WASHINGTON SQUARE HEALTH FOUNDATION, INC.

FINANCIAL STATEMENTS

September 30, 2025 and 2024

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Washington Square Health Foundation, Inc.
Chicago, Illinois

Opinion

We have audited the financial statements of Washington Square Health Foundation, Inc. (the Foundation), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 Foundation's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

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 Foundation'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 Foundation'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.

Crowe LLP

Crowe LLP

Chicago, Illinois
February 19, 2026

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 757,521	$ 2,169,507
Investments, at fair value (Note 3)		
Equities	6,676,469	5,040,760
Federal money market funds	467,857	597,170
International equity funds	491,570	432,225
Domestic small cap mutual funds	-	1,702,229
Domestic middle cap mutual funds	2,836,094	2,090,248
Domestic large cap mutual funds	6,878,676	5,432,411
Government bonds	98,325	71,800
Certificates of deposit	-	100,715
Corporate bonds	322,284	303,313
Mutual funds	1,122,738	1,032,714
Dividend appreciation index	678,009	622,338
Total Investments	19,572,022	17,425,923
Other receivable	3,654	4,188
Prepaid expenses and other assets	21,347	26,063
Program-related investments, net (Note 7)	266,183	376,083
Furniture and equipment, net	42,735	41,856
Other assets	6,971	6,971
Total assets	$ 20,670,433	$ 20,050,591
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 28,896	$ 27,184
Employee benefit plans (Note 6)	467,857	597,170
	496,753	624,354
Net assets without donor restriction	20,173,680	19,426,237
Total liabilities and net assets	$ 20,670,433	$ 20,050,591

See accompanying notes to financial statements.

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years ended September 30, 2025 and 2024

	2025	2024
Operating activities		
Revenue		
Interest and dividends	$ 295,974	$ 257,587
Net realized gain on investments	1,429,992	1,084,404
Other revenue	6,870	4,474
Total operating revenue	1,732,836	1,346,465
Expenses		
Grants	667,212	674,654
Other expenses		
Salaries	293,447	455,724
Employee benefit plans (Note 6)	64,718	60,208
Payroll taxes	20,498	29,778
Professional fees – legal and accounting	50,754	59,536
Board fees and expenses	75,449	82,675
Occupancy	56,937	59,259
Office supplies	40,181	64,469
Insurance	47,317	75,483
Depreciation	14,490	11,491
Telecommunications	10,299	12,752
Temporary employment	20,173	17,643
Travel	8,489	24,938
Miscellaneous	87,358	84,054
Total other expenses	790,110	1,038,010
Provision (benefit) for federal excise taxes	28,913	(26,536)
Total operating expenses	1,486,235	1,686,128
Change in operating revenue, gains, and losses	246,601	(339,663)
Non-operating activities		
Net unrealized gain on investments	500,842	2,546,139
Change in net assets	747,443	2,206,476
Net assets without donor restrictions, beginning of year	19,426,237	17,219,761
Net assets without donor restrictions, end of year	$ 20,173,680	$ 19,426,237

See accompanying notes to financial statements.

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 747,443	$ 2,206,476
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net gain on investments	(1,930,834)	(3,630,543)
Depreciation	14,490	11,491
Forgiveness of program related investments	-	96,121
Changes in assets and liabilities:		
Other receivable	534	471
Prepaid expenses and other assets	4,716	15,813
Accounts payable and accrued expenses	1,712	(35,322)
Employee benefit plans	(129,313)	(110,561)
Net cash from operating activities	(1,291,252)	(1,446,054)
Cash flows from investing activities:		
Proceeds from disposition of investments	5,438,712	5,939,826
Purchase of investments	(5,653,977)	(3,670,960)
Purchase of furniture and equipment	(15,369)	(26,622)
Repayment of program related investments	109,900	79,907
Issuance of program related investments	-	(334,571)
Net cash from investing activities	(120,734)	1,987,580
Net change in cash and cash equivalents	(1,411,986)	541,526
Cash and cash equivalents, beginning of year	2,169,507	1,627,981
Cash and cash equivalents, end of year	$ 757,521	$ 2,169,507

See accompanying notes to financial statements.

