organization's permanent endowment) and also includes the Organization's minority interest in the Centers \$(760) and \$(443) as of June 30, 2025 and 2024, respectively).

Unrestricted net position consists of net assets that do not meet the definition of "restricted" or "net investments in capital assets." When both restricted and unrestricted resources are available for specified expenditures, restricted resources are considered spent before unrestricted resources.

(n) Revenue

Patient service revenue

The Organization's patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care in the period earned. These amounts are due from patients, third-party payers, and others and include an estimate of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations.

The majority of the Organization's services are rendered to patients with third party coverage. Reimbursement under these programs for all payers is based on a combination of prospectively determined rates, discounted charges, and historical costs. Amounts received under Medicare and Medicaid programs are subject to review and final determination by program intermediaries or their agents and the contracts the Organization has with commercial payers also provide for retroactive audit and review of claims. Agreements with third-party payers typically provide for payments at amounts less than established charges.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

Generally, patients who are covered by third-party payers are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is recorded during the period in which the related services are rendered.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Patients who meet the Organization's criteria for charity care are provided care without charge or at amounts less than established rates. The Organization maintains records to identify the level of charity care it provides. The amount of costs foregone for services, supplies, and wages furnished under its charity care policy totaled \$1,062 and \$1,538, during the years ended June 30, 2025 and 2024, respectively. Charity care is reported as a reduction to patient service revenue.

Grant revenue

Grant revenue is recognized when all applicable eligibility requirements are met. Funds received before the eligibility requirements are met are reported as unearned revenue.

(o) Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the net position of the Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for further information.

(p) Leases

The Organization is a lessee or a lessor in various noncancellable leases of property for all of its clinical and office space, most of which are subject to triple-net leases. The Organization's real estate leases generally have initial terms of 5 to 15 years, and typically include one or more options to renew, with renewal terms that generally extend the lease term for an additional five years or more. Exercise of the renewal options is generally subject to the satisfaction of certain conditions, which vary by contract, and follow payment terms that are consistent with those in place during the initial term. The lease term is the non-cancelable period of the lease, inclusive of the option periods that the Organization is reasonably certain to exercise. The payment structure of the Organization's leases generally contains annual escalation clauses that are fixed in nature or variable based upon the consumer price index.

At lease commencement, lease liabilities and receivables are measured as the present value of the future lease payments expected to be made during the lease term using the Organization's incremental borrowing rate for collateralized borrowings. For all leases in which the Organization is the lessee, the

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

lease asset is initially measured as the initial measurement of the lease liability plus initial direct costs ancillary to placing the asset into service. For all leases in which the Organization is the lessor, the deferred inflow is initially measured as the initial measurement of the lease receivable plus any payments received at or before commencement less lease incentives paid at or before commencement.

Subsequent to lease commencement date, the lease liability or receivable is reduced by the principal portion of lease payments remitted or received, respectively. The lease asset (lessee) is amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset, while the deferred inflow of resources (lessor) is amortized on a straight-line basis over the lease term.

The Organization monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable, it is remeasured and a corresponding adjustment is made to the lease asset or deferred inflow of resources, respectively.

Variable Lease Payments

Variable lease payments that are based on an index or a rate (such as the Consumer Price Index or a market interest rate) are included in the initial measurement of the lease liability or lease receivable using the index or rate as of the commencement date of the lease term.

Short-term Leases

For lease arrangements with a term of a maximum of twelve months or less at commencement, the Organization recognizes lease expense or income based on the provisions of the lease.

(q) Adoption of New Accounting Pronouncement

GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*, provides a more uniform accounting for subscription-based contracts to use vendor-provided information technology. GASB 96 is effective for fiscal years beginning after June 15, 2022, with early adoption permitted. The Organization adopted this standard on July 1, 2023 and there was no material impact to the Organization's financial statements.

On July 1, 2024, the Organization adopted GASB Statement No. 101 (GASB 101), *Compensated Absences*. The objective of this Statement is to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement requires that a liability be recognized for any leave that has not been used and any leave that has been used but not yet paid in cash or settled through noncash means. The Statement specifies that certain types of compensated absences should not be recognized until the leave commences. The adoption of this Statement does not materially impact the financial statements or disclosures for the Organization.

On July 1, 2024, the Organization adopted GASB Statement No. 102 (GASB 102), *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

makes a governmental entity report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The adoption of this Statement does not materially impact the financial statements or disclosures for the Organization.

(r) Revision and Reclassification of Prior Year Financial Statements

During the year ended June 30, 2025, the Organization identified an error in accounts payable accounts whereby \$832 of expenses and related accruals were underreported as of and for the year ended June 30, 2023 which thereby underreported accounts payable by the same amount. The error had no impact on the decrease in net position for the years ended June 30, 2025 and 2024. However, as a result of correcting the error, the following line items were revised on the statement of net position as of June 30, 2024:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Revised</u>
Accounts payable	\$ 18,579	832	19,411
Total current liabilities	4,038	832	54,870
Total liabilities	70,157	832	70,989
Unrestricted net position	15,725	832	14,893
Total net position	89,056	832	88,224

Additionally, the Organization reclassified \$2,163 of current investments to cash at June 30, 2024. Accordingly, cash increased from \$2,026 to \$4,189 and current investments decreased from \$28,484 to \$26,321 as of June 30, 2024. The reclassification had no impact on the decrease in net position as of June 30, 2024.

(3) Significant Risks and Uncertainties

Revenue Sources

The Organization receives revenues from Medicare, Medicaid, managed care, self-pay patients and other third-party payors. The sources and amounts of the Organization's revenues are determined by a number of factors, including the mix of payors and varying contract reimbursement rates. Changes in the mix of payors can significantly affect the Organization's financial position.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

The following table depicts the Organization's net patient services revenue, by source, for the years ended June 30, 2025 and 2024:

	2025	2024
Medicare	53 %	53 %
Medicaid	12	12
Managed care	26	26
Other third-party payors	7	7
Self-pay	2	2
	<u>100 %</u>	<u>100 %</u>

During the years ended June 30, 2025 and 2024, the Organization recorded revenue of \$9,906 and \$7,846, respectively, related to the supplemental payments made by the Commonwealth of Pennsylvania to qualifying hospitals.

The revenues represented additional funding received for providing medical and surgical ocular services to Medicaid beneficiaries, as the Organization met the qualifications required by the program.

Concentration of Credit Risk

The Organization also experiences credit risk related to the concentration of its accounts receivable. However, management does not believe there are any other significant concentrations of credit risk as of June 30, 2025 and 2024.

The mix of net receivables from patients and third-party payors at June 30, 2025 and 2024 was as follows:

	2025	2024
Medicare	35 %	37 %
Medicaid	12	7
Managed care	44	44
Other third-party payors	8	8
Self-pay	1	4
	<u>100 %</u>	<u>100 %</u>

WILLS EYE HOSPITAL
Notes to Financial Statements
June 30, 2025 and 2024
(In thousands)

(4) Investments

The following summarizes the Organization's investments as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investment in CLIF	\$ 51,514	79,337
Money market / cash	<u>1,368</u>	<u>4,400</u>
	52,882	83,737
Less: noncurrent investments (see below)	<u>31,731</u>	<u>57,416</u>
Current investments	<u>\$ 21,151</u>	<u>26,321</u>

Current investments include the following:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 7,693	15,209
Donor designated (endowment earnings)	8,141	8,222
Board designated	<u>5,317</u>	<u>2,890</u>
Total current investments	<u>\$ 21,151</u>	<u>26,321</u>

Noncurrent investments include the following:

	<u>2025</u>	<u>2024</u>
Endowments (See Note 10)	\$ 31,731	35,372
Investments held as collateral for debt agreements	<u>—</u>	<u>22,044</u>
Total noncurrent investments	<u>\$ 31,731</u>	<u>57,416</u>

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(5) Capital Assets, Net

Capital assets and related accumulated depreciation activity for the years ended June 30, 2025 and 2024 is as follows:

	2025			
	Beginning	Increases	Decreases	Ending
Nondepreciable capital assets:				
Land	2,976	—	—	2,976
Construction in progress	234	1,984	—	2,218
	3,210	1,984	—	5,194
Depreciable capital assets:				
Buildings and improvements	58,889	55	(1,712)	57,232
Equipment	40,683	1,136	(2,341)	39,478
	99,572	1,191	(4,053)	96,710
Leased assets:				
Building	14,701	2,314	(1,154)	15,861
Equipment	1,466	592	(14)	2,044
	16,167	2,906	(1,168)	17,905
Total depreciable capital assets	115,739	4,097	(5,221)	114,615
Accumulated depreciation:				
Buildings and improvements	(41,969)	(1,783)	1,674	(42,078)
Equipment	(31,394)	(1,528)	1,757	(31,165)
Leased buildings	(6,669)	(1,692)	1,154	(7,207)
Leased equipment	(771)	(675)	8	(1,438)
Total accumulated depreciation	(80,803)	(5,678)	4,593	(81,888)
Depreciable capital assets, net	34,936	(1,581)	(628)	32,727
Total capital assets, net	\$ 38,146	403	(628)	37,921

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

	2024			
	Beginning	Increases	Decreases	Ending
Nondepreciable capital assets:				
Land	2,976	—	—	2,976
Construction in progress	3,164	930	(3,860)	234
	6,140	930	(3,860)	3,210
Depreciable capital assets:				
Buildings and improvements	56,064	2,834	(9)	58,889
Equipment	38,629	2,089	(35)	40,683
	94,693	4,923	(44)	99,572
Leased assets:				
Building	14,701	—	—	14,701
Equipment	1,060	406	—	1,466
	15,761	406	—	16,167
Total depreciable capital assets	110,454	5,329	(44)	115,739
Accumulated depreciation:				
Buildings and improvements	(40,205)	(1,764)	—	(41,969)
Equipment	(29,768)	(1,661)	35	(31,394)
Leased buildings	(4,469)	(2,200)	—	(6,669)
Leased equipment	(508)	(263)	—	(771)
Total accumulated depreciation	(74,950)	(5,888)	35	(80,803)
Depreciable capital assets, net	35,504	(559)	(9)	34,936
Total capital assets, net	\$ 41,644	371	(3,869)	38,146

Depreciation expense on depreciable capital assets was \$3,311 and \$3,425 for the years ended June 30, 2025 and 2024, respectively. Amortization expense on the leased assets was \$2,367 and \$2,463 for the years ended June 30, 2025 and 2024, respectively.

(6) Debt

(a) Lines of Credit

The Organization had a revolving line of credit agreement with a bank, which provided that the Hospital may borrow up to \$5,000. Amounts outstanding under this line bore interest at the Daily 1-month Secured Financing Overnight Rate (SOFR), plus an applicable margin ranging from 2.0% to 2.5% (7.07% at June 30, 2024). At June 30, 2024, the Hospital had outstanding borrowings of \$3,955 under this line. On September 20, 2024, the Organization repaid the balance and terminated the line of credit.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

The Hospital was required to pledge as collateral certain marketable securities with an adjusted (as defined) market value at least equal to the monthly outstanding balance. Such collateral was held in the CLIF and presented as restricted collateral for debt in the statements of net position.

The Organization had a revolving line of credit agreement with a bank, which provided that one of the Centers may borrow up to \$750, until the line expired on August 15, 2024. Amounts outstanding under this line bore interest at the Daily Bloomberg Short-Term Bank Yield Index (BSBY) Rate plus an applicable margin of 1.35% (7.07% at June 30, 2024). At June 30, 2024, the Center had outstanding borrowings of \$258 under this line. On September 3, 2024, the Center repaid the balance and terminated the line of credit.

(b) Series 2012 Bonds

On March 1, 2012, the Hospitals and Higher Education Facilities Authority of Philadelphia (the Authority) issued Variable Rate Revenue Bonds, Series 2012, in the aggregate principal amount of \$15,000 (Series 2012 Bonds), with a final maturity date of November 1, 2030. The Series 2012 Bonds were concurrently purchased by a bank. The variable rate of the Series 2012 Bonds is a market rate based on SOFR plus 83 basis points (4.92% at June 30, 2024). The Series 2012 Bonds were collateralized by securities held in the CLIF and were presented as restricted collateral for debt in the statements of net position. On September 18, 2024, the Organization repaid the Series 2012 Bonds by using funds from its investments. The repayment included accrued interest of \$45.

(c) Committed Loan

In January 2014, the Organization converted an existing line of credit to a term loan requiring monthly principal and interest payments at a variable annual interest rate of SOFR plus 1.7% (7.15% as of June 30, 2024), which was fully repaid on August 28, 2024. As of June 30, 2024, the balance of the loan amounted to \$2,801. The loan was collateralized by certain real estate and presented as net investment in capital assets in the statements of net position.

(d) Commercial Bank Loans

The Organization has a term loan with a bank requiring monthly payments of principal and interest at a fixed annual interest rate of 2.27%, expiring April 2028. As of June 30, 2024, the balance of the loan amounted to \$705. On September 20, 2024, the Organization fully repaid the loan. The loan was collateralized by securities held in the CLIF and presented as restricted collateral for debt in the statements of net position.

The Organization has a term loan with a bank requiring monthly payments of principal and interest at an annual fixed interest rate of 3.95%, maturing July 2025. As of June 30, 2025 and 2024, the balance of the loan amounted to \$10 and \$118, respectively. The loan was repaid in July 2025.

In March 2025, Plymouth Meeting obtained a \$411 promissory note with a bank requiring monthly payments of principal and interest at a fixed annual rate of 6.56%, expiring March 2030. The loan is secured by substantially of the assets of the Center. As of June 30, 2025, the balance of the promissory note amounted to \$408.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(e) Mortgage

On September 28, 2022, the organization entered into a \$5,200 loan, which matures on September 28, 2032, bears interest at an annual amount of one-month term SOFR plus 1.8% (5.33% at June 30, 2025 and 2024) and requires monthly repayments of principal in amounts that amortize the loan over a 15-year period. The mortgage is collateralized by capital assets and presented as net investment in capital assets in the statements of net position. As of June 30, 2025 and 2024, the balance of the loan amounted to \$4,553 and \$4,806, respectively.

(f) Bridge Loan

On March 13, 2023, the Organization received a \$1,000 bridge loan in anticipation of receiving a \$1,000 Pennsylvania Redevelopment Capital Assistance Program grant. The loan originally was set to expire March 13, 2024, but was extended to June 11, 2024, and bore interest at the one-month term SOFR rate plus 1.8%. The loan was repaid during the year ended June 30, 2024.

(g) Finance Agreements

The Organization has several finance agreements for equipment with balances ranging from \$0 to \$248, interest rates ranging from 2.1% to 9.6%, and maturity dates ranging from August 2025 to June 2030. As of June 30, 2025 and 2024, the balance of the finance agreements amounted to \$1,171 and \$1,857, respectively.

(h) Summary of Changes in Debt Obligations

A summary of debt activity for the years ended June 30, 2025 and 2024 follows:

Description	2025			June 30 2025	Amounts Due Within 1 Year
	June 30, 2024	Additions	Reductions		
Lines of credit	\$ 4,213	—	(4,213)	—	—

Description	2025			June 30 2025	Amounts Due Within 1 Year
	June 30, 2024	Additions	Reductions		
Series 2012 bonds	\$ 15,000	—	(15,000)	—	—
Committed loan	2,801	—	(2,801)	—	—
Commercial bank loan	705	—	(705)	—	—
Commercial bank loan	118	—	(108)	10	10
Promissory note	—	411	(3)	408	27
Mortgage	4,806	—	(253)	4,553	267
Finance agreements	1,857	201	(887)	1,171	328
Total	\$ 25,287	612	(19,757)	6,142	632

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

Description	2024				Amounts Due Within 1 Year
	June 30, 2023	Additions	Reductions	June 30 2024	
Lines of credit	\$ 4,492	—	(279)	4,213	4,213

Description	2024				Amounts Due Within 1 Year
	June 30, 2023	Additions	Reductions	June 30 2024	
Series 2012 bonds	\$ 15,000	—	—	15,000	15,000
Committed loan	3,100	—	(299)	2,801	2,801
Commercial bank loan	879	—	(174)	705	705
Commercial bank loan	223	—	(105)	118	105
Mortgage	5,046	—	(240)	4,806	253
Bridge loan	1,000	—	(1,000)	—	—
Other debt	238	—	(238)	—	—
Finance agreements	1,705	632	(480)	1,857	488
Total	\$ 27,191	632	(2,536)	25,287	19,352

Future principal and interest maturities of the long-term debt outstanding are as follows:

Year ending June 30:	Principal	Interest	Total
2026	\$ 631	340	971
2027	638	298	936
2028	606	258	864
2029	510	223	733
2030	672	190	862
2031-2032	3,085	312	3,397
Total	\$ 6,142	1,621	7,763

Future interest requirements for the Organization's variable-rate debt were determined using the interest rate in effect at June 30, 2025.

(i) Debt Covenants

The Organization's debt agreements contain financial, affirmative, and negative covenants, and events of default that are customary for debt securities of this type. The Organization was in compliance with all of its loan covenants as of June 30, 2025, except the requirement to deliver the June 30, 2025 audited financial statements within 150 days of year-end. The Organization obtained a waiver for this covenant violation.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(7) Interest Rate Swaps

On March 1, 2012, the Hospital entered into an interest rate swap agreement to hedge against the risk of changes in interest rates associated with its variable rate Series 2012 Bonds. The terms of the swap contract have a notional value of \$15,000 and the Hospital pays a fixed rate of 5.81% and will receive a rate of 75% of the 30-day SOFR. The swap was set to expire in November 2030, but as a result of the Hospital repaying the Series 2012 Bonds in September 2024, the interest rate swap was terminated which resulted in a loss of \$2,786, which was reported as part of interest expense in statements of revenues, expenses and changes in net position.

On September 20, 2022, the Hospital entered into an interest rate swap agreement to hedge against the risk of changes in interest rates associated with its variable rate mortgage. The terms of the swap contract have an initial notional value of \$5,200 (\$4,553 and \$4,806 as June 30, 2025 and 2024, respectively), and the Hospital pays a fixed rate of 5.33% and will receive a rate of the one month SOFR CME Term plus 1.8%. The swap is to expire in September 2032.

The fair value of the interest rate swaps was \$0 and \$2,306 at June 30, 2025 and 2024, respectively. Changes in the fair value are reported as deferred outflows or inflows of resources in the statements of net position.

Under the interest rate swap agreements, the Hospital incurred net interest expense of \$182 and \$434 for the years ended June 30, 2025 and 2024, respectively.

a) Counterparty Risk

Interest rate swaps are also subject to counterparty risk which is the risk of loss of an amount expected to be delivered under an agreement in the event of the default or bankruptcy of the counterparty. Counterparty risk with swaps is limited by execution under the standardized International Swap and Derivatives Association Agreements. These contracts allow for the mutual exchange of collateral should an overall unsecured market value exceed a certain threshold.

b) Credit Risk

As of June 30, 2025 and 2024, the Hospital was not exposed to credit risk on its interest rate swap contracts since the swaps had a negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Hospital would be exposed to credit risk in the amount of the swaps' fair value.

c) Interest Rate Risk

The Hospital will be exposed to interest rate risk only if the counterparty to the swaps default or if the swaps are terminated.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(8) Leases

Lessee:

A summary of changes in lease liabilities during the years ended June 30, 2025 and 2024 is as follows:

		2025				
		Beginning	Additions	Remeasurements	Deductions	Ending
Lease liabilities:						
Buildings	\$	8,867	—	2,314	1,921	9,260
Equipment		720	592	—	336	976
Total lease liabilities	\$	9,587	592	2,314	2,257	10,236

		2024				
		Beginning	Additions	Remeasurements	Deductions	Ending
Lease liabilities:						
Buildings	\$	10,907	—	—	2,040	8,867
Equipment		565	406	—	251	720
Total lease liabilities	\$	11,472	406	—	2,291	9,587

During the years ended June 30, 2025 and 2024, the Organization did not incur any expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment.

The components of lease cost for the years ended June 30, 2025 and 2024 recognized as supplies and other expenses in the statements of revenues, expenses and changes in net position are as follows:

	2025	2024
Amortization of right-to-use asset	\$ 2,367	2,463
Interest on lease liabilities	570	516
Short-term lease expense	108	97
Variable lease expense	1,031	396
Total lease cost	\$ 4,076	3,472

Lease assets obtained in exchange for lease liabilities amounted to \$2,906 and \$406, for the years ended June 30, 2025 and 2024, respectively.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

Weighted average lease term and discount rate as of June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term	6.86 years	7.80 years
Weighted average discount rate	5.66 %	5.17 %

A summary of principal and interest for future payments that are included in the measurement of the lease liability for the next five years and in subsequent five-year increments thereafter is as follows:

	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>
2026	\$ 2,352	524	1,828
2027	2,360	413	1,947
2028	1,980	296	1,684
2029	1,608	198	1,410
2030	852	129	723
2031 - 2035	2,203	379	1,824
2036 - 2037	<u>847</u>	<u>27</u>	<u>820</u>
Total	\$ <u>12,202</u>	<u>1,966</u>	<u>10,236</u>

Lessor:

The Organization subleases space under a ten year lease expiring June 30, 2032, which includes an option for the lessee to extend the lease for an additional five years. Base monthly rent increases based on the consumer price index and was approximately \$55 and \$54 for the years ended June 30, 2025 and 2024, respectively. The components of lease income for the years ended June 30, 2025 and 2024 recognized as other revenue in the statements of revenues, expenses and changes in net position are as follows:

	<u>2025</u>	<u>2024</u>
Amortization of deferred inflows of resources	\$ 569	569
Short-term lease income	736	600
Variable lease income	<u>91</u>	<u>143</u>
Total lease income	\$ <u>1,396</u>	<u>1,312</u>

(9) Retirement Plans

(a) Non-Contributory Plan

The Hospital participates in a defined-benefit retirement plan (the Plan), administered by the Board, which covers nonunion Hospital employees hired prior to September 10, 2010.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

The Plan reports on a calendar year-end (December 31) and issues stand-alone audited financial statements. Additional information is available at www.citytrusts.com.

Plan participants who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

For the years ended June 30, 2024 and 2023, the Organization's net pension asset and the total pension liability used to calculate the net pension asset were measured as of December 31, 2024 and 2023, respectively, and were determined by actuarial valuations as of January 1, 2023 and 2022, respectively, and rolled forward to the measurement date.

Funding Policy

The Board contributes amounts as are necessary to provide the Plan with sufficient assets to meet the benefits to be paid to plan members, based upon amounts recommended by the Plan's actuary. Such amounts are determined in accordance with the projected unit credit actuarial cost method.

Benefits

Benefits are based on salary and years of service. Early retirement benefits are calculated by discounting the normal retirement benefit by an early retirement factor.

(1) Normal Retirement Benefit includes:

- (i) Accrued Benefit: The annual accrued benefit credited in the prior Contributory Plan as of the effective date of this Plan, if any, plus
- (ii) Past Service Benefit: 1% of annual pay on the effective date multiplied by years of service to the effective date, provided the members had not attained age 65 on the effective date, plus
- (iii) Future Service Benefit: 1.5% of final 5-year average pay multiplied by years of service from date of participation to retirement.

For non-union employees, 2.0% of final 5-year average pay multiplied by years of service from date of participation to retirement.

Monthly retirement income shall not exceed 50% of final monthly base pay and shall not be less than \$200 per month (as a single life annuity).

- (2) Early Retirement Benefit: Income accrued to early retirement date as in (1) above, reduced 1/3 of 1% for each month by which the benefit commencement date preceded Normal Retirement Date.
- (3) Deferred Vested Income: Income accrued to date of termination as in (1) above. Benefits commence at Normal Retirement Date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

Plan Members Covered by Benefit Terms

The following members were covered by the respective benefit terms:

	2025	2024
Inactive members or beneficiaries currently receiving benefits	\$ 264	271
Inactive members entitled to, but not yet receiving benefits	126	133
Active members	12	12
Total	\$ 402	416

Expected Rate of Return on Investments

The long-term rate of return for the Plan's investments were determined using a building block method in which the best estimate ranges or expected real rates of return (i.e. expected returns, net of investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation.

For the years ended June 30, 2025 and 2024, the target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	50 %	6.5 %
International equity	10	6.5
Fixed income	30	4.5
Real estate/alternative	10	5.5
Total	100 %	

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	50 %	6.5 %
International equity	10	6.5
Fixed income	30	3.5
Real estate/alternative	10	5.5
Total	100 %	

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

Actuarial Assumptions

The total pension liability for the Plan was determined by an actuarial valuation as of January 1, 2024 and 2023, respectively, rolled forward to June 30, 2025 and 2024, respectively, using the following actuarial assumptions applied to the period included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

The actuarial assumptions used in the January 1, 2024 and 2023 valuations were based on the results of an actuarial experience study for the period January 1, 2011 to December 31, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the rates applicable to each member and that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Asset to Change in the Discount Rate

The following presents the net pension asset for the Plan as of June 30, 2025 and 2024, calculated using the discount rate of 7.5%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

2025			
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension (Asset) Liability	\$ (7,273)	(9,922)	(12,571)
2024			
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension (Asset) Liability	\$ (3,429)	(6,282)	(8,777)

Net pension income totaled \$1,302 and \$635 for the years ended June 30, 2025 and 2024, respectively.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

Changes in Net Pension Asset

Changes in the net pension asset for the years ended June 30, 2025 and 2024 are as follows:

	2025		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a)-(b)
Balances as of June 30, 2024	\$ 36,857	43,139	(6,282)
Changes for the year:			—
Service cost	10	—	10
Interest	2,665	—	2,665
Changes of benefit terms	977	—	977
Differences between expected and actual experience	(1,515)	—	(1,515)
Contributions – employer	—	200	(200)
Net investment income	—	5,666	(5,666)
Benefit payments, including refunds of member contributions	(2,704)	(2,704)	—
Plan administrative expense	—	(89)	89
Net changes	(567)	3,073	(3,640)
Balances as of June 30, 2025	\$ 36,290	46,212	(9,922)

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

	2024		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a)-(b)
Balances as of June 30, 2023	\$ 37,534	38,143	(609)
Changes for the year:			—
Service cost	64	—	64
Interest	2,722	—	2,722
Differences between expected and actual experience	(807)	—	(807)
Contributions – employer	—	1,000	(1,000)
Net investment income	—	6,736	(6,736)
Benefit payments, including refunds of member contributions	(2,656)	(2,656)	—
Plan administrative expense	—	(84)	84
Net changes	(677)	4,996	(5,673)
Balances as of June 30, 2024	\$ 36,857	43,139	(6,282)

Deferred Outflows/Inflows of Resources

At June 30, 2025 and 2024, the Hospital reported deferred outflows and inflows of resources related to the Plan from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ —	(1,134)
Total	\$ —	(1,134)

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,004	—
Total	\$ 1,004	—

Net deferred outflows (inflows) of resources will be recognized in pension expense as follows for the fiscal year ended June 30:

2026	\$ (20)
2027	684
2028	(1,293)
2029	(505)
	<u>\$ (1,134)</u>

(b) Defined Contribution Plans

The Centers offer their employees the right to participate in a 401(k) plan after completing one year of service and after having reached the age of 21. Employees may choose to defer 1% to 15% of their compensation that would have been received in the plan year. Employee contributions are fully vested at all times and are not subject to forfeiture for any reason. Participants who have completed one year of service and are actively employed on the last day of the plan year are eligible to receive a discretionary employer matching contribution.

The Organization has established a 403(b) plan with the same criteria as above which became effective as of July 1, 2002 for all new hires. For the years ended June 30, 2025 and 2024 the employer match for all eligible employees is 2.25% of an employee's compensation with a maximum compensation of \$270. The Organization contributed \$82 and \$78 to the 401(k) plan, and \$550 and \$638 to the 403(b) plan, during the years ended June 30, 2025 and 2024, respectively.

(10) Endowments

The Organization's endowment consists of approximately 30 individual funds established for a variety of purposes by donors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions, with the principal reported as restricted nonexpendable net position and the earnings reports as restricted expendable – other net position in the Organization's statements of net position.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(a) Interpretation of Relevant Law

Pennsylvania law permits the Board to make an election to annually appropriate for expenditure a selected percentage between 2% and 10% of the fair value of the assets related to permanent endowment funds averaged over a period of three or more preceding years, provided the Board has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

(b) Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year up to 5% of its endowment funds based on the average market value over the prior 20 quarters preceding each December 31. In establishing this policy, the Organization considered the long-term expected return on its funds. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The spending rate for the years ended June 30, 2025 and 2024 was 5% for endowment funds.

(c) Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets that the Organization must hold in perpetuity or for a specified period. The Organization expects its endowment funds, over time, to provide an average rate of return of 8% annually. Actual returns in any given year may vary from that amount.

