



**QUARTERLY FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED**

July 31, 2026

Memorial Healthcare System Disclosure Representative:

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Important Information

In accordance with undertakings of the South Broward Hospital District d/b/a Memorial Healthcare System (the “Issuer”), regarding secondary market disclosure made pursuant to SEC Rule 15c2-12(b)(5)(i), by various continuing disclosure certificates, attached is the quarterly financial information (hereinafter collectively called the “Fiscal Quarter Information”) and operating data for the fiscal quarter ended July 31, 2026. All of the information provided herein is unaudited.

The provision of this information is not intended as an offer to sell any securities. It is provided solely to comply with the contractual undertakings made by the Issuer with respect to certain outstanding obligations of the Issuer, which contractual undertakings require the provision of limited financial information and operating data with respect to the Issuer. It is not intended to be and is not an update of all of the information included in the Issuer’s prior Official Statements. Other events may have occurred since the date of the Issuer’s prior Official Statements which might be material to investors in the Issuer’s bonds including, without limitation, changes in regulation of the healthcare industry and certain other risk factors. No representation is made as to whether any such other events have occurred with respect to the Issuer or its outstanding debt that might be material or important to owners of the Issuer’s outstanding debt. No representation is made as to the materiality or completeness of the Fiscal Quarter Information. No representation is made that the Fiscal Quarter Information is indicative of financial or operating results of the Issuer since the end of the last fiscal year or of future financial or operating results.

In connection with the sale of each bond issue, the Issuer delivered Official Statements. Capitalized terms used herein shall have the meanings ascribed to such terms in the applicable Official Statement.

This report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and any expression of opinion contained herein are subject to change without notice, and the delivery of this report will not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or other matters described.

This report may contain additional information that is not required to be provided under the terms of the continuing disclosure undertakings entered into by the Issuer. Any such additional information is provided on a voluntary basis and may be excluded from future reports without notice.

Directed Payment Program

During the three months ended July 31, 2026 and 2025, the Issuer recognized \$203.5 million and \$31.5 million, respectively, of net patient service revenue under the Medicaid supplemental financing initiative called the Hospital Directed Payment Program (DPP). DPP is administered regionally and is intended to help hospitals offset the Medicaid shortfall by increasing Medicaid payments to an average commercial rate (ACR). Florida’s DPP provides a financial incentive for hospitals to engage in quality initiatives with the Medicaid managed care plans in their region. Hospitals that participate receive their DPP funding through their local Medicaid managed care plans. The increase in DPP revenue for the three months ended July 31, 2026 was primarily attributable to changes in the reimbursement methodology and delays in both state and federal approvals of the program, which resulted in the recognition of DPP revenue at higher rates during the three months ended July 31, 2026, rather than during the twelve months ended April 30, 2026. The DPP funds recognized for the three months ended July 31, 2026 and 2025 are included in net patient service revenue in the Statements of Revenue and Expenses and Changes in Net Position contained in this report.

**South Broward Hospital District
d/b/a Memorial Healthcare System**

**Combined Balance Sheets
In Thousands**

	July 31,	
	2026	2025
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	\$ 344,743	\$ 288,659
Investments	3,303,037	2,710,835
Patient accounts receivable, net of estimated uncollectibles	355,234	288,779
Inventories	65,348	63,134
Other current assets	278,739	320,315
Restricted assets:		
Investments under indenture agreements for debt service	12,786	12,767
Investments under self-insurance agreements	12,450	13,065
Total Current Assets	<u>4,372,337</u>	<u>3,697,554</u>
Noncurrent assets:		
Designated investments for employee disability	22,264	21,661
Capital assets, net	1,453,027	1,371,791
Right-to-use lease assets, net	46,166	49,391
Right-to-use subscription assets, net	113,590	100,299
Net pension asset	44,352	-
Other assets	43,922	46,432
Restricted assets, net of current portion:		
Investments under self-insurance agreements	56,766	53,991
Total Assets	<u>6,152,424</u>	<u>5,341,119</u>
Deferred outflows of resources:		
Pension related items	79,625	139,476
Loss on defeasance	11,885	13,159
Total deferred outflows of resources	<u>91,510</u>	<u>152,635</u>
Total assets and deferred outflows of resources	<u>\$ 6,243,934</u>	<u>\$ 5,493,754</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable and accrued expenses	\$ 170,893	\$ 119,183
Accrued compensation and payroll taxes	218,046	208,484
Estimated third-party payor settlements	226,567	156,823
Current installments of long-term debt	21,070	20,080
Current portion of estimated claims liability	18,084	17,632
Current portion of lease payable	11,783	9,905
Current portion of subscription liability	29,193	23,567
Other current liabilities	69,485	85,907
Total current liabilities	<u>765,121</u>	<u>641,581</u>
Noncurrent liabilities:		
Long-term portion of estimated claims liability	27,954	28,195
Net pension liability	-	71,824
Other noncurrent liabilities	56,265	63,596
Lease payable	41,347	44,638
Subscription liability	50,036	42,598
Long-term debt	817,469	840,722
Total liabilities	<u>1,758,192</u>	<u>1,733,154</u>
Deferred inflows of resources:		
Pension related items	123,662	80,193
Lease related items	10,183	13,786
Total deferred inflows of resources	<u>133,845</u>	<u>93,979</u>
Net position:		
Net investment in capital assets	600,965	528,158
Restricted	13,458	13,857
Unrestricted	3,737,474	3,124,606
Total net position	<u>4,351,897</u>	<u>3,666,621</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 6,243,934</u>	<u>\$ 5,493,754</u>

