NORTH BROWARD HOSPITAL DISTRICT

Basic Financial Statements,
Required Supplementary Information, and
Supplemental Combining Information

June 30, 2026 and 2025

(With Report of Independent Auditors Thereon)

Warren Averett
CPAs AND ADVISORS
www.warrenaverett.com

The report accompanying this deliverable was issued by Warren Averett, LLC.

NORTH BROWARD HOSPITAL DISTRICT

Table of Contents

	Page(s)
Independent Auditors' Report	1–2
Management's Discussion and Analysis (Unaudited)	3–11
Basic Financial Statements	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	14–15
Statements of Fiduciary Net Position – Pension Trust Fund	16
Statements of Changes in Fiduciary Net Position – Pension Trust Fund	17
Notes to the Financial Statements	18–75
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios – Defined Benefit Pension Plan (Unaudited)	76
Schedule of Employer Contributions – Defined Benefit Pension Plan (Unaudited)	77
Schedule of Money-Weighted Rate of Return – Defined Benefit Pension Plan (Unaudited)	78
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)	79
Supplemental Combining Information	
Combining Schedule of Net Position	80–81
Combining Schedule of Revenues, Expenses, and Changes in Net Position	82

Warren Averett
CPAs AND ADVISORS

2500 Acton Road
Birmingham, AL 35243
205.979.4100
warrenaverett.com

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
North Broward Hospital District

Opinion

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the North Broward Hospital District (the District) as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District as of June 30, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures

include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 11, and the schedule of changes in net pension liability and related ratios – defined benefit pension plan, the schedule of employer contributions – defined benefit pension plan, the schedule of money-weighted rate of return – defined benefit pension plan and the schedule of changes in total OPEB liability and related ratios on pages 76-79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion nor provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining information on pages 80 to 82 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The combining information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Warren Averett, LLC

Birmingham, Alabama
October 28, 2026

The purpose of the Management's Discussion and Analysis (MD&A) is to help readers of the North Broward Hospital District's (the District) annual financial report understand what the financial statements and notes to the financial statements present about the District's financial performance as of fiscal years ending June 30, 2026 and 2025 and why it changed from prior year. Please read this analysis in conjunction with the financial statements, which follows this section.

Overview of the Financial Statements

This annual financial report includes the management's discussion and analysis report, the independent auditors' report, and the financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

The District's financial statements report offers short-term and long-term financial information about its activities. The statement of net position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). The statement of net position also provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

The revenue and expenses for fiscal years 2026 and 2025 are accounted for in the statement of revenues, expenses, and changes in net position. The statement measures the annual financial performance of the District's operations and can be used to determine whether the District has recovered the entirety of its costs through net patient service revenue, ad valorem taxes, and other sources of revenue.

The final required statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing (capital and noncapital) activities. The statement highlights the key sources and uses of the District's cash and what the change in the cash balance was during the reporting period. The District's financial statements report also includes the statements of fiduciary net position and statements of changes in fiduciary net position which represent the District's fiduciary activities consisting of its pension trust fund.

Financial Summary and Detailed Analysis

The District's net position, the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources, is a way to measure financial health or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, the financial statement user should consider other non-financial factors, such as changes in economic conditions, population growth, taxable property values

and tax rates, and new or changed governmental legislation, when analyzing the District's financial position.

The following comparative financial summary presents the District's condensed statements of net position at June 30, 2026 and 2025:

	2026	2025	Amount Change	Percentage Change
	(In thousands of dollars)			
Assets:				
Current assets	$ 1,761,967	$ 1,400,653	$ 361,314	25.8%
Assets whose use is limited, net of amount for current obligations	37,883	36,691	1,192	3.2%
Investments	212,421	243,008	(30,587)	-12.6%
Capital assets, net	958,194	856,339	101,855	11.9%
Other assets	191,650	90,788	100,862	111.1%
Total assets	$ 3,162,115	$ 2,627,479	$ 534,636	20.3%
Deferred outflows of resources:				
Deferred amount on debt refundings	$ 5,929	$ 8,670	$ (2,741)	-31.6%
Pension	14,730	16,743	(2,013)	-12.0%
Deferred other postemployment benefits	3,937	5,922	(1,985)	-33.5%
Total deferred outflows of resources	$ 24,596	$ 31,335	$ (6,739)	-21.5%
Liabilities:				
Current liabilities	$ 541,521	$ 441,958	$ 99,563	22.5%
Long-term debt	284,685	293,126	(8,441)	-2.9%
Other liabilities	102,836	99,939	2,897	2.9%
Total liabilities	$ 929,042	$ 835,023	$ 94,019	11.3%
Deferred inflows of resources:				
Pension	$ 49,864	$ 19,425	$ 30,439	156.7%
Other postemployment benefits	17,647	23,593	(5,946)	-25.2%
Leases	86,592	21,284	65,308	306.8%
Total deferred inflows of resources	$ 154,103	$ 64,302	$ 89,801	139.7%
Net position:				
Net investment in capital assets	$ 597,368	$ 490,265	$ 107,103	21.8%
Restricted for donor restrictions	22,892	28,285	(5,393)	-19.1%
Restricted for pension	20,183	35,105	(14,922)	-42.5%
Unrestricted	1,463,123	1,205,834	257,289	21.3%
Total net position	$ 2,103,566	$ 1,759,489	$ 344,077	19.6%

The net position of the District totaled $2.104 and $1.759 billion as of June 30, 2026 and 2025, respectively. The increase in net position of $344.1 million in fiscal year 2026 was primarily due to $217.7 million gain from operations net of tax revenues, and a gain on investments of $135.1 million. See section following the Statement of Revenues, Expenses and Changes in Net Position for additional analysis related to change in net position.

While the statements of net position show all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, the statements of revenues, expenses, and changes in net position provide answers to the nature and source of the changes of net position.

The following comparative financial summary presents the District's statements of revenues, expenses, and changes in net position for fiscal years 2026 and 2025:

	2026	2025	Amount Change	Percentage Change
	(In thousands of dollars)			
Operating revenues:				
Net patient service revenue	$ 1,523,229	$ 1,429,969	$ 93,260	6.5%
Other operating revenue	199,554	186,991	12,563	6.7%
Total operating revenues	1,722,783	1,616,960	105,823	6.5%
Operating expenses:				
Salaries	743,805	748,860	(5,055)	-0.7%
Employee benefits	140,422	125,057	15,365	12.3%
Professional fees	115,954	88,980	26,974	30.3%
Purchased services and temporary labor	48,077	70,582	(22,505)	-31.9%
Outside services	44,113	45,829	(1,716)	-3.7%
Supplies	364,794	337,116	27,678	8.2%
Insurance	15,875	2,906	12,969	446.3%
Utilities	21,180	21,547	(367)	-1.7%
Repairs and maintenance	28,209	29,753	(1,544)	-5.2%
State assessments	32,375	29,275	3,100	10.6%
Depreciation and amortization	122,657	120,040	2,617	2.2%
Other	79,717	112,247	(32,530)	-29.0%
Total operating expenses	1,757,178	1,732,192	24,986	1.4%
Operating loss	(34,395)	(115,232)	80,837	-70.2%
Noncapital subsidies:				
Ad valorem tax revenue	252,142	248,267	3,875	1.6%
Donations (net)	(5,320)	9,619	(14,939)	-155.3%
Employer Retention Tax Credit	-	3,511	(3,511)	-100.0%
Total noncapital subsidies	246,822	261,397	(14,575)	-5.6%
Operating loss and noncapital subsidies	212,427	146,165	66,262	45.3%
Nonoperating revenues (expenses):				
Investment income, net	135,148	91,726	43,422	47.3%
Interest expense	(18,628)	(18,979)	351	-1.8%
Capital contributions	4,089	715	3,374	471.9%
Other	8,538	(2,558)	11,096	-433.8%
Total nonoperating revenues	129,147	70,904	58,243	82.1%
Unusual or infrequent items:				
Grant revenue	2,503	-	2,503	100.0%
Total unusual or infrequent items	2,503	-	2,503	100.0%
Increase in net position	344,077	217,069	127,008	58.5%
Net position:				
Beginning of year	1,759,489	1,542,420	217,069	14.1%
End of year	$ 2,103,566	$ 1,759,489	$ 344,077	19.6%

Management's Discussion of Recent Financial Performance

Overview – Fiscal Year 2026 as Compared to Fiscal Year 2025

In fiscal year 2026, the District experienced an increase in net position of $344.1 million, as compared to an increase in net position of $217.1 million in 2025. The improvement was primarily driven by growth in net patient service revenue, continued management of operating expenses, and increased investment and other nonoperating income. Net patient service revenue increased $93.3 million, or 6.5%, while total operating expenses increased $25.0 million, or 1.4%, resulting in an $80.8 million improvement in the District's operating loss. The District also benefited from a $43.4 million increase in investment income during fiscal year 2026. Management continues to focus on revenue cycle performance, expense management, and optimization of the District's technology and operational infrastructure.

Patient Volumes

Total hospitalizations (admissions plus observation cases) decreased by 3.1%, or 2,609 cases, in fiscal year 2026 compared to fiscal year 2025. Total admissions decreased by 5.9%, or 3,282 cases, from 55,298 to 52,016, while observation cases increased by 2.3%, or 673 cases, from 29,138 to 29,811.

Adult inpatient admissions decreased by 4.8%, or 2,168 cases, from 45,374 in fiscal year 2025 to 43,206 in fiscal year 2026. Psychiatric admissions increased by 7.5%, or 400 cases, from 5,330 to 5,730, while rehabilitation admissions increased by 4.6%, or 31 cases, from 677 to 708.

Hospitalizations among traditional Medicare and Medicare managed care patients increased during fiscal year 2026. Traditional Medicare hospitalizations increased by 2.8%, or 319 cases, while Medicare managed care hospitalizations increased by 4.7%, or 1,067 cases. These increases were offset by declines in other payer categories, including managed commercial and charity/self-pay hospitalizations. There was an increase of 3.4% in the Medicare case mix index from year to year, measured by the Medicare Severity Diagnostic Related Groups (MS-DRGs).

Effective March 1, 2026, the District entered into a long-term pediatric affiliation agreement with Nicklaus Children's Health System (Nicklaus Children's), establishing Nicklaus Children's licensed pediatric hospital-within-hospitals at Broward Medical Center and Broward Health Coral Springs. In connection with this affiliation, the District transferred 114 licensed pediatric beds at Broward Health Medical Center and 35 licensed pediatric beds at Broward Health Coral Springs, including Neonatal Intensive Care, Pediatric Intensive Care, Pediatric Medical Surgical, Pediatric Emergency Care, and Pediatric Hematology/Oncology units to Nicklaus Children's. This shift in pediatric volume resulted in 1,545 fewer admissions as compared to fiscal year 2025.

Total Emergency room visits decreased by 7.4%, or 19,860 visits, from 268,263 in fiscal year 2025 to 248,403 in fiscal year 2026, while emergency room admissions decreased by 5.4%. The decline was primarily driven by 13,740 fewer pediatric visits resulting from the Nicklaus affiliation agreement and by fewer lower acuity visits. In June 2026, the District opened a new freestanding emergency department in Lighthouse Point, expanding access to emergency services within the community.

Total surgical cases decreased by 7.8%, from 24,458 to 22,543, reflecting decreases of 4.1% in inpatient surgical cases and 10.9% in outpatient surgical cases. Total system hospital outpatient visits excluding Emergency room visits decreased by 5.7%, from 199,736 in fiscal year 2025 to 188,440 in fiscal year 2026.

Operating Revenues

Net patient service revenue increased $93.3 million, or 6.5%, from $1.430 billion in fiscal year 2025 to $1.523 billion in fiscal year 2026. This increase occurred despite declines in overall hospitalizations, emergency room visits, surgical cases, and outpatient referred visits, as volume declines were offset by a favorable shift in payer mix. Medicare and Managed Care Medicare increased as a percentage of total hospitalizations by 4.1%, representing 1,386 additional hospitalizations compared to the prior year, while Self-Pay/Charity declined by 16.2% as a percentage of total hospitalizations, or 1,522 fewer hospitalizations year-over-year.

Total hospital division Medicare net revenue increased $25.9 million, or 13.3%, and Managed Care Medicare net revenue increased $60.8 million, or 19.9%. Medicaid net revenue (including Managed Care Medicaid) decreased $32.8 million, or 34.4%, from the prior fiscal year. Patient revenue was further supported by additional funding from the state and federal supplemental programs such as DPP/PHP/FQHC LIP and IME funding, which increased to $116.1 million over the prior year's $68.8 million; and FQHC/Medicaid Wrap payments of $2.9 million, compared to $713.4 thousand in the prior year. The overall increase in supplemental funding was primarily driven by the receipt of program year one NIME, netting $49.8 million.

Other operating revenue increased by $12.6 million, or 6.7%, from $187.0 million to $199.6 million. As a result, total operating revenues increased by $105.8 million, or 6.5%, from $1.617 billion in fiscal year 2025 to $1.723 billion in fiscal year 2026. Major contributors to this increase included a $14.7 million increase related to the new Nicklaus Children's affiliation agreement, $9.6 million in additional revenue from the managed care bonus program, and a $5.5 million increase in retail pharmacy revenue. These gains were partially offset by a $1.8 million decrease in capitation revenue and a $15 million reduction in Medicaid residency program funding. This reduction resulted from Medicaid not gaining approval for the Slots for Docs (S4D) program, creating a total negative impact of $13.8 million across fiscal years 2025 and 2026. Additionally, other residency programs, such as High Tertiary, recorded an increase of $5.4 million, but this was offset by decreases in IME, SMRP, and Startup funding totaling $6.6 million.