WILLS EYE HOSPITAL
Notes to Financial Statements
June 30, 2025 and 2024
(In thousands)

(11) Blended Component Units

The following presents condensed combining information of the blended component units:

Condensed Combining Statements of Net Position:

2025

	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
Assets and Deferred Outflows of Resources							
Current assets:							
Due from affiliates	\$ 17,694	802	20	60	157	(18,733)	—
Other current assets	<u>29,307</u>	<u>5,525</u>	<u>4,990</u>	<u>4,966</u>	<u>1,122</u>	<u>(292)</u>	<u>45,618</u>
Total current assets	47,001	6,327	5,010	5,026	1,279	(19,025)	45,618
Noncurrent assets:							
Capital assets	24,244	8	5,266	5,313	4,003	(913)	37,921
Other noncurrent assets	<u>35,096</u>	<u>5,445</u>	<u>—</u>	<u>—</u>	<u>4,012</u>	<u>2,326</u>	<u>46,879</u>
Total noncurrent assets	<u>59,340</u>	<u>5,453</u>	<u>5,266</u>	<u>5,313</u>	<u>8,015</u>	<u>1,413</u>	<u>84,800</u>
Total assets	106,341	11,780	10,276	10,339	9,294	(17,612)	130,418
Deferred outflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 106,341</u>	<u>11,780</u>	<u>10,276</u>	<u>10,339</u>	<u>9,294</u>	<u>(17,612)</u>	<u>130,418</u>
Liabilities, Deferred Inflows of Resources, and Net Position							
Current liabilities:							
Due to affiliates	\$ 3	1,018	14,837	1,378	1,502	(18,738)	—
Other current liabilities	<u>19,106</u>	<u>438</u>	<u>9,877</u>	<u>5,991</u>	<u>254</u>	<u>(288)</u>	<u>35,378</u>
Total current liabilities	19,109	1,456	24,714	7,369	1,756	(19,026)	35,378
Total noncurrent liabilities	<u>6,310</u>	<u>—</u>	<u>4,944</u>	<u>3,547</u>	<u>—</u>	<u>(683)</u>	<u>14,118</u>
Total liabilities	25,419	1,456	29,658	10,916	1,756	(19,709)	49,496
Deferred inflows of resources	2,842	—	—	—	913	(913)	2,842
Net position	<u>78,080</u>	<u>10,324</u>	<u>(19,382)</u>	<u>(577)</u>	<u>6,625</u>	<u>3,010</u>	<u>78,080</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 106,341</u>	<u>11,780</u>	<u>10,276</u>	<u>10,339</u>	<u>9,294</u>	<u>(17,612)</u>	<u>130,418</u>

WILLS EYE HOSPITAL
Notes to Financial Statements
June 30, 2025 and 2024
(In thousands)

2024

	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
Assets and Deferred Outflows of Resources							
Current assets:							
Due from affiliates	\$ 8,912	815	(815)	26	61	(8,999)	—
Other current assets	34,889	5,345	5,084	4,350	2,052	(1,251)	50,469
Total current assets	43,801	6,160	4,269	4,376	2,113	(10,250)	50,469
Noncurrent assets:							
Capital assets	24,635	11	5,682	4,904	4,108	(1,194)	38,146
other noncurrent assets	67,034	6,249	—	—	3,463	(7,181)	69,565
Total noncurrent assets	91,669	6,260	5,682	4,904	7,571	(8,375)	107,711
Total assets	135,470	12,420	9,951	9,280	9,684	(18,625)	158,180
Deferred outflows of resources	3,310	—	—	—	—	—	3,310
Total Assets and Deferred Outflows of Resources	<u>\$ 138,780</u>	<u>12,420</u>	<u>9,951</u>	<u>9,280</u>	<u>9,684</u>	<u>(18,625)</u>	<u>161,490</u>
Liabilities, Deferred Inflows of Resources, and Net Position							
Current liabilities:							
Due to affiliates	\$ —	1,729	5,155	674	1,436	(8,994)	—
Other current liabilities	38,927	298	9,858	5,825	241	(279)	54,870
Total current liabilities	38,927	2,027	15,013	6,499	1,677	(9,273)	54,870
Total noncurrent liabilities	9,352	4	4,988	2,747	—	(972)	16,119
Total liabilities	48,279	2,031	20,001	9,246	1,677	(10,245)	70,989
Deferred inflows of resources	2,277	—	—	—	1,194	(1,194)	2,277
Net position	88,224	10,389	(10,050)	34	6,813	(7,186)	88,224
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 138,780</u>	<u>12,420</u>	<u>9,951</u>	<u>9,280</u>	<u>9,684</u>	<u>(18,625)</u>	<u>161,490</u>

WILLS EYE HOSPITAL
Notes to Financial Statements
June 30, 2025 and 2024
(In thousands)

Condensed Combining Statements of Revenues, Expenses and Changes in Net Position:

2025

	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues:							
Patient service revenue	\$ 44,372	—	28,555	25,661	37	—	98,625
Other	7,028	73	2,774	1,087	771	(575)	11,158
Total operating revenues	51,400	73	31,329	26,748	808	(575)	109,783
Operating expenses:							
Depreciation and amortization	3,204	3	1,134	1,512	106	(281)	5,678
Other operating expenses	52,990	1,870	39,255	25,578	640	(294)	120,039
Total operating expenses	56,194	1,873	40,389	27,090	746	(575)	125,717
Operating (loss) income	(4,794)	(1,800)	(9,060)	(342)	62	—	(15,934)
Nonoperating revenues (expenses)	(5,360)	1,489	(272)	(269)	(250)	10,196	5,534
Contributions to permanent endowment fund	10	246	—	—	—	—	256
Decrease in net position	(10,144)	(65)	(9,332)	(611)	(188)	10,196	(10,144)
Net position - beginning	88,224	10,389	(10,050)	34	6,813	(7,186)	88,224
Net position - ending	<u>\$ 78,080</u>	<u>10,324</u>	<u>(19,382)</u>	<u>(577)</u>	<u>6,625</u>	<u>3,010</u>	<u>78,080</u>

2024

	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues:							
Patient service revenue	\$ 41,878	—	27,122	27,239	—	—	96,239
Other	4,770	65	2,921	2	1,205	(1,304)	7,659
Total operating revenues	46,648	65	30,043	27,241	1,205	(1,304)	103,898
Operating expenses:							
Depreciation and amortization	3,087	5	1,173	1,801	103	(281)	5,888
Other operating expenses	48,759	1,967	38,775	26,462	877	(1,023)	115,817
Total operating expenses	51,846	1,972	39,948	28,263	980	(1,304)	121,705
Operating (loss) income	(5,198)	(1,907)	(9,905)	(1,022)	225	—	(17,807)
Nonoperating revenues (expenses)	1,196	2,714	8,729	(349)	(105)	1,608	13,793
Contributions to permanent endowment fund	367	12	—	—	—	—	379
Decrease in net position	(3,635)	819	(1,176)	(1,371)	120	1,608	(3,635)
Net position - beginning	91,859	9,570	(8,874)	1,405	6,693	(8,794)	91,859
Net position - ending	<u>\$ 88,224</u>	<u>10,389</u>	<u>(10,050)</u>	<u>34</u>	<u>6,813</u>	<u>(7,186)</u>	<u>88,224</u>

WILLS EYE HOSPITAL
Notes to Financial Statements
June 30, 2025 and 2024
(In thousands)

Condensed Combining Statements of Cash Flows:

2025

	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
Net cash provided by (Used in) operating activities	\$ (2,293)	(1,649)	(7,862)	1,543	10	3	(10,248)
Net cash provided by (Used in) noncapital financing activities	(12,724)	(452)	8,847	412	(30)	(10)	(3,957)
Net cash provided by (Used in) capital and related financing activities	(24,215)	2,545	(1,293)	(1,261)	(2)	130	(24,096)
Net cash provided by (Used in) investing activities	<u>38,486</u>	<u>(317)</u>	<u>—</u>	<u>3</u>	<u>(114)</u>	<u>(123)</u>	<u>37,935</u>
Net increase (decrease) in cash and cash equivalents	(746)	127	(308)	697	(136)	—	(366)
Cash and cash equivalents beginning of year	<u>1,394</u>	<u>1,571</u>	<u>336</u>	<u>663</u>	<u>225</u>	<u>—</u>	<u>4,189</u>
Cash and cash equivalents end of year	<u>\$ 648</u>	<u>1,698</u>	<u>28</u>	<u>1,360</u>	<u>89</u>	<u>—</u>	<u>3,823</u>

2024

	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
Net cash provided by (Used in) operating activities	\$ (4,063)	(1,875)	(7,187)	1,176	(140)	(2)	(12,091)
Net cash provided by (Used in) noncapital financing activities	(586)	336	(353)	297	403	3	100
Net cash provided by (Used in) capital and related financing activities	(3,884)	2,945	(1,285)	(1,899)	189	—	(3,934)
Net cash provided by (Used in) investing activities	<u>8,549</u>	<u>(1,489)</u>	<u>9,000</u>	<u>(101)</u>	<u>(336)</u>	<u>(1)</u>	<u>15,622</u>
Net increase (decrease) in cash and cash equivalents	16	(83)	175	(527)	116	—	(303)
Cash and cash equivalents beginning of year	<u>1,378</u>	<u>1,654</u>	<u>161</u>	<u>1,190</u>	<u>109</u>	<u>—</u>	<u>4,492</u>
Cash and cash equivalents end of year	<u>\$ 1,394</u>	<u>1,571</u>	<u>336</u>	<u>663</u>	<u>225</u>	<u>—</u>	<u>4,189</u>

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2025 and 2024

(In thousands)

(12) Commitments and Contingencies

General

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Malpractice Insurance

The Organization carries medical malpractice insurance from various commercial insurers, as well as excess coverage for claims that exceed the primary limits. The Organization's accrual for estimated medical malpractice claims was \$360 and \$365 at June 30, 2025 and 2024, respectively. This includes estimates of the ultimate costs for both reported claims and claims incurred, but not reported, and is included in other liabilities on the statements of net position.

(13) Subsequent events

On October 17, 2025, the Organization entered into a \$1,500 one-year promissory note with a bank with an interest rate equal to the One-Month Term SOFR Rate plus 2.75%.

On December 10, 2025, the Organization entered into a \$14,000 loan with the Estate of Stephen Girard, an affiliate related through a common Board of Directors. The loan matures on January 15, 2033, requiring interest-only payments for the first two years, beginning January 15, 2026, followed by equal payments of principal and interest over the final five years of the term. Interest accrues at an annual rate equivalent to the average of the 30-day SOFR, plus 3.8%, and subject to a floor of 7.5%. The loan is secured by certain real estate owned by the Organization, subject to release upon principal repayment equivalent to the property's assessed value. The loan also provides the lender with equity participation rights, in the event of a proposed acquisition of the Organization. The loan also includes non-financial covenant requirements, which are typical to agreements of this nature.

The Organization has evaluated subsequent events through January 14, 2026, which is the date that the accompanying financial statements were available to be issued. Other than the transactions disclosed above, no subsequent events have occurred that would require recognition or disclosure in these financial statements

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HOSPITAL**

NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios (Unaudited)

June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 10,336	63,816	51,874	51,874	77,549	131,139	129,707	146,763	151,489	157,934
Interest	2,665,485	2,722,048	2,714,148	2,713,580	2,775,905	2,749,757	2,749,422	2,771,758	2,692,747	2,626,675
Changes of benefit terms	976,684	—	—	—	—	—	—	—	—	—
Differences between expected and actual experience	(1,515,271)	(806,785)	(219,455)	(291,457)	189,950	(112,972)	(480,889)	826,767	(59,937)	88,779
Changes of assumptions	—	—	—	157,822	522,419	(132,000)	(139,000)	(130,000)	1,676,000	—
Benefit payments, including refunds of member contributions	(2,704,116)	(2,656,280)	(2,688,397)	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,646)	(2,549,687)	(2,485,082)	(2,478,685)
Net change in total pension liability	(566,882)	(677,201)	(141,830)	(72,002)	879,283	(37,507)	(331,406)	1,065,601	1,975,217	394,703
Total pension liability - beginning	36,857,082	37,534,283	37,676,113	37,748,115	36,868,832	36,906,339	37,237,745	36,172,144	34,196,927	33,802,224
Total pension liability - ending	36,290,200	36,857,082	37,534,283	37,676,113	37,748,115	36,868,832	36,906,339	37,237,745	36,172,144	34,196,927
Plan fiduciary net position:										
Contributions - employer	200,000	1,000,000	1,500,000	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000	1,200,000
Net investment income	5,666,504	6,735,886	(6,491,127)	6,524,205	4,679,321	6,613,092	(1,867,167)	4,333,178	1,954,950	(135,553)
Benefit payments, including refunds of member contributions	(2,704,116)	(2,656,280)	(2,688,397)	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,646)	(2,549,687)	(2,485,082)	(2,478,685)
Administrative expense	(89,051)	(83,518)	(80,242)	(74,814)	(74,926)	(71,305)	(66,786)	(62,989)	(69,933)	(54,508)
Net change in plan fiduciary net position	3,073,337	4,996,088	(7,759,766)	5,245,570	3,417,855	5,369,756	(3,199,599)	2,920,502	599,935	(1,468,746)
Plan fiduciary net position - beginning	43,139,054	38,142,966	45,902,732	40,657,162	37,239,307	31,869,551	35,069,150	32,148,648	31,548,713	33,017,459
Plan fiduciary net position - ending	46,212,391	43,139,054	38,142,966	45,902,732	40,657,162	37,239,307	31,869,551	35,069,150	32,148,648	31,548,713
Net pension liability (asset)	\$ 9,922,191	6,281,972	608,683	8,226,619	2,909,047	370,475	(5,036,788)	(2,168,595)	(4,023,496)	(2,648,214)
Plan fiduciary net position as a percentage of the total pension liability	127.34%	117.04%	101.62%	121.84%	107.71%	101.00%	86.35%	94.18%	88.88%	92.26%
Covered employee payroll	\$ 2,440,000	2,270,815	2,363,559	2,242,447	2,236,885	2,208,357	2,235,608	2,484,534	2,718,440	2,635,641
Net pension liability (asset) as a percentage of covered employee payroll	-406.65%	-276.64%	-25.75%	-366.86%	-130.05%	-16.78%	225.30%	87.28%	148.01%	100.48%

See accompanying independent auditors' report.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HOSPITAL**

NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Employer Contributions (Unaudited)

June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ —	79,913	1,147,000	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000	1,200,000
Contributions in relation to the actuarially determined contribution	200,000	1,000,000	1,500,000	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000	1,200,000
Contribution deficiency (excess)	(200,000)	(920,087)	(353,000)	—	—	—	—	—	—	—
Covered employee payroll	\$ 2,440,000	2,270,815	2,363,559	2,242,447	2,236,885	2,208,357	2,235,608	2,484,534	2,718,440	2,635,641
Contributions as a percentage of covered employee payroll	8.20%	44.04%	63.46%	66.89%	67.06%	67.99%	59.27%	48.30%	44.14%	45.53%

See accompanying independent auditors' report.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HOSPITAL**

NON-CONTRIBUTORY RETIREMENT PLAN

Notes to Required Supplementary Information (Unaudited)

June 30, 2025

(1) Significant methods and assumptions used in calculating the actuarially determined contributions

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Valuation date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions:										
Investment rate of return	7.50%	7.50%	7.50%	7.50%	7.50%	7.75%	7.75%	7.75%	7.75%	8.00%
Projected salary increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale
Cost-of-living adjustments	3.00%	3.00%	3.00%	3.00%	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%
Discount rate - actuarially accrued liability	7.50%	7.50%	2.79%	2.56%	2.45%	3.34%	4.08%	3.65%	3.35%	4.11%

See accompanying independent auditors' report.

WILLS EYE HOSPITAL
SCHEDULE OF BLENDED COMPONENT UNITS - AMBULATORY SURGERY CENTERS

Schedule of Net Position

June 30, 2025

(In thousands)

Assets	Warminster	Cherry Hill	Plymouth Meeting	Cottman	Stadium	Total
Current assets:						
Cash and cash equivalents	\$ 76	200	624	77	383	1,360
Patient accounts receivable	396	774	242	—	564	1,976
Inventory	230	422	178	—	414	1,244
Due from Affiliates	—	25	—	—	35	60
Other current assets	31	54	78	133	90	386
Total current assets	733	1,475	1,122	210	1,486	5,026
Noncurrent assets:						
Capital assets, net	584	2,057	1,271	—	1,401	5,313
Total assets	\$ 1,317	3,532	2,393	210	2,887	10,339
Liabilities and Net Position						
Current liabilities:						
Accounts payable	\$ 753	1,975	455	592	654	4,429
Accrued liabilities	107	152	69	—	153	481
Current portion of long-term debt	10	27	27	—	—	64
Current portion of lease liabilities	188	320	218	—	291	1,017
Due to affiliates	12	564	25	761	16	1,378
Total current liabilities	1,070	3,038	794	1,353	1,114	7,369
Noncurrent liabilities:						
Long-term debt, net of current portion	—	32	381	—	—	413
Lease liabilities, net of current portion	251	788	1,005	—	1,090	3,134
Total liabilities	1,321	3,858	2,180	1,353	2,204	10,916
Net position:						
Net investment in capital assets	145	890	48	—	20	1,103
Unrestricted	(149)	(1,216)	165	(1,143)	663	(1,680)
Total net position	(4)	(326)	213	(1,143)	683	(577)
Total liabilities and net position	\$ 1,317	3,532	2,393	210	2,887	10,339

See accompanying independent auditors' report.

WILLS EYE HOSPITAL
SCHEDULE OF BLENDED COMPONENT UNITS - AMBULATORY SURGERY CENTERS

Schedule of Revenues, Expenses and Changes in Net Position

June 30, 2025

(In thousands)

	<u>Warminster</u>	<u>Cherry Hill</u>	<u>Plymouth Meeting</u>	<u>Cottman</u>	<u>Stadium</u>	<u>Total</u>
Operating revenues:						
Patient service revenue	\$ 4,849	9,751	5,061	629	5,371	25,661
Other revenue	139	322	130	303	193	1,087
Total operating revenues	<u>4,988</u>	<u>10,073</u>	<u>5,191</u>	<u>932</u>	<u>5,564</u>	<u>26,748</u>
Operating expenses:						
Salaries and benefits	1,272	2,822	1,566	282	1,889	7,831
Supplies and other expenses	3,143	7,045	3,030	673	2,782	16,673
Insurance	112	267	157	35	134	705
Professional fees	82	91	82	32	82	369
Depreciation and amortization	223	455	261	199	374	1,512
Total operating expenses	<u>4,832</u>	<u>10,680</u>	<u>5,096</u>	<u>1,221</u>	<u>5,261</u>	<u>27,090</u>
Operating income (loss)	<u>156</u>	<u>(607)</u>	<u>95</u>	<u>(289)</u>	<u>303</u>	<u>(342)</u>
Nonoperating revenue (expense):						
Interest income	1	—	—	1	1	3
Interest expense	(18)	(47)	(108)	(3)	(96)	(272)
Total nonoperating expense	<u>(17)</u>	<u>(47)</u>	<u>(108)</u>	<u>(2)</u>	<u>(95)</u>	<u>(269)</u>
Increase (decrease) in net position	139	(654)	(13)	(291)	208	(611)
Net position - beginning of year	<u>(143)</u>	<u>328</u>	<u>226</u>	<u>(852)</u>	<u>475</u>	<u>34</u>
Net position - end of year	<u>\$ (4)</u>	<u>(326)</u>	<u>213</u>	<u>(1,143)</u>	<u>683</u>	<u>(577)</u>

See accompanying independent auditors' report.



COLLECTIVE LEGAL INVESTMENT FUND

Basic Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

COLLECTIVE LEGAL INVESTMENT FUND

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KPMG LLP
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Philadelphia, PA 19103-7501

Independent Auditors' Report

The Members of the Board
The Board of Directors of City Trusts:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Collective Legal Investment Fund of Board of Directors of City Trusts (CLIF), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the CLIF's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the CLIF, as of December 31, 2025 and 2024, and the respective changes in its fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CLIF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 CLIF's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 CLIF'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 CLIF'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
July 31, 2026

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2025 and 2024

The following discussion and analysis of the Collective Legal Investment Fund ("CLIF") provides an overview of the financial activities of the CLIF as of and for the years ended December 31, 2025 and 2024, with comparative information as of and for the year ended December 31, 2023 presented.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the financial statements themselves, and the Notes to the Financial Statements that are provided in addition to this Management's Discussion and Analysis.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the CLIF's basic financial statements. The CLIF is considered a fiduciary fund (Investment Trust) in accordance with Governmental Accounting Standards Board Statement No. 34. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The CLIF's basic financial statements comprise the statements of fiduciary position, statements of changes in fiduciary net position, and notes to the financial statements.

Statements of Fiduciary Net Position

These statements are used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. These statements present the total assets held less any liabilities to report the net position held in trust for the CLIF. Investments are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statements of Changes in Fiduciary Net Position

These statements present the total additions to the CLIF in the form of investment income, securities lending income and deposits to investment fund, less any deductions for expenses or withdrawals from investment fund to arrive at a change in fiduciary net position for the years then ended.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Financial Highlights

For the year ended December 31, 2025, the CLIF's fiduciary net position increased by \$43.9 million (7%) compared to a decrease of \$49.2 million (8%) in 2024. The increase was attributable to positive market performance and a significant reduction in participating investor trusts withdrawals.

For the year ended December 31, 2024, the CLIF's fiduciary net position decreased by \$49.2 million (8%) compared to an increase of \$58.9 million (10%) in 2023. The decrease was primarily due to significant withdrawals during the year by participating investor trusts, the Estate of Stephen Girard, Deceased (Girard Estate) and Wills Eye Health System (Wills Eye) related to the payoff of debt obligations for each of these trusts.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2025 and 2024

Financial Information

The following table is a summary of the Statements of Fiduciary Net Position, as of December 31, 2025 and 2024, respectively with comparative information as of December 31, 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets:			
Cash	\$ 1,730,069	946,474	2,271,978
Investment income receivable	1,537,310	1,418,517	1,736,475
Other receivables	38,141	40,063	1,444,635
Collateral received for securities on loan	32,561,445	41,600,746	84,624,759
Investments	<u>633,431,764</u>	<u>589,377,351</u>	<u>637,008,237</u>
Total assets	<u>669,298,729</u>	<u>633,383,151</u>	<u>727,086,084</u>
Liabilities:			
Accrued expenses	965,860	706,831	886,196
Due to participating trusts	1,711,423	946,530	2,272,025
Payable for securities on loan	<u>32,561,445</u>	<u>41,600,746</u>	<u>84,624,759</u>
Total liabilities	<u>35,238,728</u>	<u>43,254,107</u>	<u>87,782,980</u>
Net position held in trust	<u>\$ 634,060,001</u>	<u>590,129,044</u>	<u>639,303,104</u>

During the year ended December 31, 2025, the various stock market indices all experienced increases which had a direct positive impact on the CLIF's investments, which increased by \$44.1 million (7%). This increase was primarily attributable to unrealized appreciation of approximately \$12.5 million, realized gains on investment sales of approximately \$57.8 million, deposits from participating investor trusts of approximately \$2.6 million, and net investment income of approximately \$8.4 million. These increases were partially offset by withdrawals from the fund of approximately \$37.4 million.

During the year ended December 31, 2024, there were significant withdrawals from the CLIF by both Girard Estate and Wills Eye related to the payoff of debt obligations in September 2024 which had a direct impact on the CLIF's investments, which decreased by approximately \$47.6 million (7%). This decrease was due to withdrawals from participating investor trusts of approximately \$143.8 million which were offset by unrealized investment appreciation of approximately \$4.9 million, realized gains of approximately \$70.4 million for investment sales, deposits received from participating investor trusts of approximately \$13.6 million and net investment income of approximately \$7.3 million.

Receivables relate to timing differences on trade and settlement dates for investment securities at year-end. Accrued expenses related to investment manager fees vary based on market performance.

As of December 31, 2025 and December 31, 2024, collateral for securities on loan decreased by approximately \$9 million and approximately \$43.0 million, respectively, due to a reduction in the securities on loan each year. Securities on loan fluctuate year to year based upon market conditions and market demand. There is a corresponding offset to a liability for securities on loan as for each year as well, respectively.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2025 and 2024

The following table is a summary of the Statements of Changes in Fiduciary Net Position for the years ended December 31, 2025 and 2024, respectively, with comparative information for the year ended December 31, 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions:			
Investment income:			
Investment income, net of investment management fees	\$ 8,374,470	7,298,080	10,358,468
Net appreciation of investments	<u>70,341,255</u>	<u>73,736,100</u>	<u>92,254,827</u>
Total investment income	78,715,725	81,034,180	102,613,295
Deposits to investment fund	<u>2,631,355</u>	<u>13,568,669</u>	<u>1,108,494</u>
Total additions	81,347,080	94,602,849	103,721,789
Deductions:			
Withdrawals from investment fund	<u>(37,416,123)</u>	<u>(143,776,909)</u>	<u>(44,794,158)</u>
Total deductions	<u>(37,416,123)</u>	<u>(143,776,909)</u>	<u>(44,794,158)</u>
Net increase (decrease)	<u>\$ 43,930,957</u>	<u>(49,174,060)</u>	<u>58,927,631</u>

During the year ended December 31, 2025, net investment income increased by approximately \$1.1 million. The net appreciation of investments decreased by approximately \$3.4 million. This decrease was primarily attributable to withdrawals of approximately \$37.4 million by participating investor trusts during the year.

During the year ended December 31, 2024, net investment income decreased by approximately \$3.1 million. The net appreciation of investments decreased by approximately \$18.5 million. These decreases were primarily due to withdrawals by participating investor trusts of approximately \$143.7 million from the fund during the year.

During the year ended December 31, 2025, there were deposits in the CLIF of approximately \$2.6 million compared to deposits of approximately \$13.6 million during 2024. The decrease was primarily due to the reinvestment of proceeds received from a Girard Estate real estate transaction in 2024 that were deposited into the fund.

During the year ended December 31, 2024 there were deposits in the CLIF of approximately \$13.6 million compared to deposits of approximately \$1.1 million during 2023. The increase in deposits during 2024 was primarily from the reinvestment of proceeds received from a Girard Estate real estate investment transaction.

Withdrawals from the investment fund fluctuate from year to year based upon the needs of each investor trust. In 2025, there was a decrease in withdrawals from participating investor trusts of approximately \$106.4 million compared to 2024. This decrease is related to both Girard Estate and Wills Eye having significant withdrawals during September of 2024 to pay off debt obligations.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2025 and 2024

During the year ended December 31, 2024 there was an increase of approximately \$99.0 million in withdrawals compared to 2023. This increase is related to both Girard Estate and Wills Eye having significant withdrawals during September of 2024 to pay off debt obligations.

The following is a summary of the investments at fair value as of December 31, 2025 and 2024, with comparative information as of December 31, 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term investments	\$ 52,047,468	48,142,027	45,606,534
Equity securities:			
Domestic	411,250,417	348,928,688	349,198,251
International	<u>—</u>	<u>23,527,077</u>	<u>38,413,609</u>
Total equity securities	<u>411,250,417</u>	<u>372,455,765</u>	<u>387,611,860</u>
Fixed income:			
U.S. Government and agencies	26,583,077	23,372,069	57,447,438
Corporate and other	38,782,338	43,747,958	46,282,965
Asset-backed securities	3,518,905	1,801,146	4,661,439
Mortgage-backed securities	4,388,892	2,491,077	1,633,635
Mutual funds	<u>—</u>	<u>—</u>	<u>8,215,261</u>
Total fixed income	73,273,212	71,412,250	118,240,738
Private equity funds	61,208,793	67,985,887	48,826,514
Real estate investments	<u>35,651,874</u>	<u>29,381,422</u>	<u>36,722,591</u>
Total	<u>\$ 633,431,764</u>	<u>589,377,351</u>	<u>637,008,237</u>

Contact Information

This financial report is designed to provide our families, supporters, investors and creditors with a general overview of the CLIF's finances and to demonstrate the CLIF's accountability. Additional information is also available on the CLIF's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Collective Legal Investment Fund
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

COLLECTIVE LEGAL INVESTMENT FUND

Statements of Fiduciary Net Position

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Cash	\$ 1,730,069	946,474
Investment income receivable	1,537,310	1,418,517
Other receivables	38,141	40,063
Collateral received for securities on loan	32,561,445	41,600,746
Investments	<u>633,431,764</u>	<u>589,377,351</u>
Total assets	<u>669,298,729</u>	<u>633,383,151</u>
Liabilities:		
Accrued expenses	965,860	706,831
Due to participating trusts	1,711,423	946,530
Payable for securities on loan	<u>32,561,445</u>	<u>41,600,746</u>
Total liabilities	<u>35,238,728</u>	<u>43,254,107</u>
Net position held in trust	<u>\$ 634,060,001</u>	<u>590,129,044</u>

See accompanying notes to financial statements.

COLLECTIVE LEGAL INVESTMENT FUND

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions:		
Investment income:		
Interest	\$ 5,960,792	7,031,556
Dividends	4,732,517	5,013,383
Real estate and other income	2,921,356	1,325,008
Net appreciation of investments	<u>70,341,255</u>	<u>73,736,100</u>
Subtotal investment income	83,955,920	87,106,047
Investment management fees	<u>(5,240,195)</u>	<u>(6,071,867)</u>
Total investment income	78,715,725	81,034,180
Deposits to investment fund	<u>2,631,355</u>	<u>13,568,669</u>
Total additions	81,347,080	94,602,849
Deductions:		
Withdrawals from investment fund	<u>(37,416,123)</u>	<u>(143,776,909)</u>
Total deductions	<u>(37,416,123)</u>	<u>(143,776,909)</u>
Net (decrease) increase	43,930,957	(49,174,060)
Net position held in trust:		
Beginning of year	<u>590,129,044</u>	<u>639,303,104</u>
End of year	<u>\$ 634,060,001</u>	<u>590,129,044</u>

See accompanying notes to financial statements.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) *Description of the Entity*

The Collective Legal Investment Fund (the CLIF) was created by the Board of Directors of City Trusts (the Board) to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Estate of Stephen Girard, Deceased (Girard Estate), Wills Eye Institute, the three retirement plans of the Board, and 117 smaller trusts collectively referred to as the "Sundry Trusts." The financial statements of the CLIF are not intended to represent all assets, liabilities, and activities of the investor trusts, only their collective investments in securities through the CLIF and related income, expenses, gains, and losses.