NOTE 1 – DESCRIPTION OF FOUNDATION

The Washington Square Health Foundation, Inc. (the Foundation) was established from the proceeds of the sale of Henrotin Hospital (the Hospital) in 1985. The Foundation supports various charitable, scientific, and educational activities and does not solicit donations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Basis of Presentation: The Foundation's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions in accordance with the existence or absence of donor-imposed restrictions. The net assets and related activity of the Foundation are classified as without donor restrictions, as they are not subject to donor-imposed restrictions.

Cash Equivalents: Cash equivalents consist of short-term money market accounts, except such instruments that are part of the investment portfolio, which are classified as investments. Cash equivalents have a maturity of less than three months. The Foundation's cash balances are insured under a tiered insurance program: Federal Deposit Insurance Corporation, Securities Investor Protection Corporation, or Lloyds of London.

Investments: Publicly traded investments are carried at fair value based on quoted market prices. The various investments in securities, mutual funds and other investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Foundation. Dividends and interest, and unrealized and realized gains and losses from investments are recognized when earned in a given period.

Program-Related Investments: In accordance with Section 4944 of the Internal Revenue Code, the Foundation is permitted to make investments that are related to its charitable, scientific, and educational activities. These investments, which are generally in the form of notes receivable with a 5% interest rate, are measured at amortized cost and are intended to generate returns that are less than market. In the year of the investment, the Foundation receives a credit toward its distribution requirement related to its excise tax calculation (see Note 4). When the investment is repaid to the Foundation, it is required to recognize a negative distribution. These investments have been considered for expected credit losses in accordance with ASC 326, *Current Expected Credit Losses* (CECL), and, based on their consideration, determined no allowance for credit losses was necessary as of September 30, 2025 and 2024, as all amounts are expected to be collected.

Furniture and Equipment: Office furniture and equipment are stated at cost. In general, the Foundation capitalizes assets with an original cost greater than $100. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from five to seven years. Maintenance, repairs, and minor renewals are charged to expense as incurred.

Contributions*:* Unconditional contributions with a readily determinable fair value are reflected in the financial statements at the time contributions are received. Conditional gifts, with a barrier and right of return, are not recognized until the conditions on which they depend are met or explicitly waived by the donor. Multi-year pledges are recorded at the risk-adjusted present value of their expected future payments. Contributions received with donor-imposed restrictions that are met in the same year as the contributions are received are reported as revenue with donor restriction and released from restriction in the same period.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants: Grant awards are expensed when approved. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments.

Operations: Operating results in the statement of activities reflect all transactions increasing or decreasing net assets without donor restrictions except for the net unrealized gain or loss on investments.

Use of Estimates: In order to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America, management of the Foundation has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reporting of revenue, expenses, gains, and losses during the period. Actual results could differ from these estimates.

Excise Tax: The Foundation is subject to a federal excise tax on net investment income. The Foundation records an asset or liability for deferred excise tax based on unrealized taxable investment income and the current enacted tax rates which is included in the prepaid expenses and other assets line on the statement of financial position.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to September 30, 2025, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2025. Management has performed their analysis through February 19, 2026, the date the financial statements were available to be issued.

NOTE 3 – INVESTMENTS AND FAIR VALUE

The Financial Accounting Standards Board (FASB) Codification Guidance, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This FASB establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

> *Level 1*: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> *Level 2*: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> *Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.*

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NOTE 3 – INVESTMENTS AND FAIR VALUE (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The Foundation's 457b plan account is included in the following fair value hierarchy table.

