

# Rush System for Health

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



## RUSH SYSTEM FOR HEALTH

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of Rush University System for Health  
1725 W. Harrison Street, Suite 364  
Chicago, IL 60612

### **Opinion**

We have audited the consolidated financial statements of Rush System for Health and its subsidiaries (the "System"), d/b/a Rush University System for Health, which comprise the consolidated balance sheets as of June 30, 2026 and 2025 and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

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

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

*Deloitte & Touche LLP*

October 22, 2026

**RUSH SYSTEM FOR HEALTH**  
**Consolidated Balance Sheets**

**As of June 30, 2026 and 2025**  
*(Dollars in thousands)*

|                                                                      | 2026         | 2025         |
|----------------------------------------------------------------------|--------------|--------------|
| <b>Assets</b>                                                        |              |              |
| <b>Current assets:</b>                                               |              |              |
| Cash and cash equivalents                                            | \$ 489,111   | \$ 430,102   |
| Accounts receivable for patient services                             | 456,017      | 462,880      |
| Other accounts receivable                                            | 63,694       | 81,523       |
| Self insurance trust—current portion                                 | 51,030       | 57,209       |
| Pledges receivable—current portion                                   | 21,349       | 16,997       |
| Other current assets                                                 | 156,263      | 147,923      |
| Total current assets                                                 | 1,237,464    | 1,196,634    |
| <b>Assets limited as to use and investments:</b>                     |              |              |
| Investments                                                          | 1,953,671    | 1,726,109    |
| Limited as to use by donor or time restriction or other              | 1,015,829    | 897,781      |
| Self insurance trust—less current portion                            | 147,374      | 138,121      |
| Pledges receivable—less current portion                              | 42,644       | 22,694       |
| Total assets limited as to use and investments                       | 3,159,518    | 2,784,705    |
| Property and equipment—net                                           | 1,963,724    | 1,939,249    |
| Operating lease right-of-use assets                                  | 96,855       | 109,817      |
| Postretirement and pension benefit assets                            | 57,603       | 47,206       |
| Other noncurrent assets                                              | 62,813       | 57,054       |
| Total assets                                                         | \$ 6,577,977 | \$ 6,134,665 |
| <b>Liabilities and Net Assets</b>                                    |              |              |
| <b>Current liabilities:</b>                                          |              |              |
| Accounts payable                                                     | \$ 105,834   | \$ 124,297   |
| Accrued expenses                                                     | 421,187      | 402,404      |
| Estimated third party settlements payable and advances payable       | 388,090      | 327,383      |
| Current portion of accrued liability under self insurance programs   | 62,767       | 64,627       |
| Postretirement and pension benefit liabilities                       | 49           | 22           |
| Current portion of long term debt                                    | 1,040        | 19,746       |
| Current operating lease liability                                    | 24,230       | 22,428       |
| Total current liabilities                                            | 1,003,197    | 960,907      |
| <b>Long-term liabilities:</b>                                        |              |              |
| Accrued liability under self insurance programs—less current portion | 284,031      | 287,442      |
| Postretirement and pension benefit liabilities                       | 278          | 1,951        |
| Long term debt—less current portion                                  | 782,192      | 814,991      |
| Obligations under financing leases and other financing arrangements  | 75,394       | 82,078       |
| Long term operating lease liabilities                                | 77,785       | 92,189       |
| Other long term liabilities                                          | 134,919      | 114,202      |
| Total long term liabilities                                          | 1,354,599    | 1,392,853    |
| Total liabilities                                                    | 2,357,796    | 2,353,760    |
| <b>Net assets:</b>                                                   |              |              |
| Without donor restrictions                                           | 2,878,601    | 2,579,523    |
| With donor restrictions                                              | 1,341,580    | 1,201,382    |
| Total net assets                                                     | 4,220,181    | 3,780,905    |
| Total liabilities and net assets                                     | \$ 6,577,977 | \$ 6,134,665 |

See notes to the consolidated financial statements.

**RUSH SYSTEM FOR HEALTH**  
**Consolidated Statements of Operations and Changes in Net Assets**

**Years Ended June 30, 2026 and 2025**  
*(Dollars in thousands)*

|                                                                       | 2026              | 2025              |
|-----------------------------------------------------------------------|-------------------|-------------------|
| <b>Revenue:</b>                                                       |                   |                   |
| Patient service revenue                                               | \$ 3,843,224      | \$ 3,375,932      |
| Tuition and educational programs revenue                              | 91,436            | 79,777            |
| Grant revenue and net assets released from restriction for operations | 243,121           | 226,053           |
| Other revenue                                                         | 194,105           | 155,284           |
|                                                                       | <hr/>             | <hr/>             |
| Total revenue                                                         | 4,371,886         | 3,837,046         |
|                                                                       | <hr/>             | <hr/>             |
| <b>Expenses:</b>                                                      |                   |                   |
| Salaries, wages and employee benefits                                 | 2,117,520         | 1,912,827         |
| Supplies, utilities and other                                         | 1,452,802         | 1,203,546         |
| Insurance                                                             | 107,978           | 79,628            |
| Purchased services                                                    | 436,524           | 411,982           |
| Depreciation and amortization                                         | 166,138           | 160,578           |
| Interest and fees                                                     | 34,318            | 35,989            |
|                                                                       | <hr/>             | <hr/>             |
| Total expenses                                                        | 4,315,280         | 3,804,550         |
|                                                                       | <hr/>             | <hr/>             |
| Operating income                                                      | 56,606            | 32,496            |
|                                                                       | <hr/>             | <hr/>             |
| <b>Non-operating income:</b>                                          |                   |                   |
| Investment income and other—net                                       | 225,585           | 165,971           |
| Gain on long-term debt refinancing                                    | 22,588            | -                 |
| Contributions without donor restrictions                              | 1,671             | 3,143             |
| Fundraising expenses                                                  | (12,826)          | (14,180)          |
| Change in fair value of interest rate swaps                           | 287               | (382)             |
|                                                                       | <hr/>             | <hr/>             |
| Total non operating income                                            | 237,305           | 154,552           |
|                                                                       | <hr/>             | <hr/>             |
| Excess of revenues over expenses                                      | <u>\$ 293,911</u> | <u>\$ 187,048</u> |

(Continued)

**RUSH SYSTEM FOR HEALTH**  
**Consolidated Statements of Operations and Changes in Net Assets (Continued)**

**Years Ended June 30, 2026 and 2025**

*(Dollars in thousands)*

|                                                                                       | 2026                | 2025                |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Net assets without donor restrictions:</b>                                         |                     |                     |
| Excess of revenues over expenses                                                      | \$ 293,911          | \$ 187,048          |
| Net assets released from restrictions used for the purchase of property and equipment | 2,312               | 8,310               |
| Postretirement related changes other than net periodic postretirement cost            | 8,962               | 11,661              |
| Other                                                                                 | (6,107)             | (943)               |
|                                                                                       | <hr/>               | <hr/>               |
| Increase in net assets without donor restrictions                                     | 299,078             | 206,076             |
|                                                                                       | <hr/>               | <hr/>               |
| <b>Net assets with donor restrictions:</b>                                            |                     |                     |
| Pledges, contributions and grants                                                     | 118,188             | 91,901              |
| Net assets released from restrictions                                                 | (135,002)           | (129,816)           |
| Net realized and unrealized gains on investments                                      | 157,012             | 90,009              |
|                                                                                       | <hr/>               | <hr/>               |
| Increase in net assets with donor restrictions                                        | 140,198             | 52,094              |
|                                                                                       | <hr/>               | <hr/>               |
| Increase in net assets                                                                | 439,276             | 258,170             |
|                                                                                       | <hr/>               | <hr/>               |
| Net Assets—Beginning of period                                                        | 3,780,905           | 3,522,735           |
|                                                                                       | <hr/>               | <hr/>               |
| Net Assets—End of period                                                              | <u>\$ 4,220,181</u> | <u>\$ 3,780,905</u> |

See notes to the consolidated financial statements.

(Concluded)

**RUSH SYSTEM FOR HEALTH**  
**Consolidated Statements of Cash Flows**

**Years Ended June 30, 2026 and 2025**

(Dollars in thousands)

|                                                                                             | 2026        | 2025        |
|---------------------------------------------------------------------------------------------|-------------|-------------|
| <b>Operating activities:</b>                                                                |             |             |
| Increase in net assets                                                                      | \$ 439,276  | \$ 258,170  |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |             |             |
| Depreciation and amortization                                                               | 166,138     | 160,578     |
| Amortization of bond issuing cost                                                           | (3,340)     | -           |
| Gain on long-term debt refinancing                                                          | (22,588)    | -           |
| Non cash operating lease expense                                                            |             | (902)       |
| Postretirement related changes other than net periodic postretirement cost                  | (8,962)     | (11,661)    |
| Change in fair value of interest rate swaps                                                 | (287)       | 382         |
| Net unrealized and realized (gains) on investments                                          | (384,097)   | (269,839)   |
| Restricted contribution revenue                                                             | (118,188)   | (83,701)    |
| Investment (gains) losses on trustee held investments                                       | (6,973)     | 210         |
| Losses on sale of property and equipment                                                    | 353         | 829         |
| Changes in operating assets and liabilities:                                                |             |             |
| Accounts receivable for patient services                                                    | 6,863       | (32,729)    |
| Accounts payable and accrued expenses                                                       | (21,958)    | 20,872      |
| Estimated third party settlements payable                                                   | 60,707      | 79,340      |
| Pension and postretirement costs                                                            | (3,081)     | 109         |
| Accrued liability under self insurance programs                                             | (5,271)     | 33,396      |
| Other changes in assets and liabilities                                                     | (2,519)     | (11,263)    |
| Net cash provided by operating activities                                                   | 96,073      | 143,791     |
| <b>Investing activities:</b>                                                                |             |             |
| Purchase of property and equipment                                                          | (168,688)   | (200,441)   |
| Purchase of investments                                                                     | (2,358,342) | (2,018,572) |
| Proceeds from sale of investments                                                           | 2,400,728   | 2,015,702   |
| Net cash (used in) investing activities                                                     | (126,302)   | (203,311)   |
| <b>Financing activities:</b>                                                                |             |             |
| Proceeds from restricted contributions                                                      | 118,188     | 83,701      |
| Proceeds from issuance of long term debt                                                    | 429,959     | -           |
| Debt issuance costs paid                                                                    | (4,959)     | -           |
| Payment of long term debt                                                                   | (447,266)   | (12,598)    |
| Payment of obligations on finance lease liabilities                                         | (6,684)     | (4,287)     |
| Net cash provided by financing activities                                                   | 89,238      | 66,816      |
| Net increase in cash and cash equivalents                                                   | 59,009      | 7,296       |
| Cash and cash equivalents—beginning of period                                               | 430,102     | 422,806     |
| Cash and cash equivalents—end of period                                                     | \$ 489,111  | \$ 430,102  |
| <b>Supplemental disclosure of cash flow information:</b>                                    |             |             |
| Cash paid for interest                                                                      | \$ 37,008   | \$ 35,989   |
| <b>Supplemental schedule of non-cash investing and financing activities:</b>                |             |             |
| Right-of-use assets obtained in exchange for new operating lease liabilities                | \$ 11,885   | \$ 43,804   |
| Noncash additions to property and equipment                                                 | \$ 22,279   | \$ 7,007    |

See notes to consolidated financial statements.