(b) *Basis of Accounting*

The basic financial statements of the CLIF have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The CLIF is classified as an Investment Trust Fund. The basic fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

The CLIF uses the accrual basis of accounting where the measurement focus is on the flow of economic resources. Revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred.

(c) *Cash*

Cash consists of cash on hand and deposits.

All the CLIF's' deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250,000 per plan per member) and/or collateralized by securities held by a financial institution separate from the CLIF's depository financial institution. However, the CLIF's cash balances can exceed FDIC insured limits. As of December 31, 2025 and 2024, cash in the bank amounted to approximately \$8.1 and \$1.3 million, respectively, of which, approximately \$7.8 and \$1.0 million, respectively, was uninsured.

(d) *Investments*

Investments, including short-term, equity and fixed income securities as well as real estate investments are reported at fair value, as described in note 2. Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis.

Private equity funds are reported at fair value as estimated and reported by general partners and investment managers, based upon the underlying net asset value (NAV) of the fund or partnership as a practical expedient of fair value. Adjustments are required when the CLIF expects to sell the investment at a value other than NAV.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

(e) Deposits to Investment Fund

From time to time, the CLIF will receive deposits from the Girard Estate, Wills Eye Institute, or from the Sundry Trusts.

(f) Withdrawals from Investment Fund

Units of the CLIF are generally purchased and sold based on the available cash and cash requirements of each of the participating investor trusts. Earnings from the CLIF are allocated to each participating investor trust on a monthly basis. Gains and losses from the sales of such units are determined on the last-in, first-out (LIFO) method. Withdrawals from the CLIF are used by the investor trusts for the purposes established by the creator of the trust. Expenditures by the investor trusts in fulfillment of trust purposes are not included in the financial statements of the CLIF.

(g) Income Taxes

Income earned by the CLIF is not subject to federal income tax.

(h) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

(2) Fair Value Measurements

The CLIF categorizes its fair value measurements within the fair value hierarchy established by GAAP. Three levels of inputs may be used to measure fair value as follows:

- *Level 1:* Quoted or published prices in active markets for identical assets or liabilities. Level 1 assets include U.S. Treasury debt and equity securities, including exchange traded funds, international equity and fixed income mutual funds, that are traded in an active exchange market, as well as U.S. Treasury securities.
- *Level 2:* Observable inputs other than Level 1 prices such as quoted or published prices for similar assets and liabilities, quoted or published prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. municipal and foreign government and agency asset and mortgage-backed debt securities and corporate debt securities.
- *Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. Level 3 assets include real estate investments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The types of investments held by the CLIF are described as follows:

(a) Short-term Investments

Short-term investments consist of cash equivalents and highly liquid investments, which are readily convertible to known amounts of cash and which have original maturities of three months or less when purchased.

(b) Equity Securities

Equity securities, exchange-traded funds and international equity mutual funds traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, or have a readily determinable fair value, they are categorized in Level 1 of the fair value hierarchy.

(c) Debt Securities

U.S. government and other debt securities are valued at the closing price reported in the active market in which the security is traded, if available, and categorized in Level 1 of the fair value hierarchy. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings and characterized in Level 2 of the fair value hierarchy.

Listed asset-backed securities are valued based on quoted or published market prices from the active market in which the instrument is principally traded and are categorized in Level 1 of the fair value hierarchy.

If such quoted or published prices are not available, the fair value of the security is estimated based on models considering the estimated cash flows and expected yield. Such investments are categorized as Level 2 based on the extent inputs are observable and timely.

(d) Real Estate Investments

The CLIF is a limited partner in investments that own diversified real estate assets. The CLIF has no authority to operate or govern the assets of these limited partnerships, it is not the guarantor of any debt obligations, and does not have an ongoing financial responsibility. The CLIF is entitled to preferred cumulative dividends and/or operational cash flow from net operating income. Real estate investments are reported at fair value and considered Level 3 investments in the fair value hierarchy table.

(e) Private Equity Funds

NAVs provided by limited partnership investees are based on audit financial statements, estimates, appraisals, assumptions, and methods that are reviewed by CLIF management. The CLIF estimates the fair value of its limited partnership investments using the NAV per share as reported by the investee as a practical expedient. Private equity funds, which are measured at NAV per share as a practical expedient to fair value, have not been categorized in the fair value hierarchy table below. The amounts presented in the table for these investments are intended to permit reconciliation of the fair value hierarchy table to the investment amounts presented in the financial statements.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

As of December 31, 2025 and 2024, private equity investments consisted of the following:

2025			
Investment type	NAV	Unfunded commitments	Redemption frequency
Energy	\$ 11,554,256	2,738,646	Not applicable
Small company buyouts	22,567,604	8,231,677	Not applicable
Distressed securities	9,984,339	23,044,448	Not applicable
Secondary markets	13,410,000	14,838,521	Not applicable
Private debt	3,692,594	1,369,419	Not applicable
	<u>\$ 61,208,793</u>	<u>50,222,711</u>	
2024			
Investment type	NAV	Unfunded commitments	Redemption frequency
Energy	\$ 13,037,027	2,738,646	Not applicable
Small company buyouts	24,743,410	7,559,329	Not applicable
Distressed securities	10,230,156	22,987,604	Not applicable
Secondary markets	13,679,943	12,780,834	Not applicable
Private debt	6,295,351	2,506,772	Not applicable
	<u>\$ 67,985,887</u>	<u>48,573,185</u>	

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

The following table presents the investments in securities measured at fair value on a recurring basis as of December 31, 2025 (in thousands):

	Total	Fair value measurements at December 31, 2025 using		
		Level 1	Level 2	Level 3
Short-term investments	\$ 52,048	52,048	—	—
Equity securities:				
U.S. common stocks:				
Industrials	41,366	41,366	—	—
Consumer discretionary	28,520	28,520	—	—
Consumer staples	8,365	8,365	—	—
Energy	12,820	12,820	—	—
Financial	45,603	45,603	—	—
Materials	7,632	7,632	—	—
Information technology	79,958	79,958	—	—
Real Estate	4,160	4,160	—	—
Utilities	6,734	6,734	—	—
Healthcare	38,539	38,539	—	—
Telecommunications and other	26,289	26,289	—	—
Total U.S. common stocks	299,986	299,986	—	—
Exchange-traded funds	111,264	111,264	—	—
Total equity securities	411,250	411,250	—	—
Fixed income:				
U.S. Treasury bonds and notes	17,693	17,693	—	—
Municipal bonds	8,890	—	8,890	—
U.S. corporate and other bonds	38,782	—	38,782	—
Asset-backed securities	3,519	—	3,519	—
Mortgage-backed securities	4,389	—	4,389	—
Total fixed income	73,273	17,693	55,580	—
Real estate investments	35,652	—	—	35,652
Subtotal	572,223	480,991	55,580	35,652
Private equity funds (NAV)	61,209			
Total	\$ 633,432			

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

The following table presents the investments in securities measured at fair value on a recurring basis as of December 31, 2024 (in thousands):

	Total	Fair value measurements at December 31, 2024 using		
		Level 1	Level 2	Level 3
Short-term investments	\$ 48,142	48,142	—	—
Equity securities:				
U.S. common stocks:				
Industrials	40,044	40,044	—	—
Consumer discretionary	32,655	32,655	—	—
Consumer staples	10,662	10,662	—	—
Energy	16,447	16,447	—	—
Financial	43,754	43,754	—	—
Materials	8,976	8,976	—	—
Information technology	86,560	86,560	—	—
Real Estate	7,505	7,505	—	—
Utilities	6,392	6,392	—	—
Healthcare	34,673	34,673	—	—
Telecommunications and other	27,429	27,429	—	—
Total U.S. common stocks	315,097	315,097	—	—
Exchange-traded funds	33,832	33,832	—	—
International equity mutual funds	23,527	23,527	—	—
Total equity securities	372,456	372,456	—	—
Fixed income:				
U.S. Treasury bonds and notes	23,372	23,372	—	—
Municipal bonds	7,215	—	7,215	—
U.S. corporate and other bonds	36,533	—	36,533	—
Asset-backed securities	1,801	—	1,801	—
Mortgage-backed securities	2,491	—	2,491	—
Total fixed income	71,412	23,372	48,040	—
Real estate investments	29,381	—	—	29,381
Subtotal	521,391	443,970	48,040	29,381
Private equity funds (NAV)	67,986			
Total	\$ 589,377			

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

(3) Investment Risks

The CLIF employs an independent investment consultant as an investment advisor. The CLIF utilizes several investment managers to manage the debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines. The CLIF does not possess an investment risk policy, nor does it actively manage assets to specified risk targets. Rather, investment risk management is an inherent function of the asset allocation process. Assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk. The following describes the CLIF's various investment risks:

(a) Credit Risk

The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Services (Moody's), Standard and Poor's (S&P), and Fitch Ratings (Fitch). The following table discloses the aggregate fair value of fixed income investment holdings exposed to credit risk, excluding fixed income mutual funds as they are not rated, by the least favorable credit rating as of December 31, 2025 and 2024 by debt category (in thousands):

		2025						
		Aaa	Aa	A	Baa	Ba-B3	Unrated	Total
Municipal bonds	\$	973	5,605	1,617	101	—	594	8,890
U.S. corporate and other bonds		183	2,151	7,717	6,729	21,441	561	38,782
Asset-backed securities		1,694	357	—	—	—	1,468	3,519
Mortgage-backed securities		2,429	454	200	—	—	1,306	4,389
Total	\$	5,279	8,567	9,534	6,830	21,441	3,929	55,580
Percent of portfolio		1.0%	1.6%	1.8%	1.3%	4.0%	0.7%	10.4%

		2024						
		Aaa	Aa	A	Baa	Ba-B3	Unrated	Total
Municipal bonds	\$	899	4,865	1,136	—	—	315	7,215
U.S. corporate and other bonds		185	1,485	7,728	5,561	20,099	1,475	36,533
Asset-backed securities		1,505	—	96	—	—	200	1,801
Mortgage-backed securities		1,766	193	—	—	—	532	2,491
Total	\$	4,355	6,543	8,960	5,561	20,099	2,522	48,040
Percent of portfolio		0.7%	1.1%	1.5%	0.9%	3.4%	0.4%	8.2%

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

(b) Custodial Credit Risk

The risk that in the event of a failure of the counterparty or depository financial institution, the CLIF will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the CLIF and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the CLIF.

Consistent with the CLIF's investment policy, the investments are held by the CLIF's custodian and registered in the name of the CLIF.

(c) Interest Rate Risk

The risk that the value of debt securities will be affected by fluctuations in market interest rates. Although there is no formal interest rate risk management policy, the duration of the portfolio, relative to the duration of the portfolio's benchmark, is monitored by the CLIF. The lengths of investment maturities (in years) of the investments, as shown by the percent of the rated portfolio on December 31, 2025 and 2024 follow (in thousands):

Investment type	Fair value	2025			
		Investment maturities (in years)			
		Less than 1 Year	1 – 5 years	6 – 10 years	More than 10 years
U.S. Treasury bonds and notes	\$ 17,693	—	5,486	1,769	10,438
Municipal bonds	8,889	—	866	1,509	6,514
U.S. corporate and other bonds	38,782	449	24,323	10,476	3,534
Asset backed securities	3,519	—	3,158	361	—
Mortgage-backed securities	4,389	—	317	137	3,935
Total	\$ 73,272	449	34,150	14,252	24,421
Percent of portfolio	13.8%	0.1%	6.4%	2.7%	4.6%

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

Investment type	2024				
	Investment maturities (in years)				
	Fair value	Less than 1 Year	1 – 5 years	6 – 10 years	More than 10 years
U.S. Treasury bonds and notes	\$ 23,372	—	5,037	4,472	13,863
Municipal bonds	7,215	30	—	2,197	4,988
Debt securities issued by foreign governments	—	—	—	—	—
U.S. corporate and other bonds	36,533	629	21,262	11,033	3,609
Asset backed securities	1,801	—	1,801	—	—
Mortgage-backed securities	2,491	—	—	—	2,491
Total	<u>\$ 71,412</u>	<u>659</u>	<u>28,100</u>	<u>17,702</u>	<u>24,951</u>
Percent of portfolio	12.1%	0.1%	4.8%	3.0%	4.2%

(d) Foreign Currency Risk

The risk that changes in the exchange rates will adversely impact the fair value of an investment. Currency risk is present in underlying portfolios that invest in foreign bonds. In general, currency exposure is viewed as a benefit for its diversification reasons and not as an inherent risk within the portfolio. There were no foreign currency exposures of the investments as of December 31, 2025 and 2024.

(e) Concentration Risk

No investment in any individual company may represent more than 5% of the CLIF's total fiduciary net position or 5% of the company's total outstanding shares. Exclusions apply for obligations of the United States, or those for which the faith of the United States is pledged to provide payment of the interest and principal.

(4) Securities on Loan

The CLIF participates in a securities lending program as a means to generate incremental income. Through this program, the CLIF may lend its securities to qualified borrowers, through its lending agent, that meet certain guidelines established by the Board. All borrowings are initially secured by collateral in an amount equal to at least 102% of the fair value of the securities loaned and are marked to market daily. Each business day, the amount of collateral is adjusted based on the prior day's closing fair value.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2025 and 2024

The collateral is primarily invested in cash and cash equivalents. Income from lending activity is determined by the amount of interest earned on the invested collateral, a portion of which is allocated to the lending agent. The CLIF is also entitled to receive interest and dividends from securities on loan.

As of December 31, 2025 and 2024, the CLIF credit risk exposure to borrowers was limited because the amounts owed to the borrowers exceeded the amounts the borrowers owed back to the CLIF. The contracts with the CLIF's Securities Lending Agent (the "Agent") require the Agent to indemnify the CLIF. In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall before the replacement securities cost and the collateral value are covered by the Agent.

Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the entity has the ability to pledge or sell them without a borrower default. Accordingly, the CLIF recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending. As of December 31, 2025 and 2024, the CLIF had loaned out certain securities, returnable on demand, with a fair value of approximately \$31.6 million and \$40.7 million respectively to several financial institutions that have deposited collateral with respect to such securities with a fair value of approximately \$32.6 million and \$41.6 million, respectively. As of December 31, 2025 and 2024 this collateral was held in cash and cash equivalents. All income for securities on loan is included with investment income in the statements of changes in fiduciary net position.



**BOARD OF DIRECTORS OF CITY TRUSTS
COLLECTIVE LEGAL INVESTMENT FUND**

Sundry Trusts Supplementary Information

December 31, 2025

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
COLLECTIVE LEGAL INVESTMENT FUND**

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KPMG LLP
Suite 4000
1735 Market Street
Philadelphia, PA 19103-7501

Independent Auditors' Report on Supplementary Information

The Members of the Board
The Board of Directors of City Trusts:

We have audited the financial statements of Collective Legal Investment Fund of the Board of Directors of City Trusts as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the CLIF's basic financial statements for the year then ended, and have issued our report thereon dated July 31, 2026 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of statements of fiduciary net position and changes in fiduciary net position (Sundry Trusts) is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Philadelphia, Pennsylvania
July 31, 2026

DAVID J. ABRAMS FUND

Created 1967

By Bequest for the Use of Girard College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 2,270,411
Additions:	
Investment income (loss):	
Income from invested funds	38,134
Net realized gain on sale of units	33,152
Unrealized appreciation in fair value of units	240,122
Total investment income (loss)	311,408
Total additions	311,408
Deductions:	
Administrative expenses	1,704
Withdrawals on behalf of Girard College	103,600
Total deductions	105,304
Change in net position	206,104
Net Position Held in Trust, December 31, 2025	\$ 2,476,515

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 2,983
Investment income receivable	6,297
13,410 units of Collective Legal Investment Fund	2,468,214
Accrued expenses	(979)
Net Position Held in Trust, December 31, 2025	\$ 2,476,515

See accompanying independent auditors' report.

RICHARD C. ANDERSON FUND

Created 1980

To be held in trust and the net income distributed annually to the athlete graduating from Girard College with the best academic record in their senior year.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	20,396
Additions:		
Investment income (loss):		
Income from invested funds		340
Net realized gain on sale of units		527
Unrealized appreciation in fair value of units		1,906
Total investment income (loss)		2,773
Total additions		2,773
Deductions:		
Administrative expenses		15
Awards		900
Total deductions		915
Change in net position		1,858
Net Position Held in Trust, December 31, 2025	\$	22,254

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	304
Investment income receivable		56
119 units of Collective Legal Investment Fund		21,903
Accrued expenses		(9)
Net Position Held in Trust, December 31, 2025	\$	22,254

See accompanying independent auditors' report.

ANN ARMITT FUND

Created 1797

“To the Overseers of the poor or the Managers of the Bettering House”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	7,788
Additions:		
Investment income (loss):		
Income from invested funds		130
Net realized gain on sale of units		347
Unrealized appreciation in fair value of units		584
Total investment income (loss)		1,061
Total additions		1,061
Deductions:		
Administrative expenses		6
Fuel office expenses		7
Total deductions		13
Change in net position		1,048
Net Position Held in Trust, December 31, 2025	\$	8,836

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	535
Investment income receivable		21
45 units of Collective Legal Investment Fund		8,283
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2025	\$	8,836

See accompanying independent auditors' report.

SAMUEL H. ASHBRIDGE FUND

Created 1948

"The net income when, and as often as, same is sufficient in amount shall be used for the support and maintenance, without charge, cost or expense to them, in appropriate homes, public or private, in the City of Philadelphia or its immediate suburbs, of indigent and worthy widows and single women, irrespective of race, creed or religion, of not less than fifty years of age, whose circumstances and necessities compel them to seek shelter and maintenance."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	347,273
Additions:		
Investment income (loss):		
Income from invested funds		5,822
Net realized gain on sale of units		423
Unrealized appreciation in fair value of units		41,270
Total investment income (loss)		47,515
Total additions		47,515
Deductions:		
Administrative expenses		258
Support and maintenance of indigent widows and single women		6,240
Total deductions		6,498
Change in net position		41,017
Net Position Held in Trust, December 31, 2025	\$	388,290

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	768
Investment income receivable		961
2,101 units of Collective Legal Investment Fund		386,705
Accrued expenses		(144)
Net Position Held in Trust, December 31, 2025	\$	388,290

See accompanying independent auditors' report.

HELEN CHEYNEY BAILEY SCHOLARSHIP FUND

Created 1966

"To provide scholarships for graduates of Philadelphia High School for Girls"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	114,631
Additions:		
Investment income (loss):		
Income from invested funds		1,922
Unrealized appreciation in fair value of units		13,760
Total investment income (loss)		15,682
Total additions		15,682
Deductions:		
Administrative expenses		84
Total deductions		84
Change in net position		15,598
Net Position Held in Trust, December 31, 2025	\$	130,229

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	196
Investment income receivable		317
705 units of Collective Legal Investment Fund		129,761
Accrued expenses		(45)
Net Position Held in Trust, December 31, 2025	\$	130,229

See accompanying independent auditors' report.

DANIEL BAUGH MEDAL FUND

Created 1915

By Decree of Court, dated August 24, 1942, the net income is paid to the Firemen's Pension Fund of the City of Philadelphia for the benefit of its members.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	8,946
Additions:		
Investment income (loss):		
Income from invested funds		149
Unrealized appreciation in fair value of units		1,067
Total investment income (loss)		1,216
Total additions		1,216
Deductions:		
Administrative expenses		6
Total deductions		6
Change in net position		1,210
Net Position Held in Trust, December 31, 2025	\$	10,156

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	196
Investment income receivable		25
54 units of Collective Legal Investment Fund		9,939
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2025	\$	10,156

See accompanying independent auditors' report.

PAUL BECK FUEL FUND

Created 1844

Income "to purchase fuel for the use and benefit of the Outdoor poor, residing within the Corporate Limits
of said City"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	82,888
Additions:		
Investment income (loss):		
Income from invested funds		1,389
Net realized gain on sale of units		2,396
Unrealized appreciation in fair value of units		7,559
Total investment income (loss)		11,344
Total additions		11,344
Deductions:		
Administrative expenses		62
Fuel office expenses		78
Cost of fuel distributed to those in need		500
Total deductions		640
Change in net position		10,704
Net Position Held in Trust, December 31, 2025	\$	93,592

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	3,393
Investment income receivable		229
489 units of Collective Legal Investment Fund		90,004
Accrued expenses		(34)
Net Position Held in Trust, December 31, 2025	\$	93,592

See accompanying independent auditors' report.

PAUL BECK SOUP FUND

Created 1844

Income to be paid “to such Soup Societies established in the (old) City of Philadelphia to aid such Societies in their humane endeavors to supply the poor with soup”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	22,419
Additions:		
Investment income (loss):		
Income from invested funds		376
Unrealized appreciation in fair value of units		<u>2,688</u>
Total investment income (loss)		<u>3,064</u>
Total additions		<u>3,064</u>
Deductions:		
Administrative expenses		<u>16</u>
Total deductions		<u>16</u>
Change in net position		<u>3,048</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>25,467</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	198
Investment income receivable		62
137 units of Collective Legal Investment Fund		25,216
Accrued expenses		<u>(9)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>25,467</u></u>

See accompanying independent auditors' report.

RUDOLPH BLANKENBURG PENSION FUND

Created 1909

“To divide the interest derived there from annually in three equal parts and pay one-third each to the Police Pension Fund, Firemen’s Pension Fund and Teachers’ Annuity Fund.” By Court adjudication, the Simon Gratz Teachers’ Fund was substituted for the Teachers’ Annuity Fund, which Fund went out of existence in 1960.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	112,416
Additions:		
Investment income (loss):		
Income from invested funds		1,886
Unrealized appreciation in fair value of units		<u>13,503</u>
Total investment income (loss)		<u>15,389</u>
Total additions		<u>15,389</u>
Deductions:		
Administrative expenses		85
Simon Gratz Teachers Fund		<u>1,500</u>
Total deductions		<u>1,585</u>
Change in net position		<u>13,804</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>126,220</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	271
Investment income receivable		311
691 units of Collective Legal Investment Fund		127,184
Accrued expenses		<u>(1,546)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>126,220</u></u>

See accompanying independent auditors’ report.

ELIAS BOUDINOT FUND

Created 1821

Income "for supplying the poor inhabitants of the City...at a price during winter Season not in any case exceeding the moderate average price of Wood during the preceding summer...with fuel"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 2,683,075
Additions:	
Investment income (loss):	
Income from invested funds	44,531
Net realized gain on sale of units	43,835
Unrealized appreciation in fair value of units	275,162
Total investment income (loss)	363,528
Total additions	363,528
Deductions:	
Administrative expenses	2,036
Fuel office expenses	2,536
Cost of fuel distributed to those in need	114,284
Total deductions	118,856
Change in net position	244,672
Net Position Held in Trust, December 31, 2025	\$ 2,927,747

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 3,325
Investment income receivable	7,353
15,870 units of Collective Legal Investment Fund	2,920,996
Accrued expenses	(3,927)
Net Position Held in Trust, December 31, 2025	\$ 2,927,747

See accompanying independent auditors' report.

HARRY BROCKLEHURST FUND

Created 1926

“To be applied for the use and benefit of former students of Girard College”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	329,737
Additions:		
Investment income (loss):		
Income from invested funds		5,538
Net realized gain on sale of units		6,603
Unrealized appreciation in fair value of units		33,071
Total investment income (loss)		45,212
Total additions		45,212
Deductions:		
Administrative expenses		246
Scholarship awards		11,800
Total deductions		12,046
Change in net position		33,166
Net Position Held in Trust, December 31, 2025	\$	362,903

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	635
Investment income receivable		914
1,964 units of Collective Legal Investment Fund		361,489
Accrued expenses		(135)
Net Position Held in Trust, December 31, 2025	\$	362,903

See accompanying independent auditors' report.

MAJOR CHARLES BROWN SCHOLARSHIP FUND

Created 1976

Income to aid and assist the further development and education of graduates of Girard College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	615,430
Additions:		
Investment income (loss):		
Income from invested funds		10,335
Other income		4,530
Unrealized appreciation in fair value of units		69,497
Total investment income (loss)		84,362
Total additions		84,362
Deductions:		
Administrative expenses		458
Scholarship awards		15,500
Total deductions		15,958
Change in net position		68,404
Net Position Held in Trust, December 31, 2025	\$	683,834

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	996
Investment income receivable		1,707
3,702 units of Collective Legal Investment Fund		681,382
Accrued expenses		(251)
Net Position Held in Trust, December 31, 2025	\$	683,834

See accompanying independent auditors' report.

JOSEPH W. CALHOUN FUND

Created 1979

To be "used in helping the poor"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	46,057
Additions:		
Investment income (loss):		
Income from invested funds		772
Net realized gain on sale of units		1,367
Unrealized appreciation in fair value of units		4,154
Total investment income (loss)		6,293
Total additions		6,293
Deductions:		
Administrative expenses		34
Fuel office expenses		43
Cost of fuel distributed to those in need		292
Total deductions		369
Change in net position		5,924
Net Position Held in Trust, December 31, 2025	\$	<u>51,981</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,993
Investment income receivable		127
271 units of Collective Legal Investment Fund		49,880
Accrued expenses		(19)
Net Position Held in Trust, December 31, 2025	\$	<u>51,981</u>

See accompanying independent auditors' report.

WILLIAM CARTER FUND

Created 1739

Income "to and for ye use and service of ye alms houses belonging to ye said City (Philadelphia), and for
ye relief of ye poor people in the same forever"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	13,767
Additions:		
Investment income (loss):		
Income from invested funds		229
Net realized gain on sale of units		520
Unrealized appreciation in fair value of units		1,123
Total investment income (loss)		1,872
Total additions		1,872
Deductions:		
Administrative expenses		10
Fuel office expenses		13
Total deductions		23
Change in net position		1,849
Net Position Held in Trust, December 31, 2025	\$	15,616

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	859
Investment income receivable		38
80 units of Collective Legal Investment Fund		14,725
Accrued expenses		(6)
Net Position Held in Trust, December 31, 2025	\$	15,616

See accompanying independent auditors' report.

MARGARET E. CAVANAUGH FUND

Created 1926

For the purchase of delicacies for the patients in the Philadelphia Nursing Home (successor to Philadelphia General Hospital) suffering from cancer and for no other purpose

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	19,972
Additions:		
Investment income (loss):		
Income from invested funds		334
Unrealized appreciation in fair value of units		<u>2,392</u>
Total investment income (loss)		<u>2,726</u>
Total additions		<u>2,726</u>
Deductions:		
Administrative expenses		<u>15</u>
Total deductions		<u>15</u>
Change in net position		<u>2,711</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>22,683</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	181
Investment income receivable		55
122 units of Collective Legal Investment Fund		22,455
Accrued expenses		<u>(8)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>22,683</u></u>

See accompanying independent auditors' report.

PAT AND RITA CERMELE FUND

Created 2003

Established in memory of the parents of Dominic M. Cermele, Girard College Class of 1959, to fund an annual Girard College Employee Distinguished Service Award. The first award was presented in 1999. The Fund was formally transferred to the Board of Directors of City Trusts in 2004.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	59,463
Additions:		
Investment income (loss):		
Income from invested funds		997
Net realized gain on sale of units		1,140
Unrealized appreciation in fair value of units		6,006
Total investment income (loss)		8,143
Total additions		8,143
Deductions:		
Administrative expenses		45
Girard College Distinguished Service Award		2,700
Total deductions		2,745
Change in net position		5,398
Net Position Held in Trust, December 31, 2025	\$	<u>64,861</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	301
Investment income receivable		165
350 units of Collective Legal Investment Fund		64,420
Accrued expenses		(25)
Net Position Held in Trust, December 31, 2025	\$	<u>64,861</u>

See accompanying independent auditors' report.

ANDREW R. CHAMBERS FUND

Created 1871

Income to be paid "to the various 'Soup Societies' of the City of Philadelphia every year so long as the said Societies shall continue their charities to the poor"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	17,937
Additions:		
Investment income (loss):		
Income from invested funds		304
Unrealized appreciation in fair value of units		<u>2,175</u>
Total investment income (loss)		<u>2,479</u>
Total additions		<u>2,479</u>
Deductions:		
Administrative expenses		<u>13</u>
Total deductions		<u>13</u>
Change in net position		<u>2,466</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>20,403</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	114
Investment income receivable		50
110 units of Collective Legal Investment Fund		20,246
Accrued expenses		<u>(7)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>20,403</u></u>

See accompanying independent auditors' report.

CITY FUEL FUND

Created 1793–1809

Consists of the following five funds consolidated:

The Freemason's Fund	1793
Mr. Rickett's Donation	1793–1796
The Mayor's Court Fund	1796–1809
Elizabeth Kearpatrick Legacy	1801
John Bleakley Legacy	1802

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	61,238
Additions:		
Investment income (loss):		
Income from invested funds		1,027
Net realized gain on sale of units		1,912
Unrealized appreciation in fair value of units		5,452
Total investment income (loss)		8,391
Total additions		8,391
Deductions:		
Administrative expenses		46
Fuel office expenses		58
Cost of fuel distributed to those in need		800
Total deductions		904
Change in net position		7,487
Net Position Held in Trust, December 31, 2025	\$	<u><u>68,725</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	2,135
Investment income receivable		170
361 units of Collective Legal Investment Fund		66,445
Accrued expenses		(25)
Net Position Held in Trust, December 31, 2025	\$	<u><u>68,725</u></u>

See accompanying independent auditors' report.

