BMC HEALTH SYSTEM, INC.

Independent Auditors' Reports as Required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *Government Auditing Standards* and Related Information

Year Ended September 30, 2025

(With Independent Auditors' Reports Thereon)

BMC HEALTH SYSTEM, INC.

Independent Auditors' Reports as Required by *Title 2 U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *Government Auditing Standards* and Related Information

Table of Contents

KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Exhibit I

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Trustees
BMC Health System, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited BMC Health System, Inc. and its subsidiaries (the Health System) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health System's major federal programs for the year ended September 30, 2025. The Health System's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Health System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Health System and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Health System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Health System's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Health System's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Health System's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Health System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Health System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Health System's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Health System is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The Health System's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Health System's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Health System is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The Health System's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Health System as of and for the year ended September 30, 2025, and have issued our report thereon dated February 5, 2026, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Boston, Massachusetts
June 29, 2026

KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Exhibit II

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Trustees
of BMC Health System, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of BMC Health System, Inc. and its subsidiaries (Health System), which comprise the Health System's consolidated balance sheet as of September 30, 2025, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Health System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health System's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Exhibit II

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Boston, Massachusetts
February 5, 2026

BMC HEALTH SYSTEM, INC.

Schedule of Findings and Questioned Costs

Year ended September 30, 2025

(1) Summary of Auditors' Results

Consolidated Financial Statements

Type of auditors' report issued on whether consolidated financial statements were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ____ Yes __X__ No

Noncompliance material to the financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over the major program:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? __X__ Yes ____ No
    - Finding 2025-001

Type of auditors' report issued on compliance over the major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of The Uniform Guidance? __X__ Yes ____ No

- Finding 2025-001

Identification of major programs:

Program title	Assistance listing number (ALN)
Research and Development Cluster (R&D)	Various
HIV Prevention Activities_Health Department Based	93.940

Dollar threshold used to distinguish between Type A and Type B programs: $2,203,724

Auditee qualified as low-risk auditee: __X__ Yes ____ No

(Continued)

BMC HEALTH SYSTEM, INC.

Schedule of Findings and Questioned Costs

Year ended September 30, 2025

(2) Findings Related to the Consolidated Financial Statements Reported in Accordance with *Government Auditing Standards*

None noted.

(3) Findings and Questioned Costs Relating to Federal Award

Federal Agency: United States Department of Health and Human Services (HHS)

Federal Program: R&D (various ALNs)

HIV Prevention Activities_Health Department Based (93.940)

Federal Award Numbers: Various

Federal Award Years: Various

Prior Year Finding: 2024-003

Reference: 2025-001

Criteria

Internal Controls

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, (2 CFR 200) section 200.303(a) states, the non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statues, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

The Health System utilizes Workday, a cloud-based system, to provide human resources and payroll applications. The Health System’s management of Workday includes maintaining the application system layer of the information technology (IT) control environment. The Health System relies on the Workday vendor to support infrastructure layers through Service Organization Control (SOC) Type-1 reporting. Processes that support compliance and administration of the R&D and HIV Prevention Activities_Health Department Based programs (the federal programs) rely on Workday IT application controls.

(Continued)

During our testing, we observed there were no inappropriate changes to the Workday application controls directly related to specific controls over compliance related to the federal programs, however we noted the following deficiencies in operating effectiveness of the Health System's general IT controls environment:

1) The Health System performed and documented a Workday change review during the fiscal year; however, we noted appropriate evidence of testing and/or approval was not maintained for 4 of 25 sampled changes during the period.

2) The Health System performed a Workday User Access Review (UAR) during the fiscal year and maintained certain evidence demonstrating the UAR occurred; however, management did not retain the screenshot of the Workday report utilized for the User Access Review (UAR). Additionally, the individual performing the review also had access to the system, resulting in the individual reviewing and validating their own access.

3) Management did not consistently implement controls to ensure that privileged user access was limited to active individuals in support of their roles and responsibilities. Specifically, there were five vendors with Implementer access, which enables the implementation and migration of changes, who did not require that level of access during the period.

Cause

The conditions above relate to the following, respectively:

1) The condition occurred because the Health System did not have a centralized process for maintaining evidence of testing and approval for changes.

2) The condition occurred because the Health System did not include processes to implement separation of duties controls when the reviewer was included in the population or processes to include screenshots of the listing used to support the completeness and accuracy of the list.

3) This condition occurred because Implementer access was not included as part of the Workday UAR.

Possible Asserted Effect

Failure to have a reliable general IT control environment over logical access and change management may result in unauthorized changes being made to Workday, which may result in erroneous reliance on the operating effectiveness of automated IT controls, that are relied upon for the allowability of program costs. Failure to have effective internal controls over allowability may result in federal awards being utilized for unallowable expenditures not in accordance with the federal statues, regulations, and terms and conditions of federal awards.

Questioned Costs

Not applicable

Statistical Sampling

The sample was not intended to be, and was not, a statistically valid sample.

Recommendation

We recommend that management review and emphasize the change management policies and procedures with key personnel and establish a centralized process to ensure that evidence related to the review, testing, and approval of all Workday changes is maintained. Additionally, we recommend that management enhance the Workday UAR process to incorporate segregation of duties, preventing individuals from reviewing their own access, and to ensure that documentation, such as system-generated reports or screenshots, is retained to support the completeness and accuracy of the review. Furthermore, the scope of the UAR should be expanded to formally include a review of all privileged-level access, such as the Implementer role, to ensure this access is appropriate and promptly removed when no longer required.

Views of Responsible Officials

Recommendation accepted. Please refer to corrective action plan.

KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Exhibit IV

Independent Auditors' Report

To the Board of Trustees
of BMC Health System, Inc.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BMC Health System, Inc. and its subsidiaries (Health System), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Health System as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Health System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the *consolidated* financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Health 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health System's ability to continue as a going concern for a reasonable period of time.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2026 on our consideration of the Health System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health System's internal control over financial reporting and compliance.

KPMG LLP

Boston, Massachusetts
February 5, 2026

BMC HEALTH SYSTEM, INC.

Exhibit IV

Consolidated Balance Sheets

September 30, 2025 and 2024
(In thousands)

Assets		2025	2024
Current assets:			
Cash and cash equivalents	$	469,000	651,092
Short-term investments		230,000	—
Patients accounts receivable, net		280,457	189,652
Other accounts receivable, net		448,497	409,882
Current portion of grants receivable		26,047	30,560
Estimated receivable for third-party settlements		5,715	2,432
Inventories		41,641	29,208
Prepaid expenses and other current assets		87,090	54,234
Risk share receivable		601,040	230,781
Current portion of funds held by trustees		11,865	53,959
Total current assets		2,201,352	1,651,800
Assets limited as to use:			
Board-designated investments		402,529	375,104
Funds held by trustees		57,856	60,738
Donor-restricted investments		422,346	418,090
Reserve funds		137,020	118,778
Total assets limited as to use		1,019,751	972,710
Other assets:			
Long-term investments		398,698	951,710
Property, plant and equipment, net		1,229,712	1,055,363
Right of use assets – operating		122,319	107,259
Right of use assets – financing		5,252	8,917
Other noncurrent assets		59,087	45,044
Total assets	$	5,036,171	4,792,803
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$	876,829	634,642
Claims payable		369,115	306,944
Deferred revenue and advances		137,130	108,600
Risk share payable		203,065	342,277
Line of credit		—	9,820
Current portion of long-term debt and financing leases		9,342	8,562
Other current liabilities		105,011	34,862
Total current liabilities		1,700,492	1,445,707
Long-term liabilities:			
Estimated third-party settlements, net of current portion		40,001	41,592
Obligations under financing leases, net of current portion		3,400	7,685
Obligations under operating leases, net of current portion		108,401	97,243
Long-term debt, net of current portion		782,842	792,357
Other long-term liabilities		165,506	192,605
Total liabilities		2,800,642	2,577,189
Commitments and contingencies			
Net assets:			
Without donor restrictions		1,802,217	1,811,252
With donor restrictions		433,312	404,362
Total net assets		2,235,529	2,215,614
Total liabilities and net assets	$	5,036,171	4,792,803

See accompanying notes to consolidated financial statements.

BMC HEALTH SYSTEM, INC. **Exhibit IV**

Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions

Years ended September 30, 2025 and 2024
(In thousands)

	2025	2024
Operating revenue:		
Net patient service revenue	$ 2,190,324	1,423,215
Capitation revenue	5,765,791	5,140,397
Grants and contract revenue	114,528	122,975
Other revenue	626,560	546,897
Net assets released from restrictions for operations	133,071	36,598
Total operating revenue	8,830,274	7,270,082
Operating expenses:		
Salaries, wages and fringe benefits	2,346,760	1,652,721
Medical costs, supplies and other expenses	6,483,234	5,462,974
Depreciation and amortization	126,593	116,296
Interest expense	24,053	23,046
Research, sponsored programs and community health services	89,185	96,384
Total operating expenses	9,069,825	7,351,421
Loss from operations	(239,551)	(81,339)
Nonoperating gains (losses), net:		
Investment income	93,108	220,378
Pension benefit, nonservice	1,862	(26)
Other	(18)	(29)
Total nonoperating gains, net	94,952	220,323
(Deficiency) excess of revenue over expenses, before income taxes	(144,599)	138,984
Income taxes:		
Income tax expense	174	(1,269)
Total income tax expense	174	(1,269)
(Deficiency) excess of revenue over expenses, net of income taxes	(144,425)	137,715
Other changes in net assets without donor restrictions:		
Net assets released from restrictions for hospital acquisition	136,715	—
Net assets released from restrictions for property, plant and equipment	3,497	4,332
Pension related changes other than net periodic pension costs	(593)	3,521
Change in accounting period (note 1)	(4,229)	—
Change in net assets without donor restrictions	(9,035)	145,568
Net assets without donor restrictions:		
Beginning of year	1,811,252	1,665,684
End of year	$ 1,802,217	1,811,252

See accompanying notes to consolidated financial statements.

BMC HEALTH SYSTEM, INC. **Exhibit IV**

Consolidated Statements of Changes in Net Assets

Years ended September 30, 2025 and 2024
(In thousands)

	Without donor restrictions	With donor restrictions	Total
Net assets as of September 30, 2023	$ 1,665,684	357,929	2,023,613
Increases (decreases) in net assets:			
Excess of revenues over expenses	137,715	—	137,715
Investment income	—	14,534	14,534
Change in net unrealized appreciation on investments	—	51,902	51,902
Contribution revenue	—	20,927	20,927
Net assets released from restrictions for operations	—	(36,598)	(36,598)
Net assets released from restrictions for property, plant and equipment	4,332	(4,332)	—
Pension related changes other than net periodic pension costs	3,521	—	3,521
Total increase in net assets	145,568	46,433	192,001
Net assets as of September 30, 2024	1,811,252	404,362	2,215,614
Increases (decreases) in net assets:			
Excess of revenues over expenses	(144,425)	—	(144,425)
Investment income	—	12,347	12,347
Change in net unrealized appreciation on investments	—	22,408	22,408
Contribution revenue	—	267,478	267,478
Net assets released from restrictions for operations	—	(133,071)	(133,071)
Net assets released from restrictions for hospital acquisition	136,715	(136,715)	—
Net assets released from restrictions for property, plant and equipment	3,497	(3,497)	—
Pension related changes other than net periodic pension costs	(593)	—	(593)
Change in accounting period	(4,229)	—	(4,229)
Total (decrease) increase in net assets	(9,035)	28,950	19,915
Net assets as of September 30, 2025	$ 1,802,217	433,312	2,235,529

See accompanying notes to consolidated financial statements.

BMC HEALTH SYSTEM, INC. **Exhibit IV**

Consolidated Statements of Cash Flows

Years ended September 30, 2025 and 2024
(In thousands)

	2025	2024
Operating activities:		
Change in net assets	$ 19,915	192,001
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	126,593	116,296
Restricted contributions	(141,135)	(2,572)
Donated securities received	(887)	(804)
Return on investment of joint venture	420	7,578
Amortization of bond discount/premium and issuance costs	(1,526)	(1,578)
Loss on disposal of property and equipment	123	5,158
Net realized gains and change in unrealized appreciation on investments	(77,169)	(202,845)
Pension related changes other than net periodic pension costs	593	(3,521)
Changes in operating assets and liabilities:		
Grants receivable	4,513	(9,781)
Patient accounts receivable	(90,805)	(64,990)
Other current assets and liabilities	21,287	11,042
Other noncurrent assets and liabilities	(27,691)	16,216
Estimated third-party settlements	(4,874)	2,108
Risk share payable	(509,471)	(267,802)
Claims payable	62,171	11,375
Accounts payable and accrued expenses	212,962	61,524
Net cash used in operating activities	(404,981)	(130,595)
Investing activities:		
Proceeds from sale of investments	1,264,818	856,033
Proceeds from sale of funds held by trustees	110,635	141,764
Purchases of investments	(914,733)	(1,347,129)
Purchases of funds held by trustees	(65,486)	(59,073)
Purchase of property, plant and equipment	(158,429)	(150,294)
Acquisition of hospital	(136,479)	—
Net cash provided by (used in) investing activities	100,326	(558,699)
Financing activities:		
Proceeds from restricted contributions	141,135	2,572
Proceeds from sale of donated securities	887	804
Borrowings under line of credit	1,044,729	112,782
Repayments on line of credit	(1,054,549)	(102,962)
Repayment of long-term debt and financing leases	(9,639)	(8,083)
Net cash (used in) provided by financing activities	122,563	5,113
Decrease in cash and cash equivalents	(182,092)	(684,181)
Cash and cash equivalents:		
Beginning of year	651,092	1,335,273
End of year	$ 469,000	651,092
Supplemental disclosure of cash flow activities:		
Cash paid for interest	$ 24,053	23,347
Property, plant and equipment included in accounts payable	20,879	18,203
Contributed securities	887	804
Gift in-kind	672	500

See accompanying notes to consolidated financial statements.

(1) Organization

BMC Health System, Inc. (the Health System) is a tax-exempt, nonprofit Massachusetts (MA) corporation that oversees the operations of Boston Medical Center Corporation (BMC), Boston Medical Center-South Corporation (BMC-South), Boston Medical Center-Brighton Corporation (BMC-Brighton) and BMC Affiliated Physicians, Inc. (BMCAP, and collectively with BMC-South and BMC-Brighton known as BMCCH), Boston Medical Center Health Plan, Inc., doing business as WellSense Health Plan (WellSense), and various subsidiaries, affiliates and associated services. The Health System was organized effective July 1, 2013.

The consolidated financial statements of the Health System and its subsidiaries and affiliates (BMCHS) include BMC, BMCCH, WellSense, the combined accounts of Faculty Practice Foundation, Inc. (Faculty), doing business as Boston University Medical Group, and its 22 affiliated faculty practice plan corporations (the Plans, and collectively with Faculty known as BUMG), Boston Medical Center Insurance Company, Ltd. (BMCIC), Boston Medical Center Insurance Company, Ltd. of Vermont (BMCIC of Vermont), BMC Integrated Care Services, Inc. (BMCICS), Boston Accountable Care Organization, Inc. (BACO), and Clearway Health, LLC (Clearway).The Health System and each of the subsidiary and affiliated organizations have fiscal years ending September 30.

BMC, successor to the former Boston City Hospital (BCH) and the former University Hospital, Inc., was incorporated on July 1, 1996. BMC is a tax-exempt, nonprofit Massachusetts corporation that provides hospital and other health care services, promotes and carries on educational and research activities, and promotes the general health and welfare of the community. The Health System is BMC's sole corporate member.

BMC-South is a tax-exempt, nonprofit Massachusetts corporation that provides hospital and other health care services and promotes the general health and welfare of the community. The Health System is BMC-South's sole corporate member. See note 2 for a discussion of the Health System's October 1, 2024 acquisition of BMC-South.

BMC-Brighton is a tax-exempt, nonprofit Massachusetts corporation that provides hospital and other health care services and promotes the general health and welfare of the community. The Health System is BMC-Brighton's sole corporate member. See note 2 for a discussion of the Health System's October 1, 2024 acquisition, of BMC-Brighton.

BMCAP is a tax exempt, nonprofit Massachusetts corporation that employs physicians in Boston, Massachusetts, to provide health care services, perform medical and clinical research, and provide health and medical education programs. The Health System is BMCAP's sole corporate member. BMCAP, formerly Boston University Affiliated Physicians (BUAP) changed its name to "BMC Affiliated Physicians, Inc." effective October 17, 2024.

WellSense is a tax-exempt, nonprofit Massachusetts corporation established on July 1, 1997, which is licensed as a health maintenance organization (HMO) in Massachusetts and New Hampshire. The Health System is WellSense's sole corporate member.

Since October 2017, WellSense has contracted with the Massachusetts Executive Office of Health and Human Services (EOHHS) as one of two managed care organizations (MCOs) serving the Massachusetts MCO Program. Since August 2017, WellSense has contracted with EOHHS to serve as an Accountable Care Partnership Plan (ACPP). Effective April 1, 2023, WellSense entered into contracts with EOHHS to

serve as an ACPP for its affiliate BACO and seven other Accountable Care Organization (ACO) partners. To support these ACPPs, the Health System and each of the eight ACO partners entered into agreements defining the roles and responsibilities of their ACO partnerships.

Since January 1, 2014, WellSense has offered Qualified Health Plans (QHP) primarily through the Massachusetts Health Connector. From January 1, 2016 and ending December 31, 2025, WellSense will have participated in the Massachusetts Senior Care Options (SCO) program. SCO is a Medicare Advantage Dual Eligible Special Needs Plan (D-SNP) jointly administered by MassHealth and the Centers for Medicare & Medicaid Services (CMS).

Since December 1, 2013, WellSense has participated in the New Hampshire (NH) Medicaid program, and, as of January 1, 2022, WellSense also offers a Medicare Advantage plan in New Hampshire. Beginning on January 1, 2025, WellSense is also offering individual commercial coverage in New Hampshire through the federally-facilitated marketplace.

Faculty, incorporated on October 18, 1994, is a tax-exempt, nonprofit Massachusetts corporation operating exclusively for clinical, charitable, scientific, and educational purposes. The Plans, also tax-exempt, nonprofit Massachusetts corporations, operate exclusively for the benefit of BMC and Boston University Chobanian & Avedisian School of Medicine (Chobanian & Avedisian School) (collectively, the Institutions). The Plans provide, coordinate, and facilitate the delivery of patient care services and promote the development of an integrated system of delivery to more efficiently and effectively meet the health care needs of the communities served by the Institutions. Faculty must approve the Plans' annual operating budgets, physician compensation plans, and managed care contracts. On October 1, 2024, BUMG adopted a change in fiscal year-end from June 30 to September 30, primarily to better align BUMG's fiscal year-end with that of all BMCHS entities. Adoption of the change in fiscal year did not have a material impact on BMCHS's consolidated financial statements. BUMG's September 30, 2025 and June 30, 2024 combined financial statements are consolidated into BMCHS. BMC and Boston University (BU) are Faculty's corporate members.

BMCIC provides professional, general, and employment practices liability insurance to BMCHS, including BMC, BUMG, BMC-South, BMC-Brighton and BMCAP, as well as their physicians and employees. BMCIC was incorporated under the laws of the Cayman Islands and has a Cayman Islands Unrestricted Class B insurer's license. BMCIC is owned 70% by BMC and 30% by Faculty. BMCIC is reflected as a consolidated subsidiary of BMC in the accompanying supplemental consolidating information.

BMCIC of Vermont is a tax exempt, nonprofit captive insurance company licensed by the State of Vermont. BMCIC of Vermont is owned 100% by BMCHS and, effective September 14, 2018, became a dormant captive insurance company.

BMCICS is a tax-exempt, nonprofit Massachusetts corporation organized to negotiate and enter into third-party payor (private and government health insurers) contracts. It contracts primarily on behalf of BMC, BUMG, BMC-South, BMC-Brighton, BMCAP and some community health centers. BMC is BMCICS' sole corporate member.

BACO, incorporated on February 26, 2015, is a tax-exempt, nonprofit Massachusetts corporation formed to improve the healthcare of the populations that the Health System and community health centers serve. BACO is designed to better manage all aspects of healthcare, integrating the resources of the Health

System, the community health centers, and their affiliated physicians to provide more effective, higher quality and less expensive care for the patients of BACO. There are two classes of BACO directors: one class comprised of a director appointed by each community health center participating in BACO that also participates in the MassHealth ACO and a consumer representative appointed to the board by its patient advisory committee, and a second class comprised of four directors appointed by BMC, four directors appointed by BUMG, and a director appointed by each other non-community health center entity participating in BACO.

Clearway is a taxable Delaware single-member limited liability company formed to establish and operate a pharmacy management services business. The Health System is Clearway's sole member.

The financial data for the Health System, BMCICS and BACO is represented in the "All Other Entities" column of the supplemental consolidating information.