## **RUSH SYSTEM FOR HEALTH**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*(Dollars in thousands)*

#### **Note 1. Organization and Basis of Consolidation**

Rush System for Health ("RUSH"), d/b/a Rush University System for Health, is a multihospital health system with operations that consist of several diverse activities with a shared mission of patient care, education, research, and community service. RUSH, also referred to as the "System Parent", is the sole corporate member of Rush University Medical Center ("RUMC"), Rush Copley Medical Center ("RCMC"), Rush Oak Park Hospital ("ROPH"), and Rush Medical Group ("RMG") that each serve distinct markets in the Chicago, Illinois, metropolitan area, and Rush Health, a physician hospital organization and clinically integrated network. RUMC, ROPH, RCMC, and Rush Medical Group are all Illinois not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### **Rush University Medical Center**

RUMC, the largest member of RUSH, is an academic medical center comprising Rush University Hospital ("RUH") and Rush University, located in Chicago, Illinois.

RUH—A 678-licensed bed acute care and psychiatric hospital in Chicago, Illinois.

Rush University—A graduate health sciences university that educates students in health-related fields. This includes over 2,750 students in Rush Medical College, the College of Nursing, the College of Health Sciences, and the Graduate College.

#### **Rush Copley Medical Center**

RCMC is the sole corporate member of Copley Memorial Hospital, Inc. ("CMH"), Copley Ventures, Inc. ("Ventures"), and Rush Copley Foundation, Inc. ("Foundation").

CMH—A 210-licensed bed hospital located in Aurora, Illinois. CMH provides inpatient, outpatient, and emergency care services for residents of Aurora and surrounding communities in the far western suburbs of Chicago, Illinois.

Ventures—Holds title to property for rental purposes and holds ownership of the Rush Copley Healthplex, a health and fitness center.

Foundation—Solicits contributions to support health care activities in the market area, including, but not limited to, those of CMH.

#### **Rush Oak Park Hospital**

ROPH—A 185-licensed bed acute care hospital located in Oak Park, Illinois, eight miles west of RUH.

#### **Rush Medical Group**

Effective July 1, 2024, Rush Medical Group ("RMG") consolidated the academic and community-based providers across three medical groups which were previously components of the different hospitals described above, Rush University Medical Group, Rush Oak Park Physicians Group and Rush Copley Medical Group NFP. These entities are integrated into one holistic medical group to meet the RUSH patient care mission.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 1. Organization and Basis of Consolidation (continued)

##### Rush Health

Rush Health is Rush's Clinically Integrated Network and Accountable Care Organization that is comprised of both Rush owned entities, which include RUMC, ROPH, RCMC, and Rush Medical Group, and independent provider participants such as Cardiothoracic & Vascular Surgical Associates in Oakbrook Terrace, IL. Independent providers comprise 43% of the organization's participants or 1,400 providers out of 3,200 in total providers. Rush Health provides managed care contracting, credentialing, data analysis, care coordination, and quality and process improvement services to its members.

**Basis of presentation:** The accompanying consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America ("GAAP").

**Basis of consolidation:** Included in RUSH's consolidated financial statements are all of its wholly owned or controlled subsidiaries. All intercompany transactions have been eliminated in consolidation.

#### Note 2. Summary of Significant Accounting Policies

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

**Cash and cash equivalents:** Cash and investments having an original maturity of 90 days or less when purchased are considered to be cash and cash equivalents. These securities are so near maturity that they present insignificant risk of changes in value.

**Patient service revenue and accounts receivable for patient services:** Patient service revenue is reported at the amount that reflects the consideration to which RUSH expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and governmental programs), and others, and include variable consideration for retroactive revenue adjustments due to settlement of audits, review, and other investigations. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by RUSH. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. RUSH believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the input needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients at RUSH receiving inpatient acute care services. For outpatient services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these outpatient services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. RUSH measures the performance obligation from inpatient admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Any unsatisfied or partially unsatisfied performance obligations at the end of the period are primarily related to inpatient acute care services provided at the end of the reporting period. The performance obligations for these contracts are completed when the patients are discharged,

## **RUSH SYSTEM FOR HEALTH**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*(Dollars in thousands)*

#### **Note 2. Summary of Significant Accounting Policies (continued)**

which generally occurs within days or weeks of the end of the reporting period. Amounts related to health care services provided to patients which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Such amounts totaled \$26,979 and \$26,588 as of June 30, 2026 and 2025, respectively, and are included within Other current assets in the accompanying consolidated balance sheets. Consistent with RUSH's mission, care is provided to patients regardless of their ability to pay. RUSH provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Such amounts determined to qualify as charity care are not reported as revenue.

RUSH determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions which consist of contractual adjustments provided to third-party payors and discounts provided to uninsured patients in accordance with RUSH's policy as well as implicit price concessions provided to patients. RUSH determines its estimates of contractual adjustments and discounts based on contractual agreements, published rates, its discount policies and historical experience. RUSH determines its estimate of implicit price concessions based on its historical collection experience. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. RUSH determines its estimate of implicit price concessions for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. Such amounts totaled \$100,378 and \$64,687 as of June 30, 2026 and 2025, respectively.

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

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity continues with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayment of previously billed and collected revenues from patient services. Management believes that RUSH is in substantial compliance with current laws and regulations.

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

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 2. Summary of Significant Accounting Policies (continued)

RUSH has filed formal appeals relating to the settlement of certain prior year Medicare cost reports. The outcome of such appeals cannot be determined at this time. Any resulting gains or losses will be recognized in the consolidated statements of operations and changes in net assets when realized.

In December 2008, the Centers for Medicare and Medicaid Services approved the Illinois Hospital Assessment Program (the "Program") to improve Medicaid reimbursement for Illinois hospitals. This Program increased patient service revenue in the form of additional Medicaid payments and increased expense through a tax assessment from the State of Illinois. The net benefit to RUSH from the Program was \$219,692 and \$117,111 during the years ended June 30, 2026 and 2025, respectively. For the years ended June 30, 2026 and 2025, the Medicaid payment of \$385,957 and \$205,583 was included in patient service revenue, representing 10.0% and 6.1% of the patient service revenue for fiscal years 2026 and 2025, respectively, and the tax assessment of \$166,265 and \$88,472, respectively, was included in Supplies, utilities, and other expenses within the accompanying consolidated statements of operations and changes in net assets.

**Inventory:** Medical supplies, pharmaceuticals, and other inventories are stated at the lower of cost or net realizable value and are included in Other current assets in the accompanying consolidated balance sheets.

**Financial instruments:** Financial instruments consist of cash and cash equivalents, investments, debt and derivative instruments. The carrying value of cash and cash equivalents approximates its fair value due to the short-term maturity. Investments and derivative instruments are reported at fair value. Debt is recorded at amortized cost.

**Assets limited as to use and investments:** Assets limited as to use consist primarily of investments limited as to use by donors, assets held by trustees under debt or other agreements and for self-insurance, and board designated assets set aside for a specified future use.

Investments in equity and debt securities with readily determinable fair values are measured at fair value using quoted market prices or model-driven valuations. Investments valued at NAV consist of limited partnerships that invest primarily in commingled funds, collective trusts, hedge funds, private equity and private debt, collectively "alternative investments". Transactions are recorded based on trade date except for those transactions that have not yet settled and show as pending. They are reported within the investment balance and fair value table in Note 6 at the pending purchase and sale amount.

Investment income or loss (including interest, dividends, realized and unrealized gains and losses, and changes in cost-based valuations) is reported within investment income and other – net within the accompanying consolidated statements of operations and changes in net assets, net of investment related expenses, unless the income or loss is restricted by donor or interpretation of law. Investment gains and losses on RUSH's endowment and trustee-held funds are recognized within Net assets with donor restrictions. Income earned on tax-exempt borrowings for specific construction projects is offset against interest expense capitalized for such projects.

**Investments in unconsolidated joint ventures:** Investments in unconsolidated joint ventures are accounted for using the equity method, totaled \$20,715 and \$17,753 as of June 30, 2026 and 2025, respectively, and are included in Other noncurrent assets in the accompanying consolidated balance sheets. Income recognized from these joint ventures, reported in Other revenue, was \$10,018 and \$6,962 during the years ended June 30, 2026 and 2025, respectively.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 2. Summary of Significant Accounting Policies (continued)

**Interest rate swap agreements:** The Obligated Group has two interest rate swap agreements (the "Swap Agreements"), which were designed to synthetically fix the interest payments on its Series 2006A Bonds. Under the Swap Agreements, the Obligated Group makes fixed-rate payments equal to 3.945% to the swap counterparties and receives variable-rate payments equal to 68% of SOFR (2.502% and 3.026% as of June 30, 2026 and 2025, respectively) from the swap counterparties, calculated on the notional amount of the Swap Agreements. As of June 30, 2026 and 2025, the Swap Agreements had a notional amount of \$44,520 and \$49,490, respectively. The Swap Agreements each expire on November 1, 2035 and amortize annually commencing in November 2012. The Swap Agreements are secured by obligations issued under the Master Trust Indenture.

The Swap Agreements also require either party to post collateral in the form of cash and certain cash equivalents to secure potential termination payments. The amount of collateral that is required to be posted is based on the relevant party's long-term credit rating. Based on its current rating, the Obligated Group is required to post collateral with the swap counterparties in the event that the market value of the Swap Agreements exceeds \$(15,000) or \$(30,000) for each Swap Agreement. As of June 30, 2026 and 2025, the Obligated Group had no collateral posted under Swap Agreements.

The fair value of the Swap Agreements was (\$4,182) and (\$2,681) as of June 30, 2026 and 2025, reported under Other Long-Term Liabilities.

**Property and equipment:** Property and equipment are recorded at cost or, if donated, at fair value at the date of receipt. Expenditures that substantially increase the useful life of existing property and equipment are capitalized. Routine maintenance and repairs are expensed as incurred. Depreciation expense, including amortization of finance lease assets, is recognized over the estimated useful lives of the assets and expected lease term of finance lease assets, using the straight-line method. Building and building service equipment assets have an estimated useful life of 10 to 50 years, moveable equipment assets have an estimated useful life of 5 to 10 years, and computer software and hardware assets have an estimated useful life of 3 to 15 years. RUSH evaluates its long-lived assets for impairment whenever events or changes indicate that their carrying amount may not be recoverable. If circumstances suggest that long-lived assets may be impaired, an assessment of recoverability is performed prior to any write-down of assets. An impairment charge is recorded on those assets for which the estimated fair value is below its carrying amount.

Assets derived from finance leases are included in Property and equipment, with the related liability classified in either Accrued expenses or Obligations under financing leases and other financing arrangements in the accompanying consolidated balance sheets according to the expected timing of lease payments.