JAMES CLAYPOOLE FUND

Created 1769

“For the Benefit and relief of the poor of the said City of Philadelphia.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	10,204
Additions:		
Investment income (loss):		
Income from invested funds		168
Net realized gain on sale of units		346
Unrealized appreciation in fair value of units		863
Total investment income (loss)		1,377
Total additions		1,377
Deductions:		
Administrative expenses		8
Fuel office expenses		10
Cost of fuel distributed to those in need		300
Total deductions		318
Change in net position		1,059
Net Position Held in Trust, December 31, 2025	\$	11,263

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	380
Investment income receivable		28
59 units of Collective Legal Investment Fund		10,859
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2025	\$	11,263

See accompanying independent auditors' report.

E. NEWBOLD COOPER MEMORIAL FUND

Created 1960

Established by the Elementary School Club of Girard College to provide an annual award to be presented to the student of the highest grade of the elementary school adjudged as having an outstanding record for the year based on scholarship, deportment, citizenship and extracurricular activities.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	15,560
Additions:		
Investment income (loss):		
Income from invested funds		260
Net realized gain on sale of units		345
Unrealized appreciation in fair value of units		<u>1,516</u>
Total investment income (loss)		<u>2,121</u>
Total additions		<u>2,121</u>
Deductions:		
Administrative expenses		12
Awards		<u>700</u>
Total deductions		<u>712</u>
Change in net position		<u>1,409</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>16,969</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	367
Investment income receivable		43
90 units of Collective Legal Investment Fund		16,565
Accrued expenses		<u>(6)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>16,969</u></u>

See accompanying independent auditors' report.

SOPHIE E. F. COPE FUND

Created 1974

To help provide scholarship funds to send graduates of Philadelphia High Schools to College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	185,266
Additions:		
Investment income (loss):		
Income from invested funds		3,135
Unrealized appreciation in fair value of units		22,439
Total investment income (loss)		25,574
Total additions		25,574
Deductions:		
Administrative expenses		132
Total deductions		132
Change in net position		25,442
Net Position Held in Trust, December 31, 2025	\$	210,708

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	458
Investment income receivable		518
1,148 units of Collective Legal Investment Fund		211,298
Accrued expenses		(1,566)
Net Position Held in Trust, December 31, 2025	\$	210,708

See accompanying independent auditors' report.

CHARLES HENRY AND CHARLOTTE WILKINSON DADING SCHOLARSHIP FUND

Created 1983

Income to be expended in assisting worthy graduates of Girard College by payment of their living expenses in further pursuit of advanced courses of learning at universities or colleges.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	529,282
Additions:		
Investment income (loss):		
Income from invested funds		8,965
Net realized gain on sale of units		6,464
Unrealized appreciation in fair value of units		57,752
Total investment income (loss)		73,181
Total additions		73,181
Deductions:		
Administrative expenses		400
Scholarship awards		14,250
Total deductions		14,650
Change in net position		58,531
Net Position Held in Trust, December 31, 2025	\$	587,813

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	875
Investment income receivable		1,480
3,207 units of Collective Legal Investment Fund		590,273
Accrued expenses		(4,815)
Net Position Held in Trust, December 31, 2025	\$	587,813

See accompanying independent auditors' report.

HORACE DEAL FUND

Created 1951

Income to be distributed equally between the two awards:

George O. Frey Memorial Award:

To a member of Girard College Band who most typifies the spirit of Girard College, is proficient in their instrument, shows the greatest progress in music during the year, and is respected by the other students in the College. Prize to be awarded upon the recommendation of the President of Girard College and the Instructor of the Band.

James M. Hamilton Award:

To a member of the Junior High School who has made a consistently worthwhile contribution to the well-being of the Girard College community (this is in lieu of an award to a Battalion member, the Battalion having been discontinued).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	11,791
Additions:		
Investment income (loss):		
Income from invested funds		193
Net realized gain on sale of units		1,035
Unrealized appreciation in fair value of units		354
Total investment income (loss)		1,582
Total additions		1,582
Deductions:		
Administrative expenses		9
Awards		1,300
Total deductions		1,309
Change in net position		273
Net Position Held in Trust, December 31, 2025	\$	12,064

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	257
Investment income receivable		32
64 units of Collective Legal Investment Fund		11,780
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2025	\$	12,064

See accompanying independent auditors' report.

DELAWARE AVENUE FUND

Created 1831

Fund for the improvement of the Delaware front of the City, removal of wooden buildings, etc., created under the will of Stephen Girard.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 13,251,407
Additions:	
Investment income (loss):	
Income from invested funds	222,570
Net realized gain on sale of units	119,705
Unrealized appreciation in fair value of units	<u>1,474,758</u>
Total investment income (loss)	<u>1,817,033</u>
Total additions	<u>1,817,033</u>
Deductions:	
Administrative expenses	9,893
Withdrawal for:	
Great Philly Cultural Alliance	60,000
Historic Philadelphia, Inc.	250,000
The Carpenters' Company	<u>125,000</u>
Total deductions	<u>444,893</u>
Change in net position	<u>1,372,140</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 14,623,547</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 14,173
Investment income receivable	38,251
79,195 units of Collective Legal Investment Fund	14,576,450
Accrued expenses	<u>(5,327)</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 14,623,547</u></u>

See accompanying independent auditors' report.

RUTH DENE AWARD FUND

Created 1931

"Income from \$500 to be presented annually at the mid-year Commencement of the Philadelphia High School for Girls, to a student of the graduating class who, in the judgment of the Principal and the Award Committee, shall have shown marked growth in character during her high school years." By Court adjudication, award is to be made at the June Commencement, the midyear Commencement being discontinued in the public schools.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	4,522
Additions:		
Investment income (loss):		
Income from invested funds		75
Net realized gain on sale of units		190
Unrealized appreciation in fair value of units		344
Total investment income (loss)		609
Total additions		609
Deductions:		
Administrative expenses		3
Prize		200
Total deductions		203
Change in net position		406
Net Position Held in Trust, December 31, 2025	\$	<u>4,928</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	317
Investment income receivable		12
25 units of Collective Legal Investment Fund		4,601
Accrued expenses		(2)
Net Position Held in Trust, December 31, 2025	\$	<u>4,928</u>

See accompanying independent auditors' report.

DIRECTORS AND OFFICERS FIDUCIARY LIABILITY FUND

Created 1977

Created by the Board of Directors of City Trusts to self-insure, for fiduciary liability risks, the directors and officers of the Board of Directors of City Trusts

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 9,247,583
Additions:	
Investment income (loss):	
Income from invested funds	147,164
Net realized gain on sale of units	354,151
Unrealized appreciation in fair value of units	704,371
Total investment income (loss)	1,205,686
Total additions	1,205,686
Deductions:	
Administrative expenses	6,881
Insurance premiums	384,723
Total deductions	391,604
Change in net position	814,082
Net Position Held in Trust, December 31, 2025	\$ 10,061,665

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 11,168
Investment income receivable	427,494
52,304 units of Collective Legal Investment Fund	9,626,954
Accrued expenses	(3,951)
Net Position Held in Trust, December 31, 2025	\$ 10,061,665

See accompanying independent auditors' report.

HANNAH MATILDA DODD FUND

Created 1872

Income "to procure gold and silver medals to be presented to the most distinguished graduates of the Girls High School, with their name and year of graduating engraved thereon."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	23,574
Additions:		
Investment income (loss):		
Income from invested funds		395
Unrealized appreciation in fair value of units		2,827
Total investment income (loss)		3,222
Total additions		3,222
Deductions:		
Administrative expenses		18
Cost of Medals		265
Total deductions		283
Change in net position		2,939
Net Position Held in Trust, December 31, 2025	\$	26,513

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	138
Investment income receivable		65
143 units of Collective Legal Investment Fund		26,320
Accrued expenses		(10)
Net Position Held in Trust, December 31, 2025	\$	26,513

See accompanying independent auditors' report.

**MICHAEL F. DOYLE FUND
(PENN TREATY PARK)**

Created 1961

“To reconstruct and re-establish Penn Treaty Park”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	43,589
Additions:		
Investment income (loss):		
Income from invested funds		729
Unrealized appreciation in fair value of units		5,218
Total investment income (loss)		5,947
Total additions		5,947
Deductions:		
Administrative expenses		32
Total deductions		32
Change in net position		5,915
Net Position Held in Trust, December 31, 2025	\$	<u>49,504</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	75
Investment income receivable		120
268 units of Collective Legal Investment Fund		49,327
Accrued expenses		(18)
Net Position Held in Trust, December 31, 2025	\$	<u>49,504</u>

See accompanying independent auditors' report.

JAMES DUTTON FUND

Created 1813

Income to be expended "in the purchase of Food, Clothing and Firewood Fuel"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	54,939
Additions:		
Investment income (loss):		
Income from invested funds		920
Net realized gain on sale of units		1,572
Unrealized appreciation in fair value of units		5,019
Total investment income (loss)		7,511
Total additions		7,511
Deductions:		
Administrative expenses		41
Fuel office expenses		51
Cost of fuel distributed to those in need		250
Total deductions		342
Change in net position		7,169
Net Position Held in Trust, December 31, 2025	\$	<u>62,108</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	2,343
Investment income receivable		152
324 units of Collective Legal Investment Fund		59,635
Accrued expenses		(22)
Net Position Held in Trust, December 31, 2025	\$	<u>62,108</u>

See accompanying independent auditors' report.

EARLY EIGHTIES PRIZE FUND

Created 1925

"The income of this fund is to be used for prizes for pupils of Girard College."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	106,227
Additions:		
Investment income (loss):		
Income from invested funds		1,781
Net realized gain on sale of units		2,353
Unrealized appreciation in fair value of units		9,861
Total investment income (loss)		13,995
Total additions		13,995
Deductions:		
Administrative expenses		79
Prizes		4,700
Total deductions		4,779
Change in net position		9,216
Net Position Held in Trust, December 31, 2025	\$	<u>115,443</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	341
Investment income receivable		294
624 units of Collective Legal Investment Fund		114,852
Accrued expenses		(44)
Net Position Held in Trust, December 31, 2025	\$	<u>115,443</u>

See accompanying independent auditors' report.

FRAN EGAN CIVIC AWARD FUND

Created 2006

Fran Egan was a long-time friend and supporter of Project H.O.M.E. who passed in 2005. This Award, given in conjunction with Fran's family, honors her memory and legacy, which was one of a deep commitment to improving our community. This Award is intended for adults or teens who intend to use their education to improve civic life in Philadelphia. The award will include a financial grant.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	81,719
Additions:		
Investment income (loss):		
Income from invested funds		1,331
Net realized gain on sale of units		2,219
Unrealized appreciation in fair value of units		<u>7,325</u>
Total investment income (loss)		<u>10,875</u>
Total additions		<u>10,875</u>
Deductions:		
Administrative expenses		60
Award		<u>7,000</u>
Total deductions		<u>7,060</u>
Change in net position		<u>3,815</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>85,534</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	312
Investment income receivable		220
462 units of Collective Legal Investment Fund		85,035
Accrued expenses		<u>(33)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>85,534</u></u>

See accompanying independent auditors' report.

GEORGE EMLEN FUND

Created 1776

Income "to be laid out and distributed in wood . . . during the three Winter Months . . . to Objects included either in the City of two Suburbs of Phila . . . and if . . . a sufficient Number of such Objects Cannot Sometimes be found . . . to Buying some warm cheap Clothing to be given to such Objects as are discharged for said Bettering House and Hospital . . . "

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	69,567
Additions:		
Investment income (loss):		
Income from invested funds		1,166
Net realized gain on sale of units		2,080
Unrealized appreciation in fair value of units		<u>6,269</u>
Total investment income (loss)		<u>9,515</u>
Total additions		<u>9,515</u>
Deductions:		
Administrative expenses		52
Fuel office expenses		65
Cost of fuel distributed to those in need		<u>866</u>
Total deductions		<u>983</u>
Change in net position		<u>8,532</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>78,099</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	2,472
Investment income receivable		192
410 units of Collective Legal Investment Fund		75,464
Accrued expenses		<u>(29)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>78,099</u></u>

See accompanying independent auditors' report.

JOSEPH C. FERGUSON PRIZE FUND

Created 1922

"To provide cash prizes for the boy and girl in the highest class of the JOSEPH C. FERGUSON SCHOOL at 7th and Norris Streets, Phila., passing the best examinations or whose work in the last term of attendance at the school shall be most satisfactory, the certificate of the Supervising Principal to be the authority for the award of the prizes."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	9,490
Additions:		
Investment income (loss):		
Income from invested funds		157
Unrealized appreciation in fair value of units		<u>1,128</u>
Total investment income (loss)		<u>1,285</u>
Total additions		<u>1,285</u>
Deductions:		
Administrative expenses		<u>7</u>
Total deductions		<u>7</u>
Change in net position		<u>1,278</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>10,768</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	254
Investment income receivable		26
57 units of Collective Legal Investment Fund		10,491
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>10,768</u></u>

See accompanying independent auditors' report.

GEORGE W. FETTER SCHOLARSHIP FUND

Created 1943

To collect the income therefrom and expend it in the purchase of Scholarships in the higher institutions of learning for such poor, young students of the City of Philadelphia as may in the judgment of the Board of City Trusts be most worthy of the benefit.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	509,160
Additions:		
Investment income (loss):		
Income from invested funds		8,551
Net realized gain on sale of units		952
Unrealized appreciation in fair value of units		<u>60,257</u>
Total investment income (loss)		<u>69,760</u>
Total additions		<u>69,760</u>
Deductions:		
Administrative expenses		<u>376</u>
Total deductions		<u>376</u>
Change in net position		<u>69,384</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>578,544</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	861
Investment income receivable		1,412
3,132 units of Collective Legal Investment Fund		576,469
Accrued expenses		<u>(198)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>578,544</u></u>

See accompanying independent auditors' report.

RUFUS M. FETTER SCHOLARSHIP FUND

Created 1998

"A Scholarship in memory of Rufus M. Fetter to be disbursed at the discretion of the Girard College Trustees."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	194,442
Additions:		
Investment income (loss):		
Income from invested funds		3,314
Net realized gain on sale of units		1,992
Unrealized appreciation in fair value of units		21,931
Total investment income (loss)		27,237
Total additions		27,237
Deductions:		
Administrative expenses		147
Scholarship awards		5,600
Total deductions		5,747
Change in net position		21,490
Net Position Held in Trust, December 31, 2025	\$	215,932

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	723
Investment income receivable		547
1,183 units of Collective Legal Investment Fund		217,740
Accrued expenses		(3,078)
Net Position Held in Trust, December 31, 2025	\$	215,932

See accompanying independent auditors' report.

DANIEL FINK PRIZE FUND

Created 1953

The income therefrom to be distributed and awarded annually as cash prizes "To Sixth and Twelfth grade students for the best performance-based project/presentation, which demonstrates the integration of technology into the curriculum."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	15,005
Additions:		
Investment income (loss):		
Income from invested funds		251
Net realized gain on sale of units		134
Unrealized appreciation in fair value of units		<u>1,667</u>
Total investment income (loss)		<u>2,052</u>
Total additions		<u>2,052</u>
Deductions:		
Administrative expenses		11
Prizes		<u>700</u>
Total deductions		<u>711</u>
Change in net position		<u>1,341</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>16,346</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	298
Investment income receivable		41
87 units of Collective Legal Investment Fund		16,013
Accrued expenses		<u>(6)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>16,346</u></u>

See accompanying independent auditors' report.

DANIEL FINK SCHOLARSHIP FUND

Created 1953

"The income therefrom to be capitalized so as to form part of the principal until the amount of principal of this trust shall reach the sum of \$10,000 and thereafter the income shall be used annually to provide scholarship assistance to graduates of Girard College, as recommended by the President of Girard College, provided that first preference shall be given to worthy graduates who show superior performance in technical and related courses of study while pupils at Girard College."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	92,249
Additions:		
Investment income (loss):		
Income from invested funds		1,574
Net realized gain on sale of units		1,724
Unrealized appreciation in fair value of units		9,555
Total investment income (loss)		12,853
Total additions		12,853
Deductions:		
Administrative expenses		70
Scholarship awards		2,900
Total deductions		2,970
Change in net position		9,883
Net Position Held in Trust, December 31, 2025	\$	102,132

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	338
Investment income receivable		260
560 units of Collective Legal Investment Fund		103,072
Accrued expenses		(1,538)
Net Position Held in Trust, December 31, 2025	\$	102,132

See accompanying independent auditors' report.

FIRE INSURANCE FUND

Created 1892

Created from the Girard Estate Residuary fund income to carry a selected portion of the fire risks of the
Girard Estate

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 6,463,241
Additions:	
Investment income (loss):	
Income from invested funds	108,550
Unrealized appreciation in fair value of units	<u>779,819</u>
Total investment income (loss)	<u>888,369</u>
Total additions	<u>888,369</u>
Deductions:	
Administrative expenses	4,775
Net realized loss on sale of units	<u>8</u>
Total deductions	<u>4,783</u>
Change in net position	<u>883,586</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 7,346,827</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 7,812
Investment income receivable	20,661
39,774 units of Collective Legal Investment Fund	7,320,711
Accounts payable and accrued expenses	<u>(2,357)</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 7,346,827</u></u>

See accompanying independent auditors' report.

PHILIP R. FREAS FUND

Created 1910

Awarded by Decree of the Orphans' Court of Philadelphia County, dated November 22, 1940, to the City of Philadelphia, acting by the Board of Directors of City Trusts, ". . . the income of which shall be annually applied to the purchase of fuel for the benefit of the poor . . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	38,395
Additions:		
Investment income (loss):		
Income from invested funds		644
Net realized gain on sale of units		1,204
Unrealized appreciation in fair value of units		<u>422</u>
Total investment income (loss)		<u>2,270</u>
Total additions		<u>2,270</u>
Deductions:		
Administrative expenses		29
Fuel office expenses		36
Cost of fuel distributed to those in need		<u>1,500</u>
Total deductions		<u>1,565</u>
Change in net position		<u>705</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>39,100</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	150
Investment income receivable		106
705 units of Collective Legal Investment Fund		41,597
Accrued expenses		<u>(2,753)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>39,100</u></u>

See accompanying independent auditors' report.

INEZ FULTON SCHOLARSHIP FUND

Created 1945

To purchase a scholarship for a graduate of Girard College attending "any school" with a preference given first to "Thomas Jefferson University."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 1,241,329
Additions:	
Investment income (loss):	
Income from invested funds	20,847
Net realized gain on sale of units	15,534
Unrealized appreciation in fair value of units	<u>133,790</u>
Total investment income (loss)	<u>170,171</u>
Total additions	<u>170,171</u>
Deductions:	
Administrative expenses	929
Scholarship awards	<u>33,350</u>
Total deductions	<u>34,279</u>
Change in net position	<u>135,892</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 1,377,221</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 1,776
Investment income receivable	3,442
7,457 units of Collective Legal Investment Fund	1,372,518
Accrued expenses	<u>(515)</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 1,377,221</u></u>

See accompanying independent auditors' report.

GIARDELLO STATUE FUND

Created 2011

For the perpetual maintenance of a pedestal with the sculpture of Joey Giardello which the Veteran Boxers Association has been authorized by Ordinance adopted by the Philadelphia City Council to construct, own, and maintain on the traffic median created by the intersection of Passyunk Avenue, Mifflin Street, and Thirteenth Street.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	27,504
Additions:		
Investment income (loss):		
Income from invested funds		461
Unrealized appreciation in fair value of units		<u>3,302</u>
Total investment income (loss)		<u>3,763</u>
Total additions		<u>3,763</u>
Deductions:		
Administrative expenses		<u>20</u>
Total deductions		<u>20</u>
Change in net position		<u>3,743</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>31,247</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	259
Investment income receivable		76
168 units of Collective Legal Investment Fund		30,922
Accrued expenses		<u>(10)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>31,247</u></u>

See accompanying independent auditors' report.

EDWARD GIDEON MEMORIAL PRIZE FUND

Created 1933

“Income to be used annually as a prize to that member of the graduating class of the Philadelphia Normal School who has done the most distinguished work in the field of social science.”

In view of the Philadelphia Normal School having been abolished, the donors of the fund have requested that the income be used in the purchase of books, related to teaching, to be added to “The Edward Gideon Memorial Book Shelf” in the library for Teachers.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	12,930
Additions:		
Investment income (loss):		
Income from invested funds		215
Net realized gain on sale of units		50
Unrealized appreciation in fair value of units		1,495
Total investment income (loss)		1,760
Total additions		1,760
Deductions:		
Administrative expenses		9
Distribution to The School District of Philadelphia		500
Total deductions		509
Change in net position		1,251
Net Position Held in Trust, December 31, 2025	\$	14,181

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	346
Investment income receivable		36
75 units of Collective Legal Investment Fund		13,804
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2025	\$	14,181

See accompanying independent auditors' report.

STEPHEN GIRARD FUEL FUND

Created 1831

“Income to purchase fuel between the months of March and August in every year forever, and in the month of January in every year forever, distribute the same amongst poor housekeepers and roomkeepers, of good character, residing in the (old) city of Philadelphia.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	77,045
Additions:		
Investment income (loss):		
Income from invested funds		1,293
Net realized gain on sale of units		2,277
Unrealized appreciation in fair value of units		<u>6,986</u>
Total investment income (loss)		<u>10,556</u>
Total additions		<u>10,556</u>
Deductions:		
Administrative expenses		58
Fuel office expenses		72
Cost of fuel distributed to those in need		<u>583</u>
Total deductions		<u>713</u>
Change in net position		<u>9,843</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>86,888</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	3,144
Investment income receivable		213
454 units of Collective Legal Investment Fund		83,562
Accrued expenses		<u>(31)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>86,888</u></u>

See accompanying independent auditors' report.

STEPHEN GIRARD SCHOOL FUND

Created 1831

"For the use of the schools upon the Lancaster System in the first section of the first school district of Pennsylvania."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	113,062
Additions:		
Investment income (loss):		
Income from invested funds		1,897
Net realized gain on sale of units		299
Unrealized appreciation in fair value of units		13,299
Total investment income (loss)		15,495
Total additions		15,495
Deductions:		
Administrative expenses		80
Distribution to The School District of Philadelphia		4,700
Total deductions		4,780
Change in net position		10,715
Net Position Held in Trust, December 31, 2025	\$	123,777

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	371
Investment income receivable		313
669 units of Collective Legal Investment Fund		123,135
Accrued expenses		(42)
Net Position Held in Trust, December 31, 2025	\$	123,777

See accompanying independent auditors' report.

SHERWOOD GITHENS FUND

Created 1948

For “prizes to be awarded annually or semi-annually, in amounts determined by the President of Girard College, to the two members of the graduating class or classes, who have, in his opinion, performed outstanding work in public speaking.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	8,153
Additions:		
Investment income (loss):		
Income from invested funds		135
Net realized gain on sale of units		189
Unrealized appreciation in fair value of units		<u>782</u>
Total investment income (loss)		<u>1,106</u>
Total additions		<u>1,106</u>
Deductions:		
Administrative expenses		6
Prizes		<u>200</u>
Total deductions		<u>206</u>
Change in net position		<u>900</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>9,053</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	383
Investment income receivable		22
47 units of Collective Legal Investment Fund		8,651
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>9,053</u></u>

See accompanying independent auditors' report.

JULIANA H. GOOD FUND

Created 1876

“Toward the maintenance of a House of Correction in said City (Philadelphia)”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	26,881
Additions:		
Investment income (loss):		
Income from invested funds		450
Unrealized appreciation in fair value of units		<u>3,222</u>
Total investment income (loss)		<u>3,672</u>
Total additions		<u>3,672</u>
Deductions:		
Administrative expenses		<u>20</u>
Total deductions		<u>20</u>
Change in net position		<u>3,652</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>30,533</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	285
Investment income receivable		74
164 units of Collective Legal Investment Fund		30,185
Accrued expenses		<u>(11)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>30,533</u></u>

See accompanying independent auditors' report.

JOSEPH C. AND CLARE F. GOODMAN SCHOLARSHIP FUND

Created 1970

Bequeathed to Girard College for the establishment of a scholarship fund

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	37,344
Additions:		
Investment income (loss):		
Income from invested funds		627
Net realized gain on sale of units		66
Unrealized appreciation in fair value of units		4,426
Total investment income (loss)		5,119
Total additions		5,119
Deductions:		
Administrative expenses		27
Scholarship awards		1,000
Total deductions		1,027
Change in net position		4,092
Net Position Held in Trust, December 31, 2025	\$	<u>41,436</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	302
Investment income receivable		104
4,091 units of Collective Legal Investment Fund		41,045
Accrued expenses		(15)
Net Position Held in Trust, December 31, 2025	\$	<u>41,436</u>

See accompanying independent auditors' report.

FRED GOWING MEMORIAL SCHOLARSHIP FUND

Created 1930

To provide Scholarships for graduates of Philadelphia High School for Girls.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	49,856
Additions:		
Investment income (loss):		
Income from invested funds		837
Net realized gain on sale of units		1,242
Unrealized appreciation in fair value of units		4,756
Total investment income (loss)		6,835
Total additions		6,835
Deductions:		
Administrative expenses		38
Scholarship awards		2,300
Total deductions		2,338
Change in net position		4,497
Net Position Held in Trust, December 31, 2025	\$	<u>54,353</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	307
Investment income receivable		138
293 units of Collective Legal Investment Fund		53,929
Accrued expenses		(21)
Net Position Held in Trust, December 31, 2025	\$	<u>54,353</u>

See accompanying independent auditors' report.

SIMON GRATZ PRIZE FUND

Created 1922

The income arising therefrom to be divided equally among the Philadelphia Normal School, the High School for Girls, the Central High School, the West Philadelphia High School for Girls, and the Northeast High School, for the award at each commencement of each of said schools, of a prize (in money) to that member of the graduating class of each school, who, in the judgment of the faculty of the school, has attained the highest degree of proficiency in the knowledge and correct use, oral and written, of the English language.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	50,817
Additions:		
Investment income (loss):		
Income from invested funds		859
Unrealized appreciation in fair value of units		<u>6,150</u>
Total investment income (loss)		<u>7,009</u>
Total additions		<u>7,009</u>
Deductions:		
Administrative expenses		<u>38</u>
Total deductions		<u>38</u>
Change in net position		<u>6,971</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>57,788</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	100
Investment income receivable		8,644
314 units of Collective Legal Investment Fund		57,794
Accrued expenses		<u>(8,750)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>57,788</u></u>

See accompanying independent auditors' report.

SIMON GRATZ TEACHERS FUND

Created 1926

“For the purpose of affording pecuniary relief in special cases of teachers and clerical assistants employed or who have been employed in the Public Schools of Philadelphia who are in need of such assistance and and cannot obtain it elsewhere.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 3,116,877
Additions:	
Investment income (loss):	
Income from invested funds	52,347
Income from Blankenburg	1,500
Unrealized appreciation in fair value of units	<u>373,288</u>
Total investment income (loss)	<u>427,135</u>
Total additions	<u>427,135</u>
Deductions:	
Administrative expenses	2,303
Relief of teachers and clerical assistants	<u>28,680</u>
Total deductions	<u>30,983</u>
Change in net position	<u>396,152</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>3,513,029</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 3,788
Investment income receivable	8,712
19,025 units of Collective Legal Investment Fund	3,501,698
Accrued expenses	<u>(1,169)</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>3,513,029</u></u>

See accompanying independent auditors' report.

CHARLES R. GRISSINGER

Created 2017

For the purpose of providing scholarship aid to graduate students of Girard College desiring to enter the professions of Dentistry, Medicine and the Ministry with a special emphasis on Oral Surgery, Moxo-Facial Surgery and Exodontia. If there are no graduate students in such fields who qualify, the fund may be used to assist post-graduate students in any other fields of scholastic endeavor.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	135,243
Additions:		
Investment income (loss):		
Income from invested funds		2,303
Unrealized appreciation in fair value of units		<u>16,490</u>
Total investment income (loss)		<u>18,793</u>
Total additions		<u>18,793</u>
Deductions:		
Administrative expenses		<u>101</u>
Total deductions		<u>101</u>
Change in net position		<u>18,692</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>153,935</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	683
Investment income receivable		142
843 units of Collective Legal Investment Fund		155,161
Accrued expenses		<u>(2,051)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>153,935</u></u>

See accompanying independent auditors' report.

THOMAS GROVER FUND

Created 1849

“Income to be distributed for fuel and food to needy persons residing in South Philadelphia with a preference given to poor persons in the district of Southwark.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 2,053,740
Additions:	
Investment income (loss):	
Income from invested funds	34,444
Net realized gain on sale of units	47,304
Unrealized appreciation in fair value of units	199,502
Total investment income (loss)	281,250
Total additions	281,250
Deductions:	
Administrative expenses	1,531
Fuel office expenses	1,907
Cost of fuel distributed to those in need	75,124
Total deductions	78,562
Change in net position	202,688
Net Position Held in Trust, December 31, 2025	\$ 2,256,428

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 14,036
Investment income receivable	5,687
12,156 units of Collective Legal Investment Fund	2,237,405
Accrued expenses	(700)
Net Position Held in Trust, December 31, 2025	\$ 2,256,428

See accompanying independent auditors' report.