(2) Acquisition

On October 1, 2024 BMCHS acquired certain assets and liabilities of Steward Good Samaritan Medical Center, Inc. and Steward St. Elizabeth's Medical Center of Boston, Inc., (with the physicians now part of BMACP collectively referred to in these consolidated financial statements as BMCCH), pursuant to an Asset Purchase Agreement (APA). The acquisition allows BMCCH to continue serving as invaluable resources in their communities by maintaining access and continuity of care while focusing on their long-term stability within the Health System.

The acquisition was accounted for as a single business combination under Accounting Standards Codification (ASC) 954-805 and ASC 958-805 given the nature of the acquired business operations, geographic market and governance. The transaction was conducted under Section 363 of the U.S. Bankruptcy Code as part of the Steward Health Care's Chapter 11 proceedings. Accordingly, limited historical financial records for the acquired hospitals exist and therefore pro forma financial information is not available.

The consolidated statement of operations for 2025 includes twelve months of operations for BMCCH given the effective date of the acquisition of October 1, 2024.

The total consideration transferred was approximately $136,479,000. The amounts assigned to major assets and liabilities at the acquisition date based on estimated fair values are as follows (in thousands):

Currents assets	$	10,049
Property and equipmet		136,715
Right of use assets- operating		26,968
Other noncurrent assets		15,398
Accounts payable and accruals		(26,549)
Other current liabilities		(5,967)
Obligations under operating leases		(20,135)
Total consideration transferred	$	136,479

According to the terms of the APA executed as part of this transaction, the assets included in this acquisition were the land and building associated with BMC-South, leasehold interests in leased real property, all personal property and inventory, prepaid expenses if any, medical records and patient files (as permitted by law), books and records, assumed contracts and permits (as permitted), intellectual property (including domain names and trademarks), certain transferred information technology systems, government program provider agreements and NPIs (to the extent assignable or transferrable by law), applicable personnel records and other miscellaneous assets. Assets excluded from the transaction included cash, accounts receivable, insurance policies, tax refunds, certain system-wide contracts and other miscellaneous assets. Real property associated with BMC-Brighton was not conveyed by the APA. As a result, during the year ended September 30, 2025 and ongoing through to resolution, the Health System is operating BMC-Brighton under an Operating Agreement with the Massachusetts Executive Office of Health and Human Services (EOHHS) which provides for use of the real property upon which BMC-Brighton runs the hospital operations.

Under the APA, the liabilities acquired included liabilities related to assumed paid time off and other employee obligations as stipulated, liabilities under assumed contracts and leases (post-closing only), liabilities arising from post-closing operations of the facilities, certain apportioned taxes and transfer taxes, and custodial responsibilities for medical records under applicable law. All other liabilities, including pre-closing obligations, litigation, and tax liabilities, remain with the Steward Health Care.

With respect to the treatment of patients admitted prior to the closing date, but discharged afterward (“Transition Patients”), the Health System and Steward Health Care agreed to prorate payments received from payors based on the number of inpatient days before and after the closing. Each party is responsible for billing and remitting amounts due to the other within ten business days of receipt. The APA requires BMCHS to maintain continuity of medical staff operations at each hospital. BMCHS is not obliged to retain practitioners whose privileges were previously terminated or not renewed.

In conjunction with the acquisition, the Health System received supplemental funding from EOHHS to facilitate the purchase of BMC-South and BMC-Brighton as well as support the ongoing operations of those two hospitals after the acquisition. In total approximately $260,000,000 was received during the year ended September 30, 2025 in addition to $77,000,000 received during the year ended September 30, 2024. Of this, approximately $100,300,000 was recognized as operating revenue during the year ended September 30, 2025, approximately $136,700,000 was recognized in changes in net assets without donor restrictions as net assets released from restrictions used for hospital acquisition, and $100,000,000 remains on the balance sheet as deferred revenue as of September 30, 2025. The remaining deferred revenue will be recognized after all restrictions on the associated funding have been met. In addition, $60,000,000 was received from the Commonwealth in the form of an advance payment on claims. This is reflected on the consolidated balance sheet as an other current liability.

(3) Summary of Significant Accounting Policies

(a) Basis of Accounting and Principles of Consolidation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) consistent with Accounting Standard Codification (ASC) No. 954, *Healthcare Entities*. The consolidated financial statements of BMCHS include the accounts of the Health System, BMC, BMCCH, WellSense, Faculty,

BMCIC, BMCIC of Vermont, BMCICS, BACO and Clearway. All significant intercompany accounts and transactions have been eliminated in consolidation.

(b) Use of Estimates

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

(c) Cash and Cash Equivalents

Cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less at date of purchase. BMCHS maintained its cash and cash equivalent accounts at 13 institutions at both September 30, 2025 and 2024. BMCHS monitors the credit worthiness of the institutions and has put measures in place to minimize credit risk, and has not experienced any losses associated with deposits at these institutions. For the purpose of the consolidated statements of cash flows, cash equivalents that are reported within assets whose use is limited and long-term investments are reported as cash flows from investing activities.

(d) Short-term Investments

Short-term investments include certain investments in mutual funds and money market mutual funds that BMCHS intends for operations within a year. For the purpose of the consolidated statements of cash flows, BMCHS considers the money market mutual funds as investments.

(e) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities (marketable investments) are measured at fair value in the consolidated balance sheets primarily based on quoted market prices. Certain investments that do not have readily determinable fair values, including private investment funds, are measured at their reported net asset value (NAV), as a practical expedient. Investment income or loss (including realized gains and losses on investments, interest and dividends) for all investments is included in the determination of (deficiency) excess of revenues over expenses unless the income or loss is restricted by donor or law. The change in unrealized appreciation (depreciation) on investments is also recorded in the determination of (deficiency) excess of revenue over expenses without donor restrictions in the consolidated statements of operations and changes in net assets, unless their use is restricted by explicit donor-imposed stipulations or law, in which case they are reported in the donor restricted class of net assets.

(f) Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under bond indenture agreements, WellSense reserve funds required to be maintained by its contract with MassHealth, as well as deposits with regulatory bodies, self-insured reserve funds, and designated assets set aside by the Board of Trustees for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes. Also included are donor-restricted investments representing endowments and other donor-restricted net assets.

(g) Property, Plant and Equipment

Property, plant and equipment and other long-lived asset acquisitions are recorded at cost. Donated items are recorded at fair value at the date of contribution. Depreciation, which includes the amortization of assets recorded under finance leases, is provided using the straight-line method over the estimated useful lives of the respective assets, consistent with U.S. GAAP and the guidance published by the American Hospital Association, which is generally between 3 and 45 years. Land is not depreciated. In the case of assets held under finance leases, depreciation and amortization is recognized over the shorter of the asset life or the term of the lease. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized and amortized over the useful life, or in the case of leased assets, the term of the lease, whichever is shorter. Costs and the related allowance for depreciation are eliminated from the accounts when items are sold, retired or abandoned and any related gain or loss is recognized as an operating gain or loss in the consolidated statement of operations.

BMCHS periodically reviews the carrying value of its long-lived assets (primarily property, plant and equipment) to assess the recoverability of these assets; any impairments would be recognized in operating results if the reduction in value is considered to be other-than-temporary. There were no impairments recorded for the years ended September 30, 2025 and 2024.

(h) Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value.

(i) Deferred Revenue and Advances

Deferred revenue and advances consists primarily of amounts received in advance of the contract period or conditional grants or other contributions that have not been recognized as revenue. Certain advances are received from the Commonwealth and federal government related to grants. Advances received related to grants were $131,028,000 and $103,045,000 as of September 30, 2025 and 2024, respectively, which includes approximately $100,000,000 and $77,000,000 received in 2025 and 2024 from the Commonwealth related to the acquisition and operations of BMCCH. (Note 2)

(j) Health Care Cost Recognition and Claims Payable

The delivery network for WellSense consists of BMC and other acute care hospitals, physician practices and community health centers throughout the Commonwealth and New Hampshire. WellSense places emphasis on the Primary Care Provider (PCP) as each member's primary care manager. WellSense compensates providers on a fee-for-service basis as well as a primary care capitation payment model. It also supports several alternative payment models.

The cost of contracted health care services is accrued in the period in which services are provided to a member based in part on estimates. Claims payable include amounts billed and not paid as well as an estimate of costs incurred for unbilled services provided as of the statement of financial position date. The actual amount of required reserves and liabilities are determined after a passage of time and the outstanding healthcare cost liability estimates are calculated using historical paid claim data. The estimates are developed for each business line. Historical completion ratios for each business line are calculated for each incurred month. Averages of completion ratios are used to estimate the necessary claim reserves by incurred month. For recent incurred months, reserve estimates are developed by

reviewing historical completion factors, estimated loss ratios, and estimated per member per month claim costs and premium rates per member.

WellSense continually reviews the methodologies and assumptions used to estimate and establish claim liabilities to ensure they remain appropriate and consistent with current experience and regulatory standards. The reserving process is supported by monitoring reports and analytical tools that evaluate pended, denied, and large claims; recast results from historical periods; and provider claim submission timeliness. Based on these ongoing analyses, WellSense adjusts its claim reserves as necessary to reflect the most recent data, emerging trends, and known changes in claims processing patterns. Changes in estimates are reflected in the current period consolidated statement of operations and changes in net assets without donor restrictions. WellSense also records an accrual for loss adjustment expenses, which relates to the estimated costs to process claims, which have been incurred but not reported.

(k) Premium Deficiency

WellSense recognizes a premium deficiency based upon expected premium revenue, medical and administrative expense levels, and remaining contractual obligations under WellSense's historical experience at the product line level. During the fiscal years ended September 30, 2025 and 2024, WellSense recorded $9,266,000 and $11,526,000 in premium deficiency reserves, which was included in other current liabilities, and charged through its consolidated statements of operations and change in net assets without donor restriction related to its Medicare lines of business.

(l) Leases

BMCHS accounts for leases in accordance with ASC Topic 842, *Leases*. BMCHS determines if an arrangement is or contains a lease at contract inception. BMCHS recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases, and is subsequently measured at amortized cost using the effective-interest method.

BMCHS discounts its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. BMCHS often cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs, in which case BMCHS uses its incremental borrowing rate as the discount rate for the lease. BMCHS's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because BMCHS does not generally borrow on a collateralized basis, it obtains quotes from its banking partner for collateralized borrowing rates or considers observable market borrowing rates for each class of underlying assets: real estate, medical equipment, and office equipment.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. The lease term includes all noncancellable periods and any in which BMCHS has an option to extend that BMCHS is reasonably certain to exercise. Lease payments include fixed payments, certain variable payments that are based on an index, and amounts that are expected to be payable under a Health System residual value guarantee. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the lease term and payments are consistent with operating leases. The ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to BMCHS or BMCHS is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

BMCHS does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less. BMCHS recognizes the lease payments associated with its short-term leases as an expense as incurred.

BMCHS's leases generally include non-lease maintenance services (for example, equipment maintenance or common area maintenance). BMCHS allocates the consideration in the contract to the lease and non-lease maintenance component based on each component's relative standalone price.

(m) Affordable Care Act Reserves

The Affordable Care Act (ACA) of 2010 established a permanent risk adjustment program that was intended to transfer funds from qualified individual and small group insurance plans with below average risk scores to those respective plans with above average risk scores. WellSense estimates its risk adjustment liability for both its Massachusetts and New Hampshire lines of business.

For Massachusetts line of business, the ACA risk adjustment accrued payable was developed based on the average of two simulation methods. Both simulation methods are based on 1) statewide average premium projection; and 2) relative premium factors with and without risk selection for both the Massachusetts Merged Market and WellSense. The statewide average premium projections and Massachusetts Merged Market relative premium factors were derived from risk adjustment reports issued by Wakely Consulting Group, which aggregates claims and risk adjustment data for all carriers in the Massachusetts Merged Market. The Wakely simulation report used claims incurred from January 1, 2025 through July 31, 2025, to project calendar year 2025 results.

In the first simulation method, WellSense relative premium factors with and without risk selection were developed from Wakely's simulation results and adjusted for Wakely model bias and a risk margin, both based on prior years' experience. In the second simulation method, WellSense relative premium factors were derived using CMS's open-source risk adjustment SAS code and methodology, applied to WellSense own data from January 1, 2025 through July 31, 2025. These results were then adjusted for WellSense simulation model bias and risk margin, also based on historical experience.

For the New Hampshire line of business, WellSense entered the ACA market in 2025 and therefore lacks historical claims experience to support its risk adjustment calculation. Accordingly, WellSense relied on Wakely's latest simulation report, which included multiple scenarios combining current risk adjustment transfer payment estimates with outputs from a completed regression model. Blending year-to-date experience with these scenarios provides a risk margin to account for the absence of historical data.

As of September 30, 2025 and 2024, WellSense recorded ACA risk adjustment payables of $80,387,000 and $54,879,000, respectively, which are included in the accounts payable and accrued expenses line in the accompanying consolidated balance sheets.

WellSense recorded an estimated payable for Cost Sharing Reduction (CSR) due to both CMS and the Massachusetts Health Connector for CSR as of September 30, 2025 and 2024 of $8,239,000 and $8,180,000, respectively, which is included in the accounts payable and accrued expenses line in the accompanying consolidated balance sheets.

(n) Net Assets

In accordance with the provisions of ASC 954, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affected in each category are:

- Without donor restriction – Net assets that are not subject to donor stipulations restricting their use but may be designated for specific purposes by BMCHS or may be limited by contractual agreements with outside parties.
- With donor restrictions – Net assets with donor restrictions include gifts that are required by donors to be held in perpetuity, as well as gifts, grants, investment income, including realized gains and losses, and the change in unrealized appreciation on investments, which can be expended but for which restrictions have not yet been met. The restrictions include purpose restrictions, time restrictions and restrictions imposed by law on the use of capital appreciation on donor-restricted funds. Contributions for capital items are released from restriction on the date that the related assets are put into service.

(o) Contributions and Grants

Contributions and grants received, including unconditional promises to give cash or other assets to BMCHS, are recognized as revenue generally in the period received, at fair value. Conditional contributions, grants or promises to give, which include either a barrier to entitlement and a refund of amounts paid (or a release from an obligation to make future payments) if conditions of the contribution are not met, are not recognized until they become unconditional. Unconditional contributions may be restricted or without restrictions. Contributions are recorded as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or as net assets without donor restrictions if no such conditions exist. A donor restriction expires when a stipulated time restriction ends or purpose restriction is accomplished, the net assets subject to donor restrictions are reclassified to net assets without restrictions and reported in the statements of operations as net assets released from restriction. Contributions of long-lived assets with explicit restrictions that specify the use

of assets and gifts of cash or other assets that must be used to acquire or construct long-lived assets are reported as additions to net assets with donor restrictions and are then reported as additions to net assets without donor restrictions when the assets are placed into service and are excluded from the (deficiency) excess of revenues over expenses.

Grants and sponsored program revenue are recognized as donor restricted revenues when all conditions have been met and are then released to net assets without donor restrictions as the related expenditures are incurred. BMCHS recognizes indirect revenue at provisional rates, which are subject to audit, for certain U.S. government grants and contracts and negotiated rates for other grants and similar grant-based contracts.

(p) Professional Liability Insurance Program

BMC, BMCCH, BUMG and BMCAP maintain medical malpractice insurance on a modified claims-made basis for residents, interns and physicians, and BMC, BMCCH, BUMG, BMCAP, and their employees. Significantly all of this medical malpractice insurance is provided by BMCIC. BMCIC insurance contracts with BMC, BMCCH, BUMG and BMCAP do not transfer significant underwriting risk to BMCIC and therefore a deposit liability is recorded by BMCIC representing the provision on hand to cover liabilities that may arise under the primary professional liability, commercial general liability, and excess professional liability policies issued by BMCIC. Premiums are allocated to the deposit liability account, as well as losses, investment income, operating expenses, and unrealized holding gains/losses on investments. For BMCHS consolidated financial statements, intercompany related balances are eliminated and a liability for professional liabilities, and general and excess professional liabilities, is actuarially developed based on past experience, industry loss and trend factors and includes a provision for incurred but not reported claims, all of which is discounted at 4% at a 70% confidence level and is recorded as an other long-term liability.

(q) Self-Insurance Reserves

BMCHS is also self-insured for certain employee health care benefits, workers' compensation, and certain other employee benefits. These costs are accounted for on an accrual basis to include estimates of future payments on claims incurred as of the balance sheet date and are included in accounts payable and accrued expenses in the consolidated balance sheets.

(r) Statements of Operations

All activities of BMCHS deemed by management to be ongoing or central to the provision of health care services, medical coverage, training and research activities are reported as operating revenues and expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses.

The consolidated statements of operations and changes in net assets without donor restrictions include a performance indicator, the (deficiency) excess of revenues over expenses. Other changes in net assets without donor restrictions which, consistent with U.S. GAAP, are excluded from the determination of (deficiency) excess of revenues over expenses, include the cumulative effect of changes in accounting principles, contributions of long-lived assets (including assets acquired using contributions which by donor restriction are to be used for the purposes of acquiring the assets), pension related changes other than net periodic pension costs, and other adjustments to net assets.

(s) Net Patient Service Revenue

Net patient service revenue is reported at the amount that reflects the consideration that BMCHS expects to be entitled to in exchange for providing patient care in accordance with ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606). Generally, BMCHS bills patients and third-party payors several days after the services are performed or shortly after discharge. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by BMCHS. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. BMCHS believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Health System receiving inpatient acute care services. BMCHS measures the performance obligation from admission into BMCHS to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and BMCHS does not believe it is required to provide additional goods or services to the patient.

Because all of its performance obligations relate to contracts with a duration of less than one year, BMCHS has elected to apply the optional exemption provided in ASC 606-10-50-14 (a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

BMCHS utilizes the portfolio approach practical expedient in ASC 606 for contracts related to net patient service revenue. BMCHS accounts for contracts within each portfolio as a collective group, rather than individual contracts, based on the payment pattern expected in each portfolio category and the similar nature and characteristics of the patients within each portfolio. As a result, BMCHS has concluded that revenue for a given portfolio would not be materially different than if accounting for revenue on a contract-by-contract basis.

Generally, patients who are covered by third-party payors are responsible for deductibles and coinsurance, which vary in amount. BMCHS estimates the transaction price for patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual amounts, discounts, and implicit price concessions (routine uncollectible amounts). Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Adjustments arising from a change in transaction price were not significant in 2025 or 2024.

BMCHS maintains agreements with commercial insurance companies, the Social Security Administration under the Medicare Program, the Commonwealth under the Medicaid Program and

certain managed care entities that govern payment to BMCHS for services rendered to patients covered by these programs. Summaries of significant payment arrangements are:

(i) Medicare

Generally, inpatient care and outpatient services are paid at prospectively determined rates per discharge, day or visit based on clinical, diagnostic, and other factors. Certain outpatient services are paid based upon established fee schedules. In addition, patients who have elected to join a Medicare Advantage plan with a private managed-care plan are typically reimbursed in the same fashion as traditional Medicare, although rates between BMC and those plans are separately negotiated and not necessarily the same as Medicare's.

(ii) Medicaid

MassHealth uses a prospective payment system for acute hospital services provided to Medicaid beneficiaries. MassHealth pays BMCHS an adjudicated amount per discharge for inpatient services. MassHealth uses an outpatient methodology of payment based on Enhanced Ambulatory Patient Groupings (EAPG's), which takes into account the services rendered to the patient and the diagnosis of the patient.

(iii) Commercial and Other

Payment agreements with certain commercial payers, health maintenance organizations, such as Blue Cross Blue Shield of Massachusetts, Inc., and preferred provider organizations, follow similar reimbursement methodologies as governmental payers, using payment systems designed to pay per discharge and fee schedule rates in most cases, but also per diems and percentage of billed charges, depending on the individual contracts.

(iv) Uncompensated Care

BMCHS is partially reimbursed for uncompensated care services, defined as charity care and bad debt associated with emergency services, through the Commonwealth's statewide Health Safety Net. Following the merger of BCH and University Hospital, Inc., on July 1, 1996, BMCHS has continued its historical mission and commitment of BCH to the public health needs of all residents of the City of Boston to provide accessible health care services to all in need of care, regardless of status or ability to pay.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation, as well as significant regulatory action, and, in the normal course of business, BMCHS is subject to contractual reviews and audits, including audits initiated by the Medicare Recovery Audit Contractor program. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. BMCHS believes it is in compliance with applicable laws and regulations governing the Medicare and Medicaid programs and that it has made adequate provisions for any adjustments that may result from final settlements.

In addition under the terms of contractual agreements, certain elements of third-party reimbursement are subject to negotiation, audit, and final determination by third-party payors. The accompanying consolidated financial statements include certain estimates of final settlements. In accordance with ASC 606, BMCHS considers compensation that will be subject to negotiation or ultimately determined

at a later date as variable consideration and therefore recognizes as revenue only amounts to which it is entitled and to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Third-party settlement receivables or liabilities are created when there are amounts BMCHS believes may be received later or subject to pay back in the future. Variances between estimated and final settlements are included in net patient service revenue on the statement of operations in the year in which the settlement or change in estimate occurs.