During fiscal year 2026, charity care and other uncompensated funding costs increased $67.7 million, or 13.1%, while related government funding sources increased $30.8 million, or 6.8%. As a result, overall community benefit costs in excess of government funding increased $36.9 million, or 56%.

Operating Expenses

Operating expenses increased by $25.0 million, or 1.4%, from $1.732 billion in fiscal year 2025 to $1.757 billion in fiscal year 2026. The relatively modest increase in operating expenses, compared with the 6.5% increase in operating revenues, contributed to an $80.8 million improvement in the District's operating loss, from $115.2 million in fiscal year 2025 to $34.4 million in fiscal year 2026.

Salaries, the District's largest operating expense category, decreased by $5.1 million, or 0.7%, from $748.9 million in fiscal year 2025 to $743.8 million in fiscal year 2026. Employee benefits increased by $15.4 million, or 12.3%, from $125.1 million to $140.4 million. Benefit increases were offset by $22.5 million reduction in purchased services and temporary labor. Salaries and benefits as a percentage of net patient revenues decreased from 61.1% in fiscal year 2025 to 58.0% for fiscal year 2026.

Professional fees increased $27 million, or 30.3%, in fiscal year 2026 compared to the prior year. This increase was primarily driven by an increase in the anesthesia subsidy of $21.4 million and an increase in the subsidy for the IP Hospitalist program of $4.4 million. In both instances, the primary driver was a decline in revenue for the house-based practice caused by unfavorable payor mix shifts as compared to prior year. Additionally, the District experienced a $738 thousand increase in fee-for-service physician case rates related to the care of the District's indigent population.

Supply expenses represent the next largest expense category for the District. Supply expenses increased from $337.1 million in fiscal year 2025 to $364.8 million in fiscal year 2026. The increase of 8.2% or $27.7 million was driven by acuity and normal consumer price indexes. Supply expense as a percentage of net patient revenue increased from 23.6% in fiscal year 2025 to 23.9% in fiscal year 2026.

Insurance expense increased $13 million in fiscal year 2026 compared to the prior year. This increase was primarily driven by a $2.7 million increase in accrued malpractice claims, a $3.6 million increase in workers' compensation expense, and a $5.7 million reduction in insurance recoveries compared to the prior year. Additionally, there was a $1.1 million increase in other claims liability. These increases were partially offset by a $255 thousand reduction in property insurance.

All other fees decreased by $32.5 million compared to fiscal year 2025. The decrease was driven by a $37.6 million reduction in consulting fees primarily related to EPIC implementation fees as compared to prior year which was partially offset by $1.4 million increase in marketing and increase in software license and subscriptions of $2.2 million.

Ad Valorem Tax Revenue

For fiscal years 2026 and 2025, ad valorem tax revenues totaled $252.1 million and $248.3 million, respectively. As described in Note 16 to the financial statements, the District annually levies and collects ad valorem taxes for the general support of its operations, as approved by the Board. The tax rates set by the Board for fiscal years 2026 and 2025 were 1.2391 mills and 1.3261 mills, respectively. The final taxable property values within the District's geopolitical boundaries increased from $205.6 billion to $220.3 billion, or 7.1%. The final taxable property values are continuously updated by the Broward County property appraiser, and, as such, always change from the time the levies are based and from the amounts disclosed in Note 16. In July 2026, the Broward County property appraiser released to the District the estimated taxable property valuations for 2026/2027. These values increased to $234.4 billion, an increase of 6.4%.

Interest Expense

Interest expense in fiscal year 2026 was $18.6 million, as compared to $19 million in fiscal year 2025, a decrease of $0.4 million, or 1.8%.

Unusual or Infrequent Items

In April 2023, the District experienced flooding at several of its facilities as a result of an unusual and infrequent regional downpour. During fiscal year 2026, the District received $2.5 million in flood-related grant revenues from Federal Emergency Management Agency (FEMA) to cover the clean-up, repair and replacement costs of $2.7 million (net of $913 thousand in insurance recoveries), incurred in fiscal years 2023 and 2024.

Liquidity and Cash Position

Management continues to drive improvement of the District's financial position.

Although Broward Health has maintained a strong statement of net position and cash reserves sufficient to withstand any unforeseen business disruption, management secured a line of credit in fiscal year 2020, with a bank for up to $50 million which it maintains at fiscal year-end 2026.

Significant Capital Assets and Long-Term Financing Activity

As of June 30, 2026 and 2025, the District had net capital assets of $958.2 million and $856.3 million, respectively, an increase of $101.9 million from 2025 to 2026. The increase in 2026 was mainly composed of $189.9 million in capital expenditures, $66.6 million in depreciation, $6.9 million loss from disposals, $7.9 million net decrease in intangible right-to-use leased assets, and $6.6 million net decrease in intangible right-to-use subscription-based information technology arrangements (SBITA). Significant capital expenditures were comprised mainly of $26.3 million for Sunrise FSED, $19.7 million for Lighthouse Point FSED, $16.0 million for Parking Garage at Broward Health Medical Center, $7.6 million in renovations for Imperial Point MOB, $6.3 million for renovations on MOB located at 100 Sample Road, $6.3 million Broward Health Coral Springs energy plant, $5.4 million in renovations for the ISC building and $5.3 million for renovations on MOB located at 150 Sample Road. Additionally, there were capital expenditures throughout the district of $67.6 million for 173 projects for renovation/construction ranging from $5 thousand to $4.5 million, $14.7 million in equipment purchases, $11.9 million in building infrastructure related purchases, and $2.8 million in land purchases.

Intangible right-to-use leased building additions and renewals of $718 thousand consisted of seven physician office leases ranging from $55 thousand to $178 thousand. Intangible right-to-use leased equipment additions and renewals of $890 thousand consisted of one Stryker surgical robotic arm addition of $205 thousand, four DaVinci surgical robot console of $82 thousand each, four lab equipment ranging from $60 thousand to $131 thousand and multiple smaller equipment for a total of $46 thousand. Intangible right-to-use software additions and renewals of $44.4 million consisted of $15.6 million for Microsoft Enterprise licenses, $5.5 million for Cisco network subscription, $3.4 million for Cerner for modules that the District is still using, $3.2 million for various Infor modules and increase in related licenses, and 53 other subscriptions ranging from $11 thousand to $1.4 million.

There were no significant policy changes or economic factors that affected capital asset activity in fiscal year 2026. More detailed information about the District's capital assets, financed purchases, leases and intangible right-to-use subscription-based information technology arrangements (SBITA) are presented in Note 5 and Note 9 of the accompanying financial statements.

The District has various ongoing finance purchases, leases and intangible right-to-use subscription-based information technology arrangements (SBITA) as part of its business. The additions to the related liabilities, as shown in Note 6 of the accompanying financial statements, are a direct result of new arrangements mentioned above for capital assets.

The District's long-term credit ratings at the end of fiscal year 2026 were 'A+ Positive' by Fitch Ratings, and 'A2 Positive' by Moody's Ratings.

Currently Known Facts, Decisions, or Conditions

During fiscal year 2026, the District entered into four separate arrangements, two for ground leases and two for facility leases, for the development of land owned by the District. Under the terms of those arrangements, the District leases the land to developers. The developers build two Medical Office buildings and once completed, they will lease it back to the District. The term of the lease agreements is 50 years for the ground leases and 30 years for the facility leases. At the end of the facility lease terms the buildings will be transferred to the District. As of June 30, 2026, the District recorded $5.7 million as rent receivable under Other Asset and $5.6 million as Deferred Inflow of Resources-Leases from the two ground agreements. The two facility lease agreements do not have any financial impact on the District's financial statements until fiscal year 2028, the year in which the buildings are expected to be completed and right of control of the building is conveyed to the District. As part of one of these arrangements, the District provided $14 million in collateral in an escrow account to be used in case of an event of default under the facility lease or master indenture and if needed to fund project and other costs that are the obligation of the District. Upon completion of the project and meeting additional conditions, the collateral will be returned to the District. The $14 million is included in Other Assets.

The District has opened a free-standing emergency department with an additional one that opened in August 2026 and another one expected to open in June 2027. The free-standing emergency departments represent an expansion of the District's geographic access to emergency services and are expected to result in additional patient service revenues and operating expenses in future periods.

Effective calendar year 2027, changes to the District's Health Plan will result in the District reimbursing itself at a higher rate, which will correspondingly increase both net patient revenue and health care benefits expense with no net impact on operations. Notwithstanding this neutral operating impact, the District's actuaries estimate the Other Post-Employment Benefits liability will increase by approximately $11 million during fiscal year 2027 as a result of this change.

Effective March 1, 2026, the District entered into a long-term pediatric affiliation agreement with Miami Children's Health System, Inc., d/b/a Nicklaus Children's Health System ("Nicklaus Children's"), establishing two Nicklaus Children's-licensed pediatric hospitals-within-hospitals at Broward Health Medical Center and Broward Health Coral Springs. In connection with the Pediatric Alliance, the District and Nicklaus Children's entered into a Master Affiliation Agreement, a Purchased Services Agreement under which the District provides certain services (including pharmacy, diagnostic imaging, respiratory therapy, lab, laundry, food and nutrition, and perioperative services) to the Nicklaus Children's hospitals, leases for District-owned locations now leased to Nicklaus Children's, and various professional services agreements and other operational agreements. As part of the Pediatric Alliance, the District transferred 149 licensed pediatric beds to Nicklaus Children's (114 at Broward Health Medical Center and 35 at Broward Health Coral Springs).

The implementation of the EPIC system has increased short-term costs but is expected to provide long-term operational benefits. The District continues to maintain strong liquidity; however, ongoing capital investment and economic conditions require continued financial discipline.

Request for Information

This report is designed to provide a general overview of the District's finances. Questions or requests for additional information should be made in writing to the Chief Financial Officer at Broward Health, 1800 NW 49th Street, Suite 110, Fort Lauderdale, Florida 33309.

BASIC FINANCIAL STATEMENTS

NORTH BROWARD HOSPITAL DISTRICT

Statements of Net Position

June 30, 2026 and 2025

(In thousands of dollars)

Assets	2026	2025
Current assets:		
Cash and cash equivalents	$ 442,827	$ 379,297
Cash and investments externally restricted by donors	27,139	21,354
Short-term investments	790,688	619,675
Assets whose use is limited required for current liabilities – investments	9,724	8,955
Due from patients and others, net of allowance for uncollectibles of $518,219 ($413,692 in 2025)	232,333	242,150
Inventories	39,203	42,224
Estimated third-party payor settlements	170,968	41,079
Other current assets	49,085	45,919
Total current assets	1,761,967	1,400,653
Assets whose use is limited – cash and investments:		
Amounts designated for self-insurance	47,607	45,646
	47,607	45,646
Less amount required to meet current obligations	(9,724)	(8,955)
Assets whose use is limited, net	37,883	36,691
Investments	212,421	243,008
Capital assets, net	958,194	856,339
Net pension asset	55,317	37,787
Other assets	136,333	53,001
Total noncurrent assets	1,362,265	1,190,135
Total assets	$ 3,162,115	$ 2,627,479
Deferred Outflows of Resources		
Loss on debt refundings	$ 5,929	$ 8,670
Deferred pension amounts	14,730	16,743
Deferred other postemployment benefits	3,937	5,922
Total deferred outflows of resources	$ 24,596	$ 31,335
Liabilities		
Current liabilities:		
Current maturities of revenue bonds payable	$ 7,070	$ 6,730
Accounts payable and accrued expenses	238,809	212,683
Accrued salaries, benefits, and payroll taxes	63,218	60,409
Accrued personal leave	36,686	38,205
Current portion of lease, SBITA, and finance purchase obligations	35,726	32,354
Estimated third-party payor settlements	149,040	81,612
Current portion of self-insurance program liability	9,724	8,955
Interest payable	1,248	1,010
Total current liabilities	541,521	441,958
Revenue bonds, net of current maturities	284,685	293,126
Lease, SBITA, and finance purchase obligations, net of current portion	39,274	42,534
Self-insurance program liability, net of current portion	21,015	17,382
Other postemployment benefit program liability	42,547	40,023
Total noncurrent liabilities	387,521	393,065
Total liabilities	$ 929,042	$ 835,023
Deferred Inflows of Resources		
Deferred pension amounts	$ 49,864	$ 19,425
Deferred other postemployment benefits	17,647	23,593
Leases	86,592	21,284
Total deferred inflows of resources	$ 154,103	$ 64,302
Net Position		
Net investment in capital assets	$ 597,368	$ 490,265
Restricted for donor restrictions	22,892	28,285
Restricted for pension	20,183	35,105
Unrestricted	1,463,123	1,205,834
Total net position	$ 2,103,566	$ 1,759,489

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2026 and 2025

(In thousands of dollars)