GEORGE L. AND EMILY McMICHAEL HARRISON MEMORIAL FUND

Created 1935

To extend and conduct the work of the Radiological Department of the Philadelphia Nursing Home
(successor to Philadelphia General Hospital).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	436,614
Additions:		
Investment income (loss):		
Income from invested funds		7,333
Unrealized appreciation in fair value of units		52,491
Total investment income (loss)		59,824
Total additions		59,824
Deductions:		
Administrative expenses		321
Total deductions		321
Change in net position		59,503
Net Position Held in Trust, December 31, 2025	\$	<u><u>496,117</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	699
Investment income receivable		1,211
2,686 units of Collective Legal Investment Fund		494,379
Accrued expenses		(172)
Net Position Held in Trust, December 31, 2025	\$	<u><u>496,117</u></u>

See accompanying independent auditors' report.

CHEESMAN HERRICK SCHOLARSHIP FUND

Created 1980

Income to be used for the maintenance of a scholarship in any American college or university for such ambitious and diligent graduates of Girard College as the High School faculty shall recommend and deem worthy to receive the benefits of the same.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	63,678
Additions:		
Investment income (loss):		
Income from invested funds		1,069
Net realized gain on sale of units		1,892
Unrealized appreciation in fair value of units		<u>5,767</u>
Total investment income (loss)		<u>8,728</u>
Total additions		<u>8,728</u>
Deductions:		
Administrative expenses		48
Scholarship awards		<u>2,600</u>
Total deductions		<u>2,648</u>
Change in net position		<u>6,080</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>69,758</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	402
Investment income receivable		176
376 units of Collective Legal Investment Fund		69,206
Accrued expenses		<u>(26)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>69,758</u></u>

See accompanying independent auditors' report.

JOSEPH HEUPEL FUND

Created 1983

By bequest for the use of Girard College.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	696,935
Additions:		
Investment income (loss):		
Income from invested funds		11,705
Net realized gain on sale of units		10,110
Unrealized appreciation in fair value of units		73,771
Total investment income (loss)		95,586
Total additions		95,586
Deductions:		
Administrative expenses		523
Withdrawal for Girard College		31,800
Total deductions		32,323
Change in net position		63,263
Net Position Held in Trust, December 31, 2025	\$	<u><u>760,198</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,168
Investment income receivable		1,933
4,115 units of Collective Legal Investment Fund		757,397
Accrued expenses		(300)
Net Position Held in Trust, December 31, 2025	\$	<u><u>760,198</u></u>

See accompanying independent auditors' report.

JENNIE E. HOLLOWAY FUND

Created 1950

The income therefrom to be used by the Board for the purchase and distribution of coal to the deserving poor of the City of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	136,170
Additions:		
Investment income (loss):		
Income from invested funds		2,284
Net realized gain on sale of units		4,346
Unrealized appreciation in fair value of units		12,022
Total investment income (loss)		18,652
Total additions		18,652
Deductions:		
Administrative expenses		102
Fuel office expenses		516
Cost of fuel distributed to those in need		2,236
Total deductions		2,854
Change in net position		15,798
Net Position Held in Trust, December 31, 2025	\$	151,968

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	4,033
Investment income receivable		377
802 units of Collective Legal Investment Fund		147,614
Accrued expenses		(56)
Net Position Held in Trust, December 31, 2025	\$	151,968

See accompanying independent auditors' report.

VIRGINIA H. HOLLOWBUSH FUND

Created 1965

For purchase of books for the Free Library of Philadelphia and its several branches.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	236,233
Additions:		
Investment income (loss):		
Income from invested funds		3,966
Net realized gain on sale of units		5,236
Unrealized appreciation in fair value of units		23,184
Total investment income (loss)		32,386
Total additions		32,386
Deductions:		
Administrative expenses		178
Distribution to Free Library of Philadelphia		10,000
Total deductions		10,178
Change in net position		22,208
Net Position Held in Trust, December 31, 2025	\$	258,441

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	569
Investment income receivable		655
1,398 units of Collective Legal Investment Fund		257,313
Accrued expenses		(96)
Net Position Held in Trust, December 31, 2025	\$	258,441

See accompanying independent auditors' report.

HAROLD HOLMAN MEMORIAL FUND

Created 1972

Prize to be awarded to the junior high school student who shows outstanding achievement and interest in the field of science.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	2,099
Additions:		
Investment income (loss):		
Income from invested funds		33
Unrealized appreciation in fair value of units		<u>236</u>
Total investment income (loss)		<u>269</u>
Total additions		<u>269</u>
Deductions:		
Administrative expenses		<u>1</u>
Total deductions		<u>1</u>
Change in net position		<u>268</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>2,367</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	154
Investment income receivable		5
12 units of Collective Legal Investment Fund		2,209
Accrued expenses		<u>(1)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>2,367</u></u>

See accompanying independent auditors' report.

JOHN HOUSTON FUND

Created 2015

By bequest for the use of Girard College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 1,682,437
Additions:	
Investment income (loss):	
Income from invested funds	28,257
Net realized gain on sale of units	15,250
Unrealized appreciation in fair value of units	187,249
Total investment income (loss)	230,756
Total additions	230,756
Deductions:	
Administrative expenses	1,263
Withdrawal for Girard College	76,800
Total deductions	78,063
Change in net position	152,693
Net Position Held in Trust, December 31, 2025	\$ 1,835,130

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 2,209
Investment income receivable	4,666
9,937 units of Collective Legal Investment Fund	1,828,981
Accrued expenses	(726)
Net Position Held in Trust, December 31, 2025	\$ 1,835,130

See accompanying independent auditors' report.

DAVID JACOBS SCHOLARSHIP FUND

Created 1990

To provide scholarships for outstanding high school students in the serious study of music in the secondary schools of the City of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	235,766
Additions:		
Investment income (loss):		
Income from invested funds		3,958
Unrealized appreciation in fair value of units		28,331
Total investment income (loss)		32,289
Total additions		32,289
Deductions:		
Administrative expenses		173
Total deductions		173
Change in net position		32,116
Net Position Held in Trust, December 31, 2025	\$	<u>267,882</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	619
Investment income receivable		654
1,449 units of Collective Legal Investment Fund		266,700
Accrued expenses		(91)
Net Position Held in Trust, December 31, 2025	\$	<u>267,882</u>

See accompanying independent auditors' report.

BUSHROD W. JAMES CEMETERY FUND

Created 1904

For the maintenance of the structures upon the burial lot of Bushrod W. James in Monument Cemetery, Philadelphia. By Decree of the Orphans' Court of Philadelphia County, dated January 9, 1956, the trustee was authorized and empowered to remove the remains of Bushrod Washington James, deceased, together with present memorials from Monument Cemetery to West Laurel Hill Cemetery.

By adjudication of the Orphans' Court, dated November 26, 1971, income not needed for above is to be divided equally between James Eye and Ear Institute and the Bushrod Library.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	35,752
Additions:		
Investment income (loss):		
Income from invested funds		599
Net realized gain on sale of units		207
Unrealized appreciation in fair value of units		4,087
Total investment income (loss)		4,893
Total additions		4,893
Deductions:		
Administrative expenses		27
Distribution to The Free Library Foundation		750
Total deductions		777
Change in net position		4,116
Net Position Held in Trust, December 31, 2025	\$	39,868

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	395
Investment income receivable		99
214 units of Collective Legal Investment Fund		39,388
Accrued expenses		(14)
Net Position Held in Trust, December 31, 2025	\$	39,868

See accompanying independent auditors' report.

ELLEN KINNIER FUND

Created 1922

Awarded under decree of the Orphans' Court of Philadelphia County, dated November 19, 1940, to the City of Philadelphia, acting by the Board of Directors of City Trusts, "for the relief and employment of the poor. . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	6,210
Additions:		
Investment income (loss):		
Income from invested funds		102
Net realized gain on sale of units		346
Unrealized appreciation in fair value of units		387
Total investment income (loss)		835
Total additions		835
Deductions:		
Administrative expenses		5
Fuel office expenses		6
Cost of fuel distributed to those in need		250
Total deductions		261
Change in net position		574
Net Position Held in Trust, December 31, 2025	\$	6,784

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	328
Investment income receivable		17
35 units of Collective Legal Investment Fund		6,442
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2025	\$	6,784

See accompanying independent auditors' report.

GEORGE KOEHL – GIRARD COLLEGE FUND

Created 1955

“For the general uses and purposes of Girard College and/or the students thereof as in their absolute discretion they (Directors of City Trusts) may from time to time determine.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	63,381
Additions:		
Investment income (loss):		
Income from invested funds		1,063
Net realized gain on sale of units		1,134
Unrealized appreciation in fair value of units		6,489
Total investment income (loss)		8,686
Total additions		8,686
Deductions:		
Administrative expenses		48
Withdrawal for Girard College		2,900
Total deductions		2,948
Change in net position		5,738
Net Position Held in Trust, December 31, 2025	\$	69,119

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	316
Investment income receivable		176
373 units of Collective Legal Investment Fund		68,654
Accrued expenses		(27)
Net Position Held in Trust, December 31, 2025	\$	69,119

See accompanying independent auditors' report.

GEORGE KOEHL – SPENDING MONEY FUND

Created 1955

“The net income arising therefrom and as for spending money (i.e., money set apart for extra personal expenses, pocket money) to and among deserving undergraduates at Girard College, Philadelphia, who possess little or no spending money of their own, at such times and in such amount as my said Trustee or an appropriate Committee thereof may determine.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	26,571
Additions:		
Investment income (loss):		
Income from invested funds		445
Net realized gain on sale of units		567
Unrealized appreciation in fair value of units		<u>2,620</u>
Total investment income (loss)		<u>3,632</u>
Total additions		<u>3,632</u>
Deductions:		
Administrative expenses		20
Withdrawal for Girard College students		<u>1,200</u>
Total deductions		<u>1,220</u>
Change in net position		<u>2,412</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>28,983</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	392
Investment income receivable		73
155 units of Collective Legal Investment Fund		28,529
Accrued expenses		<u>(11)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>28,983</u></u>

See accompanying independent auditors' report.

HENRY J. AND WILLEMINA B. KUHN FUND

Created 1965

For the purpose of providing medical and dental care, attention, and maintenance, as well as medical and surgical appliances, to children attending the Public Schools of the City of Philadelphia, who by reason of their financial condition or the financial condition of their parents, would be unable to obtain such attention.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 2,618,792
Additions:	
Investment income (loss):	
Income from invested funds	47,146
Unrealized appreciation in fair value of units	<u>337,477</u>
Total investment income (loss)	<u>384,623</u>
Total additions	<u>384,623</u>
Deductions:	
Administrative expenses	<u>2,064</u>
Total deductions	<u>2,064</u>
Change in net position	<u>382,559</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>3,001,351</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 3,400
Investment income receivable	7,785
17,275 units of Collective Legal Investment Fund	3,179,597
Accrued expenses	<u>(189,431)</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>3,001,351</u></u>

See accompanying independent auditors' report.

EDWIN G. LARE MEMORIAL FUND

Created 1965

The income is to be used to buy a picture of any other thing that will beautify or be useful for the public school at Green and New Market Streets, Philadelphia, Pennsylvania.

By adjudication of the Orphans' Court, dated March 12, 1969, the Jefferson School at Fourth and George Streets (now named High School for International Affairs) was named as the beneficiary of this fund.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	10,002
Additions:		
Investment income (loss):		
Income from invested funds		166
Net realized gain on sale of units		33
Unrealized appreciation in fair value of units		1,153
Total investment income (loss)		1,352
Total additions		1,352
Deductions:		
Administrative expenses		7
Distribution to The School District of Philadelphia		400
Total deductions		407
Change in net position		945
Net Position Held in Trust, December 31, 2025	\$	10,947

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	249
Investment income receivable		27
58 units of Collective Legal Investment Fund		10,675
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2025	\$	10,947

See accompanying independent auditors' report.

SYLVAN LEFCOE SCHOLARSHIP FUND

Created 1976

“For such graduates of Girard College as are desirous of securing and, who, in the opinion of the Board, are worthy of a higher education.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	713,357
Additions:		
Investment income (loss):		
Income from invested funds		12,891
Net realized gain on sale of units		18,124
Unrealized appreciation in fair value of units		68,872
Total investment income (loss)		99,887
Total additions		99,887
Deductions:		
Administrative expenses		5,313
Scholarship awards		25,200
Total deductions		30,513
Change in net position		69,374
Net Position Held in Trust, December 31, 2025	\$	782,731

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,119
Investment income receivable		2,004
4,290 units of Collective Legal Investment Fund		789,608
Accrued expenses		(10,000)
Net Position Held in Trust, December 31, 2025	\$	782,731

See accompanying independent auditors' report.

JAMES E. LENNON FUND

Created 1922

"The income arising therefrom to be used in the purchase of textbooks or other scholastic equipment for such graduates of Girard College as are pursuing their studies in other institutions of learning and who may be deemed by the Board of Directors of City Trusts as worthy of such assistance"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	14,255
Additions:		
Investment income (loss):		
Income from invested funds		238
Net realized gain on sale of units		139
Unrealized appreciation in fair value of units		<u>1,564</u>
Total investment income (loss)		<u>1,941</u>
Total additions		<u>1,941</u>
Deductions:		
Administrative expenses		11
Scholarship awards		<u>500</u>
Total deductions		<u>511</u>
Change in net position		<u>1,430</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>15,685</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	374
Investment income receivable		39
83 units of Collective Legal Investment Fund		15,277
Accrued expenses		<u>(5)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>15,685</u></u>

See accompanying independent auditors' report.

S. GEORGE AND EMMY A. LEVI FUND

Created 1986

"In Trust. Nevertheless, the income therefrom to be used to defray the expenses of sending poor children to Camp William Penn (formerly called Camp Happy) and for their maintenance while at said Camp, under the supervision of the Department of Welfare of the said city. . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	30,027
Additions:		
Investment income (loss):		
Income from invested funds		503
Unrealized appreciation in fair value of units		3,599
Total investment income (loss)		4,102
Total additions		4,102
Deductions:		
Administrative expenses		22
Total deductions		22
Change in net position		4,080
Net Position Held in Trust, December 31, 2025	\$	<u><u>34,107</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	352
Investment income receivable		83
183 units of Collective Legal Investment Fund		33,683
Accrued expenses		(11)
Net Position Held in Trust, December 31, 2025	\$	<u><u>34,107</u></u>

See accompanying independent auditors' report.

JOHN E. MAYNES FUND

Created 1919

“Income shall be applied to furnishing fuel in winter to needy families.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 2,047,037
Additions:	
Investment income (loss):	
Income from invested funds	34,193
Net realized gain on sale of units	44,704
Unrealized appreciation in fair value of units	200,086
Total investment income (loss)	278,983
Total additions	278,983
Deductions:	
Administrative expenses	1,529
Fuel office expenses	1,904
Cost of fuel distributed to those in need	8,970
Total deductions	12,403
Change in net position	266,580
Net Position Held in Trust, December 31, 2025	\$ 2,313,617

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 79,849
Investment income receivable	5,646
12,123 units of Collective Legal Investment Fund	2,231,331
Accrued expenses	(3,209)
Net Position Held in Trust, December 31, 2025	\$ 2,313,617

See accompanying independent auditors' report.

MARY ALICE McLAUGHLIN FUND

Created 1954

“A special award is made annually to the nurse with the best record for cancer care nursing in the Philadelphia Nursing Home (successor to Philadelphia General Hospital).”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	15,637
Additions:		
Investment income (loss):		
Income from invested funds		260
Unrealized appreciation in fair value of units		1,857
Total investment income (loss)		2,117
Total additions		2,117
Deductions:		
Administrative expenses		11
Total deductions		11
Change in net position		2,106
Net Position Held in Trust, December 31, 2025	\$	<u>17,743</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	221
Investment income receivable		43
95 units of Collective Legal Investment Fund		17,485
Accrued expenses		(6)
Net Position Held in Trust, December 31, 2025	\$	<u>17,743</u>

See accompanying independent auditors' report.

BERNARD McMAHON FUND

Created 1816

"For the use of the poor"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	11,232
Additions:		
Investment income (loss):		
Income from invested funds		188
Net realized gain on sale of units		521
Unrealized appreciation in fair value of units		826
Total investment income (loss)		1,535
Total additions		1,535
Deductions:		
Administrative expenses		9
Fuel office expenses		11
Total deductions		20
Change in net position		1,515
Net Position Held in Trust, December 31, 2025	\$	<u><u>12,747</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	757
Investment income receivable		31
65 units of Collective Legal Investment Fund		11,964
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2025	\$	<u><u>12,747</u></u>

See accompanying independent auditors' report.

ALEXANDER G. MERCER "HALL FUND"

Created 1884

(By Decree of Supreme Court of Rhode Island)

"To purchase suitable lots of ground in said City of Philadelphia contiguous to each other or located in various parts of said City as shall seem most expedient, and to erect thereon substantial and comfortable buildings, and to let the same to the worthy laboring poor of said City, at rentals, sufficient to pay taxes, water rates, insurance premiums, repairs, and expenses of managing them: but if...inexpedient... Then suitable lands with the buildings already erected thereon may be purchased and adopted to the purpose aforesaid"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 8,441,316
Additions:	
Investment income (loss):	
Income from invested funds	119,975
Real estate income	35,520
Net realized gain on sale of units	256,911
Unrealized appreciation in fair value of units	571,080
Total investment income (loss)	983,486
Total additions	983,486
Deductions:	
Administrative expenses	5,850
Real estate expenses	101,561
Total deductions	107,411
Change in net position	876,075
Net Position Held in Trust, December 31, 2025	\$ 9,317,391

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 14,704
Investment income receivable	23,306
44,782 units of Collective Legal Investment Fund	8,242,472
Joint venture investments	930,000
Real estate, at cost	109,386
Accrued expenses	(2,477)
Net Position Held in Trust, December 31, 2025	\$ 9,317,391

See accompanying independent auditors' report.

GEORGE L. MEYER FUND

Created 1934

To give one deserving student of the Girard College one year's education in some university or college.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	59,227
Additions:		
Investment income (loss):		
Income from invested funds		997
Unrealized appreciation in fair value of units		<u>7,323</u>
Total investment income (loss)		<u>8,320</u>
Total additions		<u>8,320</u>
Deductions:		
Administrative expenses		44
Scholarship awards		<u>500</u>
Total deductions		<u>544</u>
Change in net position		<u>7,776</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>67,003</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	533
Investment income receivable		165
362 units of Collective Legal Investment Fund		66,629
Accrued expenses		<u>(324)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>67,003</u></u>

See accompanying independent auditors' report.

GERTRUDE J. MIETERER FUND

Created 1954

“ . . . any cash balance remaining unpaid . . . give to Charity of the City of Philadelphia”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	1,858
Additions:		
Investment income (loss):		
Income from invested funds		30
Net realized gain on sale of units		189
Unrealized appreciation in fair value of units		30
Total investment income (loss)		249
Total additions		249
Deductions:		
Administrative expenses		1
Fuel office expenses		2
Total deductions		3
Change in net position		246
Net Position Held in Trust, December 31, 2025	\$	<u>2,104</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	443
Investment income receivable		5
9 units of Collective Legal Investment Fund		1,657
Accrued expenses		(1)
Net Position Held in Trust, December 31, 2025	\$	<u>2,104</u>

See accompanying independent auditors' report.

BOWMAN H. AND LILLIAN M. MOORE SCHOLARSHIP FUND

Created 1974

The income therefrom to be used for the assistance of a graduate of said (Girard) College who desires to continue studies in any accredited school, college, or university.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	616,951
Additions:		
Investment income (loss):		
Income from invested funds		10,360
Net realized gain on sale of units		3,307
Unrealized appreciation in fair value of units		<u>70,886</u>
Total investment income (loss)		<u>84,553</u>
Total additions		<u>84,553</u>
Deductions:		
Administrative expenses		461
Scholarship awards		<u>11,600</u>
Total deductions		<u>12,061</u>
Change in net position		<u>72,492</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>689,443</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,086
Investment income receivable		1,711
3,732 units of Collective Legal Investment Fund		686,903
Accrued expenses		<u>(257)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>689,443</u></u>

See accompanying independent auditors' report.

BENJAMIN W. AND ISAAC W. MORRIS FUND

Created 1806

“To the only proper use and Behoof of the Guardians of the Poor of the City of Philadelphia . . . ”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	9,385
Additions:		
Investment income (loss):		
Income from invested funds		144
Unrealized appreciation in fair value of units		1,027
Total investment income (loss)		1,171
Total additions		1,171
Deductions:		
Administrative expenses		7
Fuel office expenses		9
Total deductions		16
Change in net position		1,155
Net Position Held in Trust, December 31, 2025	\$	<u>10,540</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	765
Investment income receivable		24
53 units of Collective Legal Investment Fund		9,755
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2025	\$	<u>10,540</u>

See accompanying independent auditors' report.

SIMON MUHR SCHOLARSHIP FUND

Created 1896

“For the promotion of the welfare of children attending the Public Schools of the City of Philadelphia”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 1,499,540
Additions:	
Investment income (loss):	
Income from invested funds	25,183
Unrealized appreciation in fair value of units	<u>180,290</u>
Total investment income (loss)	<u>205,473</u>
Total additions	<u>205,473</u>
Deductions:	
Administrative expenses	1,114
Scholarship awards	<u>9,000</u>
Total deductions	<u>10,114</u>
Change in net position	<u>195,359</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>1,694,899</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 1,859
Investment Income receivable	4,158
9,179 units of Collective Legal Investment Fund	1,689,466
Accrued expenses	<u>(584)</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>1,694,899</u></u>

See accompanying independent auditors' report.

JOHN NEISON FUND

Created 1944

The income to aid and assist graduates of the Girard College in obtaining a higher education after leaving Girard College and also to help students who are educated in Girard when in need.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 1,463,580
Additions:	
Investment income (loss):	
Income from invested funds	24,725
Net realized gain on sale of units	9,828
Unrealized appreciation in fair value of units	166,530
Total investment income (loss)	201,083
Total additions	201,083
Deductions:	
Administrative expenses	1,096
Scholarship awards	31,275
Total deductions	32,371
Change in net position	168,712
Net Position Held in Trust, December 31, 2025	\$ 1,632,292

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 2,021
Investment Income receivable	4,066
8,859 units of Collective Legal Investment Fund	1,630,567
Accrued expenses	(4,362)
Net Position Held in Trust, December 31, 2025	\$ 1,632,292

See accompanying independent auditors' report.

WILLIAM W. AND BETTY OMIN MEMORIAL FUND

Created 1960

“ ‘A William W. and Betty Omin Memorial Award’ shall be made once a year at each of the Philadelphia Public High Schools . . . for the best essay on the subject of ‘Brotherhood’ . . . the amount of the award shall be a maximum of One Thousand Dollars (\$1,000) and shall be awarded each year at the time of the Commencement. If there is sufficient money leftover . . . or the ‘Brotherhood Awards’ become unfeasible, then the earnings shall be used for a scholarship or scholarships . . . to Drexel University based on the highest marks received by a senior student of any Philadelphia public high school . . . and the scholarship or scholarships shall be in Engineering with a preference given to Electrical Engineering.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	780,130
Additions:		
Investment income (loss):		
Income from invested funds		13,100
Unrealized appreciation in fair value of units		93,771
Total investment income (loss)		106,871
Total additions		106,871
Deductions:		
Administrative expenses		574
Total deductions		574
Change in net position		106,297
Net Position Held in Trust, December 31, 2025	\$	<u>886,427</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,273
Investment income receivable		2,163
4,799 units of Collective Legal Investment Fund		883,293
Accrued expenses		(302)
Net Position Held in Trust, December 31, 2025	\$	<u>886,427</u>

See accompanying independent auditors' report.

EDWARD POWELL FUND

Created 1943

“The income from this principal sum shall be allowed to accumulate for the term of four years and at the expiration of said period shall be awarded, distributed, and disposed of as follows: . . . unto any citizen of the City of Philadelphia, irrespective of sex, race, creed or color, who shall have in the judgment of a majority of said Committee by his or her individual efforts and personal application to the Manufacturing and Commercial interest of the City of Philadelphia in the previous four years, succeeded in producing the best results for the benefit and prosperity of the City of Philadelphia in that line . . . a suitable medal or decoration to be given to the person receiving the award.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 2,692,043
Additions:	
Investment income (loss):	
Income from invested funds	45,213
Unrealized appreciation in fair value of units	<u>323,639</u>
Total investment income (loss)	<u>368,852</u>
Total additions	<u>368,852</u>
Deductions:	
Administrative expenses	<u>1,989</u>
Total deductions	<u>1,989</u>
Change in net position	<u>366,863</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>3,058,906</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 3,322
Investment income receivable	7,466
16,566 units of Collective Legal Investment Fund	3,049,100
Accrued expenses	<u>(982)</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>3,058,906</u></u>

See accompanying independent auditors' report.

MURTHA P. QUINN FUND

Created 1941

“To be applied, one-half part thereof for the purchase of eyeglasses for the poor, preference being given to the children and old people, and one-half part thereof for coal for the poor”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	105,970
Additions:		
Investment income (loss):		
Income from invested funds		1,762
Unrealized appreciation in fair value of units		12,619
Total investment income (loss)		14,381
Total additions		14,381
Deductions:		
Administrative expenses		80
Fuel office expenses		100
Cost of fuel distributed to those in need		756
Total deductions		936
Change in net position		13,445
Net Position Held in Trust, December 31, 2025	\$	<u>119,415</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,738
Investment income receivable		291
638 units of Collective Legal Investment Fund		117,429
Accrued expenses		(43)
Net Position Held in Trust, December 31, 2025	\$	<u>119,415</u>

See accompanying independent auditors' report.

THOMAS B. K. RINGE PRIZE FUND

Created 1957

The income of the Fund is to be employed in the award of a prize to that member of each graduating class of Girard College deemed by the President of the College outstanding in scholarship and all-around achievement.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	11,711
Additions:		
Investment income (loss):		
Income from invested funds		196
Net realized gain on sale of units		206
Unrealized appreciation in fair value of units		1,200
Total investment income (loss)		1,602
Total additions		1,602
Deductions:		
Administrative expenses		9
Prizes		500
Total deductions		509
Change in net position		1,093
Net Position Held in Trust, December 31, 2025	\$	12,804

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	261
Investment income receivable		32
68 units of Collective Legal Investment Fund		12,516
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2025	\$	12,804

See accompanying independent auditors' report.

RITTENHOUSE SCHOOL FUND

Created 1839

Income to be applied "to advance the education of the children of the vicinity of the Old Rittenhouse Academy (Roxborough)." By decree of the court, January 11, 1958, the income is used for the Anna Lane Lingelbach School.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	52,049
Additions:		
Investment income (loss):		
Income from invested funds		873
Net realized gain on sale of units		149
Unrealized appreciation in fair value of units		<u>6,106</u>
Total investment income (loss)		<u>7,128</u>
Total additions		<u>7,128</u>
Deductions:		
Administrative expenses		42
Distribution to The School District of Philadelphia		<u>2,200</u>
Total deductions		<u>2,242</u>
Change in net position		<u>4,886</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>56,935</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	304
Investment income receivable		144
307 units of Collective Legal Investment Fund		56,506
Accrued expenses		<u>(19)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>56,935</u></u>

See accompanying independent auditors' report.

ROBERTS SCHOOL FUND

Created 1763

“For a Public School for the Instruction of the Children and other Inhabitants of the said (Bristol) Township and the Northern Liberty and Oxford Township, or any Meeting the said Township shall have Occasion as the said Trustees shall think fit provided it doesn't interfere or interrupt the said school.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	10,646
Additions:		
Investment income (loss):		
Income from invested funds		177
Net realized gain on sale of units		33
Unrealized appreciation in fair value of units		<u>1,234</u>
Total investment income (loss)		<u>1,444</u>
Total additions		<u>1,444</u>
Deductions:		
Administrative expenses		3
Distribution to The School District of Philadelphia		<u>400</u>
Total deductions		<u>403</u>
Change in net position		<u>1,041</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>11,687</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	250
Investment income receivable		29
62 units of Collective Legal Investment Fund		11,412
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>11,687</u></u>

See accompanying independent auditors' report.

ELMER RODENBOUGH FUND

Created 1947

“Use and apply the net income for the needs, service or benefit of any and all graduates, past, present, and future, of Girard College, Philadelphia . . . Including, but not restricted to, the helping of any graduate at anytime within three years of graduation of Girard College, to enter or continue studies in any school, college, university, or other institution of learning”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	401,665
Additions:		
Investment income (loss):		
Income from invested funds		6,928
Net realized gain on sale of units		2,414
Unrealized appreciation in fair value of units		<u>46,125</u>
Total investment income (loss)		<u>55,467</u>
Total additions		<u>55,467</u>
Deductions:		
Administrative expenses		302
Scholarship awards		<u>8,050</u>
Total deductions		<u>8,352</u>
Change in net position		<u>47,115</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>448,780</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	727
Investment income receivable		1,119
2,440 units of Collective Legal Investment Fund		449,101
Accrued expenses		<u>(2,167)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>448,780</u></u>

See accompanying independent auditors' report.

GEORGE ROSS MEMORIAL FUND

Created 1988

Contributed by Mr. and Mrs. Henry R. Wimmersberger to establish a fund in memory of Mrs. Wimmersberger's father, Mr. George Ross, who attended Girard College from 1889 to 1894. The income from this fund is to be used for scholarships for graduates of Girard College.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	103,453
Additions:		
Investment income (loss):		
Income from invested funds		1,740
Unrealized appreciation in fair value of units		<u>12,458</u>
Total investment income (loss)		<u>14,198</u>
Total additions		<u>14,198</u>
Deductions:		
Administrative expenses		76
Scholarship awards		<u>800</u>
Total deductions		<u>876</u>
Change in net position		<u>13,322</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>116,775</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	456
Investment income receivable		287
632 units of Collective Legal Investment Fund		116,324
Accrued expenses		<u>(292)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>116,775</u></u>

See accompanying independent auditors' report.