BMCHS has classified a portion of the accrual for settlements with third-party payors as short-term receivables because the amounts are expected to be received in the next twelve months. BMCHS has classified a portion of the accrual for settlements with third-party payors as short-term liabilities because they are expected to be paid in the next twelve months. BMCHS has also classified a portion of the accrual for settlements with third-party payors as long-term liabilities because the amounts, by their nature, or by virtue of regulation or legislation, will not be paid within one year.

During fiscal year 2025 and 2024, BMC recognized net patient service revenue settlements related to Medicare, Medicaid, WellSense, Blue Cross and other payors related to prior years of approximately $(14,227,000) and $15,083,000, respectively.

(t) Charity and Uncompensated Care

BMCHS provides care without charge to patients who meet certain criteria under its charity care policy. Since BMCHS does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue. BMCHS maintains records to identify and monitor the level of free care it provides.

BMCHS provided free care of $163,512,000 and $154,109,000 in 2025 and 2024, respectively. Those costs have been estimated based on the ratio of expenses (excluding bad debt expense) to established patient service charges. Under healthcare reform, all documented Massachusetts citizens who were once eligible for charity care are now required to be enrolled in one of the subsidized Connector Care insurance products. Those patients whose income is over 300% of the federal poverty guidelines are now required to enroll in an affordable insurance product offered either by their employer or the Connector Care or face financial penalties. Many of BMC's patients who were previously uninsured are now enrolled in various health insurance plans in an effort to comply with the Commonwealth's healthcare reform mandate.

The Commonwealth's Health Safety Net is a program to raise funds for hospitals that provide a disproportionate share of uncompensated care as compared to other providers. The program is mostly funded through an assessment levied against hospitals and insurance companies based on their commercial/managed care business. BMCHS's assessment and contribution into the pool was $8,096,000 in 2025 and $5,686,000 in 2024 which is included in medical costs, supplies and other expenses. The total amount recognized by BMCHS through the Health Safety Net, net of program shortfall allocations, was $115,010,000 in 2025 and $110,362,000 in 2024 which is included in net patient service revenue. These receipts cover services for medical, professional, dental and retail pharmacy services.

The Massachusetts managed care organization services payor assessment, which is a surcharge relating to claims associated with MassHealth and Massachusetts ACA lines of business, and the New

Hampshire premium tax, which is a 2% premium tax on recognized New Hampshire Medicaid based premiums, are two assessments applicable to WellSense. For the years ended September 30, 2025 and 2024, WellSense recognized expense of $36,989,000 and $28,275,000, respectively, associated with the two assessments. The assessments are included in the medical costs, supplies and other expense line of the consolidated statements of operations and changes in net assets without donor restrictions.

(u) Capitation Revenue

Capitation/premium payments are generally for a period of one month, and are received monthly for the current month and reported as earned during the period of coverage. Capitation payments received prior to the coverage period are recorded as deferred revenue. All WellSense product lines receive monthly payments based on current enrollment, as well as retroactive payment adjustments relating to membership retro additions or terminations. Additional revenue relating to services outside the capitation rates is recognized when earned but paid in arrears.

Capitation rates are adjusted for WellSense average acuity relative to the market. As such, estimates are recorded to either increase or decrease capitation revenue based on quarterly risk score simulations received from MassHealth. Capitation rate adjustments amounted to $(46,612,000) and $(16,361,000) for the years September 30, 2025 and 2024 respectively, and flowed through the capitation revenue line of the consolidated statements of operations and changes in net assets without donor restrictions. A capitation rate adjustment liability of $(67,402,000) and $(74,454,000) as of September 30, 2025 and 2024, respectively, is included in accounts payable and accrued expenses in the consolidated balance sheet.

Also included in capitation revenue are certain risk sharing amounts under WellSense's contracts with MassHealth and the New Hampshire DHHS under which capitation revenue can be increased or decreased based upon actual gain or loss on the particular component of risk adjusted capitation rate payment. Net amounts due from (to) the Commonwealth amounted to approximately $381,768,000 and $(115,259,000) as of September 30, 2025 and 2024, respectively. Net amounts due from CMS amounted to approximately $4,318,000 and $2,606,000 as of September 30, 2025 and 2024, respectively. Net amounts due from New Hampshire amounted to approximately $70,641,000 and $78,696,000 as of September 30, 2025 and 2024, respectively. Risk sharing related receivables are recorded in the Risk Share Receivable line in the consolidated balance sheets (see note 7 and 15) and risk sharing payables are recorded in the Risk Share Payable line on accompanying consolidated balance sheets.

(v) Other Revenue

Other revenue consists primarily of revenue related to the retail pharmacy, including retail revenue for prescriptions eligible under the 340B Drug Pricing Program (340B), consulting revenue and other less material activities such as parking and food services. Retail pharmacy revenue is recognized at the point of sale. 340B drug pricing is recognized once it has been confirmed that the patient receiving the service meets the program qualifications, which qualifies BMC to receive the 340B discount.

(w) Other Noncurrent Assets

Other noncurrent assets primarily consist of investments in joint ventures, long-term pledges, goodwill and other intangible assets. The joint ventures are recorded using the equity method of accounting.

(x) Income Taxes

The Health System, BMC, BMC-South, BMC-Brighton, WellSense, Faculty and the Plans, BMCIC of Vermont, BMCAP, BMCICS and BACO, are all nonprofit corporations that have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC). Clearway is considered a disregarded entity of BMCHS for tax purposes, and all taxable activities of Clearway are attributed to and reported at BMCHS. All contract related revenue and expense are recorded at BMC and evaluated for unrelated business income tax (UBIT).

BMCHS recognizes income tax positions when it is more likely than not that the position will be sustainable based on the merits of the position. Management has concluded that there are no material uncertain tax positions that need to be recorded as of September 30, 2025 and 2024. BMCHS annually assesses whether it must recognize UBIT expense. The amounts recognized as UBIT expense were not material to BMCHS's consolidated operations or changes in net assets for the years ended September 30, 2025 and 2024.

No income, capital or premium taxes are levied in the Cayman Islands and BMCIC has been granted an exemption until July 8, 2042, for any taxes that might be introduced. BMCIC intends to conduct its affairs so as not to be liable for taxes in any other jurisdiction, other than withholding tax on certain investments. Accordingly, no provision for income taxes related to BMCIC has been made in the accompanying consolidated financial statements.

(4) Investments and Assets Limited as to Use

Short-term and long-term investments and assets limited as to use, consist of the following at September 30:

	2025		2024	
	At fair value	Cost	At fair value	Cost
	(In thousands)			
Investments and assets limited as to use:				
Cash and cash equivalents	$ 39,243	39,165	11,094	11,094
Bonds and U.S. Treasury notes	442,516	437,039	646,524	638,213
Private investment funds	674,704	507,001	689,170	540,845
Mutual funds	95,383	97,719	103,645	107,566
Marketable equity securities	97,270	71,261	94,813	72,771
Money market mutual funds	2,225	2,225	2,174	2,174
Asset-backed securities	158,467	157,912	233,129	231,920
Private debt and equity	80,785	66,316	83,133	72,521
Total	1,590,593	1,378,638	1,863,682	1,677,104
Funds held by trustees	69,721	69,401	114,697	114,606
	$ 1,660,314	1,448,039	1,978,379	1,791,710

Included in private investment funds are alternative investment vehicles, which include commingled funds, with an estimated fair value of approximately $674,704,000 and $689,170,000 as of September 30, 2025 and 2024, respectively.

WellSense is required by its contract with MassHealth to maintain a deposit account with the Commonwealth for reserve purposes. The cash reserves were $1,225,000 and $1,174,000 as of September 30, 2025 and 2024, respectively, and are included in assets whose use is limited.

In connection with its licensure by the Massachusetts Division of Insurance, WellSense has placed on deposit with the Commonwealth a cash equivalent fund holding of $1,000,000. In addition, for licensure in New Hampshire, WellSense has purchased and placed on deposit a $500,000 U.S. Treasury note with an amortized cost of $500,000. Both security deposits are also included in assets limited as to use as of September 30, 2025 and 2024, respectively.

Total return on BMCHS's investment portfolio, which includes investment income, net realized gains and the change in net unrealized (depreciation) appreciation on investments, includes the following for the years ended September 30:

	2025	2024
	(In thousands)	
Net assets without donor restrictions:		
Dividends and interest	$ 51,557	86,739
Net realized gains on investments	43,495	12,774
Change in net unrealized appreciation on investments	(1,944)	120,865
Nonoperating activity	93,108	220,378
Net assets with donor restrictions:		
Dividends and interest	5,071	4,765
Net realized gains on investments	7,276	9,769
Change in net unrealized appreciation on investments	22,408	51,902
	34,755	66,436
	$ 127,863	286,814

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. It is reasonably possible that changes in the fair value of investments will occur in the near term and that the changes could materially affect the amounts reported in the consolidated balance sheets and consolidated statements of operations and changes in net assets without donor restrictions.

(5) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted.

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities' own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. U.S. GAAP provides a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs BMCHS uses to measure fair value and the primary valuation methodologies it uses for financial instruments measured at fair value on a recurring basis:

- Level 1 is based upon quoted prices in active markets for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. BMCHS does not adjust the quoted price for the assets and liabilities.
- Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.
- Level 3 is typically based on unobservable inputs that are supported by little or no market activity and rely on assumptions and estimates about pricing derived from available information.

The fair value of BMCHS's investments in U.S. Treasuries, mutual funds and marketable equity securities is based on quoted prices in an active market when available (Level 1), while investments in bonds are based on quoted prices for similar instruments (Level 2).

As of September 30, 2025 and 2024, BMCHS also held interests in private investment funds. Private investment funds include commingled funds, common collective funds, funds of funds and other alternative investments. Certain private investment funds are categorized as Level 1 investments when managers actively provide investment information and the investments are determined to have a readily determinable fair value (RDFV), and from time to time, other investments that have a RDFV are categorized as Level 2 investments as they are priced by fund managers less frequently. Certain other private investment funds included under NAV category below qualify as investment companies under U.S. GAAP and follow the accounting and reporting guidance applicable to investment companies. There is no active market for these funds, and therefore, BMCHS is permitted, as a practical expedient under U.S. GAAP, to estimate the fair value of the investment based on the NAV based on BMCHS's ownership share or units held.

BMCHS believes that these valuations are a reasonable estimate of fair value as of September 30, 2025 and 2024, but are subject to uncertainty and, therefore, may differ from the value that would have been

used had a ready market for the investment existed. BMCHS has the ability to liquidate its investments periodically in accordance with the provisions of the respective fund agreements.

The following table presents the financial instruments carried at fair value and is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets as of September 30, 2025:

	Level 1	Level 2	Level 3	Net asset value	Total
			(In thousands)		
Investments:					
Cash and cash equivalents	$ 39,243	—	—	—	39,243
Bonds and U.S. Treasury notes	148,637	293,879	—	—	442,516
Private investment funds	290,494	134,295	—	249,915	674,704
Mutual funds	95,383	—	—	—	95,383
Marketable equity securities	97,258	12	—	—	97,270
Money market mutual funds	2,225	—	—	—	2,225
Asset-backed securities	—	158,467	—	—	158,467
Private debt and equity	—	—	—	80,785	80,785
	$ 673,240	586,653	—	330,700	1,590,593
Funds held by trustee:					
U.S. government securities/GIC agreements	$ 16,546	—	—	—	16,546
Money market mutual funds	53,175	—	—	—	53,175
	$ 69,721	—	—	—	69,721

The following table presents the financial instruments carried at fair value and is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets as of September 30, 2024:

	Level 1	Level 2	Level 3	Net asset value	Total
			(In thousands)		
Investments:					
Cash and cash equivalents	$ 11,094	—	—	—	11,094
Bonds and U.S. Treasury notes	216,942	429,582	—	—	646,524
Private investment funds	293,330	116,104	—	279,736	689,170
Mutual funds	103,645	—	—	—	103,645
Marketable equity securities	94,813	—	—	—	94,813
Money market mutual funds	2,174	—	—	—	2,174
Asset-backed securities	—	233,129	—	—	233,129
Private debt and equity	—	—	—	83,133	83,133
	$ 721,998	778,815	—	362,869	1,863,682
Funds held by trustee:					
U.S. government securities/GIC agreements	$ 16,171	—	—	—	16,171
Money market mutual funds	98,526	—	—	—	98,526
	$ 114,697	—	—	—	114,697

There were no transfers between Levels 1 through 3 or NAV, as a result of changes in the approach to fair value measurements during 2025 and 2024.

BMC's endowment and similar funds are invested to maintain the real value of the principal to be capable of supporting annual spending needs and are guided by the asset allocation policies established by the Investment Committee of the BMCHS Board of Trustees and implemented primarily through external investment managers. Investments are managed to balance the short-term needs in order to support current operations, as well as maintain the endowment's purchasing power in the long run. To satisfy the long-term objectives of a diversified, volatility-managed portfolio, BMC targets an asset allocation of fixed income, global and domestic equities, marketable and nonmarketable alternative assets. The portfolio is expected to produce returns that meet or exceed long-term benchmarks.

The following table presents liquidity information for the financial instruments carried at NAV as of September 30, 2025.

	Investments asset value		
	Net asset value	Redemption frequency	Notice period
		(In thousands)	
Investment type:			
Private investment funds	$ 249,915	Weekly – monthly	3–60 days
Private debt and equity	80,785	illiquid	—
	$ 330,700		

The following table presents liquidity information for the financial instruments carried at NAV as of September 30, 2024.

	Investments asset value		
	Net asset value	Redemption frequency	Notice period
		(In thousands)	
Investment type:			
Private investment funds	$ 279,736	Weekly – monthly	3–60 days
Private debt and equity	83,133	illiquid	—
	$ 362,869		

There were no unfunded commitments as of September 30, 2025 and 2024. See note 2 for discussion of fair value with respect to the business combination.

(6) Liquidity

As of September 30, consolidated financial assets and resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

	2025	2024
	(in thousands)	
Financial assets:		
Cash and cash equivalents	$ 469,000	651,092
Short-term investments	230,000	—
Patient accounts receivable, net	280,457	189,652
Other current receivables, net	448,497	409,882
Board designated investments	378,602	348,640
Funds functioning as endowment available for operations	34,685	32,964
Total financial assets available within one year	$ 1,841,241	1,632,230

BMCHS's revenues and related operating activities are generally not seasonal in nature. Board designated funds may be made available for operations by action of the board if they are not subject to third-party restrictions or otherwise not available within one year. Funds functioning as endowments are made available for operations based on the endowment spending policy set by Health System boards. In addition, BMCHS has access to an unused line of credit aggregating approximately $150,000,000 that may be used for operations and which certain of the above-referenced assets collateralize should BMC draw down on the line (see note 9). The table above does not include funds subject to third-party restrictions.

(7) Risk Share Receivables (Payables)

In connection with its contracts with MassHealth and New Hampshire, underwriting gains and losses beyond certain risk corridors are shared. The risk sharing payable encompasses contract net settlements

over multiple years. The schedule below describes the various components of risk sharing receivables/(payables) as of September 30:

	2025	2024
	(in thousands)	
Net receivables		
MassHealth ACO risk share receivable through contract year 12/31/2025	$ 518,777	180,640
MassHealth MCO risk share receivable through contract year 12/31/2025	12,895	4,406
Joint venture risk share receivable	39,178	14,482
New Hampshire risk share receivable	30,190	31,253
	601,040	230,781
Net payables		
MassHealth ACO payable through contract year 12/31/2023	(162,565)	(278,586)
MassHealth MCO payable through contract year 12/31/2023	(13,430)	(46,698)
Joint venture risk share (payable)	(27,070)	(16,993)
	(203,065)	(342,277)
Risk share payable, net	$ 397,975	(111,496)

(8) Property, Plant and Equipment

The property, plant and equipment of BMCHS consists of the following as of September 30:

	Useful life	2025	2024
		(In thousands)	
Land	unlimited	$ 29,127	14,627
Land improvements	5–40 years	749	749
Buildings	15–45 years	562,409	446,326
Building and leasehold improvements	3–40 years	1,177,730	1,093,229
Major movable equipment	3–20 years	695,166	839,356
Construction in progress		94,791	68,414
		2,559,972	2,462,701
Accumulated depreciation and amortization		(1,330,260)	(1,407,338)
Property, plant and equipment, net		$ 1,229,712	1,055,363

Leasehold improvements are amortized over the lesser of the assets' estimated useful lives or the remaining lease terms.

Depreciation expense amounted to $125,136,000 and $115,538,000 for the years ended September 30, 2025 and 2024, respectively. Amortization expense amounted to $1,457,000 and $758,000 for the years ended September 30, 2025 and 2024, respectively.

Property, plant and equipment with an original cost of $200,549,000 and $34,406,000 and net book value of $123,000 and $5,158,000 was disposed of during the years ended September 30, 2025 and 2024, respectively.

The Master Trust Indenture (note 9) places certain restrictions on property, plant and equipment in terms of the creation of liens and transfers of assets.

See note 2 regarding the acquisition of the entities referred to herein as BMCCH.

As of September 30, 2025 and 2024, assets under finance lease agreements amounted to approximately $94,264,000 and $96,119,000, respectively, with accumulated amortization of $89,012,000 and $87,202,000, respectively. Amortization expense is included with depreciation and amortization expense in the consolidated statements of operations and changes in net assets without donor restrictions. BMCHS has capitalized interest net of amortization in the amount of $60,920,000 and $52,231,000 as of September 30, 2025 and 2024, respectively.

(9) Long-Term Debt

Long-term debt consists of the following as of September 30:

	Interest rate	2025	2024
		(In thousands)	
Revenue Bonds Series D	4.00–5.00%	$ 158,155	158,155
Revenue Bonds Series E	2.00–5.00%	158,935	162,565
Revenue Bonds Series F	4.00–5.00%	38,065	38,065
Revenue Bonds Series G	4.38-5.25%	226,580	229,310
Taxable Bonds Series 2016	4.52%	75,000	75,000
Taxable Bonds Series 2017	3.91–4.58%	105,000	105,000
Series O – tax exempt (Garage)	Varies	2,098	3,058
Series O – taxable (Garage)	Varies	653	952
		764,486	772,105
Less current portion of long-term debt		(7,990)	(7,620)
Revenue Bonds Series D premium		5,307	5,576
Revenue Bonds Series E premium		15,498	16,711
Revenue Bonds Series F premium		1,131	1,179
Revenue Bonds Series G premium		7,984	8,236
Revenue Bonds Series 2016 discount		(38)	(96)
Revenue Bonds Series 2017 discount		(597)	(622)
Revenue Bonds issuance costs		(2,939)	(3,112)
Long-term debt, less current portion		$ 782,842	792,357

BMC, which consolidates BMCIC, is currently the sole member of the Obligated Group. The column entitled "BMC" in the supplemental consolidating information of the consolidated financial statements represents the Obligated Group.

The Amended and Restated Master Trust Indenture (MTI) covers the obligations of Series D Revenue Bonds, Series 2016 Taxable Bonds, Series E Revenue Bonds, Series 2017 Taxable Bonds, Series F Revenue Bonds, Series O Bonds and Series G Revenue Bonds. Per the terms of the MTI, the various bond tranches described previously and below are secured by the gross receipts of the Obligated Group as well as a mortgage on BMC's leasehold interests in certain buildings and associated land parcels. Additionally, the Series D Revenue Bonds are secured by a debt service reserve fund, which is included in Assets Limited as to Use on the consolidated balance sheets.

In February 2023, BMC issued through the Massachusetts Development Finance Agency (MassDevelopment) $232,415,000 Series G tax-exempt 2024 Revenue Bonds (Series G Revenue Bonds). The bonds were issued primarily to refinance the remaining portion of Series C tax-exempt Revenue 2012 Bonds (Series C Revenue Bonds) and finance a portion of the Clinical Inpatient Expansion Project. The interest rate on the Series G Revenue Bonds ranges from 4.38% to 5.25% based upon bond maturities. Principal and sinking fund payments will be made annually between 2023 and 2053 and range from $500,000 to $40,860,000.

In December 2017, BMC issued through MassDevelopment $43,500,000 Series F tax-exempt 2017 Revenue Bonds (Series F Revenue Bonds). The bonds were issued to finance a portion of the Clinical Campus Redesign Project. The interest rate on the Series F Revenue Bonds ranges from 4.00% to 5.00% based on the bonds' maturities. Principal and sinking fund payments will be made annually between 2019 and 2047 and range from $1,485,000 to $5,150,000.

In December 2017, BMC issued $105,000,000 Taxable Bonds, Series 2017 (Series 2017 Taxable Bonds). The bonds were issued for corporate purposes. The interest rate on the Series 2017 Taxable bonds is 3.91% for the principal of $52,500,000 which is due in 2028 and 4.58% for the principal of $52,500,000 which is due in 2047.

In September 2016, BMC advance refunded a portion of the Massachusetts Health and Education Facilities Authority (Authority) Revenue Bonds, Boston Medical Center Issue, Series B (2008) (Series B Revenue Bonds) and issued a new money portion through the sale of $176,345,000 MassDevelopment, Series E tax exempt (2016) (Series E Revenue Bonds). The interest rate on the Series E Revenue Bonds ranges from 2.00% to 5.00% based on the bonds' maturities. Principal and sinking fund payments will be made annually between 2017 and 2038 and range from $425,000 to $19,890,000.