**Operating lease right of use assets and lease liabilities:** RUSH determines if an arrangement is a lease or contains a lease at inception through review of the underlying agreement and determination of whether an identifiable asset exists that RUSH has the right to control. Operating leases result in the recognition of right-of-use (ROU) assets and lease liabilities in the accompanying consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. RUSH determines lease classification as operating or finance at the lease commencement date.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 2. Summary of Significant Accounting Policies (continued)

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. RUSH has made a policy election to use a risk-free rate using a period comparable with the lease term for the initial and subsequent measurement of all lease liabilities. RUSH has also elected a policy to combine lease and non-lease components in its measurement of ROU assets and lease liabilities.

The lease term will include options to extend or to terminate the lease only if RUSH is reasonably certain to exercise the option. Lease expense is generally recognized on a straight-line basis over the lease term.

RUSH has elected not to record leases with an initial term of twelve months or less in the accompanying consolidated balance sheets. Lease expense on such leases as well as variable lease costs are recognized as incurred in Supplies, utilities and other in the accompanying consolidated statements of operations and changes in net assets.

**Asset retirement obligations:** RUSH recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, RUSH capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The asset retirement liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle an asset retirement obligation and the liability recorded is recognized as a gain or loss in the accompanying consolidated statements of operations and changes in net assets. Asset retirement obligations are reported in Other long-term liabilities in the accompanying consolidated balance sheets and amounted to \$26,300 and \$24,844 as of June 30, 2026 and 2025, respectively.

**Ownership interests in other health-related entities:** RUSH has a majority ownership interest in several subsidiaries, which provide outpatient surgical services. An ownership interest of more than 50% in another health-related entity in which RUSH has a controlling interest is consolidated. As of June 30, 2026 and 2025, noncontrolling interests in consolidated subsidiaries amounted to \$11,767 and \$3,814, respectively. The amounts related to noncontrolling interests are recorded in Net assets without donor restrictions. RUSH also has affiliations with and interests in other organizations that are not consolidated. These organizations primarily provide outpatient health care and managed care contracting services. An ownership interest in another health-related entity of at least 20%, but not more than 50%, in which RUSH has the ability to exercise significant influence over the operating and financial decisions of the investee is recorded in Other noncurrent assets on the accompanying consolidated balance sheets and is accounted for using the equity method of accounting, and the income (loss) is reflected in Other revenue on the accompanying consolidated statements.

**Debt issuance costs:** Debt issuance costs, net of amortization, are computed using the effective interest method over the life of the related debt and is reported within long-term debt—less current portion in the accompanying consolidated balance sheets.

**Other current assets:** Other current assets consist primarily of inventories, prepaid expenses, contract assets and other miscellaneous current assets.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 2. Summary of Significant Accounting Policies (continued)

**Other noncurrent assets:** Other noncurrent assets include investments in joint ventures, including property and other health-related entities, accounted for using the equity method of accounting, unconditional promises to contribute, goodwill, insurance recoveries, and other intangible assets. RUSH continually evaluates the recoverability of the carrying value of long-lived assets, such as goodwill, by assessing assets for impairment.

**Goodwill:** Goodwill represents the excess of purchase price over the fair value of net assets acquired in business combinations. Goodwill in the amount of \$19,835 as of both June 30, 2026 and 2025, is included in Other noncurrent assets in the accompanying consolidated balance sheets.

**Other long-term liabilities:** Other long-term liabilities include asset retirement obligations, employee benefit plan liabilities for certain defined contribution and supplemental retirement plans other than defined benefit pension plans, liabilities for derivative instruments, and Other long-term obligations.

**Net assets:** Net assets are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions*—Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of business. The net assets without donor restrictions of RUSH are primarily derived from annual excess of revenue over expenses and net assets released from donor restrictions for operations. Voluntary resolutions by the Board to designate a portion of its net assets without donor restrictions for specific purposes are presented as board designated. Because these designations are voluntary and may be reversed by the Board at any time, board-designated net assets are included under the caption “without donor restrictions.”

*Net Assets With Donor Restrictions*—Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, whereby the organization must continue to use the resources in accordance with the donor’s instructions.

**Contributions:** Unconditional contributions and promises to contribute cash and other assets (pledge receivables) are reported at fair value at the date the promise is received. Estimated future cash flows due after one year are discounted using an interest rate based on the treasury rate commensurate with the time value of money concept.

Conditional contributions are recorded as revenue when the conditions are met. Contributions are conditional when there are barriers that RUSH must overcome to be entitled to the funds. RUSH has received approximately \$164,077 and \$147,083 of conditional contributions whose conditions have not been met as of June 30, 2026 and 2025, respectively. Of the fiscal year 2026 amount, approximately \$84,453 relates to federal, state, and local grant awards where RUSH expects to meet the condition of incurring allowable expenditures under the various grants within the next twelve months. Another \$79,624 is related to awards from foundations and other not-for-profit organizations where RUSH expects to recognize the contribution once the conditions have been met. Of the fiscal year 2025 amount, approximately \$107,392 relates to federal, state, and local grant awards where RUSH expects to meet the condition of incurring allowable expenditures under the various grants within the next twelve months. Another \$39,691 is related to awards from foundations and other not-for-profit organizations where RUSH expects to recognize the contribution once the conditions have been met.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 2. Summary of Significant Accounting Policies (continued)

Unconditional contributions and conditional contributions whose conditions have been met are reported as Net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, the restricted net assets are released as net assets without restrictions and reported in the accompanying consolidated statements of operations as Other revenue (if time restricted or restricted for operating purposes) or reported in the accompanying consolidated statements of changes in net assets as Net assets released from restrictions used for purchase of property and equipment (if restricted for capital acquisitions). Donor-restricted contributions for operating purposes whose restrictions are met within the same year as either received or the same year as the condition is met are reported as Other revenue in the accompanying consolidated statements of operations and changes in net assets.

RUSH is the beneficiary of several split-interest agreements, primarily perpetual trusts held by others, which are recorded in Assets limited as to use and investments within the accompanying consolidated balance sheets. RUSH recognizes its interest in these trusts based on either RUSH's percentage of the fair value of the trust assets or the present value of expected future cash flows to be received from the trusts, as appropriate, based on each trust arrangement.

**Excess of revenues over expenses:** The accompanying consolidated statements of operations and changes in net assets include excess of revenues over expenses as a performance indicator. Excess of revenues over expenses includes all changes in net assets without donor restrictions, net of investment related expenses, except for contributions of (and assets released from donor restrictions related to) long-lived assets, and other items that are required by GAAP to be reported separately (such as postretirement-related changes other than net periodic postretirement costs, and the cumulative effect of changes in accounting principle).

**Non-operating income:** Non-operating income includes items not directly associated with patient care or other core operations of RUSH. Non-operating income consists primarily of investment returns without donor restrictions, endowment investment income, changes in the fair value of interest rate swaps, gains and losses on derivatives, contributions without donor restrictions, and fundraising expenses.

**Pending accounting guidance:** In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* to simplify the application of the current expected credit losses (CECL) model for short-term receivables and contract assets arising from revenue transactions under ASC 606. The ASU introduces a practical expedient that allows entities to assume that current economic conditions as of the balance sheet date will remain unchanged over the life of qualifying assets. This expedient applies to current accounts receivable and contract assets—defined as those due within one year or the operating cycle, if longer.

ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, including interim periods within those years. Early adoption is permitted, and adoption is on a prospective basis. The Company is currently evaluating the impact of ASU 2025-05 on its financial statements and related disclosures.

**Change in presentation:** A change in presentation has been made within Note 17, Liquidity, as of June 30, 2025 to enhance comparability with the current-year presentation.

**Subsequent events:** RUSH has evaluated events occurring subsequent to the consolidated balance sheet date through October 22, 2026, the date the accompanying consolidated financial statements were issued. There were no significant subsequent events through this date, with the exception of the item as below.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 2. Summary of Significant Accounting Policies (continued)

On October 14, 2026, RUSH and Endeavor Health ("Endeavor") executed a System Affiliation Agreement, whereby Endeavor will merge with and into RUSH, pending regulatory review and approval.

#### Note 3. Patient Service Revenue

The mix of patient service revenue recognized during the years ended June 30, 2026 and 2025, by major payor source and by lines of business, was as follows:

|                                 | June 30, 2026       |                   |                                 |                     |                |
|---------------------------------|---------------------|-------------------|---------------------------------|---------------------|----------------|
|                                 | Hospitals           | Physician Groups  | Clinical Joint Ventures & Other | Total               | %              |
| Medicare                        | \$ 485,688          | \$ 64,085         | \$ 9,430                        | \$ 559,203          | 14.6 %         |
| Medicare managed care           | 382,779             | 60,991            | 26,401                          | 470,171             | 12.2%          |
| Medicaid                        | 98,047              | 3,885             | 824                             | 102,756             | 2.7%           |
| Medicaid managed care           | 587,919             | 48,581            | 13,283                          | 649,783             | 16.9%          |
| Managed care                    | 368,926             | 115,178           | 36,588                          | 520,692             | 13.5%          |
| Blue Cross                      | 816,131             | 145,413           | 14,381                          | 975,925             | 25.4%          |
| Commercial, self-pay, and other | 522,171             | 39,908            | 2,615                           | 564,694             | 14.7%          |
| Total patient service revenue   | <u>\$ 3,261,661</u> | <u>\$ 478,041</u> | <u>\$ 103,522</u>               | <u>\$ 3,843,224</u> | <u>100.0 %</u> |
|                                 | June 30, 2025       |                   |                                 |                     |                |
|                                 | Hospitals           | Physician Groups  | Clinical Joint Ventures & Other | Total               | %              |
| Medicare                        | \$ 474,005          | \$ 59,785         | \$ 7,044                        | \$ 540,834          | 16.0 %         |
| Medicare managed care           | 315,289             | 52,199            | 24,104                          | 391,592             | 11.6           |
| Medicaid                        | 83,658              | 5,376             | 1,842                           | 90,876              | 2.7            |
| Medicaid managed care           | 404,239             | 46,840            | 26,525                          | 477,604             | 14.1           |
| Managed care                    | 402,880             | 96,081            | 33,334                          | 532,295             | 15.8           |
| Blue Cross                      | 800,109             | 135,751           | 16,317                          | 952,177             | 28.2           |
| Commercial, self-pay, and other | 341,346             | 40,923            | 8,285                           | 390,554             | 11.6           |
| Total patient service revenue   | <u>\$ 2,821,526</u> | <u>\$ 436,955</u> | <u>\$ 117,451</u>               | <u>\$ 3,375,932</u> | <u>100.0 %</u> |

#### Note 4. Charity Care

RUSH has an established charity care policy and maintains records to identify and monitor the level of charity care it provides.

Charity care includes the estimated cost of unreimbursed services provided and supplies furnished under its charity care policy and the excess of cost over the reimbursement for Medicaid patients. The estimated cost of charity care provided is determined by using a ratio of cost to gross charges and multiplying that ratio by the gross unreimbursed charges associated with providing care to the charity patients.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

The following table presents the level of charity care and unreimbursed Medicaid services provided for the years ended June 30, 2026 and 2025:

|                                                                                                                                      | 2026              | 2025              |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients—net of net benefit under the Program | \$ 67,324         | \$ 136,361        |
| Estimated costs and expenses incurred to provide charity care in the hospitals                                                       | 59,879            | 53,159            |
| Total                                                                                                                                | <u>\$ 127,203</u> | <u>\$ 189,520</u> |

Beyond the cost to provide charity care and unreimbursed services to hospital Medicaid patients, RUSH also provides substantial additional benefits to the community, including educating future health care providers, supporting research into new treatments for disease, and providing subsidized medical services in response to community and health care needs, as well as other volunteer services. These community services are provided free of charge or at a fee below the cost of providing them.