ANTONIO SAULINO FUND

Created 1957

"To pay and distribute the income now on hand or thereafter accruing to poverty-stricken musicians who were members of the Philadelphia Musical Association for three years immediately prior to its dissolution"

By Decree of the Orphans' Court, dated March 14, 1972, distribution may be made among needy members of the Philadelphia Musical Society.

By Decree of the Orphans' Court, dated March 23, 1978, accumulated income may be distributed to students at schools of music or vocal arts in Philadelphia.

By Decree of the Orphans' Court, dated December 8, 2003, the limit for individual grants to needy former members of the Philadelphia Musical Association or Philadelphia Musical Society is increased to \$3,000 per individual per year. The limit for grants to needy current members of those organizations is increased to \$1,000 per individual per year. The limit for grants to needy students enrolled in music or vocal arts schools in Philadelphia is increased to \$1,000 per individual per year. The period of all grants is not to exceed two consecutive years unless approved by the court upon good cause shown.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	173,470
Additions:		
Investment income (loss):		
Income from invested funds		2,928
Unrealized appreciation in fair value of units		20,957
Total investment income (loss)		23,885
Total additions		23,885
Deductions:		
Administrative expenses		130
Total deductions		130
Change in net position		23,755
Net Position Held in Trust, December 31, 2025	\$	197,225

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	402
Investment income receivable		483
1,072 units of Collective Legal Investment Fund		197,310
Accrued expenses		(970)
Net Position Held in Trust, December 31, 2025	\$	197,225

See accompanying independent auditors' report.

THE SCHOLARSHIP FUND OF GIRARD COLLEGE

Created 1977

Consists of deposits from:

The Estate of Walter F. McCann	1,977
Edward R. Eagleson	1982–1989
The Estate of Russell P. Morgan	1,982
Friends of Ed Fritz	1,984

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 151,725
Additions:	
Investment income (loss):	
Income from invested funds	2,547
Unrealized appreciation in fair value of units	18,231
Total investment income (loss)	20,778
Total additions	20,778
Deductions:	
Administrative expenses	114
Scholarship awards	1,100
Total deductions	1,214
Change in net position	19,564
Net Position Held in Trust, December 31, 2025	\$ 171,289

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 494
Investment income receivable	420
926 units of Collective Legal Investment Fund	170,437
Accrued expenses	(62)
Net Position Held in Trust, December 31, 2025	\$ 171,289

See accompanying independent auditors' report.

CHRISTIAN SCHRACK FUND

Created 1917

"I give and devise all the rents, interest, and income of my Estate to the Corporation of the City of Philadelphia, to be distributed by them according to the best of their judgment into the hands of the Missionary Societies of the said city for the relief of the Poor; but if there be no such society or societies at that time, then the said Corporation may distribute or designate the proper means for distributing the same for the relief of the poor of the said city. But no part thereof shall be appropriated towards the Almshouse of the said City or any of its inmates."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 677,233
Additions:	
Investment income (loss):	
Income from invested funds	11,374
Unrealized appreciation in fair value of units	81,424
Total investment income (loss)	92,798
Total additions	92,798
Deductions:	
Administrative expenses	490
Distribution to Helping Hand Rescue Mission	3,690
Total deductions	4,180
Change in net position	88,618
Net Position Held in Trust, December 31, 2025	\$ 765,851

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 1,142
Investment income receivable	1,878
4,146 units of Collective Legal Investment Fund	763,103
Accrued expenses	(272)
Net Position Held in Trust, December 31, 2025	\$ 765,851

See accompanying independent auditors' report.

JOHN SCOTT MEDAL FUND

Created 1816

Income "to be laid out in premiums to be distributed among ingenious men and women who make useful inventions and/or discoveries in science, medicine or engineering, such premiums to be \$10,000 for any one premium, in any one year, with any additional premium to be awarded in the discretion of the Board but such additional premium to be made in accordance with the Board's Spending Rule as authorized under 20 Pa. C.S.A. § 8813, and . . . given a copper medal with this inscription 'To the most deserving.'"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 1,229,341
Additions:	
Investment income (loss):	
Income from invested funds	20,651
Net realized gain on sale of units	6,334
Unrealized appreciation in fair value of units	<u>141,594</u>
Total investment income (loss)	<u>168,579</u>
Total additions	<u>168,579</u>
Deductions:	
Administrative expenses	909
Awards	30,000
Expenses in connection with awards	<u>12,211</u>
Total deductions	<u>43,120</u>
Change in net position	<u>125,459</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>1,354,800</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 1,758
Investment income receivable	3,410
7,370 units of Collective Legal Investment Fund	1,356,505
Accrued expenses	<u>(6,873)</u>
Net Position Held in Trust, December 31, 2025	\$ <u><u>1,354,800</u></u>

See accompanying independent auditors' report.

WILLIAM SCOTT FUND

Created 1947

By adjudication of the Orphans' Court of Montgomery County, Pennsylvania, dated July 26, 1947, approval was given to an Agreement of Settlement, whereby the City of Philadelphia, acting by the Board of Directors of City Trusts, administering Girard College, was awarded one-half of the principal of this Trust for the use of Girard College.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	825,956
Additions:		
Investment income (loss):		
Income from invested funds		13,865
Net realized gain on sale of units		22,311
Unrealized appreciation in fair value of units		<u>77,050</u>
Total investment income (loss)		<u>113,226</u>
Total additions		<u>113,226</u>
Deductions:		
Administrative expenses		637
Withdrawal for Girard College		<u>39,000</u>
Total deductions		<u>39,637</u>
Change in net position		<u>73,589</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>899,545</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,263
Investment income receivable		2,289
4,868 units of Collective Legal Investment Fund		<u>895,993</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>899,545</u></u>

See accompanying independent auditors' report.

SAMUEL SCOTTEN FUND

Created 1810

“To deliver to the poor of the said City (Philadelphia) and of Southwark twelve dollars’ worth of bread annually.” By court adjudication, all of the income available may be used to purchase bread.

By court adjudication, dated June 16, 1970, income is distributed to charitable organizations engaged in the distribution of food among the poor of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	4,841
Additions:		
Investment income (loss):		
Income from invested funds		80
Unrealized appreciation in fair value of units		573
Total investment income (loss)		653
Total additions		653
Deductions:		
Administrative expenses		3
Total deductions		3
Change in net position		650
Net Position Held in Trust, December 31, 2025	\$	5,491

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	142
Investment income receivable		13
29 units of Collective Legal Investment Fund		5,338
Accrued expenses		(2)
Net Position Held in Trust, December 31, 2025	\$	5,491

See accompanying independent auditors’ report.

HENRY SEYBERT FUND

Created 1883

Income "for the distribution of Fuel and Bread amongst the deserving poor, during the Winter months"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	88,314
Additions:		
Investment income (loss):		
Income from invested funds		1,480
Net realized gain on sale of units		2,605
Unrealized appreciation in fair value of units		8,002
Total investment income (loss)		12,087
Total additions		12,087
Deductions:		
Administrative expenses		66
Fuel office expenses		82
Cost of fuel distributed to those in need		865
Total deductions		1,013
Change in net position		11,074
Net Position Held in Trust, December 31, 2025	\$	<u><u>99,388</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	3,286
Investment income receivable		244
521 units of Collective Legal Investment Fund		95,894
Accrued expenses		(36)
Net Position Held in Trust, December 31, 2025	\$	<u><u>99,388</u></u>

See accompanying independent auditors' report.

FREDERICK A. SHEAFF FUEL FUND

Created 1874

Income "to purchase fuel between the months of March and September in every year forever and in the month of February in every year forever to distribute the same among poor housekeepers and roomkeepers of good character residing in the City of Philadelphia"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	24,266
Additions:		
Investment income (loss):		
Income from invested funds		406
Net realized gain on sale of units		868
Unrealized appreciation in fair value of units		<u>2,041</u>
Total investment income (loss)		<u>3,315</u>
Total additions		<u>3,315</u>
Deductions:		
Administrative expenses		18
Fuel office expenses		<u>23</u>
Total deductions		<u>41</u>
Change in net position		<u>3,274</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>27,540</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,347
Investment income receivable		67
142 units of Collective Legal Investment Fund		26,136
Accrued expenses		<u>(10)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>27,540</u></u>

See accompanying independent auditors' report.

MARY SHIELDS FUEL FUND

Created 1880

To apply the interest thereof to the purchase of coal and to distribute the same in the fall and winter months to indigent widows and widowers, single women and men, without respect to color.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	36,397
Additions:		
Investment income (loss):		
Income from invested funds		610
Net realized gain on sale of units		1,082
Unrealized appreciation in fair value of units		3,292
Total investment income (loss)		4,984
Total additions		4,984
Deductions:		
Administrative expenses		28
Fuel office expenses		34
Cost of fuel distributed to those in need		300
Total deductions		362
Change in net position		4,622
Net Position Held in Trust, December 31, 2025	\$	<u>41,019</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,545
Investment income receivable		101
214 units of Collective Legal Investment Fund		39,388
Accrued expenses		(15)
Net Position Held in Trust, December 31, 2025	\$	<u>41,019</u>

See accompanying independent auditors' report.

MARY SHIELDS HOSPITAL FUND

Created 1880

To relieve and make more comfortable the sick at the Philadelphia Nursing Home (successor to Philadelphia General Hospital).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 1,123,972
Additions:	
Investment income (loss):	
Income from invested funds	18,875
Unrealized appreciation in fair value of units	135,109
Total investment income (loss)	153,984
Total additions	153,984
Deductions:	
Administrative expenses	826
Total deductions	826
Change in net position	153,158
Net Position Held in Trust, December 31, 2025	\$ 1,277,130

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 1,513
Investment income receivable	3,117
6,916 units of Collective Legal Investment Fund	1,272,943
Accrued expenses	(443)
Net Position Held in Trust, December 31, 2025	\$ 1,277,130

See accompanying independent auditors' report.

JOSEPH SIMCOCK PRIZE FUND

Created 1941

The interest derived therefrom shall be given annually in two cash prizes to be known as The Joseph G. Simcock Prize to the two high school students of Girard College, who compose and submit or deliver orally the best essays on the recent developments in technology and industry.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	7,292
Additions:		
Investment income (loss):		
Income from invested funds		122
Net realized gain on sale of units		62
Unrealized appreciation in fair value of units		808
Total investment income (loss)		992
Total additions		992
Deductions:		
Administrative expenses		5
Prizes		150
Total deductions		155
Change in net position		837
Net Position Held in Trust, December 31, 2025	\$	8,129

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	382
Investment income receivable		20
42 units of Collective Legal Investment Fund		7,730
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2025	\$	8,129

See accompanying independent auditors' report.

JACOB J. SNYDER FUND

Created 1874

Income to be “expended yearly by the Directors of City Trusts as they may deem best in aid of the poor people of this City (Philadelphia)”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	95,775
Additions:		
Investment income (loss):		
Income from invested funds		1,607
Net realized gain on sale of units		2,209
Unrealized appreciation in fair value of units		9,309
Total investment income (loss)		13,125
Total additions		13,125
Deductions:		
Administrative expenses		71
Fuel office expenses		89
Cost of fuel distributed to those in need		1,909
Total deductions		2,069
Change in net position		11,056
Net Position Held in Trust, December 31, 2025	\$	106,831

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	2,428
Investment income receivable		265
566 units of Collective Legal Investment Fund		104,177
Accrued expenses		(39)
Net Position Held in Trust, December 31, 2025	\$	106,831

See accompanying independent auditors' report.

SPRING GARDEN FUND

Created 1847

Income to be “applied to the purchase of food and fuel, and no other purpose and . . . distributed during the winter months of each and every year among such of the poor. . .”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	31,989
Additions:		
Investment income (loss):		
Income from invested funds		536
Net realized gain on sale of units		1,044
Unrealized appreciation in fair value of units		2,795
Total investment income (loss)		4,375
Total additions		4,375
Deductions:		
Administrative expenses		24
Fuel office expenses		30
Cost of fuel distributed to those in need		1,250
Total deductions		1,304
Change in net position		3,071
Net Position Held in Trust, December 31, 2025	\$	<u><u>35,060</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	382
Investment income receivable		88
188 units of Collective Legal Investment Fund		34,603
Accrued expenses		(13)
Net Position Held in Trust, December 31, 2025	\$	<u><u>35,060</u></u>

See accompanying independent auditors' report.

RAYMOND R. START MEMORIAL FUND

Created 2014

For the purpose of providing scholarship aid to Girard College graduates pursuing a law degree.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	174,577
Additions:		
Investment income (loss):		
Income from invested funds		3,220
Net realized gain on sale of units		991
Unrealized appreciation in fair value of units		22,083
Total investment income (loss)		26,294
Total additions		26,294
Deductions:		
Administrative expenses		144
Scholarship awards		7,000
Total deductions		7,144
Change in net position		19,150
Net Position Held in Trust, December 31, 2025	\$	193,727

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	466
Investment income receivable		532
1,141 units of Collective Legal Investment Fund		210,010
Accrued expenses		(17,281)
Net Position Held in Trust, December 31, 2025	\$	193,727

See accompanying independent auditors' report.

WILLIAM D. AND MARIE STEUBER FUND

Created 1957

“To distribute the net income therefrom annually at Christmas time to the poor in the City of Philadelphia according to the judgment and discretion of the said Board of City Trusts”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	107,020
Additions:		
Investment income (loss):		
Income from invested funds		1,740
Unrealized appreciation in fair value of units		12,446
Total investment income (loss)		14,186
Total additions		14,186
Deductions:		
Administrative expenses		78
Total deductions		78
Change in net position		14,108
Net Position Held in Trust, December 31, 2025	\$	<u>121,128</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	327
Investment income receivable		287
655 units of Collective Legal Investment Fund		120,558
Accrued expenses		(44)
Net Position Held in Trust, December 31, 2025	\$	<u>121,128</u>

See accompanying independent auditors' report.

WILLIAM D. AND MARY STEUBER FUND

Created 1947

“To distribute the net income therefrom annually at Christmas time to the poor in the City of Philadelphia according to the judgment and discretion of the said Board of City Trusts”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	85,281
Additions:		
Investment income (loss):		
Income from invested funds		1,486
Net realized gain on sale of units		199
Unrealized appreciation in fair value of units		10,447
Total investment income (loss)		12,132
Total additions		12,132
Deductions:		
Administrative expenses		13
Total deductions		13
Change in net position		12,119
Net Position Held in Trust, December 31, 2025	\$	<u>97,400</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	375
Investment income receivable		245
526 units of Collective Legal Investment Fund		96,814
Accrued expenses		(34)
Net Position Held in Trust, December 31, 2025	\$	<u>97,400</u>

See accompanying independent auditors' report.

FREDERICK DEYLE STITELER PRIZE FUND

Created 1971

“To provide a prize to be awarded to a group or individual or individuals participating in the annual Mummers Parade held in Philadelphia usually on New Year’s Day, in accordance with such rules, regulations, and standards as shall be established by the official judging group for the Mummers Parade”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	33,059
Additions:		
Investment income (loss):		
Income from invested funds		552
Net realized gain on sale of units		722
Unrealized appreciation in fair value of units		<u>3,237</u>
Total investment income (loss)		<u>4,511</u>
Total additions		<u>4,511</u>
Deductions:		
Administrative expenses		25
Prizes		<u>1,450</u>
Total deductions		<u>1,475</u>
Change in net position		<u>3,036</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>36,095</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	310
Investment income receivable		91
194 units of Collective Legal Investment Fund		35,707
Accrued expenses		<u>(13)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>36,095</u></u>

See accompanying independent auditors' report.

C. HENDERSON SUPPLEE FUND

Created 1934

“To apply not more than Twenty Dollars per week to the maintenance of convalescent persons for not more than one month in any one year. Any income in any year that is not so used shall be distributed to such visiting nurse societies of Philadelphia as the Board of City Trusts shall determine, to be used by them in their work.”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 1,687,096
Additions:	
Investment income (loss):	
Income from invested funds	28,335
Unrealized appreciation in fair value of units	<u>202,822</u>
Total investment income (loss)	<u>231,157</u>
Total additions	<u>231,157</u>
Deductions:	
Administrative expenses	<u>1,240</u>
Total deductions	<u>1,240</u>
Change in net position	<u>229,917</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 1,917,013</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 2,291
Investment income receivable	4,679
10,381 units of Collective Legal Investment Fund	1,910,703
Accrued expenses	<u>(660)</u>
Net Position Held in Trust, December 31, 2025	<u><u>\$ 1,917,013</u></u>

See accompanying independent auditors' report.

FRANCIS H. THOLE FUND

Created 1952

“To pay the net income of said sum or principal from time to time to the Board of Education of the City of Philadelphia to be used and applied by the said Board of Education of Philadelphia for distribution in prizes of not less than Twenty-Five Dollars each among such scholars of the Public Schools of the City of Philadelphia, under the management and control of the said Board of Education or their lawful successors, who shall in proportion to the number of cash prizes provided by said net income be entitled thereto in the opinion of the Board of Education or its duly appointed agents, for the best written essay or essays by such scholars on the Constitution of the United States of America”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	136,395
Additions:		
Investment income (loss):		
Income from invested funds		2,317
Unrealized appreciation in fair value of units		<u>16,588</u>
Total investment income (loss)		<u>16,588</u>
Total additions		<u>18,905</u>
Deductions:		
Administrative expenses		<u>101</u>
Total deductions		<u>101</u>
Change in net position		<u>18,804</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>155,199</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	486
Investment income receivable		383
848 units of Collective Legal Investment Fund		156,081
Accrued expenses		<u>(1,751)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>155,199</u></u>

See accompanying independent auditors' report.

ARCHIBALD THOMSON FUND

Created 1799

Income to purchase bread "for the Support of the poor of the City of Philadelphia"

By Court adjudication, dated June 16, 1970, income is distributed to charitable organizations engaged in the distribution of food among the poor of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	71,660
Additions:		
Investment income (loss):		
Income from invested funds		1,201
Unrealized appreciation in fair value of units		<u>8,600</u>
Total investment income (loss)		<u>9,801</u>
Total additions		<u>9,801</u>
Deductions:		
Administrative expenses		<u>54</u>
Total deductions		<u>54</u>
Change in net position		<u>9,747</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>81,407</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	437
Investment income receivable		198
439 units of Collective Legal Investment Fund		80,801
Accrued expenses		<u>(29)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>81,407</u></u>

See accompanying independent auditors' report.

LAWRENCE TODD SCHOLARSHIP FUND

Created 1921

"Income therefrom to be used for scholarships for such graduates of Girard College as are desirous of securing, and who in the opinion of the Board are worthy of a higher education"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$ 653,608
Additions:	
Investment income (loss):	
Income from invested funds	10,976
Unrealized appreciation in fair value of units	78,586
Total investment income (loss)	89,562
Total additions	89,562
Deductions:	
Administrative expenses	490
Scholarship awards	6,750
Total deductions	7,240
Change in net position	82,322
Net Position Held in Trust, December 31, 2025	\$ 735,930

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$ 1,105
Investment income receivable	1,812
3,984 units of Collective Legal Investment Fund	733,286
Accrued expenses	(273)
Net Position Held in Trust, December 31, 2025	\$ 735,930

See accompanying independent auditors' report.

SELDON TWITCHELL FUND

Created 1925

“To apply the net income for the care and maintenance of Independence Hall in said city (Philadelphia)”

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	92,708
Additions:		
Investment income (loss):		
Income from invested funds		1,555
Unrealized appreciation in fair value of units		11,131
Total investment income (loss)		12,686
Total additions		12,686
Deductions:		
Administrative expenses		68
Total deductions		68
Change in net position		12,618
Net Position Held in Trust, December 31, 2025	\$	<u><u>105,326</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	376
Investment income receivable		257
569 units of Collective Legal Investment Fund		104,729
Accrued expenses		(36)
Net Position Held in Trust, December 31, 2025	\$	<u><u>105,326</u></u>

See accompanying independent auditors' report.

GEORGE A. VARE MEDALS FUND

Created 1910

Income "to be applied in the procuring and awarding of gold medals, one to be awarded to the student attaining the highest standing of each semi-annual graduation from the Southern Manual Training High School of the City of Philadelphia." By court adjudication, award is to be made at the June graduation, the mid-year graduations having been discontinued in the public schools.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	11,510
Additions:		
Investment income (loss):		
Income from invested funds		191
Net realized gain on sale of units		209
Unrealized appreciation in fair value of units		<u>1,157</u>
Total investment income (loss)		<u>1,557</u>
Total additions		<u>1,557</u>
Deductions:		
Administrative expenses		8
Cost of Medals		<u>1,041</u>
Total deductions		<u>1,049</u>
Change in net position		<u>508</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>12,018</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	211
Investment income receivable		31
64 units of Collective Legal Investment Fund		11,780
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>12,018</u></u>

See accompanying independent auditors' report.

LOUIS WAGNER PRIZE FUND

Created 1914

"I give and bequeath unto the City of Philadelphia, Board of Directors of City Trusts, the sum of \$2,094 in trust that the same shall be kept invested by the said Board and the interest or income derived therefrom be used each year in the purchase of a gold watch, the same to be suitably engraved and known as the 'Wagner Prize,' which shall be presented to the person graduating with the highest honors in the graduating class during each year at Girard College."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	25,459
Additions:		
Investment income (loss):		
Income from invested funds		425
Unrealized appreciation in fair value of units		<u>3,046</u>
Total investment income (loss)		<u>3,471</u>
Total additions		<u>3,471</u>
Deductions:		
Administrative expenses		<u>19</u>
Total deductions		<u>19</u>
Change in net position		<u>3,452</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>28,911</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	321
Investment income receivable		70
155 units of Collective Legal Investment Fund		28,529
Accrued expenses		<u>(9)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>28,911</u></u>

See accompanying independent auditors' report.

ELIZABETH F. WARDER FUND

Created 1953

By adjudication, dated April 2, 1953, the Orphans' Court of Philadelphia County awarded one-third of the estate to the Board of Directors of City Trusts with the following direction:

"... to expend the Fund, principal, and income to and among such former members of the Fire Department as were disabled in the line of duty and are now receiving pension. The Board of City Trusts shall accept from year to year the designation of the eligible individuals by the commissioner of Fire. The amount to be distributed until the Fund is exhausted shall be at the rate of 10% of the pension payable to each recipient annually. Final payment shall be made pro rata among those eligible to receive the funds in the year when the same shall be exhausted."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	95,076
Additions:		
Investment income (loss):		
Income from invested funds		1,596
Unrealized appreciation in fair value of units		11,429
Total investment income (loss)		13,025
Total additions		13,025
Deductions:		
Administrative expenses		69
Total deductions		69
Change in net position		12,956
Net Position Held in Trust, December 31, 2025	\$	108,032

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	314
Investment income receivable		264
584 units of Collective Legal Investment Fund		107,490
Accrued expenses		(36)
Net Position Held in Trust, December 31, 2025	\$	108,032

See accompanying independent auditors' report.

ESTHER WATERS FUND

Created 1833

Income to be used to "give, distribute, and deliver such Firewood or other Fuel to and amongst such of the poor of the City of Philadelphia as shall be found upon careful inquiry to be most deserving of such aid"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	97,433
Additions:		
Investment income (loss):		
Income from invested funds		1,635
Net realized gain on sale of units		2,695
Unrealized appreciation in fair value of units		9,022
Total investment income (loss)		13,352
Total additions		13,352
Deductions:		
Administrative expenses		73
Fuel office expenses		91
Cost of fuel distributed to those in need		3,250
Total deductions		3,414
Change in net position		9,938
Net Position Held in Trust, December 31, 2025	\$	107,371

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	1,308
Investment income receivable		270
575 units of Collective Legal Investment Fund		105,833
Accrued expenses		(40)
Net Position Held in Trust, December 31, 2025	\$	107,371

See accompanying independent auditors' report.

OBADIAH WHEELLOCK FUND

Created 1887

Income "to be awarded . . . to a Meritorious Scholar of the Girls Normal School of the City of Philadelphia"

In view of the Normal School having been abolished and upon recommendation of the Board of Public Education, the income is to be paid to the Pedagogical Library of the Board of Public Education for the purchase of books in memory of Obadiah Wheelock.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	7,286
Additions:		
Investment income (loss):		
Income from invested funds		122
Net realized gain on sale of units		33
Unrealized appreciation in fair value of units		837
Total investment income (loss)		992
Total additions		992
Deductions:		
Administrative expenses		5
Distribution to The School District of Philadelphia		300
Total deductions		305
Change in net position		687
Net Position Held in Trust, December 31, 2025	\$	<u>7,973</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	226
Investment income receivable		20
42 units of Collective Legal Investment Fund		7,730
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2025	\$	<u>7,973</u>

See accompanying independent auditors' report.

J. WILLIAM WHITE FUND

Created 1925

Income may be used to purchase artificial limbs, braces, orthopedic shoes, and any and all like devices for former patients of Philadelphia Nursing Home (successor to Philadelphia General Hospital) so that they become self-reliant and avoid being readmitted to Philadelphia Nursing Home or other like institutions.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	182,178
Additions:		
Investment income (loss):		
Income from invested funds		3,057
Unrealized appreciation in fair value of units		<u>21,886</u>
Total investment income (loss)		<u>24,943</u>
Total additions		<u>24,943</u>
Deductions:		
Administrative expenses		<u>134</u>
Total deductions		<u>134</u>
Change in net position		<u>24,809</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>206,987</u></u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	409
Investment income receivable		505
1,120 units of Collective Legal Investment Fund		206,145
Accrued expenses		<u>(72)</u>
Net Position Held in Trust, December 31, 2025	\$	<u><u>206,987</u></u>

See accompanying independent auditors' report.

JAMES WINDRIM SCHOLARSHIP FUND

Created 1921

The income is to be used to assist graduates of Girard College who desire to continue studies in school, college, or university who are considered deserving of such opportunity by the Board.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	57,805
Additions:		
Investment income (loss):		
Income from invested funds		978
Net realized gain on sale of units		706
Unrealized appreciation in fair value of units		6,297
Total investment income (loss)		7,981
Total additions		7,981
Deductions:		
Administrative expenses		43
Scholarship awards		1,575
Total deductions		1,618
Change in net position		6,363
Net Position Held in Trust, December 31, 2025	\$	<u>64,168</u>

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	294
Investment income receivable		161
349 units of Collective Legal Investment Fund		64,236
Accrued expenses		(523)
Net Position Held in Trust, December 31, 2025	\$	<u>64,168</u>

See accompanying independent auditors' report.

JOSEPH WRIGHT FUND

Created 1947

By Decree of the Court of Common Pleas of Philadelphia county, dated June 26, 1946, Wright's Industrial and Beneficial Institute of Frankford was dissolved, and the assets of the corporation were awarded to the City of Philadelphia, acting by the Board of Directors of City Trusts, in trust, one-third of the income therefrom to be paid over to the Trustees of the Free Library of Philadelphia for the exclusive benefit of the Frankford Branch, and the balance of said income to be used for the poor as near as may be in keeping with the purposes specified in the Will of Joseph Wright, deceased (those living within a circuit of one mile from the corner of Main and Sellers Streets, in Frankford).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2025

Net Position Held in Trust, January 1, 2025	\$	154,526
Additions:		
Investment income (loss):		
Income from invested funds		2,593
Net realized gain on sale of units		4,335
Unrealized appreciation in fair value of units		14,250
Total investment income (loss)		21,178
Total additions		21,178
Deductions:		
Administrative expenses		116
Fuel office expenses		145
Cost of fuel distributed to those in need		1,750
The Free Library Foundation		2,130
Total deductions		4,141
Change in net position		17,037
Net Position Held in Trust, December 31, 2025	\$	171,563

Statement of Fiduciary Net Position

December 31, 2025

Cash and cash equivalents	\$	2,969
Investment income receivable		428
914 units of Collective Legal Investment Fund		168,229
Accrued expenses		(63)
Net Position Held in Trust, December 31, 2025	\$	171,563

See accompanying independent auditors' report.



**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

(A Component Unit of the Estate of Stephen Girard, Deceased)

Basic Financial Statements with Required Supplementary Information

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

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KPMG LLP
Suite 4000
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Philadelphia, PA 19103-7501

Independent Auditors' Report

Members of the Board
The Board of Directors of City Trusts:

Opinion

We have audited the financial statements of the Board of Directors of City Trusts Contributory Retirement Plan (the Plan), a component unit of the Estate of Stephen Girard, Deceased, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which comprise the Plan's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2025 and 2024, and the changes in the fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

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 Plan 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 U.S. generally accepted accounting principles, 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 Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Plan'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 Plan'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information in schedules 1 through 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
August 31, 2026

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

The following discussion and analysis of the Board of Directors of City Trusts Contributory Retirement Plan, a component unit of the Estate of Stephen Girard, Deceased, ("Plan") provides an overview of the financial activities of the Plan for the years ended December 31, 2025 and 2024.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that is provided in addition to this Management's Discussion and Analysis.