In March 2016, BMC issued $75,000,000 Taxable Bonds, Series 2016 (Series 2016 Taxable Bonds). The bonds were issued for corporate purposes. The interest rate on the Series 2016 Taxable bonds is 4.52% and the entire principal payment is due in 2026. This debt has been classified as long-term in the consolidated balance sheet as BMC executed an amendment on its Line of Credit prior to September 30, 2025 which provides it with the unilateral intent and ability to refinance the Series 2016 Taxable Bonds on a long-term basis if it so chooses to. See discussion of the amendment to the Line of Credit below.

In April 2015, BMC issued through MassDevelopment $158,155,000 Series D tax-exempt 2015 Revenue Bonds (Series D Revenue Bonds). The bonds were issued to finance a portion of the Clinical Campus

Redesign Project. The interest rate on the Series D Revenue Bonds ranges from 4.00% to 5.00% based on the bonds' maturities. Principal and sinking fund payments will be made annually between 2039 and 2045 and range from $15,280,000 to $27,900,000.

Included in BMC's debt is approximately $2,751,000 of the Authority's variable rate demand bonds (VRDBs), and Capital Asset Program Issue 2009 Series O-1 and O-2. BMC has entered into irrevocable letters of credit (LOCs) to secure bond repayment and interest obligations associated with its VRDBs. Citizens Bank, N.A. provides LOCs totaling $2,950,000. There are no drawings under the LOCs as of September 30, 2025 and 2024. The LOCs supporting the Series O-1 and O-2 will expire on July 1, 2026. Citizens Bank, N.A provided a Federal Home Loan Bank wrap (AAA rated) for the two Letters of Credit. The interest rates at September 30, 2025 were 2.74% and 4.44% for the tax exempt and taxable loan, respectively. The interest rates at September 30, 2024 were 3.74% and 5.41% for the tax exempt and taxable loan, respectively.

If the VRDBs are unable to be remarketed, the trustee for the VRDBs will request purchase under the LOC scheduled repayment terms. Based on the existing repayment and maturity terms of the underlying LOCs, the scheduled payments under the VRDB-related LOCs will be determined when and if the VRDBs are unable to be remarketed. The LOC's are unsecured and will continue to decrease in stated amount as the underlying bond debt amortizes.

In June 2020, BMC entered into a $150,000,000 Committed Line of Credit, which may be borrowed at any time. In September 2025, BMC entered into the fourth amendment to this $150,000,000 Committed Line of Credit which extended the revolving maturity date to be April 1, 2027 as well as added a new $75,000,000 revolving commitment if and when requested by BMC such that, if triggered, the total committed line of credit would then be up to $225,000,000. BMC has pledged certain board designated accounts to secure the Committed Line of Credit. The assets of these accounts will collateralize borrowings against the Committed Line of Credit. Borrowings under the line of credit bear a variable rate of interest based on the Secured Overnight Financing Rate (SOFR) plus 0.65% (4.24% at September 30, 2025). BMC had no amount outstanding under the Line of Credit as of September 30, 2025 and $9,820,000 outstanding borrowings under the Line of Credit as of September 30, 2024.

The MTI maintains the financial covenant requiring BMC to maintain an annual debt service coverage ratio of at least 1.10 to 1.

BMC has escrowed the following funds with bond trustees under the Series D, E, F and G Revenue Bonds, the 2016 and 2017 Taxable Bonds and Series O Bonds. In addition, these amounts include funds for the self-insured workers' compensation program and funds designated by management for other purposes. These funds are included in assets limited as to use in the consolidated financial statements.

	September 30	
	2025	**2024**
	(In thousands)	
Construction fund	$ 11,939	70,182
Debt service fund	24,290	12,717
Debt service reserve funds	16,581	16,221
Workers' compensation reserve fund	15,240	14,890
Other held funds	1,671	687
	$ 69,721	114,697

The assets of the funds held by the trustees are invested principally in government securities and money market funds. See note 5.

Maturities of long-term debt are as follows (in thousands):

Years ending September 30:	
2026	$ 7,990
2027	83,385
2028	61,480
2029	9,430
2030	10,900
Thereafter	591,301
	$ 764,486

(10) Leases

Amounts reported for operating and finance leases in the consolidated balance sheets as of September 30, 2025 and 2024 were as follows:

Consolidated balance sheet presentation		2025	2024
		(in thousands)	
Finance leases:			
Right of use assets – financing	$	5,252	8,917
Current portion of long term debt and finance leases	$	1,352	942
Obligations under financing leases		3,400	7,685
	$	4,752	8,627
Operating leases:			
Right of use assets – operating	$	122,319	107,259
Other current liabilities	$	25,294	17,018
Obligations under operating leases		108,401	97,243
	$	133,695	114,261

The components of lease cost for the year ended September 30, 2025 and 2024 were as follows:

Consolidated statement of operations and changes in net assets without donor restriction presentation			2025	2024
			(in thousands)	
Finance lease cost:				
Amortization of right-of-use assets	Depreciation and amortization expense	$	1,810	634
interest on lease liabilities	Interest expense		185	265
	Total finance lease cost		1,995	899
Operating lease cost:				
Lease expense	Medical costs, supplies and other expense		18,703	12,122
	Total lease cost	$	20,698	13,021

Other information related to leases as of September 20, 2025 and 2024 was as follows:

	2025	2024
	(In thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ (185)	(265)
Operating cash flows from operating leases	(24,793)	(14,685)
Financing cash flows from finance leases	(2,020)	(814)
Right-of-use assets obtained in exchange for new finance lease liabilities	3,847	38
Right-of-use assets obtained in exchange for new operating leases liabilities	25,814	21,911
Weighted average remaining lease term – finance leases	5.02 years	2.15 years
Weighted average remaining lease term – operating leases	9.64 years	11.36 years
Weighted average discount rate – finance leases	5.53 %	4.97 %
Weighted average discount rate – operating leases	6.15	6.52

Future lease payments at September 30, 2025 are as follows (in thousands):

	Operating leases	Finance leases
Year ending September 30:		
2026	$ 26,023	1,531
2027	22,987	1,081
2028	19,323	931
2029	17,157	810
2030	13,990	548
Thereafter	81,800	706
Total undiscounted lease payments	181,280	5,607
Less net present value adjustment	(47,585)	(855)
Lease liabilities	$ 133,695	4,752

In 2014, BMC, as landlord, entered into an operating ground and building lease of its Doctors Office Building, of which $38,422,000 was received upon commencement of the lease, and will be recognized as rental income over the term of the lease. The deferred rental revenue was $34,218,000 and $34,606,000 as of September 30, 2025 and September 30, 2024, respectively.

(11) Donor Restricted Net Assets

Donor restricted net assets, which are recorded in assets limited to use, grants receivable and other accounts receivable on the balance sheet, are composed of the following as of September 30:

	2025	2024
	(In thousands)	
Net assets with donor restrictions:		
Research	$ 196,950	192,002
Buildings and capital	77,434	74,084
Hospital programs	128,573	109,886
Patient care	30,355	28,390
Total donor restriction net assets	$ 433,312	404,362

(12) Endowments

BMCHS's endowment consists of approximately 394 donor-restricted funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported as with or without donor restrictions based on the existence or absence of donor-imposed restrictions.

BMCHS has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, BMCHS permanently classifies as donor restricted net assets the original value of gifts donated to the endowment. The remaining portion of the donor-restricted endowment fund that is not permanently classified as donor restricted net assets represents accumulated gains and losses on the endowment funds until those amounts are appropriated for expenditure by BMCHS in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, BMCHS considers certain factors in making a determination to appropriate or accumulate endowment funds. The factors include the duration and preservation of the fund, the purpose 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 and the investment policies of the organization. In fiscal year 2000, the Board approved an endowment policy limiting the annual spend on endowments to 5% of the three-year average market value of the endowment fund.

As of September 30, 2025 and 2024, the Heath System did not have board-designated funds included in the endowment. The endowment net asset composition by type of fund consisted of the following:

September 30, 2025	Original gift	Accumulated gains and losses, net	Total
		(In thousands)	
Donor-restricted endowment funds	$ 47,313	286,429	333,742
	$ 47,313	286,429	333,742

September 30, 2024	Original gift	Accumulated gains and losses, net	Total
		(In thousands)	
Donor-restricted endowment funds	$ 43,641	268,145	311,786
	$ 43,641	268,145	311,786

Changes in endowment net assets for the years ended September 30, 2025 and 2024, consisted of the following:

	2025	2024
	(In thousands)	
Endowment net assets at the beginning of year	$ 311,786	264,766
Investment return:		
Investment income	10,684	12,547
Net unrealized appreciation	19,394	44,814
Total investment return	30,078	57,361
Contributions	3,672	1,712
Appropriation of endowment assets for expenditures	(11,794)	(12,053)
	21,956	47,020
Endowment net assets at the end of year	$ 333,742	311,786

(13) Benefit Plans Available to Employees

BMC, BMCCH and WellSense participate in a defined contribution retirement plan under Section 403(b) of the IRC. Participation in the plan is voluntary. There are six employer contribution schedules, one based on years of service, two based on years of service plus age, one that is a flat percentage, and two that match a percent of the employee contribution. The contributions under the plan amounted to $34,092,000 and $28,238,000 for the years ended September 30, 2025 and 2024, respectively.

BU sponsors a defined contribution retirement plan that covers all BUMG physicians and practitioners paid under the common paymaster agreements with the Plans (Faculty Members). Costs related to BUMG are included in the fringe benefit rates described in note 15 (Shared Services Agreement). This retirement plan is available to Faculty Members who have completed two years of service at BU and who work at least 50% of a full-time schedule and who have an assignment duration of at least nine months. BU contributes a core contribution between 4% to 9% of salary to this retirement plan, depending on age, base salary, and an integration level amount adjusted each year by BU. This core contribution is automatic and is provided even if the Faculty Member chooses not to contribute to the plan. In addition, BU provides a matching contribution, which matches the Faculty Member's contributions dollar for dollar up to an additional 3%.

BMCHS also offers a nonqualified supplemental executive retirement plan to certain key executives. BMCHS's contribution is a percentage based on job level of each eligible executive's Plan Year base salary. The plans have a three-year vesting schedule. Contributions made in a particular plan year are 100% vested three years later. BMCHS's contribution for this plan was $1,167,899 and $1,337,000 in the years ended September 30, 2025 and 2024, respectively.

BMC maintains a defined benefit pension plan (the Pension Plan), effective July 1, 1996, for certain former employees of BCH with a measurement date of September 30. The covered group consists of employees who either had a non-forfeitable right to a retirement benefit under the former BCH defined benefit pension plan or would have earned one with service through September 30, 1997. The Pension Plan provides benefits based on an employee's average compensation and years of service reduced by a percentage of their Social Security benefit. The Pension Plan's provisions have been set based on a collective bargaining agreement effective July 1, 1996, and a formal document signed on June 30, 1997. Contributions to the Pension Plan are made in amounts sufficient to meet the minimum funding requirements set forth in the

Employee Retirement Income Security Act of 1974. The City of Boston is responsible for the past service cost of former BCH employees.

		2025	2024
		(In thousands)	
Accumulated benefit obligation	$	150,341	155,502
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	$	159,643	146,569
Service cost		1,668	1,588
Interest cost		7,536	8,255
Actuarial gain (loss)		(4,719)	13,032
Benefits paid		(10,274)	(9,632)
Administrative expense paid		(156)	(169)
Projected benefit obligation at end of year	$	153,698	159,643
Change in plan assets:			
Fair value of plan assets at beginning of year	$	166,195	151,214
Actual return on plan assets		4,086	24,782
Benefits paid		(10,274)	(9,632)
Administrative expense paid		(156)	(169)
Fair value of plan assets at end of year	$	159,851	166,195
Reconciliation of funded status:			
Projected benefit obligation	$	153,698	159,643
Fair value of plan assets		159,851	166,195
Funded status recognized in the consolidated balance sheet included within other noncurrent assets	$	6,153	6,552

The components of net periodic benefit cost for the years ended September 30, 2025 and 2024 are as follows:

	2025	2024
	(In thousands)	
Included in salaries and related benefits:		
Service cost	$ 1,668	1,588
Included in nonoperating activities:		
Interest cost	7,536	8,255
Expected return on plan assets	(9,648)	(9,495)
Amortization of net loss	250	1,266
Nonoperating loss	(1,862)	26
Net periodic cost	$ (194)	1,614
Weighted average assumptions used to determine the net periodic cost for the period just ended:		
Discount rate	4.88 %	5.83 %
Long-term rate of return	6.00	6.50
Rate of compensation increase	2.50	2.50
Weighted average assumptions used to determine the benefit obligations:		
Discount rate	5.19 %	4.88 %
Rate of compensation increase	2.50	2.50

	2025	2024
	(In thousands)	
Other changes in plan assets and benefit obligations recognized in unrestricted net assets:		
New net actuarial (gain) loss	$ 843	(2,255)
Amortization of net loss	(250)	(1,266)
	$ 593	(3,521)
Amounts recognized in net assets without donor restriction:		
Net actuarial loss	$ 18,336	17,743
	$ 18,336	17,743

BMC is expected to recognize $569,000 of net loss as amortization in 2026.

(a) Pension Plan Assets

The Pension Plan weighted average asset allocation as of the measurement dates September 30, 2025 and 2024, respectively, is as follows:

	Target allocation fiscal year ending September 30, 2025	Percentage of plan assets at September 30	
		2025	2024
Asset category:			
Equity securities	15 %	16 %	17 %
Debt securities	80	81	79
Other	5	3	4
	100 %	100 %	100 %

The fair value hierarchy of pension plan assets as of September 30, 2025 and 2024 is disclosed in the tables below. The hierarchy and inputs to valuation techniques to measure fair value are the same as those discussed in note 4.

	2025				
	Level 1	Level 2	Level 3	Net asset value	Total
			(In thousands)		
Investments:					
Cash and cash equivalents	$ 1,099	—	—	—	1,099
Fixed income	130,009	—	—	—	130,009
Equities	17,916	—	—	6,649	24,565
Global asset	4,178	—	—	—	4,178
	$ 153,202	—	—	6,649	159,851

	2024				
	Level 1	Level 2	Level 3	Net asset value	Total
			(In thousands)		
Investments:					
Cash and cash equivalents	$ 1,657	—	—	—	1,657
Fixed income	130,726	—	—	—	130,726
Equities	18,776	—	—	9,845	28,621
Global asset	5,191	—	—	—	5,191
	$ 156,350	—	—	9,845	166,195

BMC contracts with a consulting firm for financial consulting services for the Pension Plan. The consultants provide BMC's Investment Committee and management with financial analysis and recommendations on target allocations and investment managers. BMC's investment objective is to achieve the highest reasonable total return after considering (i) plan liabilities, (ii) funding status and projected cash flows, (iii) projected market returns, valuations and correlations for various asset classes, and (iv) BMC's ability and willingness to incur market risk. The Investment Committee has oversight responsibility for the pension plan assets but has delegated to management the authority to review and recommend investment managers and investments. Management is required to notify the Investment Committee at its meetings of any actions that have been taken.

The expected long-term rate of return assumption represents the expected average rate of earnings on the funds invested or to be invested to provide for the benefits included in the benefit obligations. The long-term rate of return assumption is determined based on a number of factors, including historical market index, returns, the anticipated long-term asset allocation of the plans, historical plan return data, plan expenses, and the potential to outperform market index returns.

An experience study was completed reviewing actual plan experience from 2015-2020. The study was the basis for the retirement and salary scale assumptions. The pension mortality table used in the analysis was PRI-2012 with MP-2021.

(b) Cash Flows

Information about the expected cash flows for the Pension Plan is as follows:

Estimated future benefit payments reflecting expected future service for the fiscal year(s) ending September 30 (in thousands):

2026	$	11,072
2027		11,586
2028		11,951
2029		12,311
2030		12,578
2031–2034		62,943

BMC did not make contributions to the Pension Plan for years ended September 30, 2025 and 2024. BMC does not expect to make contributions to the Pension Plan in 2026.

Multi-employer Plan

BMC-South and BMC-Brighton contribute to multiemployer defined benefit plans under collective bargaining agreements for certain of its union-represented employees. Participation in these plans carries risks different from single-employer plans, including pooled assets, shared unfunded obligations if a participating employer withdraws, and potential withdrawal liability if either BMC-South or BMC-Brighton stop participating.

BMC-South and BMC-Brighton treat their participation on a defined contribution basis, recognizing the required contributions as net pension cost each period. Total contributions to the plans during the year ended September 30, 2025 were $4,154,000.

Additional details for the individually significant multiemployer plan are provided below, based on the plan's most recent Form 5500 report:

Plan Name and EIN	Plan Year End Date	Zone Status	Company Contributions (most recent plan year)	Company contributions as a % of Total
Nurses and Local 813 IBT Retirement Plan 13-3628926	12/31/2024	Green	956,000	6.82%

Total contributions for other plans not considered individually significant were immaterial in the aggregate for the year ended September 30, 2025.

(14) Net Patient Service Revenue

The composition of net patient service revenue by primary payor for the years ended September 30 is as follows:

	2025		2024	
	(In thousands)			
Medicare and Medicare Managed Care	$ 791,014	39 %	$ 476,404	35 %
MassHealth	610,767	30	471,126	34
Commercial carriers	583,788	29	352,300	26
No fault and worker's compensation	17,445	1	8,318	1
Self pay and other	28,130	1	57,651	4
	$ 2,031,144	100 %	$ 1,365,799	100 %

For both 2025 and 2024, the chart above excludes state supplemental funding and does not reflect the impact of intercompany eliminations.

Revenue from patient's deductibles and coinsurance are included in the preceding categories based on the primary payor.

BMCHS's primary geographic areas are Boston and surrounding metropolitan areas at the BMC, BMCCH and BUMG locations. The composition of net patient care service revenue based on lines of business and method of reimbursement for the years ended September 30, 2025 and 2024 are as follows:

	2025				
	BMC	BMCCH	BUMG	Eliminations	Total
			(In thousands)		
Service lines:					
Hospital – inpatient	$ 662,873	302,082	—	—	964,955
Hospital – outpatient	607,005	167,406	—	—	774,411
Physician services	—	76,158	215,620	—	291,778
	1,269,878	545,646	215,620	—	2,031,144
Eliminations	—	—	—	(349,711)	(349,711)
	$ 1,269,878	545,646	215,620	(349,711)	1,681,433

The service line chart above excludes state supplemental funding because funding is not provided at specific service lines.

	2025				
	BMC	BMCCH	BUMG	Eliminations	Total
			(In thousands)		
Method of reimbursement:					
Fee for service	$ 1,269,878	545,646	215,620	(349,711)	1,681,433
State supplemental funds and other	465,962	42,929	—	—	508,891
	$ 1,735,840	588,575	215,620	(349,711)	2,190,324

	2024				
	BMC	**BUMG**	**BUAP**	**Eliminations**	**Total**
			(In thousands)		
Service lines:					
Hospital – inpatient	$ 626,274	—	—	—	626,274
Hospital – outpatient	541,703	—	—	—	541,703
Physician services	—	197,730	92	—	197,822
	1,167,977	197,730	92	—	1,365,799
Eliminations	—	—	—	(309,516)	(309,516)
	$ 1,167,977	197,730	92	(309,516)	1,056,283

The service line chart above excludes state supplemental funding because funding is not provided at specific service lines.

	2024				
	BMC	**BUMG**	**BUAP**	**Eliminations**	**Total**
			(In thousands)		
Method of reimbursement:					
Fee for service	$ 1,167,977	197,730	92	(309,516)	1,056,283
State supplemental funds and other	366,932	—	—	—	366,932
	$ 1,534,909	197,730	92	(309,516)	1,423,215

Healthcare services are generally recognized as the services are transferred over time. Other operating revenues and gains include revenue recognized for various other Health System activities, primarily retail pharmacy of approximately $462,773,000 and $375,995,000 in 2025 and 2024, respectively, which are recognized on a point in time basis. Also included in other operating revenues are parking, cafeteria, and rental income.

Cost reports supporting third party service revenue have been audited and finalized through September 30, 2020 by the designated intermediaries. The 2021 cost report is currently under audit, and the cost reports for 2022 through 2024 have been filed, but are pending desk review. A provision for the estimated settlements for all open years has been recorded at September 30, 2025 and 2024. In the opinion of management, no material adjustments are expected to result from the audit of 2021 through 2024 cost reports. BMCHS has classified a portion of the accrual for estimated third party payor settlements as other

long term liabilities because such amounts, by their nature or by virtue of regulations or legislation, will not be settled within one year.