#### Note 5. Assets Limited As To Use and Investments

Assets limited as to use and investments consist primarily of equity and debt securities, investments valued at NAV, pledges receivable, and beneficial interest in trusts. Equity and debt securities are held in investment pools to satisfy the investment objectives for which the assets are held or to satisfy donor restrictions. RUSH also holds certain investments valued at NAV that consist of common collective trusts, hedge funds, private equity, and private debt.

Following is a summary of the composition of assets limited as to use and investments as of June 30, 2026 and 2025:

|                                                     | 2026                | 2025                |
|-----------------------------------------------------|---------------------|---------------------|
| Marketable securities and short-term investments    | \$ 193,750          | \$ 83,272           |
| Fixed income securities                             | 288,731             | 277,907             |
| Public equity securities                            | 466,408             | 947,820             |
| Mutual funds                                        | 766,431             | 804,037             |
| Investments valued at NAV                           | 1,399,059           | 651,443             |
| Other                                               | 10,446              | 18,635              |
| Total investments                                   | 3,124,825           | 2,783,114           |
| Pledges receivable                                  | 63,993              | 39,691              |
| Beneficial interest in trusts                       | 43,079              | 36,106              |
| Total assets limited as to use and investments      | 3,231,897           | 2,858,911           |
| Less amount reported as current assets              | (72,379)            | (74,206)            |
| Assets limited as to use and investments—noncurrent | <u>\$ 3,159,518</u> | <u>\$ 2,784,705</u> |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 5. Assets Limited As To Use and Investments (continued)

The composition and presentation of investment income and the realized and unrealized gains and losses on all investments, net of investment-related expenses, for the years ended June 30, 2026 and 2025, are as follows:

|                                                                                     | 2026              | 2025              |
|-------------------------------------------------------------------------------------|-------------------|-------------------|
| Interest and dividends                                                              | \$ 52,572         | \$ 68,929         |
| Net realized gains on sales of securities                                           | 357,208           | 96,087            |
| Unrealized gains —without donor restrictions                                        | (30,772)          | 61,474            |
| Unrealized gains —with donor restrictions                                           | 12,062            | 37,479            |
|                                                                                     | <u>\$ 391,070</u> | <u>\$ 263,969</u> |
| Reported as:                                                                        |                   |                   |
| Other revenue                                                                       | \$ 8,473          | \$ 7,989          |
| Non-operating income                                                                | 225,585           | 165,971           |
| Net assets with donor restrictions—net realized and unrealized gains on investments | <u>157,012</u>    | <u>90,009</u>     |
|                                                                                     | <u>\$ 391,070</u> | <u>\$ 263,969</u> |

It is RUSH's intent to maintain a long-term investment portfolio to support its self-insurance program. Accordingly, the total return on investments restricted for the self-insurance program is reported in the accompanying consolidated statements of operations and changes in net assets in three separate line items. The investment return allocated to operations, reported in Other revenue, is determined by a formula designed to provide a consistent stream of investment earnings to support the self-insurance provision reported in Insurance expense in the accompanying consolidated statements of operations and changes in net assets. This allocated return, 4.5% for the years ended June 30, 2026 and 2025, approximates the real return that RUSH expects to earn on its investments over the long

term and totaled \$8,186 and \$7,866 for the years ended June 30, 2026 and 2025, respectively. The difference between the total investment return and the amount allocated to operations is reported in non-operating income and totaled \$9,099 and \$9,352 for the years ended June 30, 2026 and 2025, respectively. Current and prior year investment rates of return may not always align with the expected long-term rate of return due to market volatility.

#### Note 6. Fair Value Measurements

As of June 30, 2026 and 2025, RUSH held certain assets and liabilities that are required to be measured at fair value on a recurring basis, including marketable securities and short-term investments, certain restricted, trustee and other investments, derivative instruments, and beneficial interests in trusts.

##### Valuation principles

Under FASB Accounting Standard Codification 820, *Fair Value Measurement*, fair value is defined as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques used to measure fair value are based upon observable and unobservable inputs. Observable inputs generally reflect market data from independent sources and are supported by market activity, while unobservable inputs are generally unsupported by market activity.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 6. Fair Value Measurements (continued)

The three-level valuation hierarchy, which prioritizes the inputs used in measuring fair value of an asset or liability at the measurement date, includes:

**Level 1 Inputs**—Quoted prices (unadjusted) for identical assets or liabilities in active markets. Securities typically priced using Level 1 input include listed equities and exchange-traded mutual funds.

**Level 2 Inputs**—Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in nonactive markets, and model-driven valuations whose inputs are observable for the asset or liability, either directly or indirectly. Securities typically priced using Level 2 inputs include government bonds (including U.S. treasuries and agencies), corporate and municipal bonds, collateralized obligations, interest rate swaps, commercial paper, currency options, and pending transactions.

**Level 3 Inputs**—Unobservable inputs for which there is little or no market data available are based on the reporting entity's own judgment or estimation of the assumptions that market participants would use in pricing the asset or liability. The fair values for securities typically priced using Level 3 inputs are determined using model-driven techniques, which include option-pricing models, discounted cash flow models, and similar methods. The Level 3 classification includes beneficial interests in trusts and other privately held investments.

**Marketable Securities and Short-Term Investments**—Marketable securities and short-term investments classified as Level 1 are invested in a short-term collective fund that serves as an investment vehicle for cash reserves. Fair value was determined using market rates as of the valuation dates. These funds are invested in high quality and short-term money market instruments with daily liquidity.

**Fixed Income Securities**—Fixed income securities consist primarily of U.S. government and agency securities, corporate bonds, asset-backed securities, and repurchase agreements, all of which are classified as Level 2 and Level 3 securities. The fair value of investments in U.S. government and agency securities and corporate bonds was primarily determined using techniques consistent with the market approach, including matrix pricing and significant observable inputs of institutional bids, trade data, broker and dealer quotes, discount rates, issues spreads, and benchmark yield curves. The asset-backed securities encompass collateralized bond obligations, collateralized loan and mortgage obligations, and other asset-backed securities. The fair value of these securities was determined using

techniques consistent with market and income approach, such as discount cash flows and matrix pricing. Repurchase agreements are valued using a market-based approach and are carried out at amortized cost, which approximates fair value.

**Public Equity Securities**—Public equity securities consist of common stock. The fair values of common stock are determined by obtaining quoted prices from a nationally recognized exchange (Level 1 inputs).

**Mutual Funds**—The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). The fair values of the mutual fund investments that are based on their net asset values, as reported by the managers and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date (Level 2 inputs). Investments in the collective trust fund can be redeemed immediately at net assets value per share.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 6. Fair Value Measurements (continued)

Investments Valued at NAV—Investments valued at NAV—Investments within this category consist primarily of collective investment trusts, private equity partnerships, and private debt partnerships. Collective investment trusts (CITs) are pooled investment vehicles maintained by a bank or trust company and are limited to investments in publicly traded equity securities. CITs are valued based on RUSH's proportionate ownership interest in the NAV per unit of the respective trust, as reported by the trustee, which approximates fair value. Units may be redeemed daily or monthly at NAV, subject to the trust's redemption terms. Private equity and private debt partnerships are valued based on RUSH's ownership interest in the NAV of the respective partnership, as estimated by the general partner. The general partner's estimates are based on the fair value of the underlying nonmarketable investments held by the partnership, which approximates fair value.

Other Assets—The majority of other assets are direct equity investments in private companies, including Transcarent, Pinnacle, Tendo and Cadence.

Beneficial Interest in Trusts—RUSH maintains a beneficial interest in perpetual trusts. The fair value of perpetual trust held by a third party generally can be measured using the fair value of the assets contributed to the trust. RUSH accounts for the beneficial interest in the perpetual trust using the fair value of the trust assets multiplied by its ownership interest percentage as RUSH holds an irrevocable right to its portion of future cash flows. As such, RUSH records their interest in the trust as a Level 3 investment.

Liabilities—Liabilities consist primarily of over the counter ("OTC") interest rate swaps. The fair value of these OTC interest rate swaps is determined by a third-party based on observable market inputs, including yield curves (the Secured Overnight Financing Rate, or "SOFR"), counterparty credit risk, and other related data (Level 2 inputs). Credit valuation adjustments are required to reflect both our own nonperformance risk and the respective counterparty's nonperformance risk. These adjustments are determined generally by applying a credit spread as appropriate to the total expected exposure of the derivative.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 6. Fair Value Measurements (continued)

##### Fair value measurements at the consolidated balance sheet date

The following tables present RUSH's fair value hierarchy for its financial assets and liabilities measured at fair value or NAV, which approximates fair value, on a recurring basis as of June 30, 2026 and 2025:

|                                                  | June 30, 2026       |                   |                  |                     |
|--------------------------------------------------|---------------------|-------------------|------------------|---------------------|
|                                                  | Level 1             | Level 2           | Level 3          | Total<br>Fair Value |
| Assets:                                          |                     |                   |                  |                     |
| Marketable securities and short-term investments | \$ 193,750          | \$ -              | \$ -             | \$ 193,750          |
| Fixed income securities:                         |                     |                   |                  |                     |
| U.S. Government and agency securities            | -                   | 228,560           | -                | 228,560             |
| Corporate bonds                                  | -                   | -                 | -                | -                   |
| Asset backed securities and other                | -                   | 53,418            | 6,753            | 60,171              |
| Public equity securities                         | 466,408             | -                 | -                | 466,408             |
| Mutual funds                                     | 697,541             | 68,890            | -                | 766,431             |
| Other assets                                     | -                   | -                 | 53,524           | 53,524              |
| Total assets at fair value                       | <u>\$ 1,357,699</u> | <u>\$ 350,868</u> | <u>\$ 60,277</u> | 1,768,844           |
| Investments valued at NAV                        |                     |                   |                  | 1,369,760           |
| Pending trades                                   |                     |                   |                  | 25,562              |
| Accrued income                                   |                     |                   |                  | 3,738               |
| Total assets                                     |                     |                   |                  | <u>\$ 3,167,904</u> |
| Liabilities:                                     |                     |                   |                  |                     |
| Obligations under interest rate swap agreements  | \$ -                | \$ (4,182)        | \$ -             | \$ (4,182)          |
| Total liabilities at fair value                  | <u>\$ -</u>         | <u>\$ (4,182)</u> | <u>\$ -</u>      | <u>\$ (4,182)</u>   |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 6. Fair Value Measurements (continued)

|                                                  | June 30, 2025       |                   |                  |                     |
|--------------------------------------------------|---------------------|-------------------|------------------|---------------------|
|                                                  | Level 1             | Level 2           | Level 3          | Total<br>Fair Value |
| Assets:                                          |                     |                   |                  |                     |
| Marketable securities and short-term investments | \$ 83,272           | \$ -              | \$ -             | \$ 83,272           |
| Fixed income securities:                         |                     |                   |                  |                     |
| U.S. Government and agency securities            | 2,584               | 221,721           | -                | 224,305             |
| Corporate bonds                                  | -                   | 630               | -                | 630                 |
| Asset backed securities and other                | -                   | 47,117            | 5,855            | 52,972              |
| Public equity securities                         | 947,644             | -                 | 176              | 947,820             |
| Mutual funds                                     | 754,461             | 49,576            | -                | 804,037             |
| Other assets                                     | 11,571              | -                 | 43,170           | 54,741              |
| Total assets at fair value                       | <u>\$ 1,799,532</u> | <u>\$ 319,044</u> | <u>\$ 49,201</u> | 2,167,777           |
| Investments valued at NAV                        |                     |                   |                  | 783,872             |
| Pending trades                                   |                     |                   |                  | (137,586)           |
| Accrued income                                   |                     |                   |                  | <u>5,157</u>        |
| Total assets                                     |                     |                   |                  | <u>\$ 2,819,220</u> |
| Liabilities:                                     |                     |                   |                  |                     |
| Obligations under interest rate swap agreements  | \$ -                | \$ (2,681)        | \$ -             | \$ (2,681)          |
| Derivative liabilities                           | -                   | (170)             | -                | (170)               |
| Total liabilities at fair value                  | <u>\$ -</u>         | <u>\$ (2,851)</u> | <u>\$ -</u>      | <u>\$ (2,851)</u>   |