The Plan is a single-employer defined benefit plan for certain employees of the Estate of Stephen Girard, Deceased of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the "Board"). The Plan covers certain union employees, hired prior to December 20, 2019, who have completed one year of service regardless of age and whose union contract does not provide benefits under either a union pension plan or the Board's noncontributory plans.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the Plan's financial statements. The Plan is considered a fiduciary fund in accordance with the Governmental Accounting Standards Board (GASB) Codification. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The Plan's financial statements comprise the statements of fiduciary net position, statements of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statements of Fiduciary Net Position

These statements as of December 31, 2025 and 2024, are used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. These statements present the total assets held less any liabilities to report the net position restricted for pensions for the Plan. Investments are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statements of Changes in Fiduciary Net Position

These statements present the results of activities during the years ended December 31, 2025 and 2024. Activities include additions of employer and employee contributions, investment income, net appreciation/depreciation of investments, and deductions including benefit payments and administrative expenses to determine the change in net position restricted for pensions for the year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Required Supplementary Information

This information is not audited and includes management's discussion and analysis (this section), a schedule of changes in the employer's net pension asset and related ratios, a schedule of employer contributions, a schedule of investment returns, and the notes to required supplementary information.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

Financial Highlights

The Plan's net position restricted for pensions increased approximately \$917,000 or (9%) in 2025 compared to an increase of approximately \$799,000 or (9%) in 2024. The increase in net position in 2025 and the increase in net position in 2024 are a result of favorable market conditions on the Plan's investments.

The Plan's net position restricted for pensions increased approximately \$799,000 (9%) in 2024 compared to an increase of approximately \$1.2 million (15%) in 2023. The increase in net position in 2024 and the increase in net position in 2023 are a result of favorable market conditions on the Plan's investments.

Condensed Financial Information

The following schedule is a summary of the December 31, 2025 and 2024 Statements of Fiduciary Net Position with comparative information as of December 31, 2023:

Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Investments	\$ 10,555,711	9,711,802	8,914,978
Net other assets and liabilities	189,519	116,022	114,224
Net position restricted for pensions	<u>\$ 10,745,230</u>	<u>9,827,824</u>	<u>9,029,202</u>

During the years ended December 31, 2025 and December 31, 2024, the various stock market indices experienced increases, which had a direct impact on the Plan's investments and increased by approximately \$844,000 (9%) and \$797,000 (9%) respectively.

The following schedule is a summary of the Statements of Changes in Fiduciary Net Position for the years ended December 31, 2025 and 2024 with comparative information for the year ended December 31, 2023:

Changes in Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions:			
Contributions	\$ 21,545	22,295	238,883
Net investment income	1,311,111	1,202,886	1,391,761
Total additions	<u>1,332,656</u>	<u>1,225,181</u>	<u>1,630,644</u>
Deductions:			
Benefit payments, including return of employee contributions	363,208	369,815	386,527
Administrative expenses	52,042	56,744	57,742
Total deductions	<u>415,250</u>	<u>426,559</u>	<u>444,269</u>
Increase in net position restricted for pensions	<u>\$ 917,406</u>	<u>798,622</u>	<u>1,186,375</u>

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

Net investment income increased approximately \$108,000 in 2025 compared to 2024 as a result of favorable market conditions. Contributions during 2025 remained relatively unchanged compared to 2024.

Net investment income decreased approximately \$189,000 in 2024 compared to 2023. Contributions during 2024 decreased approximately \$217,000 or (91%) compared to 2023 due to the reduction of the Plan's actuarially required employer contribution for 2024.

In 2025 benefit payments decreased approximately \$6,600 or (2%) due to a reduction of two plan members receiving benefits compared to 2024. In 2024 benefit payments decreased approximately \$17,000 or (4%) due to a reduction of two plan members receiving benefits compared to 2023. The decrease in 2024 benefit payments is net of the impact of a newly effective Plan amendment providing a cost of living adjustment ranging from 2-5% for certain retirees thereby increasing member benefit payments.

Plan Investments

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF) which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of this Plan, the Estate of Stephen Girard, Deceased, Wills Eye Hospital, two other retirement plans of the Board, and the 117 smaller trusts. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, real estate investments, and alternative investments held in private equity investments. All of the Plan's investments are held in the CLIF. As of December 31, 2025, 2024 and 2023, the Plan owned 57,350 units (approximately 1.7% of total CLIF units), 59,117 units (approximately 1.6% of total CLIF units), and 60,754 units (approximately 1.4% of total CLIF units) respectively.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

The following is a summary of the CLIF's investments at fair value as of December 31, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term investments	\$ 52,047,468	48,142,027	45,606,534
Equity securities:			
Domestic	411,250,417	348,928,688	349,198,251
International	<u>—</u>	<u>23,527,077</u>	<u>38,413,609</u>
Total equity securities	<u>411,250,417</u>	<u>372,455,765</u>	<u>387,611,860</u>
Fixed income:			
U.S. Government and agencies	26,583,077	23,372,069	57,447,438
Corporate and other	38,782,338	43,747,958	46,282,965
Asset-backed securities	3,518,905	1,801,146	4,661,439
Mortgage-backed securities	4,388,892	2,491,077	1,633,635
Mutual funds	<u>—</u>	<u>—</u>	<u>8,215,261</u>
Total fixed income	73,273,212	71,412,250	118,240,738
Real estate investments	61,208,793	29,381,422	36,722,591
Private equity funds	<u>35,651,874</u>	<u>67,985,887</u>	<u>48,826,514</u>
Total	<u>\$ 633,431,764</u>	<u>589,377,351</u>	<u>637,008,237</u>

Contact Information

This financial report is designed to provide families, supporters, investors and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability. Additional information is also available on the Plan's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Board of Directors of City Trusts
Contributory Retirement Plan
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Statements of Fiduciary Net Position

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Cash	\$ 178,054	112,757
Investment income receivable	42,451	26,165
Investment in Collective Legal Investment Fund	<u>10,555,711</u>	<u>9,711,802</u>
Total assets	<u>10,776,216</u>	<u>9,850,724</u>
Liabilities:		
Accrued expenses	<u>30,986</u>	<u>22,900</u>
Total liabilities	<u>30,986</u>	<u>22,900</u>
Net position restricted for pensions	<u>\$ 10,745,230</u>	<u>9,827,824</u>

See accompanying notes to financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions:		
Contributions:		
Employee contributions	\$ 21,545	22,295
Total contributions	<u>21,545</u>	<u>22,295</u>
Net investment income:		
Investment income	231,207	209,244
Net appreciation of investments	<u>1,144,501</u>	<u>1,056,510</u>
Total investment income	1,375,708	1,265,754
Investment expenses	<u>(64,597)</u>	<u>(62,868)</u>
Net investment income	<u>1,311,111</u>	<u>1,202,886</u>
Total additions	1,332,656	1,225,181
Deductions:		
Benefit payments, including refunds of member contributions	363,208	369,815
Administrative expenses	<u>52,042</u>	<u>56,744</u>
Total deductions	<u>415,250</u>	<u>426,559</u>
Net increase in net position restricted for pensions	917,406	798,622
Net position restricted for pensions, beginning of year	<u>9,827,824</u>	<u>9,029,202</u>
Net position restricted for pensions, end of year	\$ <u><u>10,745,230</u></u>	<u><u>9,827,824</u></u>

See accompanying notes to financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

(1) Description of Plan

(a) General

The Board of Directors of City Trusts Contributory Retirement Plan (the Plan) is a single-employer defined benefit plan for certain employees of the Estate of Stephen Girard, Deceased of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers certain union employees, hired prior to December 20, 2019, who have completed one year of service regardless of age and whose union contract does not provide benefits under either a union pension plan or the Board's noncontributory plan. All administrative expenses are paid out of plan assets. Participants should refer to the plan document for more complete information.

(b) Board of Directors

The Board of Directors are appointed by the Judges of Courts of Common Pleas of Philadelphia and consists of fourteen members of which twelve have voting rights.

(c) Contributions

Members are required to contribute to the Plan at approximately 1.7% of the first \$3,600 plus 4.25% of the excess over \$3,600 of the annual rate of earnings on each January 1 according to salary class, contributed pro rata throughout the calendar year, while employed. In addition, the Board contributes amounts as are necessary to provide the Plan with sufficient assets to meet the benefits to be paid to plan members, based upon amounts recommended by the Plan's actuary. Such amounts are determined in accordance with the projected unit credit actuarial cost method. Members contribute amounts based on salary terms, as defined in the plan agreement.

(d) Benefits

Plan participants who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

Benefits are based on cumulative employee contributions required by the Plan determined on career salary levels. Benefits payable upon early retirement are computed in the same manner as normal retirement benefits; however, early retirement benefits are discounted by an early retirement factor.

(1) Normal Retirement Benefit:

- (i) Service Benefit: Approximately 1.1% of the first \$3,600 plus 2.75% of the excess over \$3,600 of the annual rate of earnings on each January 1 according to salary class.
 - (ii) Minimum Benefit: \$2,400 annually.
2. Early Retirement Benefit: Retirement benefit accrued to early retirement date, as in (1) above, and reduced 4% for each year that retirement precedes age 65.
3. (3) Postponed (Late) Retirement Benefit: For active members, the Retirement Benefit accrued to Postponed Retirement Date. For inactive members, the retirement benefit as in (1) above,

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

accrued to Normal Retirement Date is increased 1/3 of 1% for each month that benefit commencement exceeds Normal Retirement Date.

4. (4) Deferred Vested Benefit: Retirement benefit accrued to date of termination as in (1) above. Benefits commence at normal retirement date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above. If member delays commencement beyond normal retirement date, the benefit shall be increased as described in (3) above.
5. (5) The Plan was amended effective December 31, 2023 to provide a cost of living increase to certain retirees. Members who retired in 2019 or earlier will receive a 5.0% increase in their monthly pension payment from the Plan. Members who retired in 2020 will receive a 4.0% increase. Members who retired in 2021 will receive a 3.0% increase in their monthly pension payment from the Plan and those participants who retired in 2022 will receive a 2.0% increase.

(e) Vesting

A participant becomes 100% vested in his or her accrued benefits upon completion of five years of credited service.

Upon termination of employment, vested participants are entitled to plan benefits computed in the same manner as normal retirement benefits.

(f) Plan Termination

The Board has the right to terminate the Plan. Upon plan termination, all funds shall be used to pay participants their retirement income accrued, to the extent funded, as of the date of termination of the Plan. Information regarding vesting benefits provisions and the priority order of the participants' claims upon plan termination may be found in the plan document.

(g) Plan Membership

As of December 31, 2025 and 2024, the number of benefit recipients and members in the Plan consisted of the following:

	<u>2025</u>	<u>2024</u>
Inactive Plan members or beneficiaries currently receiving benefits	28	30
Inactive Plan members entitled to but not yet receiving benefits	15	15
Active Plan members	<u>7</u>	<u>7</u>
Total	<u>50</u>	<u>52</u>

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

Plan is presented as a fiduciary fund utilizing the accrual basis of accounting where the measurement focus is on the flow of economic resources. Employee and employer contributions are recognized as additions in the period in which they are due and administrative expenses are recognized in the period they are incurred. Investment income is recognized when earned and benefit payments and refunds are recognized when due and payable.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

(c) Deposits

All of the Plan's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250,000 per plan per member). However, the Plan's cash balances can exceed FDIC insured limits. As of December 31, 2025 and 2024, cash in the bank amounted to \$178,054 and \$112,757, respectively, of which all was insured.

(d) Valuation of Investment in Collective Legal Investment Fund

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF), which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Plan. The CLIF is an external investment pool, as defined by the GASB, and is not registered with the Securities and Exchange Commission, but is subject to oversight by the Board. The CLIF issues separately available audited financial statements.

Investment in CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value.

(e) Accrued Expenses

Accrued expenses are comprised of amounts primarily representing accruals for professional fees.

(3) Investments

The Board acts as the investment advisor to the Plan. The Plan's investment policy addresses governing provisions and guidelines for the investment process and is approved by the Board. The Plan's investment policy is to invest in the CLIF, which is a balanced portfolio, primarily comprising equity securities, fixed income funds, short-term investments, real estate investments, and alternative investments held in private equity investments. The Plan has no restrictions on withdrawals from the CLIF.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Total pension liability	\$ 5,079,184	5,018,035
Plan fiduciary net position	<u>10,745,230</u>	<u>9,827,824</u>
Net pension asset	<u>\$ (5,666,046)</u>	<u>(4,809,789)</u>
Plan fiduciary net position as a percentage of the total pension liability	211.55%	195.85%

(a) Actuarial Assumptions

The total pension liability for 2025 and 2024 was determined by an actuarial valuation as of December 31, 2025 and 2024, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

The actuarial assumptions used in the December 31, 2025 and January 1, 2025 valuations were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2020.

(b) Expected Rate of Return on Investments

The long-term expected rate of return on the Plan's investment in the CLIF was determined using a building block method in which the best estimate ranges of expected real rates of return (i.e., expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

The target asset allocation and best estimates of real rates of return for each major asset class of the CLIF are summarized in the following table as of December 31:

Asset class	2025 and 2024 Target asset allocation	2025 and 2024 Range of Long-term expected real rate of return
Domestic equity	50 %	5.5% to 6.5%
International equity	10	5.5 to 6.5
Fixed income	30	3.0 to 4.5
Real estate/alternative	10	4.5 to 5.5
Total	100 %	

For the years ended December 31, 2025 and 2024, the Plan's money weighted-rate of return, net of investment expenses, was 13.61% and 13.63%, respectively.

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5% in 2025 and 2024. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the rates applicable to each member and that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the employer calculated using the discount rate of 7.5%, as well as what the employer's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2025			
	1% Decrease 6.5 %	Discount rate 7.5 %	1% Increase 8.5 %
Net pension asset	\$ (5,151,411)	(5,666,046)	(6,106,482)
2024			
	1% Decrease 6.5 %	Discount rate 7.5 %	1% Increase 8.5 %
Net pension asset	\$ (4,006,901)	(4,809,789)	(5,391,879)

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)

December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability:										
Service cost	\$ 58,958	58,216	66,645	56,800	69,764	89,282	86,038	83,001	71,894	67,782
Interest	362,732	355,844	346,490	344,290	341,443	349,689	356,009	356,110	347,575	338,252
Changes of benefit terms	—	162,447	—	—	—	—	—	—	—	—
Differences between expected and actual experience	2,667	(56,591)	98,340	24,737	(71,805)	(122,177)	(49,736)	72,023	84,417	25,517
Changes of assumptions	—	—	—	—	85,290	(17,390)	(16,901)	(18,990)	(14,589)	230,890
Benefit payments, including refunds of member contributions	<u>(363,208)</u>	<u>(369,815)</u>	<u>(386,527)</u>	<u>(376,859)</u>	<u>(392,897)</u>	<u>(391,849)</u>	<u>(382,870)</u>	<u>(370,987)</u>	<u>(375,873)</u>	<u>(344,077)</u>
Net change in total pension liability	61,149	150,101	124,948	48,968	31,795	(92,445)	(7,460)	121,157	113,424	318,364
Total pension liability – beginning	<u>5,018,035</u>	<u>4,867,934</u>	<u>4,742,986</u>	<u>4,694,018</u>	<u>4,662,223</u>	<u>4,754,668</u>	<u>4,762,128</u>	<u>4,640,971</u>	<u>4,527,547</u>	<u>4,209,183</u>
Total pension liability – ending	<u>5,079,184</u>	<u>5,018,035</u>	<u>4,867,934</u>	<u>4,742,986</u>	<u>4,694,018</u>	<u>4,662,223</u>	<u>4,754,668</u>	<u>4,762,128</u>	<u>4,640,971</u>	<u>4,527,547</u>
Plan fiduciary net position:										
Contributions – employer	—	—	210,764	421,527	421,527	263,855	232,320	256,356	385,160	237,720
Contributions – member	21,545	22,295	28,119	22,296	24,857	30,768	36,390	40,026	35,117	36,306
Net investment income (loss)	1,311,111	1,202,886	1,391,761	(1,253,490)	1,263,337	898,459	1,253,875	(348,873)	831,003	344,926
Benefit payments, including refunds of member contributions	(363,208)	(369,815)	(386,527)	(376,859)	(392,897)	(391,849)	(382,870)	(370,987)	(375,873)	(344,077)
Administrative expense	<u>(52,042)</u>	<u>(56,744)</u>	<u>(57,742)</u>	<u>(77,765)</u>	<u>(51,133)</u>	<u>(51,720)</u>	<u>(69,887)</u>	<u>(47,874)</u>	<u>(46,363)</u>	<u>(48,851)</u>
Net change in plan fiduciary net position	917,406	798,622	1,186,375	(1,264,291)	1,265,691	749,513	1,069,828	(471,352)	829,044	226,024
Plan fiduciary net position – beginning	<u>9,827,824</u>	<u>9,029,202</u>	<u>7,842,827</u>	<u>9,107,118</u>	<u>7,841,427</u>	<u>7,091,914</u>	<u>6,022,086</u>	<u>6,493,438</u>	<u>5,664,394</u>	<u>5,438,370</u>
Plan fiduciary net position – ending	<u>10,745,230</u>	<u>9,827,824</u>	<u>9,029,202</u>	<u>7,842,827</u>	<u>9,107,118</u>	<u>7,841,427</u>	<u>7,091,914</u>	<u>6,022,086</u>	<u>6,493,438</u>	<u>5,664,394</u>
Net pension asset	<u>\$ (5,666,046)</u>	<u>(4,809,789)</u>	<u>(4,161,268)</u>	<u>(3,099,841)</u>	<u>(4,413,100)</u>	<u>(3,179,204)</u>	<u>(2,337,246)</u>	<u>(1,259,958)</u>	<u>(1,852,467)</u>	<u>(1,136,847)</u>
Plan fiduciary net position as a percentage of the total pension liability	211.55 %	195.85 %	185.48 %	165.36 %	194.02 %	168.19 %	149.16 %	126.46 %	139.92 %	125.11 %
Covered employee payroll	\$ 540,643	512,286	553,650	527,808	643,969	815,357	908,334	946,203	897,132	993,694
Net pension asset as a percentage of covered employee payroll	(1,048.02)%	(938.89)%	(751.61)%	(587.30)%	(685.30)%	(389.92)%	(257.31)%	(133.16)%	(206.49)%	(114.41)%

See accompanying independent auditors' report.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Schedule of Employer Contributions (Unaudited)

December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ —	—	—	142,971	142,971	263,855	232,320	256,356	385,160	237,720
Contributions in relation to the actuarially determined contribution	—	—	210,764	421,527	421,527	263,855	232,320	256,356	385,160	237,720
Contribution deficiency (excess)	\$ —	—	(210,764)	(278,556)	(278,556)	—	—	—	—	—
Covered employee payroll	\$ 540,643	512,286	553,650	527,808	643,969	815,357	908,334	946,203	897,132	993,694
Contributions as a percentage of covered employee payroll	— %	— %	38.07 %	79.86 %	65.46 %	32.36 %	25.58 %	27.09 %	42.93 %	23.92 %

Notes to Required Supplementary Information (Unaudited)

December 31, 2024

(1) Significant methods and assumptions used in calculating the actuarially determined contributions

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	January 1, 2025	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Valuation date	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial cost method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Amortization method	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Remaining amortization period										
Actuarial assumptions:										
Investment rate of return	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %
Projected salary increases	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2020 MP generational scale	RP-2014 with 2018 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale
Inflation adjustment	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	7.50 %	7.50 %	7.50 %	2.79 %	2.79 %	2.72 %	3.49 %	4.14 %	3.79 %	3.48 %

See accompanying independent auditors' report.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Schedule of Investment Returns (Unaudited)

December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money weighted rate of return, net of investment expenses	\$ <u>13.61 %</u>	<u>13.63 %</u>	<u>17.91 %</u>	<u>(13.97)%</u>	<u>16.11 %</u>	<u>12.80 %</u>	<u>21.14 %</u>	<u>(5.42)%</u>	<u>14.67 %</u>	<u>6.41 %</u>

See accompanying independent auditors' report.



BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN
(A Component Unit of the Estate of Stephen Girard, Deceased)
Basic Financial Statements with Required Supplementary Information
December 31, 2025 and 2024
(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

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KPMG LLP
Suite 4000
1735 Market Street
Philadelphia, PA 19103-7501

Independent Auditors' Report

Members of the Board
The Board of Directors of City Trusts:

Opinion

We have audited the financial statements of the Board of Directors of City Trusts Girard Non-Contributory Retirement Plan (the Plan), a component unit of the Estate of Stephen Girard, Deceased, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which comprise the Plan's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2025 and 2024, and the changes in the fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

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 Plan 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 U.S. generally accepted accounting principles, 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 Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Plan'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 Plan'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information in schedules 1 through 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
August 31, 2026

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

The following discussion and analysis of the Board of Directors of City Trusts Girard Non-Contributory Retirement Plan, a component unit of the Estate of Stephen Girard, Deceased, ("Plan") provides an overview of the financial activities of the Plan for the years ended December 31, 2025 and 2024.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that is provided in addition to this Management's Discussion and Analysis.

The Plan is a single-employer defined benefit plan for certain employees of the Estate of Stephen Girard, Deceased of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the "Board"). The Plan covers Girard Estate and Girard College non-union employees, hired prior to September 1, 2010, and certain union employees, hired prior to September 16, 2019, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the Plan's financial statements. The Plan is considered a fiduciary fund in accordance with the Governmental Accounting Standards Board (GASB) Codification. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The Plan's financial statements comprise the statements of fiduciary net position, statements of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statements of Fiduciary Net Position

These statements as of December 31, 2025 and 2024, are used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. These statements present the total assets held less any liabilities to report the net position restricted for pensions for the Plan. Investments are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statements of Changes in Fiduciary Net Position

These statements present the results of activities during the years ended December 31, 2025 and 2024. Activities include additions of employer contributions, investment income, net appreciation/depreciation of investments, and deductions including benefit payments and administrative expenses to determine the change in net position restricted for pensions for the year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Required Supplementary Information

This information is not audited and includes management's discussion and analysis (this section), a schedule of changes in the employer's net pension asset and related ratios, a schedule of employer contributions, a schedule of investment returns, and the notes to required supplementary information.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

Financial Highlights

The Plan's net position restricted for pensions increased approximately \$5.3 million (9%) in 2025 compared to an increase of approximately \$4.8 million (9%) in 2024. The increase in net position in 2025 and 2024 are a result of favorable market conditions on the Plan's investments.

The Plan's net position restricted for pensions increased approximately \$4.8 million (9%) in 2024 compared to a decrease of approximately \$6.5 million (14%) in 2023. The increase in net position in 2023 and the decrease in net position in 2023 are a result of favorable and unfavorable market conditions, respectively, on the Plan's investments.

Condensed Financial Information

The following schedule is a summary of the December 31, 2025 and 2024 Statements of Fiduciary Net Position with comparative information as of December 31, 2023:

Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Investments	\$ 61,169,739	55,563,780	50,916,059
Net other assets and liabilities	<u>442,969</u>	<u>759,589</u>	<u>648,794</u>
Net position restricted for pensions	<u>\$ 61,612,708</u>	<u>56,323,369</u>	<u>51,564,853</u>

During the years ended December 31, 2025 and December 31, 2024, the various stock market indices experienced increases, which had a direct impact on the Plan's investments and increased by approximately \$5.6 million (9%) and \$4.6 million (9%), respectively.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

The following schedule is a summary of the Statements of Changes in Fiduciary Net Position for the years ended December 31, 2025 and 2024 with comparative information for the year ended December 31, 2023:

Changes in Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions:			
Contributions	\$ —	—	570,000
Net investment income	<u>7,566,958</u>	<u>6,894,178</u>	<u>7,993,970</u>
Total additions	<u>7,566,958</u>	<u>6,894,178</u>	<u>8,563,970</u>
Deductions:			
Benefit payments, including return of employee contributions	2,200,853	2,059,215	1,979,724
Administrative expenses	<u>76,766</u>	<u>76,447</u>	<u>74,030</u>
Total deductions	<u>2,277,619</u>	<u>2,135,662</u>	<u>2,053,754</u>
Increase in net position restricted for pensions	\$ <u>5,289,339</u>	<u>4,758,516</u>	<u>6,510,216</u>

Net investment income increased approximately \$673,000 in 2025 compared to 2024. There were no contributions during 2025 or 2024.

Net investment income (loss) decreased approximately \$1.1 million in 2024 compared to 2023. Contributions during 2024 decreased approximately \$570,000 (100%) compared to 2023 due to the reduction of the Plan's actuarially required employer contribution for 2024.

In 2025 benefit payments increased approximately \$142,000 (6%) due to an increase of five plan members receiving benefits compared to 2024. In 2024 benefit payments increased approximately \$79,000 (4%) due to newly effective Plan amendment providing a cost of living adjustment ranging from 2-5% for certain retirees that increased member benefit payments. Administrative expenses were flat in 2025 compared to 2024 and increased in 2024 by approximately \$2,400 (3%) due to audit and consultant fees related to the change in presentation and preparation of the financial statements which occurred in 2023.

Plan Investments

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF) which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of this Plan, the Estate of Stephen Girard, Deceased, Wills Eye Hospital, two other retirement plans of the Board, and the 117 smaller trusts. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, real estate investments, and alternative investments held in private equity investments. All of the Plan's investments are held in the CLIF. As of December 31, 2025, 2024 and 2023, the Plan owned 332,340 units (approximately 9.7% of total CLIF units), 338,224 units

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

(approximately 9.4% of total CLIF units), and 346,984 units (approximately 8.0% of total CLIF units), respectively.

The following is a summary of the CLIF's investments at fair value as of December 31, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term investments	\$ 52,047,468	48,142,027	45,606,534
Equity securities:			
Domestic	411,250,417	348,928,688	349,198,251
International	<u>—</u>	<u>23,527,077</u>	<u>38,413,609</u>
Total equity securities	<u>411,250,417</u>	<u>372,455,765</u>	<u>387,611,860</u>
Fixed income:			
U.S. Government and agencies	26,583,077	23,372,069	57,447,438
Corporate and other	38,782,338	43,747,958	46,282,965
Asset-backed securities	3,518,905	1,801,146	4,661,439
Mortgage-backed securities	4,388,892	2,491,077	1,633,635
Mutual funds	<u>—</u>	<u>—</u>	<u>8,215,261</u>
Total fixed income	73,273,212	71,412,250	118,240,738
Real estate investments	61,208,793	29,381,422	36,722,591
Private equity funds	<u>35,651,874</u>	<u>67,985,887</u>	<u>48,826,514</u>
Total	<u>\$ 633,431,764</u>	<u>589,377,351</u>	<u>637,008,237</u>

Contact Information

This financial report is designed to provide families, supporters, investors and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability. Additional information is also available on the Plan's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Board of Directors of City Trusts
Girard Non-Contributory Retirement Plan
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Statements of Fiduciary Net Position

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Cash	\$ 236,496	642,937
Investment income receivable	246,000	139,619
Investment in Collective Legal Investment Fund	<u>61,169,739</u>	<u>55,563,780</u>
Total assets	<u>61,652,235</u>	<u>56,346,336</u>
Liabilities:		
Accrued expenses	<u>39,527</u>	<u>22,967</u>
Total liabilities	<u>39,527</u>	<u>22,967</u>
Net position restricted for pensions	<u><u>\$ 61,612,708</u></u>	<u><u>56,323,369</u></u>

See accompanying notes to financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions:		
Employer contributions	\$ —	—
Net investment income:		
Investment income	1,331,993	1,217,949
Net appreciation of investments	<u>6,607,225</u>	<u>6,038,456</u>
Total investment income	7,939,218	7,256,405
Investment expenses	<u>(372,260)</u>	<u>(362,227)</u>
Net investment income	<u>7,566,958</u>	<u>6,894,178</u>
Total additions	<u>7,566,958</u>	<u>6,894,178</u>
Deductions:		
Benefit payments, including refunds of member contributions	2,200,853	2,059,215
Administrative expenses	<u>76,766</u>	<u>76,447</u>
Total deductions	<u>2,277,619</u>	<u>2,135,662</u>
Net increase in net position restricted for pensions	5,289,339	4,758,516
Net position restricted for pensions, beginning of year	<u>56,323,369</u>	<u>51,564,853</u>
Net position restricted for pensions, end of year	<u>\$ 61,612,708</u>	<u>56,323,369</u>

See accompanying notes to financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

(1) Description of Plan

(a) General

The Board of Directors of City Trusts Girard Non-Contributory Retirement Plan (the Plan) is a single employer defined benefit plan for certain employees of the Estate of Stephen Girard, Deceased of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers Girard Estate and Girard College non-union employees, hired prior to September 1, 2010, and certain union employees, hired prior to September 16, 2019, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation. Other union employees are eligible for coverage under a contributory plan. All administrative expenses are paid out of plan assets. Participants should refer to the plan document for more complete information.

(b) Board of Directors

The Board of Directors are appointed by the Judges of Courts of Common Pleas of Philadelphia and consists of fourteen members of which twelve have voting rights.

(c) Funding Policy

The Board contributes amounts as necessary to provide the Plan with sufficient assets to meet the benefits to be paid to plan members, based upon amounts recommended by the Plan's actuary. Such amounts are determined in accordance with the projected unit credit actuarial cost method.

(d) Benefits

Plan participants who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

Benefits are based on salary and years of service. Early retirement benefits are calculated by discounting the normal retirement benefit by an early retirement factor.

(1) Normal Retirement Benefit, with an effective date of May 1, 1975; except for union employees where the effective date shall be the effective date of the union contract in which the plan participant is first included (effective date), includes:

- (i) Accrued Benefit: The annual accrued benefit credited in the prior Contributory Plan as of the effective date of this Plan, if any, plus
- (ii) Past Service Benefit: 1.0% of annual pay on the effective date multiplied by years of service to the effective date, provided the members had not attained age 65 on the effective date, plus
- (iii) Future Service Benefit: 1.5% (2.0% for non-union employees) of final 5-year average pay multiplied by years of service from date of participation to retirement.