Accounts receivable, prior to reserves established, is summarized as follows as of September 30, 2025 and 2024:

	2025	2024
	(In thousands)	
Patient	$ 65,429	31,331
Third-party payors	1,146,252	753,609
Total	1,211,681	784,940
Implicit and explicit price concessions	(931,224)	(595,288)
Patient accounts receivable, net	$ 280,457	189,652

(15) Concentration of Credit Risk

BMCHS provides health care services to residents within its geographic location. BMCHS grants credit without collateral to its patients, most of whom are local residents and are either insured under third-party payer agreements or covered by the Health Safety Net.

The mix of receivables from patients and third-party payers as of September 30, 2025 and 2024 was as follows:

	2025	2024
Medicare	30 %	28 %
Medicaid	29	43
HMOs	16	11
Commercial	7	6
Blue Cross	10	7
Commonwealth Care	3	3
Other	5	2
	100 %	100 %

All of WellSense's capitation revenue is generated from enrollment in the health plans established by MassHealth, the Connector, the New Hampshire DHHS, and CMS.

Other Health System accounts receivable and respective allowances for doubtful accounts (credit losses) are comprised of the following as of September 30, 2025:

	Receivable balance	Discounts and allowances	Net receivable
		(In thousands)	
Other hospitals and health centers	$ 24,946	2,785	22,161
Outside contracts	7,917	1,848	6,069
Contributions receivable	10,989	1,477	9,512
Capitation receivable	52,389	—	52,389
Supplemental receivables	68,135	—	68,135
Pharmacy and other	290,231	—	290,231
	$ 454,607	6,110	448,497

Other Health System accounts receivable and respective allowances for doubtful accounts (credit losses) are comprised of the following as of September 30, 2024:

	Receivable balance	Discounts and allowances	Net receivable
		(In thousands)	
Other hospitals and health centers	$ 20,369	2,588	17,781
Outside contracts	3,009	—	3,009
Contributions receivable	8,492	1,920	6,572
Capitation receivable	50,501	—	50,501
Supplemental receivables	82,750	—	82,750
Pharmacy and other	249,269	—	249,269
	$ 414,390	4,508	409,882

These receivables represent current amounts from the other accounts receivable balance. From the outset of the transaction, management regularly assesses the adequacy of the allowance for doubtful accounts by performing ongoing evaluation of the balances, including such factors as the credit worthiness of the borrower, the economic environment, risks associated with each receivable, the financial condition of specific borrowers and, where applicable, the existence of any guarantees or indemnifications.

Other factors management also considered when performing its assessment included, but were not limited to, a detailed review of the aging of receivables and review of cash receipts in current year compared against prior year allowance for doubtful accounts. The level of the allowance is adjusted based upon the results of management's analysis.

(16) Related Party Transactions

The following summary of significant transactions among BMCHS entities (referred to as "related party transactions") eliminate upon consolidation.

During the years ended September 30, 2025 and 2024, BMC provided approximately $211,266,000 and $191,688,000, respectively, to Faculty for professional and support services. Faculty is comprised of physician groups that provide clinical, teaching, and other services to BMC. In addition, BMC and Faculty have trustees in common. BMC has various notes receivable and other (payables) receivables (to) from Faculty, which on a net basis totaled approximately $(17,438,000) and $30,432,000 as of September 30, 2025 and 2024, respectively.

Total revenue earned by BMC for medical services and pharmacy services provided to WellSense members was $801,010,000 and $729,301,000 for the years ended September 30, 2025 and 2024, respectively, and is included in net patient service revenue and other operating revenue recognized by BMC. In addition, WellSense owed BMC $22,882,000 and $26,673,000 as of September 30, 2025 and 2024, respectively, and the amounts due are included in BMC's patient accounts receivable and in WellSense's claims payable.

WellSense and BMC also have an intercompany loan agreement. Under the loan agreement, WellSense and BMC may each, from time to time, request funds from the other to address short-term needs for general working capital. As of June 30, 2024, WellSense had a $100,000,000 receivable relating to this intercompany loan agreement from BMC. In July 2024, the WellSense Board of Trustees voted to convert the intercompany loan to a net asset transfer to BMC. BMC owed WellSense $100,000,000 as of September 30, 2025. BMC incurred interest expense of $3,157,000 and $1,730,000 for the years ended September 30, 2025 and 2024, respectively to WellSense.

BMCHS and BMC have significant transactions with each other for system-wide purposes. As of September 30, 2025 and 2024, BMCHS owed BMC $29,672,000 and $10,030,000, respectively for operating related activities.

BMC and BMCIC have significant transactions with each other for the purpose of providing professional, general, and employment practices liability insurance. Total expenses incurred by BMC related to the insurance provided by BMCIC were $7,966,000 and $8,021,000 for the years ended September 30, 2025 and 2024, respectively. BMC has $63,984,000 and $40,607,000 of prepaid premiums and retrospective premium credits that were prepaid by BMC to BMCIC as of September 30, 2025 and 2024, respectively. BMC and Faculty recorded a combined insurance recovery receivable and a professional liability claims payable of $110,021,000 and $105,347,000 for the years ended September 30, 2025 and 2024, respectively. BMC consolidates BMCIC because of its majority ownership interest and ongoing economic interests in BMCIC. BMC accounts for BUMG's interest in BMCIC as a non-controlling interest.

Total revenue earned by BMCCH for medical services and pharmacy services provided to WellSense members was $26,376,000 for the year ended September 30, 2025, and is included in net patient service revenue and other operating revenue recognized by BMCCH. In addition, WellSense owed BMCCH $3,324,000 as of September 30, 2025, and the amounts due are included in BMC's patient accounts receivable and in WellSense's claims payable.

BMC and BMCCH entered into an intercompany loan agreement in September 2024, subsequently amended in December 2024, for a loan from BMC to BMCCH of up to $45,000,000. BMCCH owed BMC $45,000,000 at September 30, 2025. No amounts were outstanding under the agreement at September 30, 2024.

WellSense and Faculty have transactions with each other for operating purposes. The total revenue earned by Faculty from WellSense related to medical services provided by Faculty to WellSense members was $53,829,000 and $44,139,000 for the years ended September 30, 2025 and 2024, respectively, and is included in net patient service revenue and supplies and other expenses. Also as of September 30, 2025 and 2024, WellSense owed Faculty $3,222,000 and $3,032,000, respectively.

Faculty's Plans have agreements and participate in hospital affiliated network agreements with various health maintenance organizations (HMOs) through a master contract established by BACO and BMCICS to provide medical services to subscribing participants. Under certain agreements, the Plans earn capitation revenue based on the number of each HMO's participants, regardless of services actually performed by the Plans. In addition, BMC and the Plans are responsible for deficits beyond withheld amounts and are entitled to surpluses over withheld amounts.

The Plans are required to fund their share (from risk contracts) of any deficits in excess of the amounts withheld under this master contract. Surplus or deficit amounts in excess of amounts withheld have been recorded and retained by BACO and BMCICS. A surplus of $4,694,000 and $4,829,000 was earned for years ended September 30, 2025 and June 30, 2024, respectively.

(a) Shared Services Agreement

Faculty Members are employed by the individual Plans. Faculty Members serve the benefit of BMC (by providing clinical services) and the Chobanian & Avedisian School (by serving as faculty members of the Chobanian & Avedisian School). The Plans have each entered into a common paymaster agreement with BMC and the Trustees of BU. For 2025, each Plan, with respect to each Faculty Member that the Plan employs, pays BU 28.9% of each Faculty Member's salary up to the applicable FICA limit. If a particular Faculty Member's salary exceeds the FICA limit, the Plans further pay BU 13.90% on the excess up to an amount equal to the applicable retirement cap for that year and then 1.45% on any amount in excess of the retirement cap. Additionally, the Plans pay BMC for medical malpractice insurance premiums for each Faculty Member. BMC insures the Faculty Members under agreement with BMCIC. The Plans also pay for a portion of administrative salaries and fringe benefits for non-physician employees of BMC who provide services to them. These expenses are included in salaries and wages and fringe benefits in the consolidated statements of operations and changes in net assets without donor restrictions.

The Plans use space in buildings owned by the Chobanian & Avedisian School at no charge. Rent expense of $672,000 and $500,000 based upon estimated market rates, has been recorded as an in-kind donation for each of the years ended September 30, 2025 and June 30, 2024, respectively.

(17) Claims Payable

In conjunction with WellSense programs, BMCHS establishes a claims payable account for insured events. The table below shows the changes in the claims payable account for the years ended September 30, 2025 and 2024:

	2025	2024
	(In thousands)	
Accrued at beginning of year	$ 306,944	295,569
Incurred services:		
Current year	5,395,328	4,729,160
Prior years	(55,396)	1,470
Total incurred	5,339,932	4,730,630
Paid claims:		
Current year	4,997,394	4,396,944
Prior years	280,367	322,311
Total paid	5,277,761	4,719,255
Accrued at end of year	$ 369,115	306,944

Claims expense of $5,339,932,000 and $4,730,630,000 for 2025 and 2024, respectively is included in the medical cost, supplies and other expenses line item on the consolidated statements of operations and changes in net assets without donor restrictions. Health claims paid by WellSense to BMC are eliminated in BMCHS's accompanying consolidated financial statements. As of September 30, 2025 and 2024, $55,396,000 and $(1,470,000) have been released (incurred) from incurred claims attributable to services rendered to insured in the prior year. Favorable/ unfavorable development is generally a result of ongoing analysis of recent loss development trends and therefore, estimates are increased or decreased accordingly.

(18) Functional Expenses

The consolidated statements of operations and changes in net assets without donor restriction present expenses by natural classification. BMCHS also summarizes its expenses by functional classification. BMCHS's primary program service is healthcare services. Natural expenses attributed to more than one functional expense category are allocated using a variety of cost allocation techniques such as percentage of revenues, percentage of expenses, and square footage.

Expenses by functional classification for the year ended September 30, 2025 consist of the following:

	2025						
	Patient and member services	Medical education	Research	Mgmt and general	Fundraising efforts	Eliminations	Total
Operating expenses:							
Salaries, wages and fringe benefits	$ 1,462,219	74,033	16,323	824,574	4,998	(35,387)	2,346,760
Medical costs, supplies and other expenses	6,623,967	3,898	22,826	745,711	2,075	(915,243)	6,483,234
Institutional support	—	—	—	222,731	—	(222,731)	—
Corporate allocations	—	—	—	—	—	—	—
Depreciation and amortization	80,393	—	1,895	44,305	—	—	126,593
Interest expense	10	—	—	28,986	—	(4,943)	24,053
Research, sponsored programs and community health services	—	—	89,158	27	—	—	89,185
Operating expenses	$ 8,166,589	77,931	130,202	1,866,334	7,073	(1,178,304)	9,069,825

Expenses by functional classification for the year ended September 30, 2024 consisted of the following:

	2024						
	Patient and member services	Medical education	Research	Mgmt and general	Fundraising efforts	Eliminations	Total
Operating expenses:							
Salaries, wages and fringe benefits	$ 962,939	52,039	18,022	649,500	4,501	(34,280)	1,652,721
Medical costs, supplies and other expenses	5,704,081	1,631	29,772	533,642	1,848	(808,000)	5,462,974
Institutional support	—	—	—	173,464	—	(173,464)	—
Corporate allocations	—	—	—	1,038	—	(1,038)	—
Depreciation and amortization	70,603	—	6,572	39,121	—	—	116,296
Interest expense	5	—	—	24,771	—	(1,730)	23,046
Research, sponsored programs and community health services	—	—	96,384	—	—	—	96,384
Operating expenses	$ 6,737,628	53,670	150,750	1,421,536	6,349	(1,018,512)	7,351,421

Activities that give rise to the eliminations reported in the tables above primarily relate to medical services provided by BMC, BMCCH and BUMG to members enrolled in WellSense Health Plan, interinstitutional support and allocated system-wide costs.

(19) Governmental Subsidies

In recognition of the role that safety net hospitals play in serving a large proportion of Medicaid and uninsured individuals in the Commonwealth, EOHHS secured CMS approval of a Section 1115 demonstration waiver under which funds were available for safety net provider supplemental payments to eligible hospitals between state fiscal years 2018 and 2022, subject to those hospitals complying with program requirements. In state fiscal year 2023, EOHHS received federal approval to expand and extend its innovative Medicaid (MassHealth) Section 1115 waiver through December 2027.

The expanded waiver agreement builds on previous reforms by extending and expanding key initiatives including ACOs, the Community Partners program that provides wrap-around behavioral health and long-term services and supports for high-risk members, the Flexible Services program that provides nutrition and housing supports, and expanded behavioral health services. The agreement also authorizes new initiatives, including annual investments in health equity, an expanded hospital assessment and a value-based payment program for primary care.

The new waiver funding includes $774,720,000 for Safety Net Provider Payments, Health Equity and Clinical quality incentives that are contingent on achieving specific reporting or performance metrics. BMC recorded an incentive waiver receivable of $110,977,000 as of September 30, 2025 and recognized revenue of $147,454,000 during the year ended September 30, 2025. BMC's total portion of the waiver funding recognized during the years ended September 30, 2025 and 2024 for patient services was $471,490,000 and $366,932,000, respectively, and is included in net patient service revenue.

(20) Commitments and Contingencies

BMCHS is, in the normal course of business, subject to complaints, claims and litigation as well as periodic reviews, investigations, audits and administrative proceedings. BMCHS, like the healthcare industry as a whole, is subject to numerous and complex laws and regulations of federal, state, and local governments. In recent years, governmental review and enforcement has increased in the healthcare industry, resulting in some cases in significant fines and penalties for individual health care providers. While the outcome of legal and regulatory matters is inherently uncertain, management believes open matters will be resolved without a material adverse effect on BMCHS's consolidated financial statements.

(21) Self-Insurance

(a) Professional, General and Employment Practices Liability

Estimated professional, general and employment practices liability costs, as calculated by BMCIC's consulting actuaries, consist of specific reserves to cover the estimated liability resulting from medical professional, general or employment practices liability claims or potential claims which have been reported, as well as a provision for claims incurred but not reported. Estimated medical professional, general and employment practices liabilities are based on claims reported and historical experience. These liabilities include estimates of future trends in loss severity and frequency and other factors that could vary as the claims are ultimately resolved. Although there is always some degree of variability inherent in such estimates, management believes the reserves for claims are adequate. These

estimates are periodically reviewed, and necessary adjustments are reflected in the consolidated statement of operations in the year the need for such adjustments becomes known. Management is unaware of any claims that would cause the final expense for professional and general liability risks to vary materially from the amounts provided.

(b) Reinsurance and Excess Liability Coverage

BMCHS has reinsurance coverage of $40,000,000 for professional and general liability losses per individual claim, and for annual aggregate professional and general liability losses on a claims-made basis. BMCHS has excess liability coverage of $20,000,000 for employment practices liability on a claims-made basis. The existence of this reinsurance and excess coverage does not relieve BMCHS of their primary obligation with respect to losses incurred. BMCHS would be liable for claims ceded to reinsurers in the event such reinsurers are unable to meet their obligations.

BMCHS has recorded $121,068,000 and $116,976,000 for expected claims liabilities as of September 30, 2025 and 2024, respectively, which is included in other long-term liabilities in the accompanying consolidated financial statements.

(22) Subsequent Events

BMCHS has assessed the impact of subsequent events through February 5, 2026, the date the audited financial statements were issued, and have concluded that other than otherwise disclosed in these consolidated financial statements, there were no events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Exhibit IV

BMC HEALTH SYSTEM, INC.

Consolidating Supplemental Balance Sheet

September 30, 2025
(In thousands)

Assets	BMC	BMCCH	WellSense	BUMG	Clearway	All other entities	Eliminations	BMCHS
Current assets:								
Cash and cash equivalents	$ 147,694	67,305	161,585	35,505	10,733	46,178	—	469,000
Short-term investments	—	—	230,000	—	—	—	—	230,000
Patients accounts receivable, net	189,953	99,706	—	20,226	—	—	(29,428)	280,457
Other accounts receivable, net	232,983	12,553	191,166	5,559	9,283	(3,047)	—	448,497
Current portion of grants receivable	25,959	88	—	—	—	—	—	26,047
Estimated receivable for third-party settlements	5,715	—	—	—	—	—	—	5,715
Current portion due from related parties	296,038	2,534	100,000	4,646	—	51,618	(454,836)	—
Inventories	34,239	7,402	—	—	—	—	—	41,641
Prepaid expenses and other current assets	5,316	3,650	56,969	1,006	565	19,584	—	87,090
Risk share receivable	—	—	601,040	—	—	—	—	601,040
Insurance recoveries receivable	—	—	—	66,013	—	—	(66,013)	—
Current portion of funds held by trustees	11,865	—	—	—	—	—	—	11,865
Total current assets	949,762	193,238	1,340,760	132,955	20,581	114,333	(550,277)	2,201,352
Assets limited as to use:								
Board-designated investments	402,529	—	—	—	—	—	—	402,529
Funds held by Trustees	57,856	—	—	—	—	—	—	57,856
Donor-restricted investments	422,346	—	—	—	—	—	—	422,346
Reserve funds	134,295	—	2,725	—	—	—	—	137,020
Total assets limited as to use	1,017,026	—	2,725	—	—	—	—	1,019,751
Other assets:								
Long-term investments	230	—	345,976	52,492	—	—	—	398,698
Property, plant and equipment, net	1,031,849	177,599	13,599	1,474	5,200	(9)	—	1,229,712
Right of use assets – operating	90,314	25,652	6,130	223	—	—	—	122,319
Right of use assets – financing	1,310	3,347	—	595	—	—	—	5,252
Other noncurrent assets	41,519	15,849	—	48	2,472	735	(1,536)	59,087
Total assets	$ 3,132,010	415,685	1,709,190	187,787	28,253	115,059	(551,813)	5,036,171
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and accrued expenses	339,088	103,933	387,446	20,028	2,902	26,122	(2,690)	876,829
Claims payable	—	—	398,543	—	—	—	(29,428)	369,115
Deferred revenue and advances	32,104	100,070	—	2,139	—	2,817	—	137,130
Risk share payable	—	—	203,065	—	—	—	—	203,065
Current portion of due to related parties	147,078	168,856	13,301	14,065	9,307	99,539	(452,146)	—
Current portion of long-term debt and financing leases	8,477	817	—	48	—	—	—	9,342
Professional liability claims	—	—	—	66,013	—	—	(66,013)	—
Other current liabilities	80,283	12,996	12,248	(28)	(483)	(5)	—	105,011
Total current liabilities	607,030	386,672	1,014,603	102,265	11,726	128,473	(550,277)	1,700,492
Long-term liabilities:								
Estimated third-party settlements, net of current portion	40,003	984	—	—	—	(986)	—	40,001
Obligations under financing leases, net of current portion	1,045	2,281	—	74	—	—	—	3,400
Obligations under operating leases, net of current portion	82,568	17,455	8,280	98	—	—	—	108,401
Long-term debt, net of current portion	782,842	—	—	—	—	—	—	782,842
Other long-term liabilities	158,503	—	—	7,003	—	—	—	165,506
Total liabilities	1,671,991	407,392	1,022,883	109,440	11,726	127,487	(550,277)	2,800,642
Commitments and contingencies								
Net assets:								
Without donor restrictions	1,026,707	8,293	686,307	78,347	16,527	(12,428)	(1,536)	1,802,217
With donor restrictions	433,312	—	—	—	—	—	—	433,312
Total net assets	1,460,019	8,293	686,307	78,347	16,527	(12,428)	(1,536)	2,235,529
Total liabilities and net assets	3,132,010	415,685	1,709,190	187,787	28,253	115,059	(551,813)	5,036,171

See accompanying independent auditors' report.

BMC HEALTH SYSTEM, INC.