	2026	2025
Operating revenues:		
Net patient service revenue (net of provision for uncollectible accounts of $353,902 in 2026 and $376,623 in 2025)	$ 1,523,229	$ 1,429,969
Other operating revenue, as adjusted (Note 2)	199,554	186,991
Total operating revenues	1,722,783	1,616,960
Operating expenses:		
Salaries	743,805	748,860
Employee benefits	140,422	125,057
Professional fees	115,954	88,980
Purchased services and temporary labor	48,077	70,582
Outside services	44,113	45,829
Supplies, as adjusted (Note 2)	364,794	337,116
Insurance	15,875	2,906
Utilities	21,180	21,547
Repairs and maintenance	28,209	29,753
State assessments, as adjusted (Note 2)	32,375	29,275
Depreciation and amortization	122,657	120,040
Other, as adjusted (Note 2)	79,717	112,247
Total operating expenses	1,757,178	1,732,192
Operating loss	(34,395)	(115,232)
Noncapital subsidies:		
Ad valorem tax revenue	252,142	248,267
Donations (net), as adjusted (Note 2)	(5,320)	9,619
Employer Retention Tax Credit, as adjusted (Note 2)	—	3,511
Total noncapital subsidies	246,822	261,397
Operating loss and noncapital subsidies	212,427	146,165
Nonoperating revenues (expenses):		
Investment income, net	135,148	91,726
Interest expense	(18,628)	(18,979)
Capital contributions	4,089	715
Other, as adjusted (Note 2)	8,538	(2,558)
Total nonoperating revenues	129,147	70,904
Unusual or infrequent items:		
Grant revenue	2,503	—
Total unusual or infrequent items	2,503	—
Increase in net position	344,077	217,069
Net position:		
Beginning of year	1,759,489	1,542,420
End of year	$ 2,103,566	$ 1,759,489

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Cash Flows

Years ended June 30, 2026 and 2025

(In thousands of dollars)

	2026	2025
Cash flows from operating activities:		
Receipts from third-party payors and patients	$ 1,460,937	$ 1,442,852
Payments to employees	(869,452)	(862,735)
Payments to suppliers and contractors, as adjusted (Note 2)	(626,945)	(638,094)
Net other receipts and payments, as adjusted (Note 2)	99,255	63,274
Net cash provided by operating activities	63,795	5,297
Cash flows from noncapital financing activities:		
Ad valorem property taxes, net	251,837	247,885
Net contributions receipts and payments	(2,201)	4,715
Net other, as adjusted (Note 2)	5,851	3,863
Net cash provided by noncapital financing activities	255,487	256,463
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(208,682)	(173,737)
Proceeds from disposal of capital assets	2,860	58
Payments of interest on revenue bonds, lease and SBITA obligations, and finance purchases	(17,018)	(17,346)
Principal paid on revenue bonds, lease and SBITA obligations, and finance purchases	(24,592)	(52,895)
Capital contributions	4,089	715
Net cash used in capital and related financing activities	(243,343)	(243,205)
Cash flows from investing activities:		
Interest and dividends on investments and assets whose use is limited	32,662	26,260
Purchases of investments	(339,405)	(308,635)
Proceeds from the sale and maturity of investments	295,081	464,909
Net cash (used in)/provided by investing activities	(11,662)	182,534
Net increase in cash and cash equivalents	64,277	201,089
Cash and cash equivalents:		
Beginning of year	394,220	193,131
End of year	$ 458,497	$ 394,220

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Cash Flows (Continued)

Years ended June 30, 2026 and 2025

(In thousands of dollars)

	2026	2025
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	$ 442,827	$ 379,297
Cash and cash equivalents included in cash and investments externally restricted by donors	10,534	6,332
Cash and cash equivalents included in assets whose use is limited - cash and investments		
Amounts designated for self-insurance	5,136	8,591
Total cash and cash equivalents	$ 458,497	$ 394,220
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss, as adjusted (Note 2)	$ (34,395)	$ (115,232)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	122,657	120,040
Provision for uncollectible accounts	353,902	376,623
Other	4,012	(831)
Changes in assets and liabilities:		
Due from patients and others	(353,734)	(405,323)
Inventories	3,022	(1,187)
Other assets	(19,549)	(6,637)
Accounts payable and accrued expenses	31,163	(13,376)
Accrued salaries, benefits, and payroll taxes	2,809	7,407
Accrued personal leave	(1,519)	3,378
Estimated third-party payor settlements	(62,460)	41,583
Self-insurance program liability	4,402	(1,546)
Net pension asset/liability and related deferred outflows and inflows	14,922	2,669
Other postemployment benefit program liability and related deferred outflows and inflows	(1,437)	(2,271)
Net cash provided by operating activities	$ 63,795	$ 5,297
Supplemental noncash investing, capital, and financing activities:		
Property and equipment acquired through accounts payable	$ 4,826	$ 13,424
Property and equipment acquired through financed purchases	—	719
Property and equipment acquired through lease and SBITA obligations	37,374	40,199
Lease receivables and deferred inflows	75,659	10,866
Loss on disposal of capital assets	6,515	1,060
Change in fair value of investments	66,938	61,400

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Fiduciary Net Position – Pension Trust Fund

Years ended June 30, 2026 and 2025

(In thousands of dollars)

Assets	**2026**	**2025**
Current assets:		
Cash and cash equivalents	$ 9,103	$ 9,587
Accrued interest receivable	1,572	417
Investments:		
Common stocks	14,827	11,097
Real estate	39,876	49,778
Infrastructure	33,414	28,980
Mutual funds	246,018	232,016
Alternative investments	88,898	84,961
Total investments	423,033	406,832
Total assets	$ 433,708	$ 416,836
Liabilities and net position restricted for pensions		
Payables:		
Accrued expenses	$ 382	$ 211
Total liabilities	382	211
Total net position	$ 433,326	$ 416,625

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Changes in Fiduciary Net Position – Pension Trust Fund

Years ended June 30, 2026 and 2025

(In thousands of dollars)

	2026	2025
Additions:		
Contributions:		
Employer contributions	$ —	$ 4,000
Investment income:		
Interest and dividends	7,427	5,806
Net increase in fair value of investments	46,304	30,683
Net investment income	53,731	36,489
Total additions	53,731	40,489
Deductions:		
Benefit payments	35,281	27,792
Administrative expenses	1,749	1,655
Total deductions	37,030	29,447
Net increase in net position	16,701	11,042
Net position restricted for pension:		
Beginning of year	416,625	405,583
End of year	$ 433,326	$ 416,625

See accompanying notes to the financial statements.

(1) Organization and Description of Business

Reporting Entity

North Broward Hospital District, (the District) d/b/a Broward Health, is a special independent taxing district created pursuant to Chapter 27438, Laws of Florida, Special Acts of 1951, as amended (the Act), for the purpose of establishing and operating the necessary health facilities for the preservation of the public health and well-being of the citizens of the District. Governance and management of the District are independent of metropolitan county and city governments. The governing body of the District is the Board of Commissioners (the Board), composed of seven members appointed by the Governor of Florida.

For financial reporting purposes, the accompanying financial statements include all of the operations of the District and its hospital system as a governmental unit. The District is considered a separate reporting entity since the Board exercises complete control. Such control was determined on the basis of the Board's ability to significantly influence operations; select the senior executive management; participate in the fiscal management of the entity; exercise budgetary and taxing authority; as well as determine the scope of services to be provided to the community, as defined by the Act.

These financial statements include the activity of the District and its integrated healthcare services system, which includes the operations of the Hospital Division, Broward Health Point Division, and Physician Services Division. All significant intercompany transactions have been eliminated.

The Pension Trust Fund is a fiduciary fund used to account for the assets held in trust for the benefit of employees of the District who participate in the Plan (Note 10).

Hospital Division

The Hospital Division includes the operations of Broward Health Medical Center (BHMC), a 609-bed acute care facility; Broward Health North (BHN), a 409-bed acute care facility; Broward Health Imperial Point (BHIP), a 204-bed acute care facility; and Broward Health Coral Springs (BHCS), a 243-bed acute care facility. Included within hospital operations are a rehabilitation distinct part unit at BHN, a psychiatric distinct part unit at BHMC and BHIP, trauma services at BHMC and BHN, and an approved residency training program with multiple specialties through the Broward Health system. In June 2026, the District opened a new freestanding emergency department in Lighthouse Point, expanding access to emergency services within the community.

Broward Health Weston is an outpatient facility with multiple specialties, which provides urgent care, radiology, and women's center services.

Broward Health Point Division

The Broward Health Point Division, through contractual arrangements with Broward County, operates multiple Federally Qualified Health Centers including the Cora E. Braynon Family Health Center and the Annie L. Weaver Health Center. The Annie L. Weaver Health Center offers adult primary care services to the community, and the Cora E. Braynon Family Health Center provides prenatal care services. The District also owns and operates other Community Health Services facilities, such as Pompano Health Center and Lauderdale Lakes, for the benefit of the community and provides physician services to older adults and homeless populations through its Mobile Health Unit program.

The District, through ownership and partnerships, operates several group practices, which provide family and internal medicine services, along with the Comprehensive Care Center, which offers primary care services to adult patients afflicted by HIV or AIDS.

The District is the sole member of the Children's Diagnostic and Treatment Center (CDTC), which provides an array of pediatric professional services to children with medically complex conditions. The primary sources of funding for CDTC are a variety of federal, state, and local grants and charitable donations. CDTC is considered a component unit of the District because the Board appoints the voting majority of the board of directors of CDTC and the District has the ability to impose its will on CDTC. CDTC is reported as a blended component unit of the District as it provides services that benefit the District, even though they are not provided directly to the District.

Physician Services Division

The Physician Services Division is responsible for employing physicians to meet the needs of the community and provide services to patients. The services provided include primary care and a broad range of specialist care, including, but not limited to, cardiology, oncology, orthopedic, and surgical.

Other

The District established a separate not-for-profit corporation, North Broward Hospital District Charitable Foundation, Inc. (Broward Health Foundation). Broward Health Foundation's mission is to improve the health of its community by providing resources to promote, support, and enhance the programs and initiatives of the District. Contributions raised by the Broward Health Foundation assist the District in its continuous effort to provide healthcare to the community. Broward Health Foundation is considered a component unit of the District because the Board appoints the voting majority of the board of directors of Broward Health Foundation, and the District has the ability to impose its will on Broward Health Foundation. Broward Health Foundation is reported as a blended component unit of the District because it provides services exclusive to the District.

The District established a separate not-for-profit corporation, Broward Health ACO Services, Inc. (BH ACO). The purpose of the BH ACO is to provide healthcare services through independent contractors and others to patients pursuant to contracts with third-party payors. BH ACO is considered a component unit of the District because the Board appoints the voting majority of the board of directors of BH ACO and the District has the ability to impose its will on BH ACO. BH ACO is reported as a blended component unit of the District as the governing body of BH ACO is substantially the same as the District and the District has operational responsibility for BH ACO.

Joint Venture

The District is an equal member (50% interest) of South Florida Community Care Network, LLC, d/b/a Community Care Plan (CCP), a managed care plan and third-party administrator governed by an agreement between two governmental entities: the District and the South Broward Hospital District d/b/a Memorial Healthcare System. CCP is a Provider Service Network (PSN) and third-party administrator for various programs, including Title XXI – Children's Health Insurance Program on behalf of the Florida Healthy Kids Corporation and Title XIX – Managed Medical Assistance on behalf of the Agency for Healthcare Administration as part of the Statewide Medicaid Managed Care program. CCP serves Medicaid members in 19 Florida counties, Florida Healthy Kids in eight Florida counties and self-insured health plans. A division of CCP provides value-based care for uncompensated and underserved populations. Their health

insurance marketplace division provides qualified Affordable Care Act (ACA) health plans in Broward County.

The interlocal agreement between the District and Florida Atlantic University (FAU) to establish an Academic Practice Plan has been dissolved in its entirety during fiscal year 2026.

(2) Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed by the District in the presentation of the basic financial statements:

(a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Significant intercompany accounts and transactions have been eliminated.

(b) Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity at the date of purchase of three months or less, excluding amounts whose use is limited by Board designation or other arrangements under trust or donation agreements.

(c) Investments

Investments typically consist of funds that invest in common and preferred stocks, depository receipts, mutual funds, corporate bonds, U.S. government securities, U.S. government agency securities, time deposits, commercial paper, money market funds, asset-backed securities, variable-rate demand obligations, hedge funds, pooled real estate vehicles, pooled infrastructure vehicles, private credit, and private equity funds, as authorized by state statute.

Investments are reported at fair value. The District classifies investments in debt and equity securities in the accompanying statements of net position based on maturities (for debt securities) and based on management's reasonable expectation with regard to these securities. Securities that are not available to be used for current operations are classified as noncurrent. Interest, dividends, and gains and losses on such debt and equity investments, both realized and unrealized, are included in nonoperating revenues when earned.

As of June 30, 2026, the equity investments in private equity, real estate investments, infrastructure investments and hedge funds make up approximately 4.9%, 5.1%, 4.0%, and 0.0%, respectively, of total cash and cash equivalents and investments in the accompanying statements of net position. As of June 30, 2025, the equity investments in private equity, real estate investments, infrastructure investments and hedge funds make up approximately 5.6%, 6.8%, 4.1%, and 2.1%, respectively, of total cash and cash equivalents and investments in the accompanying statements of net position. Because private equity, real estate investments, infrastructure investments, and hedge funds are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such a difference could be material. Unrealized gains or losses on investments resulting from fair value fluctuations are recorded in the statements of revenue, expenses, and changes in net position as investment income, net, in the period such fluctuations occur.

(d) Assets Whose Use is Limited – Cash and Investments

These assets are reported at fair value and include cash, cash equivalents, and investments whose use is limited by time or action, including assets set aside by the Board for future payment of self-insurance liabilities and assets held by trustees under bond agreements.

(e) Net Patient Accounts Receivable

The District reports net patient accounts receivable at its estimated net realizable value due from patients, third-party payors, and others for services rendered. The provision for uncollectible accounts is based upon management's assessment of historical and expected collections, considering business and economic conditions, trends in healthcare coverage, and other collection indicators. Management regularly assesses the adequacy of the allowance for uncollectible accounts based upon these indicators. The results are used to establish an adequate allowance. Specific patient accounts identified as uncollectible are written off directly to the patient accounts receivable.