Monthly retirement income shall not exceed 50% of final monthly base pay.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

- (2) Early Retirement Benefit: Income accrued to early retirement date as in (1) above, reduced 1/3 of 1% for each month by which the benefit commencement date preceded Normal Retirement Date.
- (3) Deferred Vested Income: Income accrued to date of termination as in (1) above. Benefits commence at Normal Retirement Date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above.
- (4) The Plan was amended effective December 31, 2023, to provide a cost of living increase to certain retirees. Members who retired in 2019 or earlier will receive a 5.0% increase in their monthly pension payment from the Plan. Members who retired in 2020 will receive a 4.0% increase. Members who retired in 2021 will receive a 3.0% increase in their monthly pension payment from the Plan and those participants who retired in 2022 will receive a 2.0% increase.

(e) Vesting

A participant becomes 100% vested in his or her accrued benefits upon completion of five years of credited service.

Upon termination of employment, the amount of benefit that a vested participant is entitled to under the Plan will be computed based on years of membership service and average monthly salary at the time of termination.

(f) Plan Termination

The Board has the right to terminate the Plan. Upon plan termination, all funds shall be used to pay participants their retirement income accrued, to the extent funded, as of the date of termination of the Plan. Information regarding vesting benefits provisions and the priority order of the participants' claims upon plan termination may be found in the plan document.

(g) Plan Membership

As of December 31, 2025 and 2024, the number of benefit recipients and members in the Plan consisted of the following:

	<u>2025</u>	<u>2024</u>
Inactive Plan members or beneficiaries currently receiving benefits	156	151
Inactive Plan members entitled to but not yet receiving benefits	112	117
Active Plan members	<u>37</u>	<u>44</u>
Total	<u>305</u>	<u>312</u>

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB).

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

The Plan is presented as a fiduciary fund utilizing the accrual basis of accounting where the measurement focus is on the flow of economic resources. Employer contributions are recognized as additions in the period in which they are due and administrative expenses are recognized in the period they are incurred. Investment income is recognized when earned and benefit payments and refunds are recognized when due and payable.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

(c) Deposits

All of the Plan's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit of \$250,000 per plan per member). As of December 31, 2025, cash in the bank amounted to \$236,496 of which \$0 was uninsured. As of December 31, 2024, cash in the bank amounted to \$642,937 of which \$392,937 was uninsured.

(d) Valuation of Investment in Collective Legal Investment Fund.

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF), which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Plan. The CLIF is an external investment pool, as defined by the GASB, and is not registered with the Securities and Exchange Commission but is subject to oversight by the Board. The CLIF issues separately available audited financial statements.

Investment in CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value.

(e) Accrued Expenses

Accrued expenses are comprised of amounts primarily representing accruals for professional fees.

(3) Investments

The Board acts as the investment advisor to the Plan. The Plan's investment policy addresses governing provisions and guidelines for the investment process and is approved by the Board. The Plan's investment policy is to invest in the CLIF, which is a balanced portfolio, primarily comprising equity securities, fixed income funds, short-term investments, real estate investments, and alternative investments held in private equity investments. The Plan has no restrictions on withdrawals from the CLIF.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Total pension liability	\$ 29,049,255	29,166,184
Plan fiduciary net position	<u>61,612,708</u>	<u>56,323,369</u>
Net pension asset	<u>\$ (32,563,453)</u>	<u>(27,157,185)</u>
Plan fiduciary net position as a percentage of the total pension liability	212.10 %	193.11 %

(a) Actuarial Assumptions

The total pension liability for 2025 and 2024 was determined by an actuarial valuation as of December 31, 2025 and 2024, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

The actuarial assumptions used in the December 31, 2025 and January 1, 2025 valuations were based on the results of an actuarial experience study for the period January 1, 2011–December 31, 2020.

(b) Expected Rate of Return on Investments

The long-term expected rate of return on the Plan's investment in the CLIF was determined using a building block method in which the best estimate ranges of expected real rates of return (i.e., expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

The target asset allocation and best estimates of real rates of return for each major asset class of the CLIF are summarized in the following table as of December 31:

Asset class	2025 and 2024 Target asset allocation	2025 and 2024 Range of long-term expected real rate of return
Domestic equity	50 %	5.5% to 6.5%
International equity	10	5.5 to 6.5
Fixed income	30	3.0 to 4.5
Real estate / alternative	10	4.5 to 5.5
Total	<u>100 %</u>	

For the years ended December 31, 2025 and 2024, the Plan's money weighted-rate of return, net of investment expenses, was 13.71% and 13.65% respectively.

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5% in 2025 and 2024. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the employer calculated using the discount rate of 7.5%, as well as what the employer's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2025			
	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ (29,883,715)	(32,563,453)	(34,860,125)
2024			
	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ (24,415,562)	(27,157,185)	(29,898,804)

BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)

December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 116,810	126,041	126,081	112,607	167,962	163,327	169,689	185,901	219,495	225,789
Interest	2,104,932	2,090,691	2,033,321	2,018,499	2,022,900	2,019,863	1,986,825	1,963,436	1,989,149	1,961,454
Change of benefit terms	—	755,474	—	—	—	—	—	—	—	—
Differences between expected and actual experience	(137,818)	(507,638)	624,320	(480,787)	87,917	(1,494)	(51,111)	(822,615)	(293,763)	27,297
Changes of assumptions	—	—	—	—	114,890	376,911	(94,901)	(98,567)	(91,205)	1,225,000
Benefit payments, including refunds of member contributions	(2,200,853)	(2,059,215)	(1,979,724)	(1,915,348)	(1,744,323)	(1,741,520)	(1,703,893)	(1,667,431)	(1,506,874)	(1,372,869)
Net change in total pension liability	(116,929)	405,353	803,998	(265,029)	649,346	817,087	306,609	(439,276)	316,802	2,066,671
Total pension liability – beginning	29,166,184	28,760,831	27,956,833	28,221,862	27,572,516	26,755,429	26,448,820	26,888,096	26,571,294	24,504,623
Total pension liability – ending	29,049,255	29,166,184	28,760,831	27,956,833	28,221,862	27,572,516	26,755,429	26,448,820	26,888,096	26,571,294
Plan fiduciary net position										
Contributions – employer	—	—	570,000	1,140,000	1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488
Net investment income (loss)	7,566,958	6,894,178	7,993,970	(7,483,680)	7,542,470	5,351,887	7,499,404	(2,111,704)	4,588,022	2,017,683
Benefit payments, including refunds of member contributions	(2,200,853)	(2,059,215)	(1,979,724)	(1,915,348)	(1,744,323)	(1,741,520)	(1,703,893)	(1,667,431)	(1,506,874)	(1,372,869)
Administrative expense	(76,766)	(76,447)	(74,030)	(101,056)	(63,746)	(64,410)	(60,911)	(59,318)	(57,347)	(54,683)
Net change in plan fiduciary net position	5,289,339	4,758,516	6,510,216	(8,360,084)	6,874,401	4,335,957	6,254,600	(2,362,837)	4,951,289	2,517,619
Plan fiduciary net position – beginning	56,323,369	51,564,853	45,054,637	53,414,721	46,540,320	42,204,363	35,949,763	38,312,600	33,361,311	30,843,692
Plan fiduciary net position – ending	61,612,708	56,323,369	51,564,853	45,054,637	53,414,721	46,540,320	42,204,363	35,949,763	38,312,600	33,361,311
Net pension asset	\$ (32,563,453)	(27,157,185)	(22,804,022)	(17,097,804)	(25,192,859)	(18,967,804)	(15,448,934)	(9,500,943)	(11,424,504)	(6,790,017)
Plan fiduciary net position as a percentage of the total pension liability	212.10 %	193.11 %	179.29 %	161.16 %	189.27 %	168.79 %	157.74 %	135.92 %	142.49 %	125.55 %
Covered employee payroll	\$ 2,059,813	2,457,702	2,817,949	2,824,541	3,586,030	3,667,840	3,799,354	4,565,227	4,865,493	4,607,230
Net pension asset as a percentage of covered employee payroll	(1,580.89)%	(1,104.98)%	(809.24)%	(605.33)%	(702.53)%	(517.14)%	(406.62)%	(208.12)%	(234.81)%	(147.38)%

See accompanying independent auditors' report.

BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Employer Contributions (Unaudited)

December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ —	—	—	185,692	1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488
Contributions in relation to the actuarially determined contribution	—	—	570,000	1,140,000	1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488
Contribution deficiency (excess)	\$ —	—	(570,000)	(954,308)	—	—	—	—	—	—
Covered employee payroll	\$ 2,059,813	2,457,702	2,817,949	2,824,541	3,586,030	3,799,354	3,799,354	4,565,227	4,865,493	4,607,230
Contributions as a percentage of covered employee payroll	— %	— %	20.23 %	40.36 %	31.79 %	20.79 %	13.69 %	32.32 %	39.62 %	41.84 %

Notes to Required Supplementary Information (Unaudited)

December 31, 2025

(1) Significant methods and assumptions used in calculating the actuarially determined contributions

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	January 1, 2025	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Valuation date	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial cost method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Amortization method	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions:										
Investment rate of return	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.75 %	7.75 %	7.75 %	7.75 %
Projected salary increases	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2020 MP generational scale	RP-2014 with 2018 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale
Inflation adjustment	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	7.50 %	7.50 %	7.50 %	2.79 %	2.73 %	2.64 %	3.46 %	4.14 %	3.77 %	3.51 %

See accompanying independent auditors' report.

BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Investment Returns (Unaudited)

December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money weighted rate of return, net of investment expenses	13.71 %	13.65 %	18.28 %	(14.34)%	16.32 %	12.84 %	21.23 %	(5.53)%	13.68 %	6.49 %

See accompanying independent auditors' report.



**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**
(A Component Unit of Wills Eye Hospital)

Basic Financial Statements with Required Supplementary Information

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

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KPMG LLP
Suite 4000
1735 Market Street
Philadelphia, PA 19103-7501

Independent Auditors' Report

Members of the Board
The Board of Directors of City Trusts:

Opinion

We have audited the financial statements of the Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan(the Plan), a component unit of the Estate of Stephen Girard, Deceased, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which comprise the Plan's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2025 and 2024, and the changes in the fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

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 Plan 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 U.S. generally accepted accounting principles, 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 Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Plan'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 Plan'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information in schedules 1 through 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
August 31, 2026

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

The following discussion and analysis of the Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan, a component unit of Wills Eye Hospital, ("Plan") provides an overview of the financial activities of the Plan for the years ended December 31, 2025 and 2024.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that is provided in addition to this Management's Discussion and Analysis.

The Plan is a single-employer defined benefit plan for certain employees of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the "Board"). The Plan covers Wills Eye Health System nonunion employees, hired prior to September 10, 2010, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the Plan's financial statements. The Plan is considered a fiduciary fund in accordance with the Governmental Accounting Standards Board (GASB) Codification. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The Plan's financial statements comprise the statements of fiduciary net position, statements of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statements of Fiduciary Net Position

These statements as of December 31, 2025 and 2024, are used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. These statements present the total assets held less any liabilities to report the net position restricted for pensions for the Plan. Investments are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statements of Changes in Fiduciary Net Position

These statements present the results of activities during the years ended December 31, 2025 and 2024. Activities include additions of employer contributions, investment income, net appreciation/depreciation of investments, and deductions including benefit payments and administrative expenses to determine the change in net position restricted for pensions for the year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Required Supplementary Information

This information is not audited and includes management's discussion and analysis (this section), a schedule of changes in the employer's net pension asset and related ratios, a schedule of employer contributions, a schedule of investment returns, and the notes to required supplementary information.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

Financial Highlights

The Plan's net position restricted for pensions increased approximately \$3.1 million (6%) in 2025 compared to an increase of approximately \$3.1 million (7%) in 2024. The increase in net position in 2025 and 2024 is a result of favorable market conditions on the Plan's investments.

The Plan's net position restricted for pensions increased approximately \$3.1 million (7%) in 2024 compared to an increase of approximately \$4.9 million (13%) in 2023. The increase in net position in 2024 and 2023 is a result of favorable market conditions on the Plan's investments.

Condensed Financial Information

The following schedule is a summary of the December 31, 2025 and 2024 Statements of Fiduciary Net Position with comparative information as of December 31, 2023:

Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Investments	\$ 48,580,192	45,590,937	42,425,745
Net other assets and liabilities	<u>745,040</u>	<u>621,458</u>	<u>713,316</u>
Net position restricted for pensions	\$ <u>49,325,232</u>	<u>46,212,395</u>	<u>43,139,061</u>

During the years ended December 31, 2025 and December 31, 2024, the various stock market indices experienced growth, which resulted in increases to the Plan's investments of approximately \$3.0 million (7%) in 2025 and approximately 3.2 million (7%) in 2024.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

The following schedule is a summary of the Statements of Changes in Fiduciary Net Position for the years ended December 31, 2025 and 2024 with comparative information for the year ended December 31, 2023:

Changes in Fiduciary Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions:			
Contributions	\$ —	200,000	1,000,000
Net investment income (loss)	<u>6,062,844</u>	<u>5,666,565</u>	<u>6,665,688</u>
Total additions	<u>6,062,844</u>	<u>5,866,565</u>	<u>7,665,688</u>
Deductions:			
Benefit payments, including return of employee contributions	\$ 2,864,468	2,704,116	2,656,280
Administrative expenses	<u>85,539</u>	<u>89,115</u>	<u>83,519</u>
Total deductions	<u>2,950,007</u>	<u>2,793,231</u>	<u>2,739,799</u>
Increase (decrease) in net position restricted for pensions	<u>\$ 3,112,837</u>	<u>3,073,334</u>	<u>4,925,889</u>

Net investment income (loss) increased approximately \$396,000 in 2025 compared to 2024 due to favorable market conditions. There were no contributions during 2025.

Net investment income (loss) decreased approximately \$1 million in 2024 compared to 2023. Contributions during 2024 decreased \$800,000 compared to 2023 due to the reduction of the Plan's actuarially required employer contribution for 2024.

In 2025 benefit payments increased approximately \$160,000 (6%) primarily due to an increase of ten plan members receiving benefits compared to 2024. In 2024 benefit payments increased approximately \$48,000 (2%) primarily due to a newly effective Plan amendment providing a cost of living adjustment ranging from 2-5% for certain retirees that increased member benefit payments.

In 2025 administrative expenses decreased by approximately \$3,600 (4%) and increased in 2024 by approximately \$6,000 (6%) due to audit and consultant fees related to the change in presentation and preparation of the financial statements which occurred in 2024.

Plan Investments

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF) which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of this Plan, the Estate of Stephen Girard, Deceased, Wills Eye Hospital, two other retirement plans of the Board, and the 117 smaller trusts. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, real estate investments, and alternative investments

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2025 and 2024

held in private equity investments. All of the Plan's investments are held in the CLIF. As of December 31, 2025, 2024 and 2023, the Plan owned 263,940 units (approximately 7.7% of total CLIF units), 277,518 units (approximately 7.7% of total CLIF units), and 289,124 units (approximately 6.6% of total CLIF units), respectively.

The following is a summary of the CLIF's investments at fair value as of December 31, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term investments	\$ 52,047,468	48,142,027	45,606,534
Equity securities:			
Domestic	411,250,417	348,928,688	349,198,251
International	<u>—</u>	<u>23,527,077</u>	<u>38,413,609</u>
Total equity securities	<u>411,250,417</u>	<u>372,455,765</u>	<u>387,611,860</u>
Fixed income:			
U.S. Government and agencies	26,583,077	23,372,069	57,447,438
Corporate and other	38,782,338	43,747,958	46,282,965
Asset-backed securities	3,518,905	1,801,146	4,661,439
Mortgage-backed securities	4,388,892	2,491,077	1,633,635
Mutual funds	<u>—</u>	<u>—</u>	<u>8,215,261</u>
Total fixed income	<u>73,273,212</u>	<u>71,412,250</u>	<u>118,240,738</u>
Real estate investments	61,208,793	29,381,422	36,722,591
Private equity funds	<u>35,651,874</u>	<u>67,985,887</u>	<u>48,826,514</u>
Total	<u>\$ 633,431,764</u>	<u>589,377,351</u>	<u>637,008,237</u>

Contact Information

This financial report is designed to provide families, supporters, investors and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability. Additional information is also available on the Plan's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Board of Directors of City Trusts
Wills Eye Health System
Non-Contributory Retirement Plan
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Statements of Fiduciary Net Position

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Cash	\$ 573,999	530,720
Investment income receivable	195,397	114,017
Investment in Collective Legal Investment Fund	<u>48,580,192</u>	<u>45,590,937</u>
Total assets	<u>49,349,588</u>	<u>46,235,674</u>
Liabilities:		
Accrued expenses	<u>24,356</u>	<u>23,279</u>
Total liabilities	<u>24,356</u>	<u>23,279</u>
Net position restricted for pensions	<u>\$ 49,325,232</u>	<u>46,212,395</u>

See accompanying notes to financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions:		
Employer contributions	\$ —	200,000
Net investment income:		
Investment income	1,070,433	998,657
Net appreciation of investments	<u>5,291,134</u>	<u>4,965,241</u>
Total investment income	6,361,567	5,963,898
Investment expenses	<u>(298,723)</u>	<u>(297,333)</u>
Net investment income	<u>6,062,844</u>	<u>5,666,565</u>
Total additions	<u>6,062,844</u>	<u>5,866,565</u>
Deductions:		
Benefit payments, including refunds of member contributions	2,864,468	2,704,116
Administrative expenses	<u>85,539</u>	<u>89,115</u>
Total deductions	<u>2,950,007</u>	<u>2,793,231</u>
Net increase in net position restricted for pensions	3,112,837	3,073,334
Net position restricted for pensions, beginning of year	<u>46,212,395</u>	<u>43,139,061</u>
Net position restricted for pensions, end of year	<u>\$ 49,325,232</u>	<u>46,212,395</u>

See accompanying notes to financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

(1) Description of Plan

(a) General

The Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan (the Plan) is a single employer defined benefit plan for certain employees of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers Wills Eye Health System nonunion employees, hired prior to September 10, 2010, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation. All administrative expenses are paid out of plan assets. Participants should refer to the plan document for more complete information.

(b) Board of Directors

The Board of Directors are appointed by the Judges of Courts of Common Pleas of Philadelphia and consists of fourteen members of which twelve have voting rights.

(c) Funding Policy

The Board contributes amounts as necessary to provide the Plan with sufficient assets to meet the benefits to be paid to plan members, based upon amounts recommended by the Plan's actuary. Such amounts are determined in accordance with the projected unit credit actuarial cost method.

(d) Benefits

Plan participants who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

Benefits are based on salary and years of service. Early retirement benefits are calculated by discounting the normal retirement benefit by an early retirement factor.

(1) Normal Retirement Benefit, with an effective date of May 1, 1975; except for union employees where the effective date shall be the effective date of the union contract in which the plan participant is first included (effective date), includes:

- (i) Accrued Benefit: The annual accrued benefit credited in the prior Contributory Plan as of the effective date of this Plan, if any, plus
- (ii) Past Service Benefit: 1.0% of annual pay on the effective date multiplied by years of service to the effective date, provided the members had not attained age 65 on the effective date, plus
- (iii) Future Service Benefit: 1.5% of final 5-year average pay multiplied by years of service from date of participation to retirement.

For non-union employees, 2.0% of final 5-year average pay multiplied by years of service from date of participation to retirement.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2025 and 2024

Monthly retirement income shall not exceed 50% of final monthly base pay and shall not be less than \$200 per month (as a single life annuity).

- (2) Early Retirement Benefit: Income accrued to early retirement date as in (1) above, reduced 1/3 of 1.0% for each month by which the benefit commencement date preceded Normal Retirement Date.
- (3) Deferred Vested Income: Income accrued to date of termination as in (1) above. Benefits commence at Normal Retirement Date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above.
- (4) The Plan was amended effective December 31, 2023 to provide a cost of living increase to certain retirees. Members who retired in 2019 or earlier will receive a 5.0% increase in their monthly pension payment from the Plan. Members who retired in 2020 will receive a 4.0% increase. Members who retired in 2021 will receive a 3.0% increase in their monthly pension payment from the Plan and those participants who retired in 2022 will receive a 2.0% increase.

(e) Vesting

A participant becomes 100% vested in his or her accrued benefits upon completion of five years of credited service.

Upon termination of employment, the amount of benefit that a vested participant is entitled to under the Plan will be computed based on years of membership service and average monthly salary at the time of termination.

(f) Plan Termination

The Board has the right to terminate the Plan. Upon plan termination, all funds shall be used to pay participants their retirement income accrued, to the extent funded, as of the date of termination of the Plan. Information regarding vesting benefits provisions and the priority order of the participants' claims upon plan termination may be found in the plan document.

(g) Plan Membership

As of December 31, 2025 and 2024, the number of benefit recipients and members in the Plan consisted of the following:

	<u>2025</u>	<u>2024</u>
Inactive Plan members or beneficiaries currently receiving benefits	274	264
Inactive Plan members entitled to but not yet receiving benefits	116	126
Active Plan members	<u>9</u>	<u>12</u>
Total	<u>399</u>	<u>402</u>

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Notes to Financial Statements

December 31, 2025 and 2024

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB).

The Plan is presented as a fiduciary fund utilizing the accrual basis of accounting where the measurement focus is on the flow of economic resources. Employer contributions are recognized as additions in the period in which they are due and administrative expenses are recognized in the period they are incurred. Investment income is recognized when earned and benefit payments and refunds are recognized when due and payable.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

(c) Deposits

All of the Plan's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250,000 per plan per member). However, the Plan's cash balances can exceed FDIC insured limits. As of December 31, 2025 and 2024, cash in the bank amounted to \$573,999 and \$530,720, respectively, of which \$323,999 and \$280,720, respectively, was uninsured.

(d) Valuation of Investment in Collective Legal Investment Fund

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF), which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Plan. The CLIF is an external investment pool, as defined by the GASB, and is not registered with the Securities and Exchange Commission, but is subject to oversight by the Board. The CLIF issues separately available audited financial statements.

Investment in CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value.

(e) Accrued Expenses

Accrued expenses are comprised of amounts primarily representing accruals for professional fees.

(3) Investments

The Board acts as the investment advisor to the Plan. The Plan's investment policy addresses governing provisions and guidelines for the investment process and is approved by the Board. The Plan's investment policy is to invest in the CLIF, which is a balanced portfolio, primarily comprising equity securities, fixed income funds, short-term investments, real estate investments, and alternative investments held in private equity investments. The Plan has no restrictions on withdrawals from the CLIF.

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Notes to Financial Statements

December 31, 2025 and 2024

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Total pension liability	\$ 35,829,844	36,290,200
Plan fiduciary net position	<u>49,325,232</u>	<u>46,212,395</u>
Net pension asset	<u>\$ (13,495,388)</u>	<u>(9,922,195)</u>
Plan fiduciary net position as a percentage of the total pension liability	137.67 %	127.34 %

(a) Actuarial Assumptions

The total pension liability for 2025 and 2024 was determined by an actuarial valuation as of December 31, 2025 and 2024, respectively, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

The actuarial assumptions used in the December 31, 2025 and January 1, 2025 valuations were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2020.

(b) Expected Rate of Return on Investments

The long-term expected rate of return on the Plan's investment in the CLIF was determined using a building block method in which the best estimate ranges of expected real rates of return (i.e., expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation.

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The target asset allocation and best estimates of real rates of return for each major asset class of the CLIF are summarized in the following table as of December 31:

Asset class	2025 and 2024 Target asset allocation	2025 and 2024 Range of Long-term expected real rate of return
Domestic equity	50 %	5.5% to 6.5%
International equity	10	5.5 to 6.5
Fixed income	30	3.0 to 4.5
Real estate / alternative	10	4.5 to 5.5
Total	<u>100 %</u>	

For the years ended December 31, 2025 and 2024, the Plan's money weighted-rate of return, net of investment expenses, was 13.55% and 13.54%, respectively.

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5% in 2025 and 2024. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the employer calculated using the discount rate of 7.5%, as well as what the employer's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2025			
	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ (10,854,690)	(13,495,388)	(15,817,006)
2024			
	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ (7,273,008)	(9,922,195)	(12,571,378)

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Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios (Unaudited)

December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 13,688	10,336	63,816	51,874	51,874	77,549	131,139	129,707	146,763	151,489
Interest	2,614,347	2,665,485	2,722,048	2,714,148	2,713,580	2,775,905	2,749,757	2,749,422	2,771,758	2,692,747
Changes of benefit terms	—	976,684	—	—	—	—	—	—	—	—
Differences between expected and actual experience	(223,923)	(1,515,271)	(806,785)	(219,455)	(291,457)	189,950	(112,972)	(480,889)	826,767	(59,937)
Changes of assumptions	—	—	—	—	157,822	522,419	(132,000)	(139,000)	(130,000)	1,676,000
Benefit payments, including refunds of member contributions	(2,864,468)	(2,704,116)	(2,656,280)	(2,688,397)	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,646)	(2,549,687)	(2,485,082)
Net change in total pension liability	(460,356)	(566,882)	(677,201)	(141,830)	(72,002)	879,283	(37,507)	(331,406)	1,065,601	1,975,217
Total pension liability – beginning	36,290,200	36,857,082	37,534,283	37,676,113	37,748,115	36,868,832	36,906,339	37,237,745	36,172,144	34,196,927
Total pension liability – ending	<u>35,829,844</u>	<u>36,290,200</u>	<u>36,857,082</u>	<u>37,534,283</u>	<u>37,676,113</u>	<u>37,748,115</u>	<u>36,868,832</u>	<u>36,906,339</u>	<u>37,237,745</u>	<u>36,172,144</u>
Plan fiduciary net position:										
Contributions – employer	—	200,000	1,000,000	1,500,000	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000
Net investment income (loss)	6,062,844	5,666,565	6,665,688	(6,397,394)	6,524,205	4,679,321	6,613,092	(1,867,167)	4,333,178	1,954,950
Benefit payments, including refunds of member contributions	(2,864,468)	(2,704,116)	(2,656,280)	(2,688,397)	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,646)	(2,549,687)	(2,485,082)
Administrative expense	(85,539)	(89,115)	(83,519)	(103,769)	(74,814)	(74,926)	(71,305)	(66,786)	(62,989)	(69,933)
Net change in plan fiduciary net position	3,112,837	3,073,334	4,925,889	(7,689,560)	5,245,570	3,417,855	5,369,756	(3,199,599)	2,920,502	599,935
Plan fiduciary net position – beginning	46,212,395	43,139,061	38,213,172	45,902,732	40,657,162	37,239,307	31,869,551	35,069,150	32,148,648	31,548,713
Plan fiduciary net position – ending	<u>49,325,232</u>	<u>46,212,395</u>	<u>43,139,061</u>	<u>38,213,172</u>	<u>45,902,732</u>	<u>40,657,162</u>	<u>37,239,307</u>	<u>31,869,551</u>	<u>35,069,150</u>	<u>32,148,648</u>
Net pension (asset) liability	<u>\$ (13,495,388)</u>	<u>(9,922,195)</u>	<u>(6,281,979)</u>	<u>(678,889)</u>	<u>(8,226,619)</u>	<u>(2,909,047)</u>	<u>(370,475)</u>	<u>5,036,788</u>	<u>2,168,595</u>	<u>4,023,496</u>
Plan fiduciary net position as a percentage of the total pension liability	137.67 %	127.34 %	117.04 %	101.81 %	121.84 %	107.71 %	101.00 %	86.35 %	94.18 %	88.88 %
Covered employee payroll	\$ 2,515,000	2,440,000	2,270,815	2,363,559	2,242,447	2,236,885	2,208,357	2,235,608	2,484,534	2,718,440
Net pension liability (asset) as a percentage of covered employee payroll	(536.60)%	(406.65)%	(276.64)%	(28.72)%	(366.86)%	(130.05)%	(16.78)%	225.30 %	87.28 %	148.01 %

See accompanying independent auditors' report.

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Schedule of Employer Contributions (Unaudited)

December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ —	\$ —	79,913	1,147,000	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000
Contributions in relation to the actuarially determined contribution	—	200,000	1,000,000	1,500,000	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000
Contribution deficiency (excess)	\$ —	\$ (200,000)	\$ (920,087)	\$ (353,000)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered employee payroll	\$ 2,515,000	2,440,000	2,270,815	2,363,559	2,242,447	2,236,885	2,208,357	2,235,608	2,484,534	2,718,440
Contributions as a percentage of covered employee payroll	— %	8.20 %	44.04 %	63.46 %	66.89 %	67.06 %	67.99 %	59.27 %	48.30 %	44.14 %

Notes to Required Supplementary Information (Unaudited)

December 31, 2025

(1) Significant methods and assumptions used in calculating the actuarially determined contributions

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	January 1, 2025	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Valuation date	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial cost method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Amortization method	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions:										
Investment rate of return	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.50 %	7.75 %	7.75 %	7.75 %	7.75 %
Projected salary increases	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2020 MP generational scale	RP-2014 with 2018 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale
Inflation adjustment	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	7.50 %	7.50 %	7.50 %	2.79 %	2.56 %	2.45 %	3.34 %	4.08 %	3.65 %	3.35 %

See accompanying independent auditors' report.

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Schedule of Investment Returns (Unaudited)
December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money weighted rate of return, net of investment expenses	13.55 %	13.54 %	18.07 %	(14.34)%	15.64 %	12.78 %	21.16 %	(5.43)%	13.78 %	6.33 %

See accompanying independent auditors' report.