



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

July 31, 2025

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, 2025. 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.

Information about COVID Relief Funds

During the three months ended July 31, 2024, the Issuer recognized \$76.9 million, of COVID-19 related relief funds from the Federal Emergency Management Agency for expenses incurred during the pandemic. No additional funds were recognized during the three months ended July 31, 2025. The COVID-19 funding recognized for the three months ended July 31, 2024, are shown as part of non-operating revenue in the Statements of Revenue and Expenses and Changes in Net Position contained in this report.

Directed Payment Program

During the three months ended July 31, 2025 and 2024, the Issuer recognized \$31.5 million and \$28.3 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 bridge the difference between Medicaid reimbursement rates and the costs of providing the care. Florida’s DPP provides a financial incentive for all hospitals to engage in quality initiatives with the Medicaid managed care plans in their region. Hospitals that participate receive their DPP funding via their local Medicaid managed care plans. The DPP funds recognized for the three months ended July 31, 2025 and 2024, are included under 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,	
	2025	2024
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	\$ 288,659	\$ 308,250
Investments	2,710,835	2,441,356
Patient accounts receivable, net of estimated uncollectibles	288,779	366,717
Inventories	63,134	59,337
Other current assets	320,315	330,672
Restricted assets:		
Investments under indenture agreements for debt service	12,767	12,475
Investments under self-insurance agreements	13,065	13,215
Total Current Assets	<u>3,697,554</u>	<u>3,532,022</u>
Noncurrent assets:		
Designated investments for employee disability	21,661	20,695
Capital assets, net	1,371,791	1,258,843
Right-to-use lease assets, net	49,391	58,377
Right-to-use subscription assets, net	100,299	112,010
Other assets	46,432	45,881
Restricted assets, net of current portion:		
Investments under self-insurance agreements	53,991	50,663
Total Assets	<u>5,341,119</u>	<u>5,078,491</u>
Deferred outflows of resources:		
Pension related items	139,476	165,166
Loss on defeasance	13,159	14,433
Total deferred outflows of resources	<u>152,635</u>	<u>179,599</u>
Total assets and deferred outflows of resources	<u>\$ 5,493,754</u>	<u>\$ 5,258,090</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable and accrued expenses	\$ 119,183	\$ 148,247
Accrued compensation and payroll taxes	208,484	228,871
Estimated third-party payor settlements	156,823	127,543
Current installments of long-term debt	20,080	18,280
Current portion of estimated claims liability	17,632	15,567
Current portion of lease payable	9,905	14,927
Current portion of subscription liability	23,567	24,169
Other current liabilities	85,907	83,519
Total current liabilities	<u>641,581</u>	<u>661,123</u>
Noncurrent liabilities:		
Long-term portion of estimated claims liability	28,195	28,795
Net pension liability	71,824	58,496
Other noncurrent liabilities	63,596	62,072
Lease payable	44,638	47,521
Subscription liability	42,598	48,261
Long-term debt	840,722	862,985
Total liabilities	<u>1,733,154</u>	<u>1,769,253</u>
Deferred inflows of resources:		
Pension related items	80,193	127,703
Lease related items	13,786	13,989
Total deferred inflows of resources	<u>93,979</u>	<u>141,692</u>
Net position:		
Net investment in capital assets	528,158	401,677
Restricted	13,857	13,565
Unrestricted	3,124,606	2,931,903
Total net position	<u>3,666,621</u>	<u>3,347,145</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,493,754</u>	<u>\$ 5,258,090</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,	
	2025	2024
Operating revenue:		
Net patient service revenue	\$ 838,394	\$ 771,764
Disproportionate share distributions	10,348	8,401
Other operating revenues	84,883	63,093
Total operating revenue	<u>933,625</u>	<u>843,258</u>
Operating expenses:		
Salaries and wages	415,085	396,974
Employee benefits	64,617	67,798
Professional fees	19,530	22,036
Supplies	218,776	176,412
Purchased services	61,404	56,223
Facilities	23,380	22,342
Depreciation and amortization	41,785	39,461
Other	29,173	28,048
Total operating expenses	<u>873,750</u>	<u>809,294</u>
Income from operations	59,875	33,964
Nonoperating revenues, net*	<u>44,001</u>	<u>172,226</u>
Excess of revenues over expenses	103,876	206,190
Capital contributions and grants	252	68
Increase in net position	104,128	206,258
Net position at the beginning of the period	3,562,493	3,140,887
Net position at the end of the period	<u>\$ 3,666,621</u>	<u>\$ 3,347,145</u>
Net Margin	<u>11.1%</u>	<u>24.5%</u>
* Includes as follows:		
Interest expense	\$ 8,196	\$ 8,533
COVID-19 relief funds	<u>\$ -</u>	<u>\$ 76,923</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, 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	4.00	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, 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, 2024
(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	\$252,085	\$35,909	\$97,993	\$216,779	\$51,560	\$78,860	\$2,779	\$735,965
Disproportionate share distributions	4,001	589	201	2,076	937	597	-	8,401
Other operating revenues	7,875	493	1,166	4,032	244	375	2,708	16,893
Total operating revenue	263,961	36,991	99,360	222,887	52,741	79,832	5,487	761,259
Operating expenses:								
Salaries and wages	105,137	16,291	38,637	75,384	22,131	26,351	4,512	288,443
Employee benefits	17,636	3,207	6,783	13,463	3,839	4,884	812	50,624
Professional fees	3,734	312	3,880	4,706	1,265	1,434	380	15,711
Supplies	62,782	5,804	14,440	45,299	7,290	8,737	337	144,689
Purchased services	10,800	2,698	4,484	12,168	3,697	5,261	640	39,748
Facilities	6,437	1,620	2,936	4,103	1,440	2,359	379	19,274
Depreciation and amortization	6,037	1,451	4,522	6,327	2,849	2,007	303	23,496
Other	6,159	963	2,331	5,158	1,333	1,886	189	18,019
Intrasystem allocation	34,154	4,833	11,344	28,117	6,922	8,641	588	94,599
Total operating expenses	252,876	37,179	89,357	194,725	50,766	61,560	8,140	694,603
Income (loss) from operations	11,085	(188)	10,003	28,162	1,975	18,272	(2,653)	66,656
Nonoperating revenues (expenses), net	25,714	843	1,030	18,038	9,795	10,309	(13)	65,716
Excess (deficit) of revenues over (under) expenses	\$36,799	\$655	\$11,033	\$46,200	\$11,770	\$28,581	(\$2,666)	\$132,372