(f) Inventories

Inventories, consisting primarily of pharmaceutical, medical, and surgical supplies, are stated at the lower of cost (computed on a first-in, first-out basis) or fair value.

(g) Other Current Assets

Other current assets consist primarily of property tax receivables, prepaid expenses, and deposits in the ordinary course of business.

(h) Capital Assets

Capital assets are stated at cost or, if donated, at fair value on the date of donation, less the allowance for depreciation. Depreciation is computed on the straight-line method using estimated useful lives as summarized below:

	Estimated Useful Lives
Land improvements	8-16 years
Buildings and building improvements	5-50 years
Equipment	3-25 years

Amortization expense of right-to-use leased assets and financed purchases are included within depreciation and amortization in the statements of revenues, expenses, and changes in net position.

Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Expenditures for repairs and maintenance are charged to operating expenses when incurred.

(i) Impairment

Capital assets are reviewed for impairment in accordance with the methodology prescribed in Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.* Asset impairment, as

defined by this standard, is a significant, unexpected decline in the service utility of a capital asset and is not a function of the recoverability of the carrying amount of the asset. Service utility is the usable capacity of the asset that was expected to be used at the time of acquisition and is not related to the level of actual utilization, but the capacity for utilization. Indicators that the service utility of an asset has significantly declined include: (a) evidence of physical damage; (b) changes in legal or environmental circumstances; (c) technological development or evidence of obsolescence; (d) a change in the manner or expected duration of use of the asset; and (e) construction stoppage. The District has determined that no capital asset impairment exists at June 30, 2026 and 2025.

(j) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities. Notwithstanding these similarities, deferred outflows of resources are not assets and deferred inflows of resources are not liabilities and, accordingly, are not included in those sections of the accompanying statements of net position, but rather, are separately reported.

(k) Accrued Personal Leave

The District provides accrued time off to eligible employees and those anticipated to be eligible for vacations, holidays, short-term illness, and personal business depending on their years of continuous service and their payroll classification. No more than two years' annual accumulation of personal leave time is permitted for each eligible employee. The District accrues the estimated expense related to personal leave based on pay rates currently in effect. Upon termination of employment, employees will have their eligible accrued personal leave paid in full.

(l) Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's defined benefit pension plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, amounts have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

(m) Net Position

Net position is categorized as "net investment in capital assets," "restricted for donor restrictions," "restricted for pension," and "unrestricted." Net investment in capital assets is intended to reflect the portion of net position that is associated with capital assets, reduced by the outstanding balances due on borrowings that are attributable to the acquisition, construction, or improvement of those assets, as well as the deferred outflow of resources related to loss on refunding. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources, if any, related to those

assets. Restricted for pension are net amounts related to the defined benefit pension plan. The restrictions placed on the use of these assets are through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, constitutional provisions, or enabling legislation. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

(n) Classifications of Revenues and Expenses

The District's statements of revenues, expenses, and changes in net position distinguish between operating, noncapital subsidies and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing healthcare services, the District's principal activity. Noncapital subsidies include property taxes, donations and other non-exchange transactions. Investment income/loss, interest expense and grants received for the purpose of acquiring or constructing capital assets are reported as nonoperating revenues and expenses. Operating expenses include all expenses incurred to provide healthcare services, excluding financing costs.

(o) Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. The District presents its provision for uncollectible accounts as a direct reduction to net patient service revenue.

The District has agreements with numerous third-party payors that provide for reimbursement at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the established rates for services and amounts reimbursed by third-party payors. Such amounts are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. A summary of the basis of reimbursement with major third-party payors is as follows:

Medicare

The District's healthcare facilities participate in the Federal Medicare program (Medicare) administered by CMS. Approximately 40.3% (37.2% in 2025) of the District's net patient service revenue was derived from services to Medicare beneficiaries in fiscal year 2026 (inclusive of HMO products). Inpatient acute care services rendered to Medicare beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Inpatient Acute, Inpatient Exempt, Outpatient, and Defined Capital Costs related to services provided to Medicare beneficiaries are reimbursed based upon a variety of prospective reimbursement methodology systems. The healthcare facilities' classification of patients under the Medicare program and the appropriateness of their admission and services are subject to an independent review based on detailed and specific criteria. As of June 30, 2026, the Medicare cost reports were final audited, and received final settlement, by the healthcare facilities' Medicare fiscal intermediary through June 30, 2021, for all facilities. In fiscal year 2026, the District recorded increases to net patient service

revenue related to various prior year Medicare settlements of $1.57 million (increases of $1.5 million in fiscal year 2025).

Medicaid

Approximately 12.7% (11.8% in 2025) of the District's net patient service revenue was derived under the Medicaid program for fiscal year 2026, (inclusive of HMO products, Disproportionate Share Hospital, and Low-Income Pool). Inpatient and outpatient services rendered to Medicaid program beneficiaries are paid based upon prospectively determined rates. Inpatient per discharge services are paid using APR-DRG's effective July 1, 2013, while outpatient utilizes Enhanced Ambulatory Patient Groupings (EAPG's) effective July 1, 2017. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors.

In addition to the prospectively determined rates received by the District for the provision of healthcare services to Medicaid beneficiaries, the State of Florida provided additional supplemental payments of $143.1 million to Broward Health for Disproportionate Share, Low-Income Pool, Graduate Medical Education initiatives, Direct Payment Program, FQHC Wrap Payments, Nursing Indirect Medical Education (NIME), and Physician Hospital Payment during fiscal year 2026 ($108.6 million during fiscal year 2025). These payment adjustments are to help cover the additional costs associated with treating the Medicaid population in the District's service area and these amounts are reflected in net patient service revenues and other operating revenues in the accompanying statements of revenue, expenses, and changes in net position.

Other Third-Party Payors

The District has also entered into reimbursement agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined per diem rates, and capitation.

(p) Charity Care

The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue (Note 14).

(q) Ad Valorem Tax Revenue

Property taxes are levied by Broward County on the District's behalf annually. Amounts levied are based on assessed property values as of the preceding year. The District collects the ad valorem taxes for the general support of its operations, as approved by the Board. Property taxes are recognized under the accrual method of accounting, wherein the tax levy is recognized as unearned revenue at the date of assessment, less a reserve for estimated discounts (Note 16), and amortized into income over the respective year.

(r) Restricted Donations

Donations received by the District for specific operating purposes or property and equipment acquisitions are reported as nonoperating revenue or capital contributions, as appropriate, in the period

received, and all eligibility requirements have been met. Balances are reported as restricted for as long as the donor's restrictions remain in effect.

(s) Grant Funding

The District receives grants from federal and state funding agencies. Grant revenue received before the eligibility requirements are met is reported as unearned revenue or deferred inflows of resources, as appropriate, and is recognized as revenue in the period that the eligibility requirements have been met. Grant revenue and other contributions received for the purpose of acquiring or constructing capital assets are reported as capital contributions within nonoperating revenues and expenses.

(t) Unusual or Infrequent Items

At times, the District experiences events that are unusual and/or infrequent in occurrence. Items that would fall within this category considering the environment the District operates in include, but are not limited to, hurricanes, floods, fires, pandemic, etc.

(u) Risk Management

The District's self-insurance program offers flexibility to meet healthcare challenges and allows the District to better manage costs. The District's self-insurance program covers first-party claims and risks from torts including allegations of personal injury, medical malpractice, property loss, destruction of assets, business interruption, cyberattacks, patient privacy matters, errors and omissions, worker's compensation claims, employer's liability for alleged wrongful termination of employees or other wrongful acts, natural disasters, communicable diseases, employee healthcare, etc. As a subdivision of the State of Florida and pursuant to section §768.28, Florida Statutes, as amended, the District is entitled to sovereign immunity for liability for torts. In accordance with section §768.28, F.S., the District is authorized to be self-insured and to purchase commercial insurance. Commercial excess insurance coverage is purchased; however, most tort claims resolve below the State of Florida's sovereign immunity cap and well within the District's self-insurance retention. In the past three (3) years only one settled claim involving allegations of medical malpractice has resulted in a claims bill being pursued by the Plaintiffs and that required the use of excess indemnity insurance.

(v) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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. The District considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements, including the following: recognition of net patient revenue; valuation of accounts receivable, including contractual allowances and provisions for bad debt; reserves for losses and expenses related to healthcare, professional, workers' compensation, and general liabilities; valuation of pension and other retirement obligations; valuation of alternative investments; and estimated third-party payor settlements. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ from those estimates.

(w) Income Taxes

The District is not subject to income tax.

(x) Subsequent Events

The District has evaluated the impact of subsequent events through October 28, 2026, the date on which the financial statements were issued.

(y) New Accounting Pronouncements

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The adoption of this statement for fiscal year ended June 30, 2026, had the following effect on the District's financial statements:

1 – The Management Discussion and Analysis section is now organized into the following sections: a) Overview of the Financial Statements, b) Financial Summary and Detailed Analysis, c) Significant Capital Assets and Long-Term Financing Activity, and d) Currently Known Facts, Decisions, or Conditions.

2 – The Statement of Revenues, Expenses and Changes in Net Position is now presented to include operating revenues and expenses, noncapital subsidies, nonoperating revenues and expenses, and unusual or infrequent items.

3 – The Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows for fiscal year ended June 30, 2025, were adjusted as follows:

		June 30, 2025 As Previously Reported	GASB 103 Reclassification	June 30, 2025 As Restated
		(In thousands of dollars)		
Statement of Revenue, Expenses and Changes in Net Position				
Other operating revenue	$	187,727	(736)	186,991
Supplies		337,852	(736)	337,116
State assessments		18,447	10,828	29,275
Other - Operating expenses		113,249	(1,002)	112,247
Capital contributions		715	(715)	—
Capital contributions - Nonoperating revenues (expenses)		—	715	715
Other - Nonoperating revenues (expenses)		746	(3,304)	(2,558)
Ad valorem tax revenue - Nonoperating revenues (expenses)		248,267	(248,267)	—
Ad valorem tax revenue - Noncapital subsidies		—	248,267	248,267
Donations (net) - Noncapital subsidies		—	9,619	9,619
Employer Retention Tax Credit - Noncapital subsidies		—	3,511	3,511
Statement of Cash Flows				
Payment to suppliers - operating activities	$	(627,266)	(10,828)	(638,094)
Other receipts and payments, net - operating activities		62,272	1,002	63,274
Medicaid county funding - noncapital financing activities		(10,948)	10,948	—
Other - noncapital financing activities		4,985	(1,122)	3,863
Operating loss - reconciliation of operating loss to net cash used in operating activities		(105,406)	(9,826)	(115,232)

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately by major class of underlying asset in the capital assets note disclosures. This statement also requires additional disclosures for capital assets held for sale such as the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The adoption of this statement for fiscal year ended June 30, 2026, had no impact on the District's financial statements.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged. The District has not elected to implement this statement early; however, management is still evaluating the impact, if any, of this statement in the year of adoption.

(Continued)

(3) Cash, Cash Equivalents, and Investments

The composition and credit ratings of the District's cash and cash equivalents, investments, and assets whose use is limited as of June 30, 2026, is as follows:

	Fair Value	Investment Maturities: Less Than 1 Year	1–5 Years	6–10 Years	More Than 10 Years
U.S. government securities	$ 26,619	15,170	6,523	3,688	1,238
U.S. government agency securities	9,899	9,899	—	—	—
Corporate bonds	45,761	11,232	32,765	1,382	382
Asset-backed securities	3,446	—	—	7	3,439
	85,725	36,301	39,288	5,077	5,059
Common stocks	79,468				
Mutual funds	684,519				
Private equity	75,169				
Hedge funds	20				
Real estate	76,946				
Infrastructure	60,286				
Money markets	418,135				
Bank deposits	40,414				
	$ 1,520,682				

	Fair Value	Ratings: AAA	AA	A	BBB	<BBB	Not Rated
U.S. government securities	$ 26,619	209	26,410	—	—	—	—
U.S. government agency securities	9,899	—	9,899	—	—	—	—
Corporate bonds	45,761	5,164	9,792	22,543	4,258	6	3,998
Asset-backed securities	3,446	881	—	—	—	—	2,565
	$ 85,725	6,254	46,101	22,543	4,258	6	6,563

(Continued)

The composition and credit ratings of the District's cash and cash equivalents, investments, and assets whose use is limited as of June 30, 2025, is as follows:

		Investment Maturities			
	Fair Value	Less Than 1 Year	1–5 Years	6–10 Years	More Than 10 Years
U.S. government securities	$ 63,684	13,991	49,539	154	—
U.S. government agency securities	18,742	—	18,742	—	—
Corporate bonds	38,737	11,177	26,959	371	230
Asset-backed securities	826	—	—	7	819
	121,989	25,168	95,240	532	1,049
Common stocks	51,314				
Mutual funds	498,377				
Private equity	73,488				
Hedge funds	27,493				
Real estate	88,967				
Infrastructure	53,061				
Money markets	360,222				
Bank deposits	34,069				
	$ 1,308,980				

		Ratings					
	Fair Value	AAA	AA	A	BBB	<BBB	Not Rated
U.S. government securities	$ 63,684	63,684	—	—	—	—	—
U.S. government agency securities	18,742	—	18,742	—	—	—	—
Corporate bonds	38,737	4,638	2,169	18,944	7,119	2,031	3,836
Asset-backed securities	826	826	—	—	—	—	—
	$ 121,989	69,148	20,911	18,944	7,119	2,031	3,836