**South Broward Hospital District
d/b/a Memorial Healthcare System**

**Statements of Revenue and Expenses and Changes in Net Position
In Thousands**

	First Quarter ended July 31,	
	2026	2025
Operating revenue:		
Net patient service revenue	\$ 1,042,340	\$ 838,394
Disproportionate share distributions	7,744	10,348
Other operating revenues	96,858	84,883
Total operating revenue	<u>1,146,942</u>	<u>933,625</u>
Operating expenses:		
Salaries and wages	419,984	415,085
Employee benefits	69,894	64,617
Professional fees	26,083	19,530
Supplies	225,697	218,776
Purchased services	57,720	61,404
Facilities	28,289	23,380
Depreciation and amortization	46,195	41,785
Other	33,520	29,173
Total operating expenses	<u>907,382</u>	<u>873,750</u>
Income from operations	239,560	59,875
Nonoperating revenues, net*	<u>46,515</u>	<u>44,001</u>
Excess of revenues over expenses	286,075	103,876
Capital contributions and grants	68	252
Increase in net position	<u>286,143</u>	<u>104,128</u>
Net position at the beginning of the period	4,065,754	3,562,493
Net position at the end of the period	<u>\$ 4,351,897</u>	<u>\$ 3,666,621</u>
Net Margin	<u>24.9%</u>	<u>11.1%</u>
* Includes as follows:		
Interest expense	<u>\$ 8,079</u>	<u>\$ 8,196</u>

**South Broward Hospital District
d/b/a Memorial Healthcare System
Hospitals and Primary Care
Combining Statement of Revenue and Expenses
Quarter ended July 31, 2026
(In Thousands)**

	Memorial Regional Hospital	Memorial Regional Hospital South	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Primary Care	Total Hospitals and Primary Care
Operating revenue:								
Net patient service revenue	\$301,432	\$38,888	\$92,237	\$235,591	\$54,690	\$88,715	\$4,082	\$815,635
Disproportionate share distributions	3,722	727	296	1,546	962	491	-	7,744
Other operating revenues	10,957	719	1,182	2,528	259	421	2,859	18,925
Total operating revenue	316,111	40,334	93,715	239,665	55,911	89,627	6,941	842,304
Operating expenses:								
Salaries and wages	109,348	17,384	40,871	78,375	21,503	27,362	5,556	300,399
Employee benefits	18,145	3,292	7,146	13,763	3,856	5,008	927	52,137
Professional fees	6,884	567	3,899	5,857	1,578	1,872	392	21,049
Supplies	72,641	6,371	15,476	57,798	7,028	8,696	371	168,381
Purchased services	10,395	2,302	4,370	12,083	2,933	5,288	885	38,256
Facilities	7,519	1,325	3,150	5,760	1,395	2,579	459	22,187
Depreciation and amortization	7,547	1,602	4,857	6,661	2,007	2,450	567	25,691
Other	7,787	1,126	3,081	6,332	1,976	2,297	184	22,783
Intrasystem allocation	37,240	4,863	10,790	29,319	6,963	8,388	657	98,220
Total operating expenses	277,506	38,832	93,640	215,948	49,239	63,940	9,998	749,103
Income (loss) from operations	38,605	1,502	75	23,717	6,672	25,687	(3,057)	93,201
Nonoperating (expenses), net	(1,811)	(158)	(1,211)	(2,265)	(129)	(711)	(31)	(6,316)
Excess (deficit) of revenues over (under) expenses	\$36,794	\$1,344	(\$1,136)	\$21,452	\$6,543	\$24,976	(\$3,088)	\$86,885