Investments measured at fair value as of September 30, are summarized below:

	2025			
	Level 1	Level 2	Level 3	Total Fair Value
Equities	$ -	$ 6,676,469	$ -	$ 6,676,469
Federal money market funds	-	467,857	-	467,857
International equity funds	491,570	-	-	491,570
Domestic middle cap mutual funds	2,836,094	-	-	2,836,094
Domestic large cap mutual funds	6,878,676	-	-	6,878,676
Government bonds	98,325	-	-	98,325
Corporate bonds	-	322,284	-	322,284
Mutual funds	1,122,738	-	-	1,122,738
Dividend appreciation index	678,009	-	-	678,009
	$ 12,105,412	$ 7,466,610	$ -	$ 19,572,022

	2024			
	Level 1	Level 2	Level 3	Total Fair Value
Equities	$ -	$ 5,040,760	$ -	$ 5,040,760
Federal money market funds	-	597,170	-	597,170
International equity funds	432,225	-	-	432,225
Domestic small cap mutual funds	1,702,229	-	-	1,702,229
Domestic middle cap mutual funds	2,090,248	-	-	2,090,248
Domestic large cap mutual funds	5,432,411	-	-	5,432,411
Government bonds	71,800	-	-	71,800
Certificates of deposit	-	100,715	-	100,715
Corporate bonds	-	303,313	-	303,313
Mutual funds	1,032,714	-	-	1,032,714
Dividend appreciation index	622,338	-	-	622,338
	$ 11,383,965	$ 6,041,958	$ -	$ 17,425,923

(Continued)

NOTE 3 – INVESTMENTS AND FAIR VALUE (Continued)

The following are descriptions of the valuation methods and assumptions used by the Foundation to estimate the fair values of investments:

Equities, Federal Money Market Funds, Certificates of Deposit, and Corporate Bonds: The fair values of equities that are readily marketable are estimated using recently observed trades or quoted prices in inactive markets (Level 2 inputs) (Market approach). Federal money market funds and certificates of deposit fair values are estimated to approximate deposit account balances, payable on demand, as no discounts for credit quality or liquidity were determined to be applicable (Level 2 inputs) (Income approach). Corporate bonds fair value is measured using matrix pricing models, or other model-based valuation techniques requiring observable inputs other than quoted prices such as yield curves, prepayment speeds, and default rates (Level 2 inputs) (Market approach).

International Equity Funds, Domestic Small Cap Mutual Funds, Domestic Middle Cap Mutual Funds, Domestic Large Cap Mutual Funds, Government Bonds, Mutual Funds, and Dividend Appreciation Index Fund: The fair value of equity and mutual fund holdings that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) (Market approach).

NOTE 4 – INCOME TAXES

The Foundation has received a determination letter from the Internal Revenue Service indicating it is a private foundation under Section 509(a) of the Internal Revenue Code. In accordance with the Tax Reform Act of 1969 (the Act), the Foundation is subject to an excise tax on net investment income, including realized gains, as defined by the Act. Under IRS regulations the Foundation is subject to an excise tax of 1.39% on its net investment income. The Act requires that certain minimum distributions be made each year. The amount of these distributions is determined in accordance with IRC section 4942 and Form 990-PF. The Foundation's prior years excess distributions are sufficiently large enough to ensure that the Foundation will meet the minimum distribution requirements of section 4942 for the tax year ended September 30, 2025, even if no distributions are made during the tax year. There was $27,247 and $6,099 in excise tax paid in the years ended September 30, 2025 and 2024, respectively.

Deferred excise taxes arise primarily from unrealized tax basis gains on investments and are calculated at the effective rate expected to be paid by the Foundation. The liability for deferred excise tax was $19,416 and $17,750 for the years ended September 30, 2025 and 2024, respectively, and is included in accounts payable and accrued expenses on the statements of financial position.

No provision has been made for income taxes in the accompanying financial statements, as the Foundation has had no significant unrelated business income. If the Foundation incurs interest and penalties, the Foundation recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Foundation has no amounts accrued for interest or penalties as of September 30, 2025 or 2024. The Foundation has not been examined by any tax jurisdiction.

(Continued)

NOTE 4 – INCOME TAXES (Continued)

U.S. GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits will be recognized only if the tax position is more-likely-than-not to be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at September 30, 2025 and 2024. The Foundation does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

NOTE 5 – LEASE COMMITMENT

During fiscal years 2025 and 2024, the Foundation incurred $56,718 and $52,587, respectively, in rent, parking, and related occupancy expenses under this lease. Minimum annual base rentals due under this office lease is $16,898 for the year ended September 30, 2026. Subsequent to year end, the lease was renewed for ten years.