A roll forward of the amounts in the accompanying consolidated balance sheets for financial instruments classified by RUSH within Level 3 of the fair value hierarchy is as follows:

|                                                                     | 2026             | 2025             |
|---------------------------------------------------------------------|------------------|------------------|
| Fair value—beginning of period                                      | \$ 49,201        | \$ 51,841        |
| Actual return on investments—realized and unrealized (losses) gains | -                | (2,640)          |
| Purchases                                                           | 11,076           | -                |
| Sales                                                               | -                | -                |
| Fair value—end of period                                            | <u>\$ 60,277</u> | <u>\$ 49,201</u> |

During the years ended June 30, 2026 and 2025, there were no transfers in Level 3 investments.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 6. Fair Value Measurements (continued)

##### Investments in entities that report fair value using NAV

The following table summarizes RUSH's investments and unfunded commitments that report fair value using NAV as of June 30, 2026 and 2025:

|                           | June 30, 2026       |                      |                                               |                          |
|---------------------------|---------------------|----------------------|-----------------------------------------------|--------------------------|
|                           | Fair Value          | Unfunded Commitments | Redemptions Frequency (if Currently Eligible) | Redemption Notice Period |
| Common collective trusts: | \$ 1,042,766        | None                 | Daily/Monthly                                 | 1-15 days                |
| Hedge funds               | 17,176              | None                 | Quarterly                                     | 65-95 days               |
| Private equity            | 309,818             | 132,966              | Not currently redeemable                      | N/A                      |
| Total                     | <u>\$ 1,369,760</u> | <u>\$ 132,966</u>    |                                               |                          |
|                           | June 30, 2025       |                      |                                               |                          |
|                           | Fair Value          | Unfunded Commitments | Redemptions Frequency (if Currently Eligible) | Redemption Notice Period |
| Common collective trusts: | \$ 480,489          | None                 | Daily/Monthly                                 | 1-15 days                |
| Hedge funds               | 40,323              | None                 | Quarterly                                     | 65-95 days               |
| Private equity            | 263,060             | 68,492               | Not currently redeemable                      | N/A                      |
| Total                     | <u>\$ 783,872</u>   | <u>\$ 68,492</u>     |                                               |                          |

#### Note 7. Endowment Funds

RUSH's endowment consists of more than 500 individual funds, which are established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

##### Interpretation of relevant law

RUSH has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the original value of the gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, RUSH classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of any subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, RUSH considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

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

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 7. Endowment Funds (continued)

The investment policies of the organization

##### Endowment investment and spending policies

RUSH has adopted endowment investment and spending policies to preserve purchasing power over the long term and provide stable annual support to the programs supported by the endowment, including professorships, research and education, free care, student financial aid, scholarships, and fellowships. Approximately 14% and 15% of RUSH's endowment was available for general purposes as of June 30, 2026 and 2025, respectively.

The System Investment Committee (the "Committee") of the System Parent's Board of Directors (the "System Board") is established by the System Board for the primary purpose of assisting the System Board in the oversight of the asset pools of RUSH and its subsidiary hospitals, RUMC, ROPH and RCMC (collectively "Subsidiary Hospitals" and each a "Subsidiary Hospital"). To fulfill its advisory oversight responsibilities, the Committee shall review and recommend the investment policies of RUSH and its Subsidiary Hospitals, including investment objectives and asset allocation targets.

The System Parent Board of Trustees approves the annual spending policy for program support. In establishing the annual spending policy, RUSH's main objectives are to provide for intergenerational equity over the long term, the concept that future beneficiaries will receive the same level of support as current beneficiaries on an inflation-adjusted basis, and to maximize annual support to the programs supported by the endowment. The spending rate was 4.75% and 4.50% for the fiscal years ended June 30, 2026 and 2025, respectively, and income from the endowment fund provided \$37,727 and \$30,685 support for RUSH's programs during the fiscal years ended June 30, 2026 and 2025, respectively.

##### Composition of endowment fund and reconciliation

The endowment net asset composition by type of fund as of June 30, 2026, consisted of the following:

|                                  | Without<br>Restrictions | With<br>Restrictions | Total               |
|----------------------------------|-------------------------|----------------------|---------------------|
| Donor-restricted endowment funds | \$ -                    | \$ 1,085,515         | \$ 1,085,515        |
| Board-designated endowment funds | 10,518                  | -                    | 10,518              |
| Total funds                      | <u>\$ 10,518</u>        | <u>\$ 1,085,515</u>  | <u>\$ 1,096,033</u> |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 7. Endowment Funds (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2026, consisted of the following:

|                                    | Without<br>Restrictions | With<br>Restrictions | Total       |
|------------------------------------|-------------------------|----------------------|-------------|
| Endowment net assets—June 30, 2025 | \$ 9,763                | \$ 961,450           | \$ 971,213  |
| Contributions                      | -                       | 14,302               | 14,302      |
| Net investment return              | 1,051                   | 155,805              | 156,856     |
| Transfer of endowment/appreciation | (296)                   | (44,650)             | (44,946)    |
| Endowment income reclass           | -                       | (1,392)              | (1,392)     |
| Endowment net assets—June 30, 2026 | \$10,518                | \$1,085,515          | \$1,096,033 |

The endowment net asset composition by type of fund as of June 30, 2025, consisted of the following:

|                                  | Without<br>Restrictions | With<br>Restrictions | Total      |
|----------------------------------|-------------------------|----------------------|------------|
| Donor-restricted endowment funds | \$ -                    | \$ 961,450           | \$ 961,450 |
| Board-designated endowment funds | 9,763                   | -                    | 9,763      |
| Total funds                      | \$ 9,763                | \$ 961,450           | \$ 971,213 |

Changes in endowment net assets for the fiscal year ended June 30, 2025, consisted of the following:

|                                    | Without<br>Restrictions | With<br>Restrictions | Total      |
|------------------------------------|-------------------------|----------------------|------------|
| Endowment net assets—June 30, 2024 | \$ 9,361                | \$ 896,436           | \$ 905,797 |
| Contributions                      | -                       | 18,018               | 18,018     |
| Net investment return              | 675                     | 93,451               | 94,126     |
| Transfer of endowment/appreciation | (273)                   | (13,367)             | (13,640)   |
| Endowment income reclass           | -                       | (33,088)             | (33,088)   |
| Endowment net assets—June 30, 2025 | \$ 9,763                | \$ 961,450           | \$ 971,213 |

#### Fund deficiencies

RUSH monitors the accumulated losses on investments within net assets with donor restriction to be maintained in perpetuity to determine whether the endowment corpus has been impaired. The endowment funds are invested in an investment pool, which also includes investments with net assets restricted by donors for a specific time period or purpose and investments within net assets without donor restrictions. Endowments were not underwater for the fiscal year ended June 30, 2026 and 2025.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 8. Property and Equipment—Net

Property and equipment-net as of June 30, 2026 and 2025 consisted of the following:

|                               | 2026                | 2025                |
|-------------------------------|---------------------|---------------------|
| Land and buildings            | \$ 2,947,256        | \$ 2,889,129        |
| Equipment                     | 1,296,621           | 1,227,654           |
| Construction in progress      | 68,318              | 71,593              |
| Total                         | 4,312,195           | 4,188,376           |
| Less accumulated depreciation | (2,348,471)         | (2,249,127)         |
| Property and equipment—net    | <u>\$ 1,963,724</u> | <u>\$ 1,939,249</u> |

Equipment includes equipment held under financing leases of \$21,604 as of June 30, 2026 and 2025. Accumulated depreciation on leased equipment amounted to \$7,677 and \$5,541 as of June 30, 2026 and 2025, respectively.

During the years ended June 30, 2026 and 2025, RUSH recorded depreciation expense on property and equipment of approximately \$166,138 and \$160,578, respectively.

RUSH continues to make campus improvements and has a number of construction projects planned with a Master Facility Plan that began in fiscal year 2017. As of June 30, 2026 and 2025, RUSH had construction commitments outstanding of \$72,252 and \$89,014, respectively.

#### Note 9. Long-Term Debt and Credit Arrangements

RUSH's long-term debt is issued under a Master Trust Indenture, which established the Obligated Group composed of the System Parent, RUMC, RCMC and certain of its subsidiaries, and ROPH. The Obligated Group is jointly and severally liable for the obligations issued under the Master Trust Indenture. Each Obligated Group member is expected to pay its allocated share of the debt issued on its behalf. As of June 30, 2026 and 2025, such issuances are secured by a pledge of gross receipts, as defined, of the Obligated Group members.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 9. Long-Term Debt and Credit Arrangements (continued)

A summary of RUSH's long-term debt as of June 30, 2026 and 2025, is as follows:

|                                   | Interest Rate | Maturity Date     | 2026              | 2025              |
|-----------------------------------|---------------|-------------------|-------------------|-------------------|
| <b>Illinois Finance Authority</b> |               |                   |                   |                   |
| <b>Revenue Bonds:</b>             |               |                   |                   |                   |
| Fixed-rate revenue bonds:         |               |                   |                   |                   |
| Series 2015 A/B                   |               |                   | \$ -              | \$ 394,995        |
| Series 2025                       | 5.00%         | November 15, 2035 | 387,426           |                   |
| Variable rate revenue bonds:      |               |                   |                   |                   |
| Series 2016 -                     |               |                   | -                 | 50,000            |
| Total tax exempt debt             |               |                   | 387,426           | 444,995           |
| Other debt:                       |               |                   |                   |                   |
| 2020 Taxable Bonds                | 3.92%         | November 15, 2029 | 330,000           | 330,000           |
| Series 2019                       | 1.78%         | September 1, 2049 | 30,890            | 31,911            |
| Total par value of debt           |               |                   | 748,316           | 806,906           |
| Less:                             |               |                   |                   |                   |
| Current portion of long-term debt |               |                   | (1,040)           | (19,746)          |
| Debt issuance costs               |               |                   | (4,959)           | (3,841)           |
| Plus: Unamortized premium         |               |                   | 39,875            | 31,672            |
| <b>Long term debt</b>             |               |                   | <b>\$ 782,192</b> | <b>\$ 814,991</b> |

During the year ended June 30, 2026, RUSH received proceeds from the Series 2025 Bonds totaling \$429,959, inclusive of a premium of \$42,534. These proceeds were utilized to advance refund the Series 2015 A/B and Series 2016 Bonds in the amount of \$426,496, and to pay issuance costs of \$3,462. In connection with the advance refunding, RUSH recognized a gain of \$22,588, which is reported in non-operating income (loss) on the consolidated statement of operations and changes in net assets.