**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Quarter ended July 31, 2026
(In Thousands)**

	Memorial Manor Nursing Home	Memorial Physician Group	Outpatient Pharmacy Services	Urgent Care Centers	Memorial Corporate Services*	Total Hospitals and Primary Care	Memorial Healthcare System
Operating revenue:							
Net patient service revenue	\$3,750	\$43,015	\$1,369	\$1,501	\$177,070	\$815,635	\$1,042,340
Disproportionate share distributions	-	-	-	-	-	7,744	7,744
Other operating revenues	12	7,133	63,184	-	7,604	18,925	96,858
Total operating revenue	3,762	50,148	64,553	1,501	184,674	842,304	1,146,942
Operating expenses:							
Salaries and wages	2,981	62,968	3,459	1,226	48,951	300,399	419,984
Employee benefits	615	6,732	601	178	9,631	52,137	69,894
Professional fees	15	5	-	13	5,001	21,049	26,083
Supplies	543	6,509	49,094	81	1,089	168,381	225,697
Purchased services	339	1,051	19	57	17,998	38,256	57,720
Facilities	207	3,093	265	61	2,476	22,187	28,289
Depreciation and amortization	119	2,228	260	134	17,763	25,691	46,195
Other	139	1,187	138	41	9,232	22,783	33,520
Intrasystem allocation	281	3,760	1,604	94	(103,959)	98,220	-
Total operating expenses	5,239	87,533	55,440	1,885	8,182	749,103	907,382
(Loss) income from operations	(1,477)	(37,385)	9,113	(384)	176,492	93,201	239,560
Nonoperating (expenses) revenues, net	(5)	(141)	(5)	(18)	53,000	(6,316)	46,515
(Deficit) excess of revenues (under) over expenses	(\$1,482)	(\$37,526)	\$9,108	(\$402)	\$229,492	\$86,885	\$286,075

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Broward Guardian, and Eliminations.

**South Broward Hospital District
d/b/a Memorial Healthcare System
Hospitals and Primary Care
Combining Statement of Revenue and Expenses
Quarter ended July 31, 2025
(In Thousands)**

	Memorial Regional Hospital	Memorial Regional Hospital South	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Primary Care	Total Hospitals and Primary Care
Operating revenue:								
Net patient service revenue	\$276,271	\$41,575	\$107,080	\$235,504	\$51,852	\$82,142	\$3,487	\$797,911
Disproportionate share distributions	4,324	672	388	2,802	1,427	735	-	10,348
Other operating revenues	7,573	601	749	3,122	250	387	3,455	16,137
Total operating revenue	288,168	42,848	108,217	241,428	53,529	83,264	6,942	824,396
Operating expenses:								
Salaries and wages	108,587	16,916	40,731	77,814	22,711	26,661	5,300	298,720
Employee benefits	16,730	3,025	6,930	12,839	3,721	4,679	868	48,792
Professional fees	4,330	346	3,367	5,139	1,202	1,092	342	15,818
Supplies	71,433	6,844	15,065	59,161	7,571	9,016	216	169,306
Purchased services	12,033	3,838	4,871	12,367	3,533	5,197	847	42,686
Facilities	7,355	1,659	2,802	3,734	1,477	2,396	486	19,909
Depreciation and amortization	7,134	1,508	4,719	6,236	2,228	2,022	494	24,341
Other	6,887	1,121	2,641	5,895	1,793	2,083	144	20,564
Intrasystem allocation	32,394	4,686	11,047	25,038	6,014	7,740	665	87,584
Total operating expenses	266,883	39,943	92,173	208,223	50,250	60,886	9,362	727,720
Income (loss) from operations	21,285	2,905	16,044	33,205	3,279	22,378	(2,420)	96,676
Nonoperating (expenses), net	(2,104)	(211)	(712)	(2,468)	(159)	(742)	(27)	(6,423)
Excess (deficit) of revenues over (under) expenses	\$19,181	\$2,694	\$15,332	\$30,737	\$3,120	\$21,636	(\$2,447)	\$90,253

**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Quarter ended July 31, 2025
(In Thousands)**

	Memorial Manor Nursing Home	Memorial Physician Group	Outpatient Pharmacy Services	Urgent Care Centers	Memorial Corporate Services*	Total Hospitals and Primary Care	Memorial Healthcare System
Operating revenue:							
Net patient service revenue	\$3,635	\$34,390	\$856	\$1,452	\$150	\$797,911	\$838,394
Disproportionate share distributions	-	-	-	-	-	10,348	10,348
Other operating revenues	63	6,196	55,123	4	7,360	16,137	84,883
Total operating revenue	3,698	40,586	55,979	1,456	7,510	824,396	933,625
Operating expenses:							
Salaries and wages	3,081	59,554	3,585	1,161	48,984	298,720	415,085
Employee benefits	557	6,055	594	169	8,450	48,792	64,617
Professional fees	12	4	-	14	3,682	15,818	19,530
Supplies	540	5,545	41,619	82	1,684	169,306	218,776
Purchased services	273	1,203	(25)	55	17,212	42,686	61,404
Facilities	110	3,031	170	47	113	19,909	23,380
Depreciation and amortization	115	2,269	250	204	14,606	24,341	41,785
Other	144	1,154	138	40	7,133	20,564	29,173
Intrasystem allocation	317	3,990	2,180	100	(94,171)	87,584	-
Total operating expenses	5,149	82,805	48,511	1,872	7,693	727,720	873,750
(Loss) income from operations	(1,451)	(42,219)	7,468	(416)	(183)	96,676	59,875
Nonoperating (expenses) revenues, net	(6)	(166)	(6)	(21)	50,623	(6,423)	44,001
(Deficit) excess of revenues (under) over expenses	(\$1,457)	(\$42,385)	\$7,462	(\$437)	\$50,440	\$90,253	\$103,876

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Broward Guardian, Memorial Assurance (dissolved on October 27, 2025), and Eliminations.