NOTE 6 – EMPLOYEE BENEFIT PLANS

The Foundation provides a qualified defined contribution plan to its employees. Amounts contributed by the Foundation to this plan were $64,718 and $60,208, during fiscal years 2025 and 2024, respectively.

The Foundation also provides a non-qualified deferred compensation plan to a key executive. There were no contributions to this plan in each fiscal year ended September 30, 2025 and 2024. As of September 30, 2025 and 2024, the total deferred compensation under the nonqualified deferred compensation plan was $467,857 and $597,170, respectively.

NOTE 7 – PROGRAM-RELATED INVESTMENTS

The Foundation makes program-related investments to various not-for-profit organizations based on need that are related to its charitable, scientific, and educational activities. These investments, which are stated at cost, are generally in the form of notes receivable with a 5% interest rate. At September 30, 2025 and 2024, such investments represent 1.3% and 1.9% of total assets, respectively, with a total receivable balance of $266,183 and $376,083, respectively.

At September 30, 2025, investments consisted of the following principal payments due:

2026	$ 61,757
2027	64,846
2028	68,088
2029	71,492
Total	$ 266,183

(Continued)

NOTE 7 – PROGRAM-RELATED INVESTMENTS (Continued)

In the year of the investment, the Foundation receives a credit toward its distribution requirement related to its excise tax calculation (see Note 4). When the investment is repaid to the Foundation, it is required to recognize a negative distribution.

Program-related investments are measured at amortized cost and are subject to the current expected credit losses model. At September 30, 2025 and 2024, there were no amounts past due under these investments. Management evaluates these investments for expected credit losses based on relevant information, including historical experience and current conditions. Based on its evaluation, management concluded that all program-related investments are expected to be fully collected and, therefore, no allowance for credit losses has been recorded as of September 30, 2025 or 2024.

NOTE 8 – EXPENSES BY NATURE

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of the Foundation. Program activities include grants and the costs of other grant-making activities. The table below presents these functional expenses by their natural classification for the years ended September 30, 2025 and 2024.

	2025		
	Program Activities	Management and General	Total
Grants	$ 667,212	$ -	$ 667,212
Salaries	264,102	29,345	293,447
Employee benefit plans	58,246	6,472	64,718
Payroll taxes	18,448	2,050	20,498
Professional fees - legal and accounting	45,679	5,075	50,754
Board fees and expenses	67,904	7,545	75,449
Occupancy	51,243	5,694	56,937
Office supplies	36,163	4,018	40,181
Insurance	42,586	4,731	47,317
Depreciation	13,041	1,449	14,490
Telecommunications	9,269	1,030	10,299
Temporary employment	18,156	2,017	20,173
Travel	7,640	849	8,489
Miscellaneous	78,622	8,736	87,358
Total	$ 1,378,311	$ 79,011	$ 1,457,322

(Continued)

NOTE 8 – EXPENSES BY NATURE (Continued)

	2024		
	Program Activities	Management and General	Total
Grants	$ 674,654	$ -	$ 674,654
Salaries	410,152	45,572	455,724
Employee benefit plans	54,188	6,020	60,208
Payroll taxes	26,800	2,978	29,778
Professional fees - legal and accounting	53,583	5,953	59,536
Board fees and expenses	74,408	8,267	82,675
Occupancy	53,333	5,926	59,259
Office supplies	58,022	6,447	64,469
Insurance	67,935	7,548	75,483
Depreciation	10,342	1,149	11,491
Telecommunications	11,477	1,275	12,752
Temporary employment	15,878	1,765	17,643
Travel	22,444	2,494	24,938
Miscellaneous	75,649	8,405	84,054
Total	$ 1,608,865	$ 103,799	$ 1,712,664

The allocations of certain categories of expenses attributable to program management and general are based on either square footage or full-time equivalents of personnel.

NOTE 9 – LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 757,521	$ 2,169,507
Investments	19,572,022	17,425,923
Total financial assets	20,329,543	19,595,430
Less amounts designated for employee benefit plans	(467,857)	(597,170)
Financial assets available to meet cash needs for general expenditures within one year	$ 19,861,686	$ 18,998,260

As part of the Foundation's liquidity management, the Foundation invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.