**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Quarter ended July 31, 2024
(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	\$3,702	\$29,421	\$1,318	\$1,234	\$124	\$735,965	\$771,764
Disproportionate share distributions	-	-	-	-	-	8,401	8,401
Other operating revenues	47	6,477	33,729	6	5,941	16,893	63,093
Total operating revenue	3,749	35,898	35,047	1,240	6,065	761,259	843,258
Operating expenses:							
Salaries and wages	3,023	52,174	3,269	981	49,084	288,443	396,974
Employee benefits	624	5,836	584	138	9,992	50,624	67,798
Professional fees	15	16	-	12	6,282	15,711	22,036
Supplies	602	5,026	24,246	58	1,791	144,689	176,412
Purchased services	329	725	203	58	15,160	39,748	56,223
Facilities	169	2,573	272	45	9	19,274	22,342
Depreciation and amortization	106	1,622	247	155	13,835	23,496	39,461
Other	149	1,140	122	34	8,584	18,019	28,048
Intrasystem allocation	302	2,769	798	89	(98,557)	94,599	-
Total operating expenses	5,319	71,881	29,741	1,570	6,180	694,603	809,294
(Loss) income from operations	(1,570)	(35,983)	5,306	(330)	(115)	66,656	33,964
Nonoperating revenue (expenses), net	31	(194)	(8)	(23)	106,704	65,716	172,226
(Deficit) excess of revenues (under) over expenses	(\$1,539)	(\$36,177)	\$5,298	(\$353)	\$106,589	\$132,372	\$206,190

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