Consolidating Supplemental Statement of Operations and Changes in Net Assets without Donor Restrictions

Year ended September 30, 2025
(in thousands)

	BMC	BMCCH	WellSense	BUMG	Clearway	All other entities	Eliminations	BMCHS
Operating revenue:								
Net patient service revenue	$ 1,735,840	588,575	—	215,620	—	—	(349,711)	2,190,324
Capitation revenue	19,044	60	5,745,373	4,388	—	—	(3,074)	5,765,791
Grants and contract revenue	114,297	231	—	—	—	—	—	114,528
Institutional support	—	—	—	211,068	—	—	(211,068)	—
Other revenue	1,059,401	17,769	—	125,872	31,556	1,470	(609,508)	626,560
Net assets released from restrictions for operations	32,771	100,300	—	—	—	—	—	133,071
Total operating revenue	2,961,353	706,935	5,745,373	556,948	31,556	1,470	(1,173,361)	8,830,274
Operating expenses:								
Salaries, wages and fringe benefits	998,636	535,365	166,215	500,146	26,641	155,144	(35,387)	2,346,760
Medical costs, supplies and other expenses	1,360,675	280,100	5,579,127	50,886	2,729	124,960	(915,243)	6,483,234
Institutional support	207,940	9,395	—	4,391	—	1,005	(222,731)	—
Corporate allocations	197,656	—	44,419	16,331	3,044	(261,450)	—	—
Depreciation and amortization	110,982	8,770	5,603	572	666	—	—	126,593
Interest expense	27,054	1,930	—	12	—	—	(4,943)	24,053
Research, sponsored programs and community health services	89,158	—	—	27	—	—	—	89,185
Total operating expenses	2,992,101	835,560	5,795,364	572,365	33,080	19,659	(1,178,304)	9,069,825
(Loss) income from operations	(30,748)	(128,625)	(49,991)	(15,417)	(1,524)	(18,189)	4,943	(239,551)
Nonoperating gains (losses), net:								
Realized gains	33,997	416	57,218	6,649	513	1,202	(4,943)	95,052
Unrealized gains	13,393	—	(14,276)	(1,061)	—	—	—	(1,944)
Pension benefit, nonservice	1,862	—	—	—	—	—	—	1,862
Other	—	—	—	(18)	—	—	—	(18)
Total nonoperating gains (losses), net	49,252	416	42,942	5,570	513	1,202	(4,943)	94,952
Excess (deficiency) of revenue over expenses before income taxes	18,504	(128,209)	(7,049)	(9,847)	(1,011)	(16,987)	—	(144,599)
Income taxes:								
Income tax expense	—	—	—	—	174	—	—	174
Total income taxes	—	—	—	—	174	—	—	174
Excess (deficiency) of revenue over expenses net of income taxes	18,504	(128,209)	(7,049)	(9,847)	(837)	(16,987)	—	(144,425)
Other changes in unrestricted net assets:								
Net assets released from restrictions used for hospital acquisition	—	136,715	—	—	—	—	—	136,715
Net assets released from restrictions for property, plant and equipment	3,497	—	—	—	—	—	—	3,497
Pension related changes other than net periodic pension costs	(593)	—	—	—	—	—	—	(593)
Change in accounting period	—	—	—	(4,229)	—	—	—	(4,229)
Donated services (to)/from affiliates	(16,331)	—	—	16,331	—	—	—	—
Change in net assets without donor restrictions	5,077	8,506	(7,049)	2,255	(837)	(16,987)	—	(9,035)
Net assets without donor restriction:								
Beginning of year	1,021,630	—	693,356	76,092	17,364	4,346	(1,536)	1,811,252
End of year	$ 1,026,707	8,506	686,307	78,347	16,527	(12,641)	(1,536)	1,802,217

See accompanying independent auditors' report.

BMC HEALTH SYSTEM, INC.

Consolidating Supplemental Statement of Cash Flows

Year ended September 30, 2025
(In thousands)

	BMC	BMCCH	WellSense	BUMG	Clearway	All other entities	Eliminations	BMCHS
Operating activities:								
Change in net assets	$ 34,027	8,293	(7,049)	2,255	(837)	(16,774)	—	19,915
Adjustments to reconcile change in net assets to net cash provided by operating activities:	—	—	—	—	—	—	—	
Depreciation and amortization	110,982	8,770	5,603	572	666	—	—	126,593
Restricted contributions	(4,420)	(136,715)	—	—	—	—	—	(141,135)
Donated securities received	(887)	—	—	—	—	—	—	(887)
Return on investment of joint venture	420	—	—	—	—	—	—	420
Amortization of bond discount/premium and issuance costs	(1,526)	—	—	—	—	—	—	(1,526)
Loss on sale of property and equipment	—	—	—	123	—	—	—	123
Net realized gains and change in unrealized (appreciation) on investments	(65,176)	—	(3,575)	(8,418)	—	—	—	(77,169)
Pension related changes other than net periodic pension costs	593	—	—	—	—	—	—	593
Changes in operating assets and liabilities:								
Grants receivable	4,601	(88)	—	—	—	—	—	4,513
Patient accounts receivable	2,697	(99,706)	—	6,287	—	6	(89)	(90,805)
Other current assets and liabilities	68,138	95,864	(60,059)	(264)	(5,604)	(76,788)	—	21,287
Other noncurrent assets and liabilities	(27,792)	(5,250)	(876)	297	33	5,897	—	(27,691)
Due to/from related parties	(39,348)	166,322	(100,040)	(19,571)	1,340	(2,477)	(6,226)	—
Estimated third-party settlements	(1,805)	984	—	—	—	(770)	(3,283)	(4,874)
Risk share payable, net	—	—	(509,471)	—	—	—	—	(509,471)
Claims payable	—	—	62,082	—	—	—	89	62,171
Accounts payable and accrued expenses	43,567	62,577	96,011	921	(2,136)	2,513	9,509	212,962
Net cash provided by (used in) operating activities	124,071	101,051	(517,374)	(17,798)	(6,538)	(88,393)	—	(404,981)
Investing activities:								
Proceeds from sale of investments	472,957	—	781,926	9,935	—	—	—	1,264,818
Proceeds from sale of funds held by Trustees	110,635	—	—	—	—	—	—	110,635
Purchases of investments	(457,826)	—	(455,407)	(1,500)	—	—	—	(914,733)
Purchases of funds held by Trustees	(65,486)	—	—	—	—	—	—	(65,486)
Purchase of property, plant and equipment	(117,498)	(32,478)	(4,750)	(218)	(3,485)	—	—	(158,429)
Acquisition of hospitals	—	(136,479)	—	—	—	—	—	(136,479)
Net cash (used in) provided by investing activities	(57,218)	(168,957)	321,769	8,217	(3,485)	—	—	100,326
Financing activities:								
Proceeds from restricted contributions	4,420	136,715	—	—	—	—	—	141,135
Proceeds from sale of donated securities	887	—	—	—	—	—	—	887
Borrowings under line of credit	(8,095)	(1,504)	—	(40)	—	—	—	(9,639)
Repayments on line of credit	1,044,729	—	—	—	—	—	—	1,044,729
Repayment of long-term debt and financing leases	(1,054,549)	—	—	—	—	—	—	(1,054,549)
Net cash used in financing activities	(12,608)	135,211	—	(40)	—	—	—	122,563
Increase (decrease) in cash and cash equivalents	54,245	67,305	(195,605)	(9,621)	(10,023)	(88,393)	—	(182,092)
Cash and cash equivalents:								
Beginning of year	93,449	—	357,190	45,126	20,756	134,571	—	651,092
End of year	$ 147,694	67,305	161,585	35,505	10,733	46,178	—	469,000
Supplemental disclosure of cash flow activities:								
Cash paid for interest	$ 27,054	1,930	—	12	—	—	(4,943)	24,053
Property, plant and equipment included in accounts payable	5,074	14,807	900	—	98	—	—	20,879
Contributed securities	887	—	—	—	—	—	—	887
Gift in-kind	—	—	—	672	—	—	—	672

See accompanying independent auditors' report.

Exhibit IV

BMC HEALTH SYSTEM, INC.

Boston University Medical Group Consolidating Supplemental Balance Sheet

September 30, 2025
(In thousands)

Assets	Anesthesia	Emergency	Dermatology	Ophthalmology	Family Medicine	Surgery	Radiation Oncology	Pathology	Neurology	Neurosurgery	OB/GYN	Orthopedics	Psychiatry	Radiology	Otolaryngology	Urology	Pediatrics	Medicine	BUMG Corporate	Eliminations	Total
Current assets:																					
Cash and cash equivalents	1,608	162	1,137	515	55	2,757	39	652	69	35	95	2,693	1,491	449	987	252	165	1,119	21,225	—	35,505
Patients accounts receivable, net	660	1,796	157	1,338	642	341	268	189	751	406	1,074	3,278	211	1,830	(235)	361	1,179	5,768	212	—	20,226
Other accounts receivable, net	—	249	121	76	2,467	78	—	83	5	—	491	2	207	735	75	—	210	750	10	—	5,559
Current portion due from related parties	—	—	258	—	34	637	—	323	—	114	—	44	—	1,017	247	243	—	1,742	(13)	—	4,646
Prepaid expenses and other current assets	678	82	12	37	64	—	—	17	—	—	21	8	5	3	—	—	10	22	47	—	1,006
Insurance recoveries receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	66,013	—	66,013
Total current assets	2,946	2,289	1,685	1,966	3,262	3,813	307	1,264	825	555	1,681	6,025	1,914	4,034	1,074	856	1,564	9,401	87,494	—	132,955
Other assets:																					
Long-term investments	—	3,175	—	—	—	—	—	1,415	—	—	—	1,601	—	—	547	—	5,830	31,827	8,097	—	52,492
Property, plant and equipment, net	3	—	1	250	—	—	—	129	—	—	—	42	133	75	—	—	11	823	7	—	1,474
Right of use assets – operating	—	—	—	126	—	—	—	—	97	—	—	—	—	—	—	—	—	—	—	—	223
Right of use assets – financing	—	—	—	194	—	—	—	—	—	—	—	—	—	—	—	—	—	401	—	—	595
Other noncurrent assets	—	—	—	—	5	—	—	—	7	—	—	—	—	—	—	—	—	—	36	—	48
Total assets	2,949	5,464	1,686	2,536	3,267	3,813	307	2,808	929	555	1,681	7,668	2,047	4,109	1,621	856	7,405	42,452	95,634	—	187,787
Liabilities and Net Assets																					
Current liabilities:																					
Accounts payable and accrued expenses	569	438	659	808	862	1,486	166	242	383	130	273	1,679	1,272	1,354	333	41	916	1,137	7,280	—	20,028
Deferred revenue	—	—	—	—	—	—	—	—	—	—	—	107	10	8	—	—	8	1,996	10	—	2,139
Current portion of due to related parties	2,380	361	—	1,480	2,405	—	141	—	448	—	1,408	15	765	—	1	—	26	—	4,635	—	14,065
Current portion of long-term debt and financing leases	—	—	—	48	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	48
Professional liability claims	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	66,013	—	66,013
Other current liabilities	—	—	—	126	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(154)	—	(28)
Total current liabilities	2,949	799	659	2,462	3,267	1,486	307	242	831	130	1,681	1,801	2,047	1,362	334	41	950	3,133	77,784	—	102,265
Long-term liabilities:																					
Obligations under financing leases	—	—	—	74	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	74
Obligations under operating leases	—	—	—	—	—	—	—	—	98	—	—	—	—	—	—	—	—	—	—	—	98
Long-term debt	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other long-term liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	375	6,628	—	7,003
Total liabilities	2,949	799	659	2,536	3,267	1,486	307	242	929	130	1,681	1,801	2,047	1,362	334	41	950	3,508	84,412	—	109,440
Commitments and contingencies																					
Net assets:																					
Without donor restrictions	—	4,665	1,027	—	—	2,327	—	2,566	—	425	—	5,867	—	2,747	1,287	815	6,455	38,944	11,222	—	78,347
Total net assets	—	4,665	1,027	—	—	2,327	—	2,566	—	425	—	5,867	—	2,747	1,287	815	6,455	38,944	11,222	—	78,347
Total liabilities and net assets	2,949	5,464	1,686	2,536	3,267	3,813	307	2,808	929	555	1,681	7,668	2,047	4,109	1,621	856	7,405	42,452	95,634	—	187,787

See accompanying independent auditors' report.

Exhibit IV

BMC HEALTH SYSTEM, INC.

Boston University Medical Group Consolidation Supplemental Statement of Operations and Changes in Net Assets without Donor Restrictions

September 30, 2025
(In thousands)

	Anesthesia	Emergency	Dermatology	Ophthalmology	Family Medicine	Surgery	Radiation Oncology	Pathology	Neurology	Neurosurgery	OB/GYN	Orthopedics	Psychiatry	Radiology	Otolaryngology	Urology	Pediatrics	Medicine	BUMG Corporate	Eliminations	Total
Operating revenue:																					
Net patient service revenue	13,612	13,859	3,149	17,661	6,854	13,744	1,963	3,439	7,298	1,747	10,636	13,341	22,481	15,635	4,268	2,952	11,990	50,991	—	—	215,620
Capitation revenue	—	—	—	—	516	—	—	—	—	—	—	—	—	—	—	—	2,101	1,771	—	—	4,388
Grants and contract revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Institutional support	21,524	11,379	2,459	1,915	6,675	23,164	2,261	5,011	7,971	4,822	8,010	4,996	17,988	14,304	3,884	1,759	12,489	59,959	498	—	211,068
Other revenue	702	2,399	1,653	652	16,290	2,314	57	1,594	2,812	31	3,861	2,010	5,149	3,036	860	368	10,099	66,929	21,844	(16,788)	125,872
Total operating revenue	35,838	27,637	7,261	20,228	30,335	39,222	4,281	10,044	18,081	6,600	22,507	20,347	45,618	32,975	9,012	5,079	36,679	179,650	22,342	(16,788)	556,948
Operating expenses:																					
Salaries, wages and fringe benefits	32,051	23,779	6,433	11,883	27,262	34,383	3,894	8,696	16,201	5,844	20,680	17,045	33,655	28,497	8,180	4,583	33,874	166,058	17,796	(648)	500,146
Medical costs, supplies and other expenses	3,787	4,004	887	8,498	3,050	4,839	359	1,308	1,530	756	4,860	2,417	13,723	3,290	873	496	3,067	13,851	(151)	(16,140)	55,304
Corporate Allocations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	16,331	—	16,331
Depreciation and amortization	—	—	4	135	2	—	—	40	—	—	—	12	17	22	—	—	1	336	3	—	572
Interest expense	—	—	—	10	—	—	—	—	—	—	—	—	—	2	—	—	—	—	—	—	12
Total operating expenses	35,838	27,783	7,324	20,526	30,314	39,222	4,253	10,044	17,731	6,600	25,540	19,474	47,395	31,811	9,053	5,079	36,942	180,245	33,979	(16,788)	572,365
Income (loss) from operations	—	(146)	(63)	(298)	21	—	28	—	350	—	(3,033)	873	(1,777)	1,164	(41)	—	(263)	(595)	(11,637)	—	(15,417)
Nonoperating gains (losses), net:																					
Realized gains	—	990	—	—	—	—	—	77	—	—	—	34	105	—	31	1	470	4,200	741	—	6,649
Unrealized gains	—	(708)	—	—	—	—	—	43	—	—	—	68	(95)	—	15	—	92	(705)	229	—	(1,061)
Other	—	—	—	—	—	(1)	—	—	—	—	—	(15)	—	—	—	—	—	(2)	—	—	(18)
Total nonoperating gains, net	—	282	—	—	—	(1)	—	120	—	—	—	87	10	—	46	1	562	3,493	970	—	5,570
Excess (deficiency) of revenue over expenses	—	136	(63)	(298)	21	(1)	28	120	350	—	(3,033)	960	(1,767)	1,164	5	1	299	2,898	(10,667)	—	(9,847)
Other changes in unrestricted net assets:																					
Donated services (to)/from affiliates	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	16,331	—	16,331
Net assets transfer (to)/from affiliates	—	—	—	259	(21)	—	(28)	—	(350)	—	3,032	—	1,767	—	—	—	—	—	(4,659)	—	—
Change in accounting period	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,229)	—	(4,229)
Change in net assets without donor restrictions	—	136	(63)	(39)	—	(1)	—	120	—	—	(1)	960	—	1,164	5	1	299	2,898	(3,224)	—	2,255

See accompanying independent auditors' report.

(1) Basis of Presentation

The accompanying supplemental consolidating information includes the Consolidating Supplemental Balance Sheet, the Consolidating Supplemental Statement of Operations and Changes in Net Assets without Donor Restrictions and the Consolidating Supplemental Statement of Cash Flows of individual entities of BMCHS and the Consolidating Supplemental Balance Sheets, the Consolidating Supplemental Statement of Operations and Changes in Net Assets without Donor Restrictions of the Faculty Practice Foundation, Inc. (Faculty), doing business as Boston University Medical Group (BUMG) and its affiliated faculty practice plan corporations (the Plans, and collectively with Faculty known as BUMG). All intercompany accounts and transactions between entities have been eliminated and are presented in the elimination column of the consolidating supplemental schedules. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

Exhibit V

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BMC HEALTH SYSTEM, INC.

Supplementary Schedule of Expenditures of Federal Awards

September 30, 2025

Federal program / pass-through grantor / program or cluster	ALN	Pass-Through Entity	Direct award or pass-through entity number	Passed to sub-recipients	Total expenditures
Research & Development:					
Department of Agriculture:					
Agricultural Research Service:					
Agricultural Research Basic and Applied Research	10.001	Civilian Research and Development Foundation Global	R-202412-73252	$ —	10,914
Agricultural Research Service Total				—	10,914
Department of Agriculture Total				—	10,914
Department of Defense:					
Department of the Army:					
Military Medical Research and Development	12.420	Boston University	4500003446	—	66,722
Military Medical Research and Development	12.420		Direct	63,483	869,095
Department of the Army Total				63,483	935,817
National Defense, Emergency Preparedness, and Energy Program:					
National Defense, Emergency Preparedness, and Energy Program	12.RD	Massachusetts Institute of Technology	FA8702-15-D-0001	—	218,171
National Defense, Emergency Preparedness, and Energy Program Total				—	218,171
Department of Defense Total				63,483	1,153,988
Department of Health and Human Services:					
Administration for Children and Families:					
Family Violence Prevention and Services/Discretionary	93.592	Vermont Network Against Domestic and Sexual Violence	CON-80005051(GR123745)	—	(952)
Administration for Children and Families Total				—	(952)
Agency for Healthcare Research and Quality:					
National Research Service Awards Health Services Research Training	93.225		Direct	—	420,670
Research on Healthcare Costs, Quality and Outcomes	93.226		Direct	107,930	1,485,370
Research on Healthcare Costs, Quality and Outcomes	93.226	Harvard Pilgrim Health Care	AH000972	—	25,924
Research on Healthcare Costs, Quality and Outcomes	93.226	Massachusetts General Hospital	GR0246808-S01	—	810
Research on Healthcare Costs, Quality and Outcomes	93.226	Rand Corporation	SCON-00000623	—	24,359
Research on Healthcare Costs, Quality and Outcomes Total				107,930	1,536,463
Agency for Healthcare Research and Quality Total				107,930	1,957,133
Centers for Disease Control and Prevention:					
Centers for Disease Control and Prevention	93.RD		Direct	—	(697)
Centers for Disease Control and Prevention	93.RD		Direct	—	263,095
Centers for Disease Control and Prevention	93.RD	Massachusetts Department of Public Health	INTF3070HH4W23010083	—	125,162
Centers for Disease Control and Prevention Total				—	387,560
Injury Prevention and Control Research and State and Community Based Programs	93.136		Direct	99,726	443,577
Injury Prevention and Control Research and State and Community Based Programs	93.136	Massachusetts Department of Public Health	INTF2400H78500224302	—	412,434
Injury Prevention and Control Research and State and Community Based Programs Total				99,726	856,011
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	Massachusetts General Brigham	245187	—	12,184
Centers for Disease Control and Prevention Total				99,726	1,255,755
Health Resources and Services Administration:					
Autism Collaboration, Accountability, Research, Education, and Support	93.877	Johns Hopkins University	2005678336	—	336,747
Family to Family Health Information Centers	93.127	Massachusetts Department of Public Health	INTF6208M78W23160374	—	2,004
Graduate Psychology Education	93.191		Direct	—	16,815
National Research Service Award in Primary Care Medicine	93.186		Direct	6,705	559,178
Sickle Cell Treatment Demonstration Program	93.365	Johns Hopkins University	5U1E27864-10-00	—	49,776
Health Resources and Services Administration Total				6,705	964,520
National Institutes of Health:					
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353		Direct	—	83,090
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	Massachusetts General Hospital	237447	—	101,401
21st Century Cures Act - Beau Biden Cancer Moonshot Total				—	184,491
21st Century Cures Act - Precision Medicine Initiative	93.368	Massachusetts General Hospital	245604	—	82,250
Aging Research	93.866	Boston University	4500002831	—	(4,683)
Aging Research	93.866	Boston University	4500003808	—	83,152
Aging Research	93.866	Boston University	4500005231	—	40,075
Aging Research	93.866	Boston University	4500005372	—	644,508
Aging Research	93.866	Brigham and Women's Hospital	127625	—	(1,831)
Aging Research	93.866	Brigham and Women's Hospital	127683	—	101,194
Aging Research	93.866	Brigham and Women's Hospital	129670	—	(8,246)
Aging Research	93.866	Dana-Farber Cancer Institute	1224604	—	38,911
Aging Research	93.866		Direct	—	(347)
Aging Research	93.866	Massachusetts General Brigham	GR1000089-S01	—	6,474
Aging Research	93.866	Massachusetts General Brigham	GR1000090-S01	—	75,489
Aging Research	93.866	Northern California Institute	SHL2361-02	—	11,534
Aging Research	93.866	The Translational Genomics Research Institute	SCHORK-25-01	—	720,491
Aging Research	93.866	Trustees of Columbia University	5(GG018901-01)	—	57,722
Aging Research	93.866	Tufts Medical Center	5025373_SERV	—	2,839
Aging Research	93.866	Tufts Medical Center	5024877_SERV	—	72,950
Aging Research	93.866	University of Colorado	FY25.342.010	—	4,609
Aging Research	93.866	University of Massachusetts	016677-9140	—	17,721
Aging Research Total				—	1,944,812
Alcohol Research Programs	93.273	Boston University	4500004343	—	25,736
Alcohol Research Programs	93.273	Boston University	4500005187	—	41,884
Alcohol Research Programs	93.273	Brandeis University	GR404718	—	28,136
Alcohol Research Programs	93.273		Direct	1,635,390	2,535,949
Alcohol Research Programs	93.273	Northwestern University	60060439 BMC	—	15,656

(Continued)

BMC HEALTH SYSTEM, INC.