Under its various indebtedness agreements, the Obligated Group is subject to certain financial covenants, including maintaining a minimum historical debt service coverage ratio; limitations on selling, leasing, or otherwise disposing of Obligated Group property; and certain other non-financial covenants. Management believes the Obligated Group was in compliance with its financial covenants as of June 30, 2026 and 2025.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 9. Long-Term Debt and Credit Arrangements (continued)

Annual maturities of outstanding long-term debt are as follows:

##### Years Ending June 30

|            |            |
|------------|------------|
| 2027       | \$ 1,040   |
| 2028       | 1,059      |
| 2029       | 1,078      |
| 2030       | 331,097    |
| 2031       | 130,117    |
| Thereafter | 283,925    |
|            | <hr/>      |
|            | \$ 748,316 |

#### Line of credit arrangements

At June 30, 2026 and 2025, RUSH has a line of credit of up to \$150,000. The line of credit agreement matures in February 2027. As of June 30, 2026 and 2025, no amounts were drawn or outstanding on this line of credit and the full amount of the line of credit was available for use.

#### Note 10. Leases and Other Financing Arrangements

RUSH has entered into the following lease arrangements:

##### Finance leases

RUSH finances leases and long-term financing arrangements relating to medical and office equipment and buildings. Expiration of leases ranges from 2026 to 2036. Assets acquired under financing lease arrangements are included in Property and equipment in the accompanying consolidated balance sheets. Termination of leases generally is prohibited unless there is a violation under the lease agreement.

Total financing lease liabilities in the accompanying consolidated balance sheets were \$5,465 and \$12,149 on June 30, 2026 and 2025, respectively. Such amounts are presented in the accompanying consolidated balance sheets as a component of Obligations under financing leases and other financing arrangements, as described below.

##### Operating leases

RUSH leases office space and medical space that expires from 2026 to 2036. Termination of these leases is generally prohibited unless there is a violation under the lease agreement. Some lease payments have an escalating fee schedule, which range from a 1.0% to 3.0% increase each year. Lease payments are recorded in Supplies, utilities and other in the accompanying consolidated statement of operations and changes in net assets. RUSH is also required to pay all executory costs (property taxes, maintenance, and insurance) under the terms of these leases, which are considered variable lease costs and recorded within Supplies, utilities, and other in the accompanying consolidated statements of operations and changes in net assets. A portion of the leased space is sub-leased under leases expiring over the next five years.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 10. Leases and Other Financing Arrangements (continued)

##### Other lease information

RUSH's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of June 30, 2026, RUSH has not entered into any additional operating and finance leases for equipment, office space or medical space that have not yet commenced.

Lease cost and other required information related to operating leases for the years ending June 30, 2026 and 2025, are as follows:

|                                                                              | 2026             | 2025             |
|------------------------------------------------------------------------------|------------------|------------------|
| Lease cost:                                                                  |                  |                  |
| Operating lease cost                                                         | \$ 27,965        | \$ 28,450        |
| Short-term and variable lease cost                                           | 34,404           | 28,710           |
| Total operating, short-term, and variable lease cost                         | <u>\$ 62,369</u> | <u>\$ 57,160</u> |
| Other information:                                                           |                  |                  |
| Cash paid for amounts included in the measurement of lease liabilities:      |                  |                  |
| Operating cash flows from operating leases                                   | \$ (27,537)      | \$ (29,013)      |
| Right-of-use assets obtained in exchange for new operating lease liabilities | 11,885           | 43,804           |
| Operating leases                                                             |                  |                  |
| Weighted-average remaining lease term - years                                | 6.98             | 7.42             |
| Weighted-average discount rate                                               | 3.56 %           | 3.40 %           |

Future maturities of operating lease liabilities are as follows:

##### Years Ending June 30:

|                                          |                   |
|------------------------------------------|-------------------|
| 2027                                     | \$ 24,978         |
| 2028                                     | 21,627            |
| 2029                                     | 13,607            |
| 2030                                     | 9,464             |
| 2031                                     | 7,969             |
| Thereafter                               | <u>36,201</u>     |
| Total future undiscounted lease payments | 113,846           |
| Less interest                            | <u>(11,831)</u>   |
| Operating lease liabilities              | <u>\$ 102,015</u> |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*(Dollars in thousands)*

#### Note 10. Leases and Other Financing Arrangements (continued)

##### Other financing arrangements

In November 2022, RUSH Property Ventures, LLC, a 50/50 real estate joint venture with Select Illinois Holdings, Inc. ("Select"), closed on a \$75,000 financing with Wintrust Bank, N.A. The financing consists of a 5-year construction and term loan, fully guaranteed by RUSH until certain conditions are met. The outstanding balance of the note payable is \$71,028 and \$72,510 as of June 30, 2026 and 2025, respectively, and is included in Obligations under financing leases and other financing arrangements in the accompanying consolidated balance sheets.

#### Note 11. Pension and Other Postretirement Benefit Plans

RUMC maintains defined benefit pension plans (the "RUSH Retirement Plan" and the "Supplemental Pension Plan"), Other postretirement healthcare benefit plans, and defined contribution plans, that together cover substantially all of RUSH's employees.

##### Pension plans and other postretirement benefit plans

Under the RUSH Retirement Plan, benefits are based on the years of service and the employees' final average earnings, as defined. Plan assets and obligations are measured as of June 30 (the "Measurement Date") each year.

Effective December 31, 2023 (the "Freeze Date"), the RUSH Retirement Plan was frozen to all existing plan participants, thus eliminating all future benefit accruals (the "Plan Freeze"). Pension assets and liabilities were remeasured at the Freeze Date.

The total projected benefit obligation of the Supplemental Pension Plan was \$327 and \$332 as of June 30, 2026 and 2025, respectively. The fair value of the plan assets was \$0 as of June 30, 2026 and 2025, resulting in a net pension plan liability of \$327 and \$332 as of June 30, 2026 and 2025, respectively. The fair value of the plan assets was \$0 as of 6/30/2026 and 6/30/2025, resulting in a net pension plan liability of \$327 and \$332 as of 6/30/2026 and 6/30/2025, respectively.

In addition to the pension plan, RUMC also provides postretirement healthcare benefits for certain employees (the "Postretirement Healthcare Plans"). Further benefits under the Postretirement Healthcare Plans have been curtailed since 2010. The total projected benefit obligation of the Postretirement Healthcare Plan was \$0 and \$1,951 as of June 30, 2026 and 2025, respectively. The fair value of the plan assets of the Postretirement Healthcare Plan was \$0 and \$1,951 as of June 30, 2026 and 2025, respectively, resulting in a net postretirement healthcare plan balance of \$0 as of June 30, 2026 and 2025.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 11. Pension and Other Postretirement Benefit Plans (continued)

##### Obligations and funded status

The tables below set forth the accumulated benefit obligation, the change in the projected benefit obligation, and the change in the plan assets of the RUSH Retirement Plan. The table reflects the funded status of the Plan as of the Measurement Date and amounts recognized in the accompanying consolidated balance sheets as of June 30, 2026 and 2025.

|                                                                              | RUSH Retirement Plan (f/k/a<br>Retirement Plan Pre 2015) |             |
|------------------------------------------------------------------------------|----------------------------------------------------------|-------------|
|                                                                              | Year Ended June 30                                       |             |
|                                                                              | 2026                                                     | 2025        |
| Actuarial present value of benefit obligation—accumulated benefit obligation | \$ 832,191                                               | \$ 852,851  |
| Change in projected benefit obligations:                                     |                                                          |             |
| Projected benefit obligation—beginning of measurement period                 | \$ 852,851                                               | \$ 848,709  |
| Service costs                                                                | 31                                                       | 31          |
| Interest costs                                                               | 45,387                                                   | 46,418      |
| Employee contributions                                                       | -                                                        | -           |
| Actuarial (gain) loss                                                        | (7,163)                                                  | 10,381      |
| Benefits paid                                                                | (58,915)                                                 | (52,688)    |
| Projected benefit obligation—end of measurement period                       | 832,191                                                  | 852,851     |
| Change in plan assets:                                                       |                                                          |             |
| Fair value of plan assets—beginning of measurement period                    | 900,394                                                  | 884,086     |
| Actual return on plan assets                                                 | 48,378                                                   | 68,659      |
| Employer contributions                                                       | -                                                        | -           |
| Plan participant contributions                                               | -                                                        | -           |
| Plan settlements                                                             | -                                                        | -           |
| Benefits paid                                                                | (58,978)                                                 | (52,688)    |
| Fair value of plan assets—end of measurement period                          | 889,794                                                  | 900,057     |
| Accrued benefit (asset)                                                      | \$ (57,603)                                              | \$ (47,206) |

The actuarial cost method used to compute the Defined Benefit Pension Plan liabilities and expenses is the projected unit credit method.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 11. Pension and Other Postretirement Benefit Plans (continued)

The components of net periodic pension cost for the Plan were as follows:

|                                                       | RUSH Retirement Plan (f/k/a<br>Retirement Plan Pre 2015) |          |
|-------------------------------------------------------|----------------------------------------------------------|----------|
|                                                       | Year Ended June 30,                                      |          |
|                                                       | 2026                                                     | 2025     |
| Net periodic pension cost comprised of the following: |                                                          |          |
| Service cost                                          | \$ 31                                                    | \$ 31    |
| Interest cost on projected benefit obligation         | 45,387                                                   | 46,418   |
| Expected return on plan assets                        | (47,190)                                                 | (46,398) |
| Recognized actuarial loss (gain)                      | 2,002                                                    | 2,352    |
| Net periodic pension cost (credit)                    | \$ 230                                                   | \$ 2,403 |