(Continued)

Cash, cash equivalents and investments are disclosed on the statements of net position as follows:

	2026 (In thousands of dollars)	2025 (In thousands of dollars)
Cash and cash equivalents	$ 442,827	$ 379,297
Cash and investments externally restricted by donors	27,139	21,354
Short-term investments	790,688	619,675
Amounts designated for self-insurance	47,607	45,646
Investments	212,421	243,008
Total	$ 1,520,682	$ 1,308,980

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as concentration of credit risk, custodial credit risk, interest rate risk, and foreign currency risk, may affect both equity and fixed-income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed-income securities are sensitive to credit risk and changes in interest rates.

a) Credit Risk

Florida Statutes section 218.415 provides for each unit of local government or political subdivision to adopt investment policies that are commensurate with the nature and size of public funds within their custody. These policies must include consideration for safety of capital liquidity of funds within their custody, diversification of investments, investment income, maturity requirements, and performance measurement. The District has a Board-approved policy for the investment of funds. In accordance with this policy, the District invests in marketable fixed-income securities rated in the first four credit quality grades as established by one or more of the nationally recognized bond rating services. Securities downgraded by any of these rating agencies subsequent to purchase resulting in a violation of the investment quality guidelines may be at the discretion of the professional investment managers retained by the District. However, written notice including the investment manager's rationale shall be promptly submitted to the District's Investment Committee.

b) Concentration of Credit Risk

Investments in any one issuer that represent 5% or more of the District's investment portfolio are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. As of June 30, 2026 and 2025, the District did not have any investments that equaled or exceeded this threshold. The investment policy includes an overall asset allocation policy which sets allowable ranges per asset class. During fiscal year 2026, the Board made no changes to the permissible target ranges. The asset allocation continues to be monitored and managed. The approved asset allocation includes an overall asset deployment target which sets allowable ranges per asset class. Asset allocation may include up to: Equity (30 - 50%), Core Fixed Income (5 - 20%),

Global Unconstrained (0 - 15%), Private Equity (5 - 20%), Private Credit (0 - 15%), Real Estate (0 - 15%), and Infrastructure (0 - 12%).

c) Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Refer to the distribution of the District's investment in fixed-income securities by maturity as of June 30, 2026 and 2025, in the preceding investment composition table.

d) Foreign Currency Risk

The District's investment policy allows for the investment in international equity securities. The District's exposure to foreign currency risk is partially mitigated through investments in depository receipts and forward foreign currency contracts.

e) Custodial Credit Risk

Investments

As of June 30, 2026, the District's investments were not exposed to custodial credit risk since the full amount of investments were insured or registered in the District's name.

Deposit Risk

In addition to insurance provided by the Federal Depository Insurance Corporation, all demand deposits are held in banking institutions approved by the State of Florida state treasurer to hold public funds. Under the Florida Statutes Chapter 280, *Florida Security for Public Deposits Act* (Chapter 280), the state treasurer requires all qualified public depositories to deposit with the treasurer, or another banking institution, eligible collateral equal to amounts ranging from 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses in excess of amounts insured and collateralized. At June 30, 2026, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the state treasurer pursuant to Chapter 280, *Florida Statutes*.

(4) Fair Value Measurements

The North Broward Hospital District values its investments in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The pronouncement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in an active market with daily pricing that a government can access at the measurement date. At June 30, 2026 and 2025, the type of investments included in Level 1 consists of money market accounts, bank deposits, and debt and equity securities.

Level 2 – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date but are not the same as those used in Level 1. Inputs within Level 2 of the fair value hierarchy include inputs that are directly observable for an asset or liability (including quoted prices for similar assets or liabilities), as well as inputs that are not directly observable for the asset and liability. Fair value is determined through the use of models or other valuation methodologies.

Level 3 – Inputs are unobservable for an asset or liability. Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of discounted cash flow models or similar techniques. At June 30, 2026 and 2025, Level 3 securities include limited partnerships in private equity funds, real estate and infrastructure.

The District's fair value measurements are determined as follows:

Money Market Funds, Equity Securities, and Mutual Funds: These types of investments are managed primarily through investments held by independent investment advisors with discretionary investment authority. The securities consist primarily of common stocks and equity mutual funds. These investments are valued at the closing price reported in the active market in which the individual securities are traded.

U.S. Government Securities, U.S. Government Agency Securities, Corporate Bonds, Asset-Backed Securities, and International Government Securities: These types of investments are managed by independent investment advisors with discretionary investment authority. These securities include U.S. and non-U.S. debt instruments, and are valued at the closing price reported in the active market in which the individual securities are traded.

Private Equity Funds: This type of investment includes investment in private equity limited partnerships that invest in a diversified portfolio of private companies. The District participates in these partnerships as a limited partner. These investments can never be redeemed with the funds. Instead, the nature of this investment is for distributions to be received through the liquidation of the underlying assets of the fund. If these investments were held, it is expected that the majority of the underlying assets of the funds would be liquidated over five to eight years. As of June 30, 2026, it is probable that all of the investments in this type will be sold at an amount different from the net asset value (NAV) per share (or its equivalent) of the District's ownership interest in the partners' capital. Therefore, the fair values of the investment in this type have been determined by the general partners using the recent observable transaction information for similar investments, valuation multiples of revenues and/or EBITDA, along with nonbinding bids received from potential buyers of investments.

Real Estate: The investments consist of a diversified portfolio of institutional-quality industrial, apartment, retail, and office real estate assets, using a core investment strategy. The values of real estate properties have been prepared giving consideration to the income, cost, and sales comparison approaches of estimating property values. The income approach estimates an income stream for a property (typically ten years) and discounts this income plus a reversion (presumed sale) into the present value at a risk adjusted rate. Yield rates and growth assumptions utilized in this approach are derived from market transactions as well as other financial and industry data. The cost approach estimates the replacement cost of the building less physical depreciation plus the land value. The sales comparison approach compares recent transactions to the appraised property. Adjustments are made for dissimilarities which typically provide a range of values. The fair value of the real estate investments has been determined by an independent third-party appraiser and is based on significant unobservable inputs (terminal cap rate, discount rate, and average market rent growth).

Infrastructure: The investment consists of a diversified portfolio of infrastructure assets. Investments may include the following: toll roads; airports and related investments; telecommunications; point-to-point rail links; water and waste-water; ports and container terminal assets; and gas and electricity distribution and transmission networks. The values of infrastructure projects have been prepared giving consideration to the projected cash flows, comparable transactions, purchase cost, and earnings comparison approaches of estimating infrastructure project values. The valuation methods are determined by a valuer at their discretion as long as the method falls within the standards prescribed under U.S. generally accepted accounting principles. The standard method of valuation for infrastructure is the discounted cash flow (DCF) method, subject to exceptions. Valuations should also have regard to quoted prices for identical or similar investments in active markets. Valuation methods follow an established valuation framework and are consistent. The fair value of the infrastructure investments has been determined by an independent valuer and is based on significant unobservable inputs (terminal value, discount rate, and projected cash flows). Valuations are independently audited on an annual basis.

Hedge Funds: This type of investment consists of a diversified portfolio of multiple hedge funds which utilize a variety of investment strategies. Some of those strategies include credit-oriented strategies, capital structure strategies, event-driven strategies, long/short strategies, and multiple strategies, among others. The fair values of hedge fund investments are generally determined using the reported NAV, or its equivalent, as a practical expedient for fair value.

The following table presents financial instruments that are measured at fair value on a recurring basis as of June 30, 2026:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments by fair value level:				
Money markets	$ 418,135	418,135	—	—
Bank deposits	40,414	40,414	—	—
Debt securities				
U.S. government securities	26,619	26,619	—	—
U.S. government agency securities	9,899	9,899	—	—
Corporate bonds	45,761	45,761	—	—
Asset-backed securities	3,446	3,446	—	—
Total debt securities	85,725	85,725	—	—
Equity securities				
Common stocks	79,468	79,468	—	—
Mutual funds	684,519	684,519	—	—
Total equity securities	763,987	763,987	—	—
Private equity	75,169	—	—	75,169
Real estate	76,946	—	—	76,946
Infrastructure	60,286	—	—	60,286
Total investments by fair value level	1,520,662	1,308,261	—	212,401
Investments measured at net asset value (NAV):				
Hedge funds	20			
Total investments measured at fair value	$ 1,520,682			

(Continued)

The following table presents financial instruments that are measured at fair value on a recurring basis as of June 30, 2025:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments by fair value level:				
Money markets	$ 360,222	360,222	—	—
Bank deposits	34,069	34,069	—	—
Debt securities				
U.S. government securities	63,684	63,684	—	—
U.S. government agency securities	18,742	18,742	—	—
Corporate bonds	38,737	38,737	—	—
Asset-backed securities	826	826	—	—
Total debt securities	121,989	121,989	—	—
Equity securities				
Common stocks	51,314	51,314	—	—
Mutual funds	498,377	498,377	—	—
Total equity securities	549,691	549,691	—	—
Private equity	73,488	—	—	73,488
Real estate	88,967	—	—	88,967
Infrastructure	53,061	—	—	53,061
Total investments by fair value level	1,281,487	1,065,971	—	215,516
Investments measured at net asset value (NAV):				
Hedge funds	27,493			
Total investments measured at fair value	$ 1,308,980			

Additional Disclosures for Fair Value Measurements of Investments in Certain Entities that Calculate Net Asset Value per Share or Its Equivalent:

The hedge funds that the District invests in include various limits on the redemption frequency of those investments, as well as redemption notice periods. The limits on redemption frequency generally range from being non-redeemable to a redemption frequency that is daily, monthly, quarterly, semi-annually, or annually. The redemption notice periods generally range from daily up to 90 days. The real estate, private equity, and infrastructure funds in which the District invests include unfunded commitments as of June 30, 2026, totaling approximately $6.3 million, $39.5 million, and $0.8 million, respectively ($5 million, $33.7 million, and $1.2 million, respectively in 2025).

(5) Capital Assets

A summary of changes in capital assets during fiscal years 2026 and 2025 is as follows:

	Balance at June 30, 2025	Additions	Deletions/ Transfers	Balance at June 30, 2026
Capital assets not being depreciated:				
Land	$ 115,415	2,671	—	118,086
Construction-in-progress	97,289	206,928	(151,233)	152,984
Total capital assets not being depreciated	212,704	209,599	(151,233)	271,070
Capital assets being depreciated:				
Buildings and improvements	930,583	66,863	(7,086)	990,360
Land improvements	9,705	3,986	(30)	13,661
Equipment	507,049	60,634	(47,038)	520,645
Finance purchases	16,251	—	—	16,251
Intangible right-to-use leased buildings	20,829	718	(860)	20,687
Intangible right-to-use leased equipment	27,067	890	(21,560)	6,397
Intangible right-to-use software	224,035	44,409	(1,695)	266,749
Total capital assets being depreciated	1,735,519	177,500	(78,269)	1,834,750
Accumulated depreciation/amortization:				
Buildings and improvements	565,682	28,227	(6,980)	586,929
Land improvements	8,221	189	(31)	8,379
Equipment	355,862	36,217	(40,260)	351,819
Finance purchases	11,752	1,935	—	13,687
Intangible right-to-use leased buildings	9,422	3,352	(851)	11,923
Intangible right-to-use leased equipment	20,286	2,011	(17,399)	4,898
Intangible right-to-use software	120,659	50,726	(1,394)	169,991
Total accumulated depreciation/amortization	1,091,884	122,657	(66,915)	1,147,626
Total	$ 856,339	264,442	(162,587)	958,194

(Continued)

	Balance at June 30, 2024	Additions	Deletions/ Transfers	Balance at June 30, 2025
Capital assets not being depreciated:				
Land	$ 100,795	14,620	—	115,415
Construction-in-progress	69,822	205,396	(177,929)	97,289
Total capital assets not being depreciated	170,617	220,016	(177,929)	212,704
Capital assets being depreciated:				
Buildings and improvements	904,563	30,516	(4,496)	930,583
Land improvements	9,498	207	—	9,705
Equipment	497,037	62,295	(52,283)	507,049
Finance purchases	15,544	707	—	16,251
Intangible right-to-use leased buildings	13,169	9,032	(1,372)	20,829
Intangible right-to-use leased equipment	29,009	6,116	(8,058)	27,067
Intangible right-to-use software	152,589	78,673	(7,227)	224,035
Total capital assets being depreciated	1,621,409	187,546	(73,436)	1,735,519
Accumulated depreciation/amortization:				
Buildings and improvements	543,427	26,227	(3,972)	565,682
Land improvements	8,043	178	—	8,221
Equipment	375,476	33,764	(53,378)	355,862
Finance purchases	9,878	1,874	—	11,752
Intangible right-to-use leased buildings	7,547	3,076	(1,201)	9,422
Intangible right-to-use leased equipment	21,048	5,912	(6,674)	20,286
Intangible right-to-use software	78,878	49,009	(7,228)	120,659
Total accumulated depreciation/amortization	1,044,297	120,040	(72,453)	1,091,884
Total	$ 747,729	287,522	(178,912)	856,339

The estimated cost to complete construction-in-progress at June 30, 2026, totaled approximately $481 million.