Supplementary Schedule of Expenditures of Federal Awards

September 30, 2025

Federal program / pass-through grantor / program or cluster	ALN	Pass-Through Entity	Direct award or pass-through entity number	Passed to sub-recipients	Total expenditures
Alcohol Research Programs	93.273	Vanderbilt University Medical Center	VUMC95907	$ —	142,380
Alcohol Research Programs Total				1,635,390	2,647,361
Allergy and Infectious Diseases Research	93.855	Boston University	4500005113	—	235,770
Allergy and Infectious Diseases Research	93.855	Columbia University	2(GG017990-01)	—	1,577
Allergy and Infectious Diseases Research	93.855	Department of Molecular Medicine and Hematology	D1907240-02	—	14,931
Allergy and Infectious Diseases Research	93.855		Direct	669,765	3,280,216
Allergy and Infectious Diseases Research	93.855	Fraunhofer USA Center for Manufacturing Innovation	3024007-03	—	14,165
Allergy and Infectious Diseases Research	93.855	Harvard University	150274.5115997.0002	—	88,486
Allergy and Infectious Diseases Research	93.855	Harvard University	152058.5124494.0004	—	50,462
Allergy and Infectious Diseases Research	93.855	Institute for Clinical Research, Inc.	M56-BU-071-1101-3	—	(807)
Allergy and Infectious Diseases Research	93.855	Johns Hopkins University	LDR 11	—	33
Allergy and Infectious Diseases Research	93.855	Johns Hopkins University	LDR20	—	72,718
Allergy and Infectious Diseases Research	93.855	Johns Hopkins University	PO 2002532372	—	—
Allergy and Infectious Diseases Research	93.855	Johns Hopkins University	PTCL 06 MOD 01	—	15,337
Allergy and Infectious Diseases Research	93.855	Kephera Diagnostics	2R44 AI136172-03A1	—	77,369
Allergy and Infectious Diseases Research	93.855	Kephera Diagnostics	AI147973-BMC-01	—	50,529
Allergy and Infectious Diseases Research	93.855	Massachusetts General Hospital	GR0245141-S01	—	44,294
Allergy and Infectious Diseases Research	93.855	New York University	24-A1-00-1010632	—	91,903
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7141705PS	—	4,148
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147100JE	—	(1,241)
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147101AA	—	(7,471)
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147102NL	—	(2,360)
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147105JS	—	928
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147320AJH	—	149,432
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147321BPL	—	36,043
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147323MS	—	157,043
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147343KAS	—	2,427
Allergy and Infectious Diseases Research	93.855	The Miriam Hospital	7147388RR	—	225,559
Allergy and Infectious Diseases Research	93.855	University of California, Los Angeles	1560 G ZA993	—	(10,374)
Allergy and Infectious Diseases Research Total				669,765	4,591,117
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Boston University	4500005138	—	5,085
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Boston University	4500005525	—	9,191
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Massachusetts General Hospital	242917	—	178,436
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Arizona	244231	—	—
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Yale University	CON-80004012(GR118485)	—	75,956
Arthritis, Musculoskeletal and Skin Diseases Research Total				—	268,668
Blood Diseases and Resources Research	93.839		Direct	118,089	1,134,853
Blood Diseases and Resources Research	93.839	New York University	21-A2-00-1004666	—	16,244
Blood Diseases and Resources Research	93.839	University of Maryland, Baltimore	20785	—	79,452
Blood Diseases and Resources Research Total				118,089	1,230,549
Cancer Biology Research	93.396	Boston University	4500004467	—	(66,292)
Cancer Biology Research	93.396	Boston University	4500005041	—	29,405
Cancer Biology Research	93.396	Massachusetts General Hospital	240828	—	100,694
Cancer Biology Research Total				—	63,807
Cancer Cause and Prevention Research	93.393	Boston University	4500003906	—	16,000
Cancer Cause and Prevention Research	93.393	Brigham and Women's Hospital	129988	—	(14,742)
Cancer Cause and Prevention Research	93.393		Direct	31,886	91,041
Cancer Cause and Prevention Research	93.393	Johns Hopkins University	2005010962	—	63,084
Cancer Cause and Prevention Research	93.393	Massachusetts General Hospital	243673	—	18,423
Cancer Cause and Prevention Research	93.393	Tufts Medical Center	5024808_SERV	—	74,748
Cancer Cause and Prevention Research	93.393	Tufts Medical Center	5025024_SERV	—	29,709
Cancer Cause and Prevention Research	93.393	University of California, Irvine	2021-1596	—	(175)
Cancer Cause and Prevention Research Total				31,886	278,088
Cancer Centers Support Grants	93.397	Dana-Farber Cancer Institute	1205203	—	210
Cancer Detection and Diagnosis Research	93.394	Boston University	4500004777	—	41,642
Cancer Detection and Diagnosis Research	93.394		Direct	31,996	226,735
Cancer Detection and Diagnosis Research	93.394	Johns Hopkins University	2006156349	—	236,456
Cancer Detection and Diagnosis Research	93.394	Leuko Labs, Inc.	N/A	—	62,459
Cancer Detection and Diagnosis Research Total				31,996	567,292
Cancer Treatment Research	93.395	Dana-Farber Cancer Institute	1226909	—	87,740
Cancer Treatment Research	93.395	NRG Oncology Foundation, Inc.	1384-1047	—	130,932
Cancer Treatment Research	93.395	Oregon Health and Science University	1013080_SWOG_BostonMC	—	18,480
Cancer Treatment Research	93.395	The EMMES Company	13992	—	2,448
Cancer Treatment Research	93.395	The EMMES Company	13765	—	22,597
Cancer Treatment Research	93.395	University of California, Los Angeles	1568 G TA632	—	791
Cancer Treatment Research Total				—	262,988
Cardiovascular Diseases Research	93.837	Beth Israel Deaconess Medical Center	GRT65855	—	51,660
Cardiovascular Diseases Research	93.837	Boston Children's Hospital	GENFD0001569484	—	70,407
Cardiovascular Diseases Research	93.837	Boston University	4500004599	—	(9,977)
Cardiovascular Diseases Research	93.837	Columbia University	3(GG012878-01)	57,655	90,356
Cardiovascular Diseases Research	93.837		Direct	123,715	2,063,117
Cardiovascular Diseases Research	93.837	Northwestern University	60066435	—	32,577
Cardiovascular Diseases Research	93.837	University of California	14809sc	—	(1,884)
Cardiovascular Diseases Research	93.837	University of California, Los Angeles	15530000304915	—	7,780
Cardiovascular Diseases Research Total				181,370	2,304,036

(Continued)

BMC HEALTH SYSTEM, INC.

Supplementary Schedule of Expenditures of Federal Awards

September 30, 2025

Federal program / pass-through grantor / program or cluster	ALN	Pass-Through Entity	Direct award or pass-through entity number	Passed to sub-recipients	Total expenditures
Child Health and Human Development Extramural Research	93.865	Boston University	4500004399	$ —	120,156
Child Health and Human Development Extramural Research	93.865	Boston University	4500004419	—	38,553
Child Health and Human Development Extramural Research	93.865	Boston University	4500005287	—	78,758
Child Health and Human Development Extramural Research	93.865	Brown University	00002234	—	131,675
Child Health and Human Development Extramural Research	93.865		Direct	513,753	1,814,327
Child Health and Human Development Extramural Research	93.865	Emory University	A1186282	—	38,992
Child Health and Human Development Extramural Research	93.865	George Washington University	N/A	—	1,858
Child Health and Human Development Extramural Research	93.865	Georgia State University	SP00015797-06	—	5,033
Child Health and Human Development Extramural Research	93.865	Harvard University	AH001019	—	95,266
Child Health and Human Development Extramural Research	93.865	Johns Hopkins University	2005582261	—	103,657
Child Health and Human Development Extramural Research	93.865	University of Maryland, Baltimore	1802614	—	7,816
Child Health and Human Development Extramural Research	93.865	University of Massachusetts	SUB00000221	—	99,327
Child Health and Human Development Extramural Research	93.865	University of Massachusetts	SUB00000253	—	101,219
Child Health and Human Development Extramural Research	93.865	University of Massachusetts	SUB00000527	—	41,981
Child Health and Human Development Extramural Research	93.865	Venova Technologies, Inc.	1R41HD111106-01-S1	—	(10,586)
Child Health and Human Development Extramural Research Total				513,753	2,668,032
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Boston University	4500004228	—	18,701
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Brigham and Women's Hospital	113318	—	(993)
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Brigham and Women's Hospital	122308	—	32,074
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Brigham and Women's Hospital	130650	—	49,774
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		Direct	1,377,200	4,713,397
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	JAEB Center for Health Research	2107	—	35,795
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Massachusetts General Hospital	GR0241424-S04	—	44,592
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	New York University	22-A0-00-1008641	—	226,500
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Northwestern University	60040977 BMCC	—	3,724
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Stanford University	62748656-211232	—	439,598
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Stanford University	63205304-247133	—	135,932
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	State University of New York at Stony Brook	89194/2/1163728	—	18,395
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	The Scripps Research Institute	5-54314	—	1
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	The University of Illinois	20412	—	15,802
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Massachusetts	SUB00000410	—	14,980
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Utah	10055841-45-BMCC	—	70,108
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Washington University	WU-20-277-MOD-3	—	(216)
Diabetes, Digestive, and Kidney Diseases Extramural Research Total				1,377,200	5,818,164
Drug Use and Addiction Research Programs	93.279	Boston University	4500003058	—	7,646
Drug Use and Addiction Research Programs	93.279	Boston University	4500003673	—	191,563
Drug Use and Addiction Research Programs	93.279	Boston University	4500005257	—	51,087
Drug Use and Addiction Research Programs	93.279	Boston University	4500005276	—	207,181
Drug Use and Addiction Research Programs	93.279	Brandeis University	GR404598_BMC	—	43,284
Drug Use and Addiction Research Programs	93.279	Brigham and Women's Hospital	127629	—	229,657
Drug Use and Addiction Research Programs	93.279	Brown University	00002606	—	32,487
Drug Use and Addiction Research Programs	93.279	Columbia University	2(GG010654-01)	—	60,390
Drug Use and Addiction Research Programs	93.279	Denver Health and Hospital Authority	A19-001-S005-A04	—	21,329
Drug Use and Addiction Research Programs	93.279		Direct	2,995,067	11,520,979
Drug Use and Addiction Research Programs	93.279	Heluna Health	526.0105	—	795
Drug Use and Addiction Research Programs	93.279	Hennepin Healthcare Research Institute	15641-15	—	222,238
Drug Use and Addiction Research Programs	93.279	Hennepin Healthcare Research Institute	15641-29	—	252,257
Drug Use and Addiction Research Programs	93.279	Massachusetts Department of Public Health	CON-80005820(GR128487)	—	12,135
Drug Use and Addiction Research Programs	93.279	Massachusetts General Hospital	237428	—	92,037
Drug Use and Addiction Research Programs	93.279	San Diego State University Research Foundation	SA1075 A0 5B167A-B 7807	—	29,920
Drug Use and Addiction Research Programs	93.279	The Medical University of South Carolina	A25-0135-S002	—	1,776
Drug Use and Addiction Research Programs	93.279	The Miriam Hospital	7147185MLD	—	15,970
Drug Use and Addiction Research Programs	93.279	The Miriam Hospital	7147402MLD	—	11,619
Drug Use and Addiction Research Programs	93.279	Tufts Medical Center	5026916_SERV	—	4,636
Drug Use and Addiction Research Programs	93.279	Tufts University	NIH243	—	30,561
Drug Use and Addiction Research Programs	93.279	University of British Columbia	GR013252	—	1,953
Drug Use and Addiction Research Programs	93.279	University of Cincinnati	013764-00045	—	80,185
Drug Use and Addiction Research Programs	93.279	University of Cincinnati	013764-00046	—	5,406
Drug Use and Addiction Research Programs	93.279	University of Kentucky	3200004708-22-226	—	(1,623)
Drug Use and Addiction Research Programs	93.279	University of Michigan	SUBK00020715	—	184,841
Drug Use and Addiction Research Programs	93.279	University of Minnesota	SUBA00000682-P011507507	—	82,534
Drug Use and Addiction Research Programs	93.279	University of Pittsburgh	AWD00000584 (139108-4)	—	60,228
Drug Use and Addiction Research Programs	93.279	Weill Cornell Medical College	201209-2	—	166,290
Drug Use and Addiction Research Programs	93.279	Weill Cornell Medical College	211827-4	—	24,260
Drug Use and Addiction Research Programs	93.279	Weill Cornell Medical College	222892-3	—	496,555
Drug Use and Addiction Research Programs	93.279	Worcester Polytechnic Institute	11509-GR	—	300,890
Drug Use and Addiction Research Programs	93.279	Yale University	CON-80004427 (GR120762)	—	(255)
Drug Use and Addiction Research Programs	93.279	Yale University	CON-80005051(GR123745)	—	6,488
Drug Use and Addiction Research Programs	93.279	Yale University	CON-80005055 (GR123749)	—	319,433
Drug Use and Addiction Research Programs	93.279	Yale University	CON-80005711 (GR127600)	—	10,728
Drug Use and Addiction Research Programs	93.279	Yale University	CON-80005810 (GR128477)	—	191,661
Drug Use and Addiction Research Programs	93.279	Yale University	CON-80005820 (GR128487)	—	46,178
Drug Use and Addiction Research Programs	93.279	Yale University	CON-80005820(GR128487)	—	22,237
Drug Use and Addiction Research Programs Total				2,995,067	15,037,536
Environmental Health	93.113	Boston University	4500002019	—	(531)
Environmental Health	93.113		Direct	—	39,893
Environmental Health	93.113	Johns Hopkins University	2005726577	—	116,197
Environmental Health Total				—	155,559
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Boston Children's Hospital	GENFD0002583371	—	44,870
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Boston University	4500004685	—	29,779
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Boston University	4500005191	—	22,794
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Boston University	4500005192	—	53,691
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Boston University	4500005315	—	18,980

(Continued)

BMC HEALTH SYSTEM, INC.

Supplementary Schedule of Expenditures of Federal Awards

September 30, 2025

Federal program / pass-through grantor / program or cluster	ALN	Pass-Through Entity	Direct award or pass-through entity number	Passed to sub-recipients	Total expenditures
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	CND Life Sciences	1R44NS117214	$ —	(19,694)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		Direct	265,941	752,987
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Massachusetts General Hospital	233020	—	(1,470)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Massachusetts General Hospital	233251	—	(157,581)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Massachusetts General Hospital	235400	—	335,883
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Massachusetts General Hospital	GR0244862-S07	—	7,535
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Mayo Clinic	STE-224063-08	—	3,093
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Mayo Clinic	STE-290195-04	—	2,884
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	The Miriam Hospital	7147388RR	—	15,303
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Cincinnati	012043-133380	—	20,029
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Cincinnati	013888-133380	—	79,328
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Cincinnati	015907-133380	—	98,088
Extramural Research Programs in the Neurosciences and Neurological Disorders Total				265,941	1,306,499
Human Genome Research	93.172	Boston Children's Hospital	GENFD0002264636	—	13,494
Human Genome Research	93.172		Direct	—	14,098
Human Genome Research Total				—	27,592
International Research and Research Training	93.989		Direct	31,904	40,472
International Research and Research Training	93.989	Harvard University	HBNUY8-2411	—	65,584
International Research and Research Training	93.989	Kwame Nkrumah University of Science and Technology	CoHSP103	—	60,361
International Research and Research Training Total				31,904	166,417
Lung Diseases Research	93.838	Brigham and Women's Hospital	OT2HL161847-01	—	697,930
Lung Diseases Research	93.838		Direct	—	11,652
Lung Diseases Research	93.838	Duke University	383000909	—	55,079
Lung Diseases Research	93.838	Duke University	383001278 (SPS 282235)	—	77,819
Lung Diseases Research	93.838	Duke University	383001279 (SPS 281174)	—	29,230
Lung Diseases Research	93.838	Research Triangle Institute	6922-03-COVID-S021	—	(437,360)
Lung Diseases Research	93.838	Westat	6922-03-COVID-S021	154,448	1,684,822
Lung Diseases Research Total				154,448	2,119,172
Mental Health Research Grants	93.242	Beth Israel Deaconess Medical Center	01063386	—	10,508
Mental Health Research Grants	93.242	Boston University	4500004071	—	(3,191)
Mental Health Research Grants	93.242	Brown University	00001294	—	42,987
Mental Health Research Grants	93.242	Brown University	00002228	—	148,897
Mental Health Research Grants	93.242		Direct	174,998	1,729,524
Mental Health Research Grants	93.242	Harvard University	151288.5122908.0004	—	2,327
Mental Health Research Grants	93.242	Kaiser Foundation Research Institute	RNG210241-BUDG01-BMC-00	—	(6,832)
Mental Health Research Grants	93.242	Massachusetts General Hospital	234070	—	(3,481)
Mental Health Research Grants	93.242	McLean Hospital	402064	—	93,131
Mental Health Research Grants	93.242	McLean Hospital	GR0402065-S06	—	177,829
Mental Health Research Grants	93.242	Rand Corporation	SCON-00000231	—	(1,019)
Mental Health Research Grants	93.242	Rand Corporation	SCON-00000722	—	21,323
Mental Health Research Grants Total				174,998	2,212,003
Minority Health and Health Disparities Research	93.307	Boston University	4500004627	—	86,449
Minority Health and Health Disparities Research	93.307	Boston University	4500005361	—	80,096
Minority Health and Health Disparities Research	93.307		Direct	—	319,915
Minority Health and Health Disparities Research	93.307	Northeastern University	500759-78050	—	24,193
Minority Health and Health Disparities Research	93.307	Northwestern University	60046231 BMC	—	(14,007)
Minority Health and Health Disparities Research	93.307	Tufts Medical Center	5026823_SERV	—	22,833
Minority Health and Health Disparities Research	93.307	Yale University	CON-80005512(GR126680)	—	173,645
Minority Health and Health Disparities Research Total				—	693,124
National Center for Advancing Translational Sciences	93.350		Direct	—	282
National Center for Advancing Translational Sciences	93.350	Duke Clinical Research Institute	WBSE: A034559, SPS: 266338	—	30,303
National Center for Advancing Translational Sciences Total				—	30,585
National Institutes of Health	93.RD		Direct	—	(59,905)
National Institutes of Health	93.RD		Direct	—	46,666
National Institutes of Health	93.RD		Direct	—	10,808
National Institutes of Health	93.RD		Direct	—	65,615
National Institutes of Health	93.RD		Direct	—	(9,348)
National Institutes of Health	93.RD	Fast Track Drugs and Biologics	HHSN27500008-NCIG7R-BMC	—	(17,576)
National Institutes of Health	93.RD	Leidos Biomedical Research, Inc.	23X032F1	8,826	14,228
National Institutes of Health	93.RD	Oregon Health and Science University	1020044-002_BMCC	—	33,083
National Institutes of Health	93.RD	Oregon Health and Science University	SWOG/NCI	—	(3,112)
National Institutes of Health	93.RD	Westat	6579-S48	—	(139,976)
National Institutes of Health Total				8,826	(59,517)
NIEHS Superfund Hazardous Substances_Basic Research and Education	93.143	Boston University	4500002446	—	8
Nursing Research	93.361		Direct	(5,112)	(5,112)
Nursing Research	93.361	Tufts Medical Center	5024322_SERV	—	(1,585)
Nursing Research	93.361	UMass Memorial Medical Center	SUB00000563	—	67,926
Nursing Research	93.361	University of Colorado	FY16.342.003	—	80,883
Nursing Research	93.361	University of Colorado	FY22.342.002	—	49,173
Nursing Research	93.361	University of Massachusetts	SUB00000226	—	89,777
Nursing Research Total				(5,112)	281,062
Oral Diseases and Disorders Research	93.121		Direct	400,952	777,268
Oral Diseases and Disorders Research	93.121	Rhode Island Department of Health	7137973	—	80,814
Oral Diseases and Disorders Research Total				400,952	858,082
Research and Training in Complementary and Integrative Health	93.213	Butler Hospital	5001651-4	—	81,158
Research and Training in Complementary and Integrative Health	93.213		Direct	659,288	1,332,464

(Continued)

BMC HEALTH SYSTEM, INC.