The tables below set forth the change in the accrued benefit liability of the Plans:

|                                                                              | RUSH Retirement Plan (f/k/a<br>Retirement Plan Pre 2015) |             |
|------------------------------------------------------------------------------|----------------------------------------------------------|-------------|
|                                                                              | Year Ended June 30,                                      |             |
|                                                                              | 2026                                                     | 2025        |
| Accrued benefit liability—beginning of measurement period                    | \$ (47,206)                                              | \$ (35,377) |
| Fiscal year activity:                                                        |                                                          |             |
| Net periodic pension cost                                                    | 230                                                      | 2,403       |
| Employer contributions                                                       | -                                                        | -           |
| Postretirement-related changes and other net periodic postretirement costs:  |                                                          |             |
| Net (gain) loss                                                              | (8,606)                                                  | (11,880)    |
| Reclassification adjustment for gains (losses) reflected in periodic expense | (2,021)                                                  | (2,352)     |
| Accrued benefit liability (asset)—end of measurement period                  | \$ (57,603)                                              | \$ (47,206) |
| Recognized in the consolidated balance sheets as follows:                    |                                                          |             |
| Noncurrent assets                                                            | \$ (57,603)                                              | \$ (47,206) |
| Current liabilities:                                                         |                                                          |             |
| Postretirement and pension benefit liabilities                               | -                                                        | -           |
| Accrued expenses                                                             | -                                                        | -           |
| Noncurrent liabilities                                                       | -                                                        | -           |
| Total                                                                        | \$ (57,603)                                              | \$ (47,206) |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 11. Pension and Other Postretirement Benefit Plans (continued)

The Defined Benefit Pension Plan and Postretirement Healthcare Plan items not yet recognized as a component of periodic pension and postretirement medical plan expense, but included within net assets without donor restrictions as of and for the years ended June 30, 2026 and 2025, are as follows:

|                                        | RUSH Retirement Plan (f/k/a<br>Retirement Plan Pre 2015) |                     |
|----------------------------------------|----------------------------------------------------------|---------------------|
|                                        | June 30,                                                 |                     |
|                                        | 2026                                                     | 2025                |
| Unrecognized prior service credit      | \$ -                                                     | \$ -                |
| Unrecognized net actuarial (loss) gain | (148,366)                                                | (158,988)           |
| Total                                  | <u>\$ (148,366)</u>                                      | <u>\$ (158,988)</u> |

#### Assumptions

The actuarial assumptions used to determine benefit obligations at the measurement date and net periodic benefit cost for the Plan are as follows:

|                                                  | RUSH Retirement Plan (f/k/a<br>Retirement Plan Pre 2015) |        |
|--------------------------------------------------|----------------------------------------------------------|--------|
|                                                  | As of and for the Year Ended June 30                     |        |
|                                                  | 2026                                                     | 2025   |
| Assumptions to determine benefit obligations:    |                                                          |        |
| Discount rate                                    | 5.75 %                                                   | 5.60 % |
| Rate of increase in compensation levels          | N/A                                                      | N/A    |
| Health care cost trend rate (initial) - pre 65   | N/A                                                      | N/A    |
| Health care cost trend rate (initial) - post 65  | N/A                                                      | N/A    |
| Health care cost trend rate (ultimate)           | N/A                                                      | N/A    |
| Year the rate reaches ultimate trend rate        | N/A                                                      | N/A    |
| Assumptions to determine net cost:               |                                                          |        |
| Discount rate                                    | 5.60 %                                                   | 5.75 % |
| Expected long-term rate of return on plan assets | 5.50 %                                                   | 5.50 % |
| Rate of increase in compensation levels          | N/A                                                      | N/A    |
| Health care cost trend rate (initial) - pre 65   | N/A                                                      | N/A    |
| Health care cost trend rate (initial) - post 65  | N/A                                                      | N/A    |
| Health care cost trend rate (ultimate)           | N/A                                                      | N/A    |
| Year the rate reaches ultimate trend rate        | N/A                                                      | N/A    |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 11. Pension and Other Postretirement Benefit Plans (continued)

For the years ended June 30, 2026 and 2025, the actual rate of return on plan assets was 5.91% and 8.40%, respectively.

##### Plan assets

RUMC's investment objective for its Defined Benefit Pension Plan is to achieve a total return on plan assets that meet or exceeds the growth in the plan's liability over a full market cycle with consideration of the plan's current funded status. Investment risk is effectively managed through diversification of assets for a mix of capital growth and capital protection across various investment styles. The asset allocation policy reflects this objective with allocations to return generating assets.

All of the plan's assets are measured at fair value. Fair value methodologies used to assign plan assets to levels of FASB's valuation hierarchy are consistent with the inputs described in Note 6.

The fair value of the Defined Benefit Pension Plan assets as of June 30, 2026 and 2025, is as follows:

|                                                  | June 30, 2026 |            |         |                     |
|--------------------------------------------------|---------------|------------|---------|---------------------|
|                                                  | Level 1       | Level 2    | Level 3 | Total<br>Fair Value |
| <b>Assets:</b>                                   |               |            |         |                     |
| Marketable securities and short-term investments | \$ 3,857      | \$ 29,124  | \$ -    | \$ 32,981           |
| Fixed income securities:                         |               |            |         |                     |
| U.S. Government and agency securities            | -             | 332,676    | -       | 332,676             |
| Corporate bonds                                  | -             | 272,097    | -       | 272,097             |
| Asset backed securities and other                | -             | 83,959     | -       | 83,959              |
| Public equity securities                         | 1,163         | 611        | 177     | 1,951               |
| Mutual funds                                     | -             | 195,461    | -       | 195,461             |
| Other assets                                     | -             | 13,044     | -       | 13,044              |
| Total assets at fair value                       | \$ 5,020      | \$ 926,972 | \$ 177  | 932,169             |
| Investments valued at NAV                        |               |            |         | 16,284              |
| Pending trades                                   |               |            |         | (62,717)            |
| Accrued income                                   |               |            |         | 7,405               |
| Total assets                                     |               |            |         | \$ 893,141          |
| <b>Liabilities:</b>                              |               |            |         |                     |
| Derivative liabilities                           | \$ -          | \$ (3,347) | \$ -    | \$ (3,347)          |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 11. Pension and Other Postretirement Benefit Plans (continued)

|                                                  | June 30, 2025    |                   |               |                   |
|--------------------------------------------------|------------------|-------------------|---------------|-------------------|
|                                                  | Level 1          | Level 2           | Level 3       | Total Fair Value  |
| <b>Assets:</b>                                   |                  |                   |               |                   |
| Marketable securities and short-term investments | \$ 6,900         | \$ 19,728         | \$ -          | \$ 26,628         |
| Fixed income securities:                         |                  |                   |               |                   |
| U.S. Government and agency securities            | -                | 135,183           | -             | 135,183           |
| Corporate bonds                                  | -                | 356,518           | -             | 356,518           |
| Asset backed securities and other                | -                | 55,592            | -             | 55,592            |
| Public equity securities                         | 45,588           | 1,765             | 176           | 47,529            |
| Mutual funds                                     | -                | 143,613           | -             | 143,613           |
| Other assets                                     | -                | 9,947             | -             | 9,947             |
| Total assets at fair value                       | <u>\$ 52,488</u> | <u>\$ 722,346</u> | <u>\$ 176</u> | 775,010           |
| Investments valued at NAV                        |                  |                   |               | 142,364           |
| Pending trades                                   |                  |                   |               | (22,499)          |
| Accrued income                                   |                  |                   |               | <u>6,572</u>      |
| Total assets                                     |                  |                   |               | <u>\$ 901,447</u> |
| <b>Liabilities:</b>                              |                  |                   |               |                   |
| Derivative liabilities                           | <u>\$ -</u>      | <u>\$ (1,390)</u> | <u>\$ -</u>   | <u>\$ (1,390)</u> |

As of June 30, 2026 and 2025, the defined benefit pension plan's commitments for additional contributions to alternative investments were as follows:

|                                           | June 30, 2026     |                      |                                               |                          |
|-------------------------------------------|-------------------|----------------------|-----------------------------------------------|--------------------------|
|                                           | Fair Value        | Unfunded Commitments | Redemptions Frequency (if Currently Eligible) | Redemption Notice Period |
| Entities that Report Fair Value Using NAV |                   |                      |                                               |                          |
| Private equity                            | <u>\$ 16,284</u>  | <u>\$ 3,246</u>      | Not currently redeemable                      | N/A                      |
| Total                                     | <u>\$ 16,284</u>  | <u>\$ 3,246</u>      |                                               |                          |
|                                           | June 30, 2025     |                      |                                               |                          |
|                                           | Fair Value        | Unfunded Commitments | Redemptions Frequency (if Currently Eligible) | Redemption Notice Period |
| Entities that Report Fair Value Using NAV |                   |                      |                                               |                          |
| Common Collective Trusts                  | \$ 126,326        | None                 | Daily/Monthly                                 | 1-15 days                |
| Private equity                            | <u>16,038</u>     | <u>5,028</u>         | Not currently redeemable                      | N/A                      |
| Total                                     | <u>\$ 142,364</u> | <u>\$ 5,028</u>      |                                               |                          |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 11. Pension and Other Postretirement Benefit Plans (continued)

##### Cash flows

RUMC expects to make estimated contributions to and benefit payments from its Defined Benefit Pension Plans and Postretirement Healthcare Plans for the years ending June 30 as follows:

|                                          | Defined<br>Benefit<br>Pension Plans |
|------------------------------------------|-------------------------------------|
| Expected contributions in 2027           | \$ 25                               |
| <b><u>Estimated Benefit Payments</u></b> |                                     |
| <u>Years ending June 30:</u>             |                                     |
| 2027                                     | \$ 86,645                           |
| 2028                                     | 75,007                              |
| 2029                                     | 73,842                              |
| 2030                                     | 72,773                              |
| 2031                                     | 70,348                              |
| 2032 through 2035                        | 323,713                             |
| Total                                    | \$ 702,328                          |

##### Other postretirement benefit plans

Both RUMC and RCMC maintain a voluntary tax-deferred retirement savings plan. Under these defined contribution plans, employees may elect to contribute a percentage of their salary, which may be matched in accordance with the provisions of the plans. Other provisions of the plans may provide for employer contributions to the plans based on eligible earnings, regardless of whether the employee elects to contribute to the plan. Maximum annual contributions are limited by federal regulations. Employer contributions to these Plans were \$81,584 and \$71,181 for the years ended June 30, 2026 and 2025, respectively.

RUMC sponsors a noncontributory defined contribution plan covering selected employees ("457(b) Plan"). Contributions to the 457(b) Plan are based on a percentage of qualifying compensation up to certain limits as defined by the provisions of the 457(b) Plan. The 457(b) Plan assets and liabilities totaled \$74,737 and \$58,662 as of June 30, 2026 and 2025, respectively, and are included in Investments within Assets limited as to use and investments and Other long-term liabilities respectively, in the accompanying consolidated balance sheets. The assets of the 457(b) Plan are subject to the claims of the general creditors of RUSH.

Both RUMC and RCMC sponsor supplemental retirement plans for certain management employees (the "Plans"). The RUMC plans include a supplemental plan, which was frozen as of December 31, 2014, and replaced with the Executive Retirement Plan. The Plans are non-contributory and annual benefits are credited to each participant's account based on a percentage of qualifying compensation, as defined by the provisions of the plan. Assets set aside to fund the supplemental plans amounted to \$8,726 and \$12,428 as of June 30, 2026 and 2025, respectively, and are included in Investments within Assets Limited as to Use and Investments in the accompanying consolidated balance sheets. These supplemental retirement plans are currently funded at 96% of benefits accrued.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 11. Pension and Other Postretirement Benefit Plans (continued)

RUMC maintains a frozen non-qualified supplemental defined benefit retirement plan for certain management employees, which is unfunded. Benefits under the supplemental defined benefit plan, which were curtailed as of December 31, 2004, are paid when incurred from the operating funds.