(Continued)

(6) Long-Term Obligations

Changes in long-term liabilities for the years ended June 30, 2026 and 2025, were as follows:

	June 30, 2025	Additions	Deletions	June 30, 2026	Amount Due in One Year
Revenue bonds	$ 279,035	—	(6,730)	272,305	7,070
Bond premium	20,821	—	(1,371)	19,450	—
Financed purchases	1,230	—	(1,086)	144	144
Lease obligations	19,388	1,605	(9,749)	11,244	4,187
SBITAs obligations	54,270	35,769	(26,427)	63,612	31,395
Self-insurance program	26,337	12,326	(7,924)	30,739	9,724
	$ 401,081	49,700	(53,287)	397,494	52,520

	June 30, 2024	Additions	Deletions	June 30, 2025	Amount Due in One Year
Revenue bonds	$ 285,450	—	(6,415)	279,035	6,730
Bond premium	22,191	—	(1,370)	20,821	—
Financed purchases	947	719	(436)	1,230	1,086
Lease obligations	15,399	15,225	(11,236)	19,388	9,139
SBITAs obligations	64,104	23,013	(32,847)	54,270	22,129
Self-insurance program	27,883	4,921	(6,467)	26,337	8,955
	$ 415,974	43,878	(58,771)	401,081	48,039

(7) Revenue Bonds

Revenue Bonds, Series 2017B (the 2017B Bonds)

In December 2017, the District issued $317.3 million of Revenue Bonds, Series 2017B, at a premium of $31.1 million, for total sources of funds in the amount of $348.4 million. The Series 2017B Bonds of $317.3 million is comprised of $157.5 million Serial Bonds due through January 1, 2038; $54.8 million Term Bonds due January 1, 2042; and $105 million Term Bonds due January 1, 2048. All the components of the Series 2017B Bonds are 5% fixed rate bonds. The 2017B Bonds are subject to optional, extraordinary optional, and mandatory sinking fund redemption prior to maturity. The bonds are secured solely by funds and accounts held under the Bond Indenture (excluding the Rebate Fund) and any other property delivered as security under the Bond Indenture.

On December 13, 2017, the District, as the sole Member of the Obligated Group delivered to the Bond Trustee, the Series 2017B Bonds (North Broward Hospital District Revenue Bonds, Series 2017B). The obligations issued under the Master Trust Indenture are equally and ratably payable from, and are secured solely by a pledge of, and a lien on, the pledged revenues (as defined in the Master Trust Indenture) and any and all property of every kind as additional security by the Obligated Group. Under the Master Trust Indenture, the pledged revenues do not include ad valorem tax receipts received by the Issuer and any future member of the Obligated Group.

Upon the occurrence of any event of default the Bond Trustee may take whatever action at law or in equity it deems necessary or desirable to collect amounts then due by the District and to enforce performance of any obligation, agreement or covenant of the District and shall have a right of payment for the forgoing advances, fees, costs, and expenses incurred by the Bond Trustee and any additional Paying Agent.

The Master Trust Indenture permits the members of the Obligated Group to issue additional obligations to parties other than the Bond Trustee. The additional obligations will be secured equally and proportionately by the pledged revenues with all other obligations issued under the Master Trust Indenture.

The Series 2017B Bonds were issued to provide funds for the redemption of $41.5 million Revenue Bonds, Series 2005A; $82.4 million Revenue Bonds, Series 2008A; $21.8 million Revenue Bonds, Series 2010; $87.2 million Revenue Bonds, Series 2017A (issued in September 2017 for three months to provide temporary gap funding and redeem the Series 2007 Bonds in the amount of $76.9 million, $10.2 million in related swap and swap interest, and $0.1 million in related issuance costs). A portion of the proceeds of the Series 2017B Bonds were applied to the payment of termination fees in connection with the termination and discharge of interest rate swap agreements relating to the Series 2005A Bonds and Series 2008A Bonds, including accrued interest, in the amount of $22.4 million, as well as costs of issuance in the amount of $3.2 million. As a result, the liabilities for the advance refunded bonds and terminated swaps were removed from the accompanying statements of net position. In addition to providing funds for the redemption, the District used the remaining proceeds of $90.0 million to cover the cost of certain capital projects of its healthcare facilities, including reimbursement of advanced funds for the capital projects prior to the issuance of the Series 2017B Bonds.

The refunding of the bonds resulted in a loss of defeasance of approximately $29.3 million. At June 30, 2026 and 2025, the unamortized deferred balance is approximately $5.9 million and $8.7 million, respectively, and is reported as deferred outflows of resources.

The Series 2017B Bonds are fixed rate bonds and are callable on or after January 1, 2028. Interest commenced on July 1, 2018, and will be due on each January 1 and July 1 thereafter. Interest on the Series 2017B Bonds is computed on a basis of a 360-day year comprised of twelve 30-day months.

The Term Bonds are subject to mandatory redemption and payment prior to maturity at a redemption price equal to the principal amount plus accrued interest to the redemption date, without premium.

Maturities of the 2017B Bonds by component, including corresponding interest due, over the next five years and in five-year increments thereafter are as follows:

	Principal on Serial Bonds due January 1, 2038	Principal on Term Bonds due January 1, 2042	Principal on Term Bonds due January 1, 2048	Total Debt Service Principal	Total Debt Service Interest
		(In thousands of dollars)			
Years ending June 30:					
2027	$ 7,070	—	—	7,070	13,615
2028	7,430	—	—	7,430	13,262
2029	7,795	—	—	7,795	12,890
2030	8,180	—	—	8,180	12,501
2031	8,590	—	—	8,590	12,092
2032-2036	49,880	—	—	49,880	53,565
2037-2041	23,620	40,030	—	63,650	39,785
2042-2046	—	14,705	66,545	81,250	22,198
2047-2048	—	—	38,460	38,460	2,908
	$ 112,565	54,735	105,005	272,305	182,816

(8) Line of Credit

The District renewed the June 30, 2022, line of credit for short-term borrowings with a bank under which up to $50,000,000 may be borrowed on such terms as outlined by the Revolving Line of Credit Agreement (Agreement). The District has pledged collateral on the same terms as the Master Trust Indenture and issued the North Broward Hospital District Obligated Group – Series 2020A Related Debt Obligation pursuant to the Fourth Supplemental Master Trust Indenture dated June 30, 2022. The term of the agreement expires June 27, 2027. The District did not draw on the line of credit during fiscal year 2026 or 2025.

(9) Obligations and Receivables for Leases and Subscription-Based Information Technology Arrangements (SBITA)

Leases

The District has various ongoing leases as part of its business, both as a lessee and as a lessor. The determination of whether an arrangement is a lease is made at the lease's inception. Under GASB 87, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. As a lessee and as a lessor, the District has assessed both of the following for each lease contract: (1) the right of the lessee to obtain the present service capacity from use of the underlying assets as specified in the contract, and (2) the right of the lessee to determine the nature and manner of use of the underlying asset as specified in the contract.

Leases, whereby the District obtains ownership of the underlying asset by the end of the lease contract and it does not contain termination options, are designated as financed purchases of the underlying asset. Operating leases with terms in excess of 12 months are designated as intangible right-to-use assets. Financed purchase assets and intangible right-to-use assets are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Amortization of the discount on the lease and finance purchase liability is reported as an outflow of resources and is included in interest expense in the statements of revenues, expenses, and changes in net position. Amortization of $574 thousand and $536 thousand was recognized for fiscal years 2026 and 2025, respectively, and is included with interest expense.

Leased assets that are not financed purchases are amortized over the shorter of the lease term or the useful life of the underlying asset. Amortization of leased assets is reported as an outflow of resources and is included in depreciation expense in the statements of revenues, expenses, and changes in net position. Amortization of $5.4 million and $9 million was recognized in fiscal years 2026 and 2025, respectively.

As a lessee, the District leases various equipment and medical office space. Equipment leases for fiscal year 2026 include six medical equipment units, three surgical equipment units, and two printer/copier equipment unit contracts with lease terms ranging from 1 to 4.7 years, payments ranging from $163 to $40,025 per month and interest ranging from 3% to 4.85%. Building leases for fiscal year 2026 include 18 medical offices and one data warehouse with lease terms ranging from 1 to 10.3 years, payments ranging from $1,060 to $73,351 per month and interest ranging from 2.5% to 4.85%. Equipment leases for fiscal year 2025 included seven medical equipment units, three surgical equipment units, two printer/copier equipment units, and one off-site server equipment contract with lease terms ranging from 1 to 5 years, payments ranging from $185 to $412,936 per month and interest ranging from 2.5% to 4.85%. Building leases for fiscal year 2025 included 17 medical offices and one data warehouse with lease terms ranging from 1 to 10.3 years, payments ranging from $1,060 to $74,627 per month and interest ranging from 2.5% to 4.85%.

As a lessor, the District leases land, medical office and office space, hospital space, radiology equipment and hospital beds. As of June 30, 2026, there are 49 leases for medical office and office space ranging from 1 to 10 years, receipts ranging from $702 to $75,480 per month, and interest ranging from 3% to 4.85%. There is one radiology equipment lease covering three items of equipment, with a 1-year lease term, receipts of $21,916 per month, and 4.35% interest. There are two land leases with 32-year lease terms, receipts ranging from $131,250 to $365,000 per year, payments to commence in fiscal year 2028, and 8.75% interest. There are two Hospital-within-a-Hospital leases for 15 years each, receipts ranging from $90,800 to $350,756 per month, and 4.85% interest. Lastly, the District has three leases for the use of hospice beds with 4-to-5-year lease terms, receipts ranging from $78,480 to $117,720 per month, and 3% interest. Rental income of $11.2 million was recognized in fiscal year 2026 and is included with other operating revenues. Interest income of $2.1 million was recognized in fiscal year 2026 and is included with other nonoperating revenues/expenses. As a lessor for fiscal year 2025, the District leased medical offices, office and store spaces, radiology equipment and hospital beds. There were 51 leases for medical office and office space ranging from 1 to 10 years, receipts ranging from $702 to $72,699 per month, and interest ranging from 3% to 4.85%. There was one radiology equipment lease with a 1-year lease term, receipts of $21,916 per month, and 4.85% interest. Lastly, the District had three leases for the use of hospice beds with 4-to-5-year lease terms, receipts ranging from $78,480 to $117,720 per month, and 3% interest. Rental income of $9.7 million was recognized in fiscal year 2025 and is included with other

operating revenues. Interest income of $782 thousand was recognized in fiscal year 2025 and was included with other nonoperating revenues/expenses.

In the absence of interest in lease contracts for which the District is a lessee, the District's incremental borrowing rate of 4.35% and 4.85% were used for arrangements initiated during fiscal years 2026 and 2025, respectively.

In the absence of interest in lease contracts for which the District is a lessor, the rates of 4.35% and 4.85%, as used in other contracts, were used for fiscal years 2026 and 2025, respectively.

Subscription-Based Information Technology Arrangements (SBITA)

The District has various ongoing software licenses and subscriptions as part of its business as an end user. The determination of whether an arrangement is a SBITA is made at the contract inception. Under GASB 96, a SBITA is defined as a contract that conveys control of the right to use another entity's IT software (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. As an end user, the District continues to assess both of the following for each lease contract: (1) the right of the end user to obtain the present service capacity from use of the underlying IT assets as specified in the contract, and (2) the right of the end user to determine the nature and manner of use of the underlying IT asset as specified in the contract.

SBITAs with terms in excess of 12 months are designated as intangible right-to-use assets. For contracts that include a cancellable period, the SBITA is recognized for the possible term of the noncancellable period, including any notice periods. SBITAs with terms of 12 months or less are only recognized if an auto-renewal clause is disclosed in the contract and the likelihood of extending the contract is highly probable.

Amortization of the discount on the SBITA liability is reported as an outflow of resources and is included in interest expense in the statements of revenues, expenses, and changes in net position. Amortization of $2.9 million and $3 million was recognized for fiscal years 2026 and 2025, respectively, and is included with interest expense. Amortization of SBITA asset is reported as an outflow of resources and is included in depreciation and amortization expense in the statements of revenues, expenses and changes in net position. Amortization of $50.7 million and $49 million was recognized in fiscal years 2026 and 2025, respectively.

The District has various SBITAs under the sole responsibility of the corporate IT department. During fiscal year 2026, the District had 58 corporate IT SBITAs with contract terms ranging from 1 to 8 years, payments ranging from $0 to $5,447,225 per year, and interest ranging from 2.75% to 5.26%. During fiscal year 2025, the District had 51 corporate IT SBITAs with contract terms ranging from 1 to 10 years, payments ranging from $0 to $4,925,091 per year, and interest ranging from 2.75% to 5.26%. Arrangements with $0 annual outflow are multi-year contracts that had been paid in full at beginning of the contract prior to the implementation of GASB 96.

The District has various SBITAs under the responsibility of other corporate departments, i.e.: finance, procurement, contracts administration, revenue management, compliance, pharmacy and human resources. During fiscal year 2026, the District had 36 SBITAs for other corporate departments ranging from 1 to 5 years, payments ranging from $6,083 to $1,216,428 per year, and interest ranging from 2.75% to 4.85%.

During fiscal year 2025, the District had 29 SBITAs for other corporate departments ranging from 2 to 6 years, payments ranging from $10,600 to $1,216,428 per year, and interest ranging from 2.75% to 4.85%.

The District has various SBITAs under the responsibility of regional operating departments, i.e.: radiology, health information management, pharmacy and processing services. During fiscal year 2026, the District had 18 SBITAs for regional departments ranging from 1 to 5 years, payments ranging from $0 to $765,324 per year, and interest ranging from 2.75% to 4.85%. During fiscal year 2025, the District had 18 SBITAs for regional departments ranging from 0.7 to 5 years, payments ranging from $15,288 to $850,000 per year, and interest ranging from 2.75% to 4.85%.