Supplementary Schedule of Expenditures of Federal Awards

September 30, 2025

Federal program / pass-through grantor / program or cluster	ALN	Pass-Through Entity	Direct award or pass-through entity number	Passed to sub-recipients	Total expenditures
Research and Training in Complementary and Integrative Health	93.213	Tufts Medical Center	5025372_SERV	$ —	(60,472)
Research and Training in Complementary and Integrative Health	93.213	Tufts Medical Center	5027792_SERV	—	321,481
Research and Training in Complementary and Integrative Health	93.213	University of Pittsburgh	AWD00007973 (202310-1)	—	165,424
Research and Training in Complementary and Integrative Health Total				659,288	1,840,055
Research Infrastructure Programs	93.351		Direct	—	238,257
Research Related to Deafness and Communication Disorders	93.173	Boston Children's Hospital	000204905	—	(275)
Research Related to Deafness and Communication Disorders	93.173	Georgia State University	SP00013351-02	—	(492)
Research Related to Deafness and Communication Disorders	93.173	Massachusetts General Hospital	241611	—	(123)
Research Related to Deafness and Communication Disorders	93.173	Massachusetts General Hospital	GR0242791-S01	—	255,782
Research Related to Deafness and Communication Disorders	93.173	Massachusetts General Hospital	GR0242792-S01	—	155,701
Research Related to Deafness and Communication Disorders Total				—	410,593
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840		Direct	70,325	71,521
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840	Massachusetts General Hospital	234862	—	38,041
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders Total				70,325	109,562
Trans-NIH Research Support	93.310	Massachusetts General Hospital	229352	—	(703)
Trans-NIH Research Support	93.310	Massachusetts General Hospital	232124	—	(632)
Trans-NIH Research Support	93.310	University of Nevada, Las Vegas	GR18072	—	4,936
Trans-NIH Research Support	93.310	University of North Texas Health Science Center at Fort Worth	RF00280-SUB00309	17,291	694,313
Trans-NIH Research Support	93.310	University of Pittsburgh	AWD00001053(134698-1)	—	22,344
Trans-NIH Research Support Total				17,291	720,258
Vision Research	93.867	Case Western Reserve University	RES513027	—	17,515
Vision Research	93.867		Direct	—	(746)
Vision Research	93.867	JAEB Center for Health Research	5653	—	3,332
Vision Research	93.867	JAEB Center for Health Research	5934	—	10,703
Vision Research	93.867	JAEB Center for Health Research	2254	—	1,094
Vision Research	93.867	JAEB Center for Health Research	2-SRA-2022-1207	—	12,641
Vision Research	93.867	JAEB Center for Health Research	4985	—	46,248
Vision Research	93.867	JAEB Center for Health Research	5937	—	22,779
Vision Research	93.867	JAEB Center for Health Research	CON-80005051(GR123745)	—	1,956
Vision Research	93.867	JAEB Center for Health Research	N/A	—	(1,353)
Vision Research	93.867	JAEB Center for Health Research	UG1EY011751	—	19,233
Vision Research	93.867	New York University	106171	—	7,617
Vision Research Total				—	141,019
National Institutes of Health Total				9,333,377	49,259,861
Department of Health and Human Services Total				9,547,738	53,436,317
Department of Justice:					
Office of Justice Programs:					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Johns Hopkins University	PO# 2003750769	—	1
Office of Justice Programs Total				—	1
Department of Justice Total				—	1
National Science Foundation:					
Biological Sciences:					
Biological Sciences	47.074	Hermes Life Sciences, Inc.	1-2111755	—	407
Biological Sciences Total				—	407
National Science Foundation Total				—	407
Research & Development Total				9,611,221	54,601,627
Other Programs:					
Corporation for National and Community Service:					
AmeriCorps State and National 94.006	94.006		Direct	—	67,947
AmeriCorps State and National 94.006	94.006	Massachusetts Service Alliance	22AFFMA0010022	—	45,471
AmeriCorps State and National 94.006 Total				—	113,418
AmeriCorps Volunteer Generation Fund 94.021	94.021	Massachusetts Service Alliance	YCPI-23-043314093	—	(4,716)
AmeriCorps Volunteer Generation Fund 94.021	94.021	Massachusetts Service Alliance	YCPI-25-043314093	—	11,114
AmeriCorps Volunteer Generation Fund 94.021Total				—	6,398
AmeriCorps Volunteers In Service to America 49.013	94.013		Direct	—	45,347
Corporation for National and Community Service Total				—	165,163
Department of Agriculture:					
National Institute of Food and Agriculture:					
Gus Schumacher Nutrition Incentive Program	10.331		Direct	54,460	160,009
National Institute of Food and Agriculture Total				54,460	160,009
Department of Agriculture Total				54,460	160,009
Department of Health and Human Services:					
Administration for Children and Families:					
Assistance for Torture Victims	93.604		Direct	—	323,043
Administration for Children and Families Total				—	323,043

(Continued)

BMC HEALTH SYSTEM, INC.

Supplementary Schedule of Expenditures of Federal Awards

September 30, 2025

Federal program / pass-through grantor / program or cluster	ALN	Pass-Through Entity	Direct award or pass-through entity number	Passed to sub-recipients	Total expenditures
Centers for Disease Control and Prevention:				$	
Assistance Programs for Chronic Disease Prevention and Control	93.945		Direct	305,054	2,073,468
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073		Direct	—	486,113
Centers for Disease Control and Prevention	93.U01		24 IPA 2421382	—	56,330
HIV Prevention Activities Health Department Based	93.940	Massachusetts Department of Public Health	INTF4944MM3181926007	—	2,831,397
Injury Prevention and Control Research and State and Community Based Programs	93.136	Boston Public Health Commission	FY25026675	—	88,177
Injury Prevention and Control Research and State and Community Based Programs	93.136, 93.959	Massachusetts Department of Public Health	INTF2400M78246334582	34,998	809,120
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084	Boston University	4500005185	—	76,629
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084		Direct	—	(36,080)
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084	Stanford University	62346382-148206	—	(2,613)
Prevention of Disease, Disability, and Death by Infectious Diseases Total				—	37,936
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	American Academy of Pediatrics	101445	—	17
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	National Association of County and City Health Officials	2022- 022807	—	(414)
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health Total				—	(397)
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	Boston Public Health Commission	FY24026268	—	43,458
Centers for Disease Control and Prevention Total				340,052	6,425,602
Centers for Medicare and Medicaid Services:					
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	Bay Cove Human Services	N/A	—	(6,049)
Centers for Medicare and Medicaid Services Total				—	(6,049)
Health Resources and Services Administration:					
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		Direct	—	350,135
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686	Boston Public Health Commission	FY25026766	—	324,530
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686	Boston Public Health Commission	FY25027632	—	79,395
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B Total				—	403,925
HIV Emergency Relief Project Grants	93.914	Boston Public Health Commission	FY 20 021293A	—	(317)
HIV Emergency Relief Project Grants	93.914	Boston Public Health Commission	FY21 021664	—	(1,620)
HIV Emergency Relief Project Grants Total				—	(1,937)
Maternal and Child Health Services Block Grant to the States	93.994	Massachusetts Department of Public Health	INTF3105M03901424004	—	(36,013)
Mental and Behavioral Health Education and Training Grants	93.732	Boston University	4500004886	—	56,116
Mental and Behavioral Health Education and Training Grants	93.732		Direct	53,328	748,667
Mental and Behavioral Health Education and Training Grants Total				53,328	804,783
Preventive Medicine Residency	93.117		Direct	81,870	497,085
Primary Care Training and Enhancement	93.884		Direct	90,080	752,247
Special Projects of National Significance	93.928		Direct	—	381,527
Special Projects of Regional and National Significance	93.110		Direct	287,253	1,601,819
Special Projects of Regional and National Significance	93.110	Massachusetts Department of Public Health	INTF3121H78226732037	—	149,858
Special Projects of Regional and National Significance	93.110	Massachusetts Department of Public Health	INTF3121MM3248126051	—	157,854
Special Projects of Regional and National Significance				287,253	1,909,531
Health Resources and Services Administration Total				512,531	5,061,283
IMMED Office of the Secretary of Health and Human Service:					
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	Massachusetts General Hospital	GR0246459-S04	—	78,383
IMMED Office of the Secretary of Health and Human Service Total				—	78,383
Office of Assistant Secretary for Health:					
Advancing System Improvements for Key Issues in Women's Health	93.088		Direct	113,807	373,327
Family Planning Services	93.217	Action for Boston Community Development	00-549-2160	—	48,223
Family Planning Services	93.217	Action for Boston Community Development	INTF4005PP1W25027433	—	63,710
Family Planning Services Total				—	111,933
Office of Assistant Secretary for Health Total				113,807	485,260
Substance Abuse and Mental Health Services Administration:					
Assisted Outpatient Treatment	93.997	Massachusetts Trial Court	BMC-5272	—	140,871
Block Grants for Community Mental Health Services	93.958	Massachusetts Department of Mental Health	DMHEARLYPSYCHO24TO33	—	289,263
Block Grants for Community Mental Health Services	93.958	Massachusetts Department of Mental Health	SCDMH8220025PTRPBMC1	—	616,622
Block Grants for Community Mental Health Services	93.958	Massachusetts Department of Mental Health	SCDMH8220025PTRPBMC2	—	386,552
Block Grants for Community Mental Health Services	93.958	Massachusetts Department of Mental Health	SCDMH822022085460000	—	(9,522)
Block Grants for Community Mental Health Services Total				—	1,282,915
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Department of Public Health	INTF2351M03183626033	—	21,062
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Department of Public Health	INTF2351M03183626052-10%FY22&3	—	10,197
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Massachusetts Department of Public Health	INTF2351M03183626052	—	555,140
Block Grants for Prevention and Treatment of Substance Abuse Total				—	586,399
Opioid STR	93.788	American Academy of Addiction Psychiatry	SOR/TOR-22-17	—	(31,635)
Opioid STR	93.788	Department of Health Services	INTF2330M78500824150	—	(882)
Opioid STR	93.788	Massachusetts Department of Mental Health	INTF2342M03236528003	86,818	1,089,876
Opioid STR	93.788	Massachusetts Department of Public Health	CON-80005051(GR123745)	—	239,238

(Continued)

BMC HEALTH SYSTEM, INC.

Supplementary Schedule of Expenditures of Federal Awards

September 30, 2025

Federal program / pass-through grantor / program or cluster	ALN	Pass-Through Entity	Direct award or pass-through entity number	Passed to sub-recipients	Total expenditures
Opioid STR	93.788	Massachusetts Department of Public Health	INTF2330M04500824114	$ —	580
Opioid STR	93.788	Massachusetts Department of Public Health	INTF2351M03183626147	—	(150)
Opioid STR	93.788	Massachusetts Department of Public Health	INTF2351M03W21006078	—	37,530
Opioid STR	93.788	Massachusetts Department of Public Health	INTF2351M03W23163124	—	263,501
Opioid STR Total				86,818	1,598,058
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	American Academy of Addiction Psychiatry	SOR/TOR-24-18	—	316,494
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Boston Public Health Commission	FY20021036	—	(2,228)
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		Direct	—	420,193
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Institute for Health and Recovery	H795MO87827	—	33,377
Substance Abuse and Mental Health Services Projects of Regional and National Significance Total				—	767,836
Substance Abuse and Mental Health Services Administration Total				86,818	4,376,079
Department of Health and Human Services Total				1,053,208	16,743,601
Department of Housing and Urban Development:					
Assistant Secretary for Community Planning and Development:					
Emergency Solutions Grant Program	14.231	City of Boston	00000000000000000052055	—	(3,208)
Assistant Secretary for Community Planning and Development Total				—	(3,208)
Department of Housing and Urban Development Total				—	(3,208)
Department of Justice:					
Boards and Divisions Offices:					
Violence Against Women Formula Grants	16.588	Executive Office of Public Safety	SCEPSSFY24VAWABMCD23	—	39,037
Violence Against Women Formula Grants	16.588	Executive Office of Public Safety	SCEPSSFY25VAWABMCD24	—	88,563
Boards and Divisions Offices Total				—	127,600
Office of Justice Programs:					
Crime Victim Assistance	16.575	Massachusetts Office of Victim Assistance	VC6000182946	—	100,944
Crime Victim Assistance	16.575	Massachusetts Office of Victim Assistance	VOCA2019BMCICVRT0000	—	701,777
Crime Victim Assistance	16.575	Massachusetts Office of Victim Assistance	VOCA2019BMCICWTV0000	—	616,531
Crime Victim Assistance Total				—	1,419,252
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	City of Boston	00000000000000000055898	—	22,666
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	University of Massachusetts	S51000000059122, LK1030	—	51,084
Criminal and Juvenile Justice and Mental Health Collaboration Program				—	73,750
Office of Justice Programs Total				—	1,493,002
Department of Justice Total				—	1,620,602
Department of Veterans Affairs:					
Veterans Health Administration:					
Veterans Health Administration	93.02	VA Boston Health Care System	348	—	74,815
Veterans Health Administration Total				—	74,815
Department of Veterans Affairs Total				—	74,815
Other Programs Total				1,107,668	18,760,982
Food Cluster:					
Department of Agriculture:					
Food and Nutrition Service:					
Emergency Food Assistance Program (Food Commodities)	10.569		Direct	—	98,261
Food and Nutrition Service Total				—	98,261
Department of Agriculture Total				—	98,261
Food Cluster Total				—	98,261
Aging:					
Department of Health and Human Services:					
Administration for Community Living:					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	City of Boston	00000000000000000056570	—	(10,401)
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	City of Boston	4B-23	—	7,003
Administration for Community Living Total				—	(3,398)
Department of Health and Human Services Total				—	(3,398)
Aging Total				—	(3,398)
Grand Total				$ 10,718,889	73,457,472

See accompanying independent auditors' report.

Exhibit V

BMC HEALTH SYSTEM, INC.

Notes to the Supplementary Schedule of Expenditure of Federal Awards

Year ended September 30, 2025

(1) Basis of Presentation

The accompanying supplementary schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Health System under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Health System, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the Health System.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(3) Indirect Rate

The Health System applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 15% de minims cost rate as described in Section 200.414 of the Uniform Guidance.

(4) Noncash Assistance

In 2025, $98,261 of U.S. Department of Agriculture (USDA) was received from the Greater Boston Food Bank (ALN #10.569) and distributed to program participants through the Boston Medical Center Food Bank. This noncash assistance amount represents the fair value of the product at the time of receipt and is included on the Schedule.

Prior Year Finding Update - Fiscal Year Ended September 30, 2025

Date: June 29, 2026

Audit Report Reference: 2024-001

Completion Date: September 30, 2025

Corrective Action Status: **Complete**

Corrective Action Plan:

1) For the Infor user access review deficiency:

    a. Management has scoped and performed limited access reviews in FY2024 related to privileged administrative access.

    b. Management has worked to identify financially significant Infor user security roles in order to properly scope and implement business user access reviews starting in FY2024, noting that the implementation timeframe will span FY2024 and FY2025.

    c. IT management will be working with operational management to educate as to how to properly perform access reviews, and then to implement those reviews starting in FY2024 and FY2025.

    d. Once reviews have been performed, IT management will assess the results and terminate any access deemed to be unnecessary. As part of this process IT management will perform risk assessment procedures for these users if deemed necessary (e.g. if no other controls are in place to mitigate the perceived risk, etc.).

2) For the access termination deficiency:

    a. Management completed an education session for Health System leaders in FY24 which included the importance of the termination process including timeliness of employee terminations by the business to HR and IT via the established pathways of communication of these items.

b. The established process would automatically allow for very timely termination of access provided that initial notification was timely.

c. Communication and/or education about timely termination of employees will be repeated at intervals throughout the year in order to reinforce the message and account for changes in management personnel who are tasked with this process.

Corrective Action

The Health System believes that the corrective action for 2023-003 and 2024-001 are complete and no further corrective action is required.

1) Management has performed ongoing periodic reviews of administrative access throughout FY24 and FY25.
2) Management identified financially significant Infor security roles in FY24. Business user access reviews were subsequently scoped and performed in FY25. These reviews are intended to be conducted on a recurring annual basis

3) As part of implementation, IT Management educated operational management on how to properly perform access reviews.

4) IT management performed a review of access review results and performed any adjustments required including termination of any access deemed to be unnecessary.

Audit Report Reference: 2024-002

Completion Date: October 30, 2024

Corrective Action Status: **Complete**

Corrective Action Plan:

1) Review of Risk Assessments for current active subawards: We will conduct a review of all current subrecipients and document a risk assessment for each by the end of FY24. All new active subawards beginning October 1, 2024, will follow the updated SOPs and policies to ensure compliance and consistency.

2) Updating SOPs: We will update the Standard Operating Procedures (SOPs) pertaining to Subaward Issuance (Risk Assessments, Monitoring, Reporting, etc.) to ensure continuity and consistency, regardless of personnel changes. The updated SOPs will include specific steps for subaward issuance and will be reviewed and updated annually as necessary.

Corrective Action Update:

The Health System believes that the corrective action for 2023-003 and 2024-002 are complete and no further corrective action is required.

1) Review of Risk Assessments for current active subawards: Research and Sponsored Programs (RSP) has conducted a review of all current subrecipients and completed and documented a risk assessment for those institutions.

2) Updating SOP: RSP has completed and operationalized an update to its SOP for risk assessments. Risk assessments are maintained in a system that tracks and notifies when an active subrecipient is due for a new assessment. SPA performs a risk assessment for all new subrecipients prior to executing agreements with those institutions.

Audit Report Reference: 2024-003

Anticipated Completion Date: December 31, 2024

Corrective Action Plan:

1) For the Workday change review**,** management has been re-educated on the importance of this review as well as how to complete it completely and timely. Management will perform this review for the fiscal year ended September 30, 2024 and each subsequent fiscal year. Additionally, this review will be reviewed timely by somebody separate from the preparer and the documentation of the review and subsequent approval will be retained in Boston Medical Center Health System's (Health System) records.

2) For the access provisioning deficiency, management has been re-educated on the importance of following policy with respect to granting new access to Workday, including that this granting of access be appropriately documented and approved

prior to the date of provisioning said access. Additionally, documentation of the approval of access will be properly retained in the company's records.

Corrective Action Status: **On-going**

Corrective Action Update:

1. Human Resources Information Systems (HRIS) leadership conducted routine audits for change control. Evidence retention for Workday Releases is now a required component of the control and is validated during the biannual release cycle. HRIS Leads review the content and whether the review is applicable for Workday Release testing or not. Primary focus for release is Automatically Available updates.
2. HRIS audited employee roles and permissions within Workday and made changes to employee access in accordance with their current roles. HRIS has updated and communicated the process for access changes, which include:
    a. All access requests must be submitted to HRIS and approved by manager or HRIS leadership.
    b. Conduct a monthly audit of security roles and users within Workday to ensure that permissions are updated appropriately. Any discrepancies will be addressed immediately.
    c. As part of the routine HRIS audits we ensure that there is an appropriate request submitted by Manager or HR Leadership.

Management Response and Corrective Action Plan Findings for Fiscal Year End September 30, 2025

Date: June 29, 2026

Audit Report Reference: 2025-001

Program name: Research and Development; HIV Prevention Activities Health Department Based (93.940)

Completion Date: September 30, 2026

Finding 2025-001 is a repeat finding (2023-001; 2024-003). The conditions observed by the auditors were:

1. The Health System performed and documented a Workday change review during the fiscal year; however, we noted appropriate evidence of testing and/or approval was not maintained for 4 of 25 sampled changes during the period.
2. The Health System performed a Workday User Access Review (UAR) during the fiscal year and maintained certain evidence demonstrating the UAR occurred; however, management did not retain the screenshot of the Workday report utilized for the User Access Review (UAR). Additionally, the individual performing the review also had access to the system, resulting in the individual reviewing and validating their own access.
3. Management did not consistently implement controls to ensure that privileged user access was limited to active individuals in support of their roles and responsibilities. Specifically, there were five vendors with Implementer access, which enables the implementation and migration of changes, who did not require that level of access during the period.

The Health System will take the following actions to resolve the noted conditions:

1. To address the noted conditions for user access reviews the Health System will update SOPs and documentation in two separate areas:

   Vendors/Consultants that do work for the Health System will be instructed to only move changes to production with explicit written approval from the business leader of the Human Resources (HR) function or Human Resources Information Systems (HRIS) leadership. Verbal approval in

meetings will be insufficient. The updated requirement will be communicated to all business leads in HR.

Workday Releases are currently reviewed and tested by HRIS prior to implementation. During testing, the auditors noted two releases that did not have documentation of testing. The two releases relate to modules or functionality not used by the Health System. HRIS will update its practice of reviewing Workday releases to include documentation on release items that do not apply to the Health System and, therefore, do not require testing. This change will be incorporated in HRIS's SOP and communicated to the team conducting the Workday release reviews.

2. HRIS leadership will update its SOP for UAR to require screenshot of the system generated report used for the UAR and require an HR VP to review the Sr. Manager's (primary individual doing review) access. The HRIS team will be trained on the updates to the new SOP.
3. We have done a comprehensive review of our implementers/vendors and began disabling them from our systems when they no longer require access to our systems upon completion of services. HR business leads will be required to request implementor/vendor access disablement on the completion of their work. The HR business leads will be trained on this process. As a new additional control, implementers/vendors will be reviewed by HRIS on an annual basis mirroring the current security review process for other users.

Person Responsible: Karen Alvarado – Senior Manager HRIS

E-mail address: Karen.Alvarado@bmc.org