It is RUSH's policy to meet the requirement of the Employee Retirement Income Security Act of 1974 and the RUMC's policy to meet the requirement of the Pension Protection Act of 2006.

#### Note 12. Concentration of Credit Risk

RUSH grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of accounts receivable for patient services from patients and third-party payors as of June 30, 2026 and 2025, was as follows:

|                       | 2026  | 2025 |
|-----------------------|-------|------|
| Medicare              | 16%   | 13%  |
| Medicare managed care | 16    | 12   |
| Medicaid              | 1     | 2    |
| Medicaid managed care | 11    | 14   |
| Managed care          | 24    | 24   |
| Blue Cross            | 24    | 30   |
| Commercial            | 3     | 2    |
| Self-pay              | 5     | 3    |
|                       | 100 % | 100% |

#### Note 13. Commitments and Contingencies

##### Professional liability

RUSH maintains insurance programs, including both self-insured and purchased insurance arrangements, for certain professional liability claims. Self-insured risks are retained in varying amounts according to the policy year and entity. RUSH maintains a general liability self-insurance risk of \$5,000 each and every claim and a professional liability self-insurance retention of \$15,000 each and every claim, followed by a \$15,000 buffer layer subject to a \$30,000 annual aggregate. Self-insured retentions are uniform across RUSH. RUSH also maintains excess liability insurance coverage through a commercial reinsurance program.

RUSH has employed an independent actuary to estimate the ultimate costs of claim settlements. Self-insured professional liabilities are based on the actuarial estimate of losses using RUSH's actual payout patterns, estimated present value and various other assumptions. RUSH's self-insured professional liabilities of \$346,798 and \$352,069 as of June 30, 2026 and 2025 are classified as current or non-current based on the expected timing of settlement. If the present value method was not used, RUSH's liability for self-insured claims would be approximately \$58,175 and \$42,584 higher than the amounts recorded in the accompanying consolidated balance sheets as of June 30, 2026 and 2025, respectively. The discount rates used in calculating the present value by RUSH were 5.0% and 4.0% for

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 13. Commitments and Contingencies (continued)

fiscal years ended June 30, 2026 and 2025, respectively. Insurance recoveries are presented separately in the consolidated balance sheets within Self-insurance trust—current portion and Self-insurance trust—less current portion, as appropriate.

RUSH is subject to various other regulatory investigations, legal proceedings, and claims that are incidental to its normal business activities. In the opinion of management, the amount of ultimate liability with respect to professional liability matters and other actions will not have a material adverse effect on the consolidated financial position or results of operations of RUSH. RUSH has an established irrevocable trust fund to pay claims and related costs, which is recorded within the Self-insurance trust within Assets Limited As to Use and Investments in the accompanying balance sheets.

#### Note 14. Pledges Receivable

Pledges receivable as of June 30, 2026 and 2025, consist of the following:

|                                                                                                   | 2026             | 2025             |
|---------------------------------------------------------------------------------------------------|------------------|------------------|
| Unconditional promises to contribute before unamortized discount and allowance for uncollectibles | \$ 77,042        | \$ 49,291        |
| Less unamortized discount                                                                         | (5,158)          | (3,114)          |
| Less allowance for uncollectibles                                                                 | (7,891)          | (6,486)          |
| Net unconditional promises to contribute                                                          | <u>\$ 63,993</u> | <u>\$ 39,691</u> |
| Amounts due in:                                                                                   |                  |                  |
| Less than one year                                                                                | \$ 25,046        | \$ 19,748        |
| One to five years                                                                                 | 51,153           | 28,359           |
| More than five years                                                                              | 843              | 1,184            |
|                                                                                                   | <u>\$ 77,042</u> | <u>\$ 49,291</u> |

#### Note 15. Net Assets

Net assets without donor restrictions as of June 30, 2026 and 2025, consist of the following:

|                                             | 2026                | 2025                |
|---------------------------------------------|---------------------|---------------------|
| -                                           |                     |                     |
| Non board designated                        | \$ 2,868,083        | \$ 2,569,760        |
| Board designated                            | 10,518              | 9,763               |
| Total net assets without donor restrictions | <u>\$ 2,878,601</u> | <u>\$ 2,579,523</u> |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 15. Net Assets (continued)

Net assets with donor restrictions as of June 30, 2026 and 2025, were available for the following purposes:

|                                                                                                                | 2026         | 2025         |
|----------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Restricted for specified purpose:                                                                              |              |              |
| Construction and purchase of equipment                                                                         | \$ 1,404     | \$ 1,661     |
| Health education                                                                                               | 17,076       | 19,407       |
| Research, charity and other                                                                                    | 865,774      | 749,710      |
| Unappropriated endowment appreciation available for operations                                                 | 81,373       | 73,548       |
| Total funds designated for specified purpose                                                                   | 965,627      | 844,326      |
| Endowments, perpetual in nature, the income from which is expendable:<br>for the following specified purposes: |              |              |
| Health education                                                                                               | 218,722      | 211,850      |
| Research, charity and other                                                                                    | 117,511      | 107,279      |
| Operations                                                                                                     | 39,720       | 37,927       |
| Total endowment net assets                                                                                     | 375,953      | 357,056      |
| Total net assets with donor restrictions                                                                       | \$ 1,341,580 | \$ 1,201,382 |

During fiscal years 2026 and 2025, net assets were released from donor restrictions for the purchase of property and equipment of \$2,312 and \$8,310, respectively, and for operating purposes of \$132,690 and \$121,506, both of which satisfied the restricted purposes of the donors. Net assets released from restriction used in operations are included in Other Revenue in the accompanying consolidated statements of operations and changes in net assets.

#### Note 16. Functional Expenses

The accompanying consolidated financial statements present certain expenses that are attributed to more than one program or supporting function. Operating expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Certain expenses are attributable to more than one functional area and are therefore allocated on a reasonable basis that is consistently applied. Employee benefits are allocated based on factors of either salary expenses or hours worked. General and administrative expenses primarily include legal, finance, and human resources activities. Overhead costs that include items such as professional services, office expenses, information technology, interest, insurance, occupancy and other similar expenses are allocated on a variety of factors, including relative costs, square footage, full-time equivalents, and direct labor costs among others.

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 16. Functional Expenses (continued)

The expenses reported in the accompanying consolidated statement of operations and changes in net assets for the year ended June 30, 2026, supported the following programs and functions:

|                                       | Year Ended June 30, 2026 |                                        |                                          |                     |
|---------------------------------------|--------------------------|----------------------------------------|------------------------------------------|---------------------|
|                                       | Healthcare<br>Services   | Academic<br>and Research<br>Activities | General and<br>Administrative<br>Support | Total               |
| Salaries, wages and employee benefits | \$ 1,732,315             | \$ 227,544                             | \$ 157,661                               | \$ 2,117,520        |
| Supplies, utilities and other         | 1,292,954                | 122,826                                | 37,022                                   | 1,452,802           |
| Insurance                             | 104,784                  | -                                      | 3,194                                    | 107,978             |
| Purchased services                    | 295,670                  | 25,254                                 | 115,600                                  | 436,524             |
| Depreciation and amortization         | 151,107                  | -                                      | 15,031                                   | 166,138             |
| Interest and fees                     | 30,305                   | -                                      | 4,013                                    | 34,318              |
| Total                                 | <u>\$ 3,607,135</u>      | <u>\$ 375,624</u>                      | <u>\$ 332,521</u>                        | <u>\$ 4,315,280</u> |

|                                       | Year Ended June 30, 2025 |                                        |                                          |                     |
|---------------------------------------|--------------------------|----------------------------------------|------------------------------------------|---------------------|
|                                       | Healthcare<br>Services   | Academic<br>and Research<br>Activities | General and<br>Administrative<br>Support | Total               |
| Salaries, wages and employee benefits | \$ 1,480,059             | \$ 220,880                             | \$ 211,888                               | \$ 1,912,827        |
| Supplies, utilities and other         | 992,760                  | 128,046                                | 82,740                                   | 1,203,546           |
| Insurance                             | 79,459                   | -                                      | 169                                      | 79,628              |
| Purchased services                    | 324,212                  | 21,050                                 | 66,720                                   | 411,982             |
| Depreciation and amortization         | 160,493                  | -                                      | 85                                       | 160,578             |
| Interest and fees                     | 35,989                   | -                                      | -                                        | 35,989              |
| Total                                 | <u>\$ 3,072,972</u>      | <u>\$ 369,976</u>                      | <u>\$ 361,602</u>                        | <u>\$ 3,804,550</u> |

## RUSH SYSTEM FOR HEALTH

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

#### Note 17. Liquidity

RUSH's financial assets available within one year of the consolidated balance sheet date for general expenditures are as follows:

|                                                                                   | 2026         | 2025         |
|-----------------------------------------------------------------------------------|--------------|--------------|
| Financial assets at June 30:                                                      |              |              |
| Cash and cash equivalents                                                         | \$ 489,111   | \$ 430,102   |
| Accounts receivable for patient services                                          | 456,017      | 462,880      |
| Other accounts receivable                                                         | 63,694       | 81,523       |
| Self-insurance trust-net                                                          | 51,030       | 57,209       |
| Pledges receivable                                                                | 63,993       | 39,691       |
| Investments less current portion                                                  | 1,953,671    | 1,726,109    |
| Other current assets                                                              | 156,263      | 147,923      |
| Assets limited as to use by donor or time restriction or other                    | 1,015,829    | 897,781      |
| Self-insurance trust-less current portion                                         | 147,374      | 138,121      |
|                                                                                   | <hr/>        | <hr/>        |
| Total financial assets                                                            | 4,396,982    | 3,981,339    |
| Less amounts not available for general expenditures within one year:              |              |              |
| Other current assets not available for general operations                         | 128,549      | 117,987      |
| Grant and loan receivables                                                        | 16,868       | 20,657       |
| Employee retirement plans                                                         | 85,745       | 85,778       |
| Self-insurance trust                                                              | 198,404      | 195,330      |
| Pledges receivable less current portion                                           | 42,644       | 22,694       |
| Limited as to use by donor or time restriction or other                           | 1,015,829    | 1,073,547    |
|                                                                                   | <hr/>        | <hr/>        |
| Total financial assets not available to meet general expenditures within one year | 1,488,039    | 1,515,993    |
|                                                                                   | <hr/>        | <hr/>        |
| Total financial assets available to meet general expenditures within one year     | \$ 2,908,943 | \$ 2,465,346 |
|                                                                                   | <hr/>        | <hr/>        |

RUSH has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Certain Other current assets within the accompanying consolidated balance sheets have been excluded from the liquidity table above due to the inability to either liquidate those assets or use them for general expenditures and other obligations, such as prepaid assets, grant-related receivables, and tuition loan receivables. As described in Note 7, RUSH's endowment consists of donor restricted funds established for a variety of purposes, with income from endowments being restricted for specific purposes. The Finance Committee of the System Parent Board of Trustees approves the annual endowment spending rate to be used for general purposes for each entity, respectively. As described in Note 9, RUSH also has a \$150,000 line of credit available for working capital.