In the absence of interest in SBITAs for which the District is an end user, the District's incremental borrowing rate of 4.35% and 4.85% were used for arrangements initiated during fiscal years 2026 and 2025, respectively.

See the summary of changes in capital assets, in Note 5, for the amount of finance purchases, leased assets and SBITAs, and related accumulated amortization.

Principal and interest payments due on leases are as follows:

	Principal	Interest
	(In thousands of dollars)	
Years Ending June 30:		
2027	$ 4,187	421
2028	1,564	285
2029	1,120	231
2030	794	190
2031	684	157
2032-2036	2,895	283
Total due	11,244	1,567
Amount due within one year	(4,187)	
Amount due, excluding due within one year	$ 7,057	

(Continued)

Principal and interest payments due on SBITAs are as follows:

		Principal	Interest
		(In thousands of dollars)	
Years Ending June 30:			
2027	$	31,395	3,315
2028		20,060	969
2029		4,652	423
2030		1,710	321
2031		1,817	233
2032-2036		3,978	179
Total due		63,612	5,440
Amount due within one year		(31,395)	
Amount due excluding due within one year	$	32,217	

Principal and interest payments due on finance purchases are as follows:

		Principal	Interest
		(In thousands of dollars)	
Years Ending June 30:			
2027	$	144	1
Total due		144	1
Amount due within one year		(144)	
Amount due, excluding due within one year	$	0	

(Continued)

(10) Defined Benefit Pension Plan

a) Plan Description

The District maintains a single-employer, noncontributory defined benefit (cash balance) pension plan (the Plan) covering substantially all full-time or part-time eligible District employees. Accordingly, the amounts disclosed herein relate to the Plan as a whole. The Plan is not subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and does not issue a stand-alone financial report.

Funding levels and obligations to contribute to the Plan are established and can be amended by the Board.

Effective January 1, 1997, employees are eligible for Plan participation after completing one year of credited service and the attainment of age 21. Benefits are vested after five years of credited service. Accrued monthly pension benefits as of December 1, 1996, were converted to lump-sum cash balances, and the Plan guarantees a minimum annuity based on the benefits accrued as of December 31, 1996. Benefits upon retirement are based upon a District contribution of 5% of the participant's covered earnings for each year of credited service and an annual interest credit on the employee's account balance equal to the yield on the one-year Treasury Bill for the month of May preceding each Plan year plus 1%. Vested plan participants who were at least age 45 on January 1, 1997, are eligible for additional "grandfathered" pension contributions. Normal retirement age under the Plan is 65 with provisions for early retirement if the participant is 55 to 64 years of age and has attained five years of credited service. These benefit levels may be modified upon approval by the Board. Benefits under the early retirement provision are reduced to reflect the Plan participant's age at the time benefits begin.

Number of employees covered as of actuarial valuation dates:	2026	2025
Active employees	6,733	6,496
Inactive employees currently receiving benefits	2,044	1,975
Inactive employees entitled to but not yet receiving benefit payments	1,349	1,350
Total membership	10,126	9,821

b) Contributions

The annual contribution for each year was determined by management and the Board. While the District's independent actuary annually determines a range for the annual contributions, the District is not required to contribute an amount equal to the total funding contribution. The Plan's funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when due. All contributions to the Plan are made by the employer and are intended to fund both the actuarially determined costs, as well as the Plan's operating costs. The District's practice is to make sufficient annual contributions in accordance with the actuarial funding requirements of the Florida Statutes. The contributions to the Plan for fiscal years 2026 and 2025 totaled $0 and $4 million, respectively. The contributions represent approximately 0% and 0.83% of current covered payroll for fiscal years 2026 and 2025, respectively. Maximum actuarial contributions are based upon the funding levels that would be required of an ERISA plan.

c) *Net Pension Liability (Asset)*

The District's net pension liability (asset) was measured as of June 30, 2026, based upon rolling forward the results of the actuarial valuation as of July 1, 2025. The District's net pension liability (asset) was measured as of June 30, 2025, based upon rolling forward the results of the actuarial valuation as of July 1, 2024.

Actuarial Valuation and Assumptions – Actuarial valuations represent a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future. The District's net pension liability (asset) was calculated using the following methods and assumptions:

	2026	2025
Inflation	2.30%	2.30%
Investment rate of return	6.25%	6.25%
Projected salary increases	4.50%	4.50%
Cost-of-living adjustment	None	None

For active members, inactive members, and retirees, the Pub-2016 with generational projection per MP-2021 for 2026 and 2025.

Actuarial assumptions are subject to periodic revisions. The retirement and salary scale assumptions are reviewed each year compared to actual experience and are adjusted as needed. Other demographic assumptions are reviewed periodically to determine the need for adjustments.

Long-Term Rate of Return **–** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from the actuary's asset advisors. The 6.25% assumption reflects the composite expected return based on the target asset allocation for the Plan. The actuary uses the Global Capital Asset Pricing Model (Global CAPM) methodology to determine expected returns for each asset class, rather than relying on historical returns or other estimates. The CAPM is an economic model for valuing stocks, securities, derivatives, and/or assets by relating risk and expected return and is based on the idea that investors demand additional expected return if they are asked to accept additional risk.

The following is the Plan's adopted asset allocation policy and long-term expected rate of return as of June 30, 2026:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	28.00%	2.42%	2.28%
US TIPS	3.00%	2.10%	1.93%
US Large Caps	16.00%	5.46%	3.85%
US Small & Mid Caps	6.00%	5.43%	3.02%
Non-US Equity	11.00%	7.06%	5.13%
Emerging Markets Equity	3.00%	8.48%	5.40%
US REITs	10.00%	6.38%	4.15%
Private Equity	7.50%	10.51%	6.30%
Infrastructure	5.50%	5.36%	3.86%
Hedge FOF Diversified	5.00%	2.42%	2.13%
Hedge Funds-Multi Strategy	5.00%	4.03%	3.63%
Assumed Inflation - Mean		2.34%	2.33%
Assumed Inflation - Standard Deviation		1.48%	1.48%
Portfolio Real Mean Return		5.02%	4.27%
Portfolio Nominal Mean Return		7.35%	6.73%
Portfolio Standard Deviation			11.79%
Long-Term Expected Rate of Return			6.25%

(Continued)

The following is the Plan's adopted asset allocation policy and long-term expected rate of return as of June 30, 2025:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	28.00%	2.35%	2.20%
US TIPS	3.00%	1.82%	1.65%
US Large Caps	16.00%	5.39%	3.78%
US Small & Mid Caps	6.00%	6.04%	3.62%
Non-US Equity	11.00%	7.24%	5.35%
Emerging Markets Equity	3.00%	8.78%	5.73%
US REITs	10.00%	6.71%	4.46%
Private Equity	7.50%	10.43%	6.22%
Infrastructure	5.50%	5.68%	4.18%
Hedge FOF Diversified	5.00%	2.43%	2.15%
Hedge Funds-Multi Strategy	5.00%	4.05%	3.60%
Assumed Inflation - Mean		2.28%	2.28%
Assumed Inflation - Standard Deviation		1.47%	1.47%
Portfolio Real Mean Return		5.09%	4.34%
Portfolio Nominal Mean Return		7.37%	6.72%
Portfolio Standard Deviation			11.81%
Long-Term Expected Rate of Return			6.25%

Discount Rate **–** The discount rate used to measure the total pension liability was 6.25% for fiscal years 2026 and 2025. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based upon those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan assets was applied to all periods of projected benefit payments to determine the total pension liability. The following section discusses the sensitivity of the net pension liability to changes in the discount rate.

d) Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) - (b)**
	(In thousands of dollars)		
Balance as of June 30, 2025	$ 378,438	416,625	(38,187)
Changes for the year:			
Service cost	15,359	—	15,359
Interest on total pension liability	23,526	—	23,526
Effect of economic/demographic gains or losses	(8,372)	—	(8,372)
Effect of assumptions, changes or inputs	4,086	—	4,086
Benefit payments	(35,281)	(35,281)	—
Employer contributions	—	—	—
Net investment income (loss)	—	53,731	(53,731)
Administrative expenses	—	(1,749)	1,749
Balance as of June 30, 2026	$ 377,756	433,326	(55,570)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) - (b)**
	(In thousands of dollars)		
Balance as of June 30, 2024	$ 365,747	405,583	(39,836)
Changes for the year:			
Service cost	15,446	—	15,446
Interest on total pension liability	22,969	—	22,969
Effect of economic/demographic gains or losses	9,935	—	9,935
Effect of assumptions, changes or inputs	(7,867)	—	(7,867)
Benefit payments	(27,792)	(27,792)	—
Employer contributions	—	4,000	(4,000)
Net investment income (loss)	—	36,489	(36,489)
Administrative expenses	—	(1,655)	1,655
Balance as of June 30, 2025	$ 378,438	416,625	(38,187)

(Continued)

Sensitivity Analysis – The following presents the net pension liability (asset) of the District as of June 30, 2026, calculated using the discount rate of 6.25%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate.

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
	(In thousands of dollars)		
Net pension liability (asset)	$ (33,312)	(55,570)	(75,540)

Pension Plan Fiduciary Net Position – Additional information about the Plan's fiduciary net position (i.e., Plan assets) is as follows:

The following table presents the composition of the defined benefit pension plan's cash and cash equivalents and investments as of June 30, 2026:

	Fair Value
Common stocks	$ 14,827
Mutual funds	246,018
Private equity	51,782
Hedge funds	37,116
Real estate	39,876
Infrastructure	33,414
Money markets	10,293
	$ 433,326

(Continued)

The following table presents the composition of the defined benefit pension plan's cash and cash equivalents and investments as of June 30, 2025:

	Fair Value
Common stocks	$ 11,097
Mutual funds	232,016
Private equity	55,265
Hedge funds	29,696
Real estate	49,778
Infrastructure	28,980
Money markets	9,793
	$ 416,625

The following table presents information about the fair value measurements of the Plan's fiduciary net position as of June 30, 2026:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Plan Investments by Fair Value Level				
Money markets	$ 10,293	10,293	—	—
Equity securities:				
Common stocks	14,827	14,827	—	—
Mutual funds	246,018	246,018	—	—
Total equity securities	260,845	260,845	—	—
Private equity	51,782	—	—	51,782
Real estate	39,876	—	—	39,876
Infrastructure	33,414	—	—	33,414
Total Plan investments by fair value level	396,210	271,138	—	125,072
Plan investments measured at net asset value (NAV):				
Hedge funds	37,116			
Total investments measured at fair value	$ 433,326			

(Continued)

The following table presents information about the fair value measurements of the Plan's fiduciary net position as of June 30, 2025:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Plan Investments by Fair Value Level				
Money markets	$ 9,793	9,793	—	—
Equity securities:				
Common stocks	11,097	11,097	—	—
Mutual funds	232,016	232,016	—	—
Total equity securities	243,113	243,113	—	—
Private equity	55,265	—	—	55,265
Real estate	49,778	—	—	49,778
Infrastructure	28,980	—	—	28,980
Total Plan investments by fair value level	386,929	252,906	—	134,023
Plan investments measured at net asset value (NAV):				
Hedge funds	29,696			
Total investments measured at fair value	$ 416,625			

See Note 4 for an explanation of the methods used to determine fair value and the levels within the fair value hierarchy.

Additional Disclosures for Fair Value Measurements of Plan Investments in Certain Entities that Calculate Net Asset Value per Share or Its Equivalent:

The hedge funds that the Plan invests in include various limits on the redemption frequency of those investments, as well as redemption notice periods. The limits on redemption frequency generally range from being non-redeemable to a redemption frequency that is daily, monthly, quarterly, semi-annually, or annually. The redemption notice periods generally range from daily up to 90 days. The real estate, private equity, and infrastructure funds that the Plan invests, include unfunded commitments as of June 30, 2026, totaling approximately $4.2 million, $9.8 million, and $0.6 million, respectively ($3.3 million, $8.4 million, and $0.9 million, respectively in 2025).

e) Pension Expense

The pension expense for the years ended June 30, 2026 and 2025, is $15 million and $6.8 million, respectively.

f) Deferred Inflows/Outflows of Resources

A summary of deferred outflows and deferred inflows of resources as of June 30, 2026, is as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In thousands of dollars)	
Differences between expected and actual experience	$ 6,623	$ (9,588)
Changes of assumptions	8,012	(5,245)
Net difference between projected and actual earnings	—	(34,801)
Total	$ 14,635	$ (49,634)

A summary of deferred outflows and deferred inflows of resources as of June 30, 2025, is as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In thousands of dollars)	
Differences between expected and actual experience	$ 8,279	$ (4,897)
Changes of assumptions	8,266	(6,557)
Net difference between projected and actual earnings	—	(7,678)
Total	$ 16,545	$ (19,132)

The net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2026, will be recognized as a reduction in pension expense during the next five years and thereafter as follows:

Year Ending June 30:	
2027	$ (9,752)
2028	(9,807)
2029	(8,498)
2030	(6,113)
2031	(691)
Thereafter	(138)
	$ (34,999)

(Continued)

(11) Defined-Contribution Plans

Effective January 1, 1990, the District implemented a defined-contribution plan [the Star Plus 403(b) Plan] for all employees. In a defined-contribution plan, benefits depend solely on amounts contributed to the Star Plus 403(b) Plan, plus investment earnings. Employees are eligible to participate immediately, and full-time and part-time employees are eligible for employer matching contributions upon the completion of one year of service. The Board approved the Star Plus 403(b) Plan, which requires an employer contribution of 100% of the employee's contribution not to exceed 1% of the employee's compensation (subject to limitations) and 35% of the contribution between 1% and 4% of the employee's compensation. The District's contribution for each employee is fully vested after five years of continuous service (partial vesting between two and five years of service). The District's contribution for, and interest forfeited by, employees who leave employment before vesting is used to reduce the District's current period contribution requirement.

The District's total payroll for fiscal years 2026 and 2025 was $743.8 million and $748.9 million, respectively. The total covered payroll for eligible employees during the same period is not determinable. For fiscal year June 30, 2026, the District's contribution was $10.7 million, representing 1.4% of total payroll. The employees' contributions for fiscal year June 30, 2026, were $37.4 million, representing 5.0% of total payroll. For fiscal year June 30, 2025, the District's contribution was $9.9 million, representing 1.3% of total payroll. The employees' contributions for fiscal year June 30, 2025, were $36.9 million, representing 4.9% of total payroll.

Effective July 1, 2021, the District implemented a supplemental retirement plan for certain employees. The District determines a nonelective contribution based on participants' target benefit goals, assumed market performance rate, estimated value of social security, final average base salary, years of service and estimated retirement benefits under the District's Defined-Benefit Pension Plan. Nonelective contributions have been executed on December 31 of each year since inception. Nonelective contributions for Level 1 employees vest on December 31, two years after the end of the calendar year which the employer contribution relates. Nonelective contributions for Level 2 employees vest on December 31, three years after the end of the calendar year, which the employer contribution relates. Nonelective contributions for Level 3 employees vest on December 31, five years after the end of the calendar year, which the employer contribution relates. Nonelective contributions are fully vested upon reaching retirement age. Forfeited amounts are used to reduce the District's current period contribution requirements. The District recognized expense of $2.6 million related to this plan for fiscal years June 30, 2026 and 2025, respectively.

(12) Florida Retirement System

The District has one employee that participates in the Florida Retirement System (FRS), a cost-sharing multiple employer defined benefit plan administered by the State of Florida (the FRS Plan).

The following amounts have been recorded in the District's financial statements as of and for the years ended June 30, 2026 and 2025, representing its proportionate share of the net pension liability and the related pension expense and deferred outflows/inflows of resources of the FRS Plan:

	2026	2025
	(In thousands of dollars)	(In thousands of dollars)
Net pension liability	$ 253	$ 400
Deferred outflows of resources	95	198
Deferred inflows of resources	(230)	(293)
Pension expense (credit)	(88)	(110)

The remaining disclosures and required supplementary information related to the District's participation in the FRS Plan have not been presented in the accompanying financial statements due to immateriality.

(13) Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the District provides certain healthcare and life insurance benefits for approximately 1,115 and 1,221 eligible retired employees in fiscal year 2026 and 2025, respectively, which include those at the healthcare facilities. Many of the District's employees may become eligible for those benefits if they reach retirement age while working for the District.

a) Plan Description

The District maintains a single-employer defined benefit healthcare plan, providing OPEB for all full-time employees of the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75; this is a pay-as-you-go plan. Benefit payments are recognized when due and payable in accordance with the benefit terms. The District does not issue separate financial statements for its healthcare plan. The authority to establish and amend benefit provisions of the District's plan is held by the CEO of the District.

b) Benefits Provided

The District provides optional medical, dental, and vision insurance benefits for retirees and their dependents, as well as life insurance coverage for certain eligible retirees and future retirees. Medical benefits are provided through the District's self-insured group health plans or an optional subsidy. Dental PPO benefits are provided through the District's self-insured dental plan. Dental DMO, vision, and life insurance benefits are fully insured and provided through third-party insurers. Eligible retirees and their dependents either enrolled or not enrolled in Medicare pay an insurance premium to participate in either one of the health plans.

Eligible retirees are those grandfathered employees who attained age 55 with five years of service or attained Rule of 80 (age and service equal 80) as of June 30, 2012. Of the grandfathered employees, those who qualified for the Rule of 80 will contribute active employee rates for medical, dental and vision coverage if they or their spouses are not Medicare eligible (age 65). Those retirees and dependent spouses that meet the Rule of 80 and are Medicare eligible receive a subsidy of $2,850 for retiree and $2,150 for spouse to enroll in the Retiree Health Exchange. If they remain on the Broward Health Group Plan, they will pay the full premium rate. Those who did not meet the Rule of 80 will contribute the full premium rate for medical, dental, and vision coverage for themselves and for dependent spouses. The plan also provides eligible retirees with life insurance coverage based on age and pay prior to retirement. Retirees younger than age 65 receive coverage of 100% of annual pre-retirement pay (up to a maximum of $50,000). Retirees age 65 and older receive coverage of 25% of annual pre-retirement pay (up to a maximum of $10,000). Retirees younger than age 65 are required to contribute a portion of the premium for life insurance coverage at $.115 per month per $1,000 of coverage. All premiums are paid for retirees age 65 and older.

A condition for all retirees and their covered eligible dependents to continue employer sponsored medical benefits after age 65 is they must be enrolled in Medicare Parts A and B.

The covered spouse of a grandfathered retiree who survives the retiree is eligible to continue employer sponsored medical, dental, and vision coverage. Medical, dental, and vision insurance premium subsidies will continue to the surviving spouse of eligible Rule of 80 retirees.

c) Employees Covered by Benefit Terms

At June 30, 2026 and 2025, the following employees were covered by the benefit terms:

Number of employees covered	2026	2025
Inactive employees receiving benefits through Broward Health Group Plan	347	375
Inactive employees receiving benefits through Retiree Health Exchange	768	846
Inactive employees entitled to but not yet receiving benefit payments	—	—
Active employees	7,749	6,529
Total membership	8,864	7,750

d) Contribution Requirements

Retirees and eligible dependents are required to contribute a portion of the premium for coverage. The amount of monthly retiree premium contribution depends on the elected coverage and whether the retiree qualifies as having met the Rule of 80 at retirement.

The table below shows the monthly rates for the retiree of the optional plans for medical and dental for the 2026 calendar year.

Aetna Best Choice Medical	Rule of 80	Not Rule of 80
Retiree younger than age 65	$ 143.17	$ 741.94
Retiree older than age 65	586.13	586.13
Retiree and spouse younger than 65	346.59	1,558.07
Retiree and spouse older than 65	1,230.88	1,230.88
Retiree and spouse (mixed)	1,230.88	1,230.88
Retiree and children (pre-65)	239.10	1,437.62
Retiree and children (post-65)	1,135.72	1,135.72
Retiree and family (both pre-65)	499.70	2,393.68
Retiree and family (both post-65)	1,891.00	1,891.00
Retiree and family (mixed)	1,891.00	1,891.00
Aetna Select EPO Medical		
Retiree younger than age 65	$ 235.70	$ 695.51
Retiree older than age 65	549.45	549.45
Retiree and spouse younger than 65	551.31	1,460.57
Retiree and spouse older than 65	1,153.85	1,153.85
Retiree and spouse (mixed)	1,153.85	1,153.85
Retiree and children (pre-65)	385.78	1,347.66
Retiree and children (post-65)	1,064.65	1,064.65
Retiree and family (both pre-65)	785.59	2,243.88
Retiree and family (both post-65)	1,772.66	1,772.66
Retiree and family (mixed)	1,772.66	1,772.66

Aetna Dental PPO	Rule of 80 (Pre-65)	All Other Retirees
Retiree	$ 12.78	$ 25.55
Retiree and spouse	26.57	53.13
Retiree and children	24.86	49.72
Family	42.19	84.38
Aetna Dental DMO		
Retiree	$ 8.66	$ 17.32
Retiree and spouse	16.45	32.90
Retiree and children	15.57	31.14
Family	19.17	38.33
Aetna Vision		
Retiree	$ 2.21	$ 4.41
Retiree and spouse	4.34	8.67
Retiree and children	3.96	7.91
Family	6.09	12.17

(Continued)

The table below shows the monthly rates for the retiree of the optional plans for medical and dental for the 2025 calendar year.

Aetna Best Choice Medical	Rule of 80	Not Rule of 80
Retiree younger than age 65	$ 143.17	$ 741.94
Retiree older than age 65	586.13	586.13
Retiree and spouse younger than 65	346.59	1,558.07
Retiree and spouse older than 65	1,230.88	1,230.88
Retiree and spouse (mixed)	1,230.88	1,230.88
Retiree and children (pre-65)	239.10	1,437.62
Retiree and children (post-65)	1,135.72	1,135.72
Retiree and family (both pre-65)	499.70	2,393.68
Retiree and family (both post-65)	1,891.00	1,891.00
Retiree and family (mixed)	1,891.00	1,891.00
Aetna Select EPO Medical		
Retiree younger than age 65	$ 235.70	$ 695.51
Retiree older than age 65	549.45	549.45
Retiree and spouse younger than 65	551.31	1,460.57
Retiree and spouse older than 65	1,153.85	1,153.85
Retiree and spouse (mixed)	1,153.85	1,153.85
Retiree and children (pre-65)	385.78	1,347.66
Retiree and children (post-65)	1,064.65	1,064.65
Retiree and family (both pre-65)	785.59	2,243.88
Retiree and family (both post-65)	1,772.66	1,772.66
Retiree and family (mixed)	1,772.66	1,772.66

Reliance Dental	Rule of 80 (Pre-65)	All Other Retirees
Retiree	$ 13.70	$ 27.39
Retiree and spouse	28.48	56.95
Retiree and children	26.65	53.30
Family	45.23	90.45
Aetna Dental		
Retiree	$ 8.66	$ 17.32
Retiree and spouse	16.45	32.90
Retiree and children	15.57	31.14
Family	19.17	38.33
Aetna Vision		
Retiree	$ 2.21	$ 4.41
Retiree and spouse	4.34	8.67
Retiree and children	3.96	7.91
Family	6.09	12.17

Rule of 80 retirees under age 65 pay the same rates as active employees. Other retirees pay the premium equivalent funding rate. For fiscal years June 30, 2026 and 2025, the District contributed $2.9 million and $3.2 million, respectively, to the healthcare plan, which is net of the retiree contributions.

e) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuations, the entry age normal actuarial cost method was used. Benefit liabilities were reported based on a measurement date as of June 30, 2026 and 2025, and were based on a valuation of participant census data as of January 1, 2025. The actuarial assumptions included a 4.67% and a 5.2% discount rate for 2026 and 2025, respectively. The selected discount rate at June 30, 2026 and 2025, reflects a snapshot as of the Measurement Date of the 20-year Governmental Obligation Index published by Bond Buyer.

The other significant actuarial assumptions utilized in the actuarial analysis were as follows:

	2026	2025
Salary increases including inflation	4.50%	4.50%
Mortality trend rates	Pub-2016 General Headcount-Weighted Mortality tables projected generationally with mortality improvement scale MP2021	Pub-2016 General Headcount-Weighted Mortality tables projected generationally with mortality improvement scale MP2021
Inflation	2.30%	2.30%
Healthcare cost trend rates	The trend rates of incurred claims represent the rate of increase in employer claims payments	The trend rates of incurred claims represent the rate of increase in employer claims payments

Claims costs in future years are estimated by adjusting the starting claim costs by an assumed ongoing cost trend. Such trends are based on the healthcare cost trend rate adjusted for the impact of plan design and cost containment features.

For June 30, 2026, the trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums. The short-term trend rate for Pre-65 retirees starts off at 6.3%, and at 6.6% for post-65 retirees and reflects the repeal of the ACA Excise Tax effective 2021.

For June 30, 2025, the trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums. The short-term trend rate for Pre-65 retirees starts off at 6.3%, and at 6.6% for Post-65 retirees and reflects the repeal of the ACA Excise Tax effective 2021. Trend rates assume that over time, deductibles and out of pocket maximums will be periodically increased as trends increase.

	2026	2025
Medical annual rates of increase:		
Initial trend rate pre-65	6.30%	6.30%
Initial trend rate post-65	6.60%	6.60%
Ultimate trend rate pre-65	3.70%	3.70%
Ultimate trend rate post-65	3.70%	3.70%
Year that the rate reaches the ultimate trend rate pre-65	2074	2074
Year that the rate reaches the ultimate trend rate post-65	2074	2074
Dental annual rates of increase:		
Initial trend rate	4.00%	4.00%
Ultimate trend rate	3.70%	3.70%
Year that the rate reaches the ultimate trend rate	2074	2074

f) Discount Rate

A single discount rate of 4.67% and 5.20% was used to measure the total OPEB liability for June 30, 2026 and 2025, respectively. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

g) OPEB Liability

At June 30, 2026 and 2025, the District reported a total OPEB liability of $42.5 million and $40 million, respectively. The total OPEB liability as of June 30, 2026, was determined by an actuarial valuation as of the valuation date of January 1, 2025, which was then projected forward to the measurement date of June 30, 2026, calculated based on the discount rate of 4.67%, and various key actuarial assumptions. The total OPEB liability as of June 30, 2025, was determined by an actuarial valuation as of the valuation date of January 1, 2025, which was then projected forward to the measurement date of June 30, 2025, calculated based on the discount rate of 5.20%, and various key actuarial assumptions. There were no significant changes between the valuation date and the fiscal year end.

h) Changes in the Total OPEB Liability

		Increase (Decrease) Total OPEB Liability
		(In thousands of dollars)
Balance as of June 30, 2025	$	40,023
Changes for the year:		
Service cost		1,192
Interest on total OPEB liability		2,067
Effect of plan changes		—
Effect of economic/demographic gains or losses		—
Effect of assumptions changes or inputs		2,212
Benefit payments		(2,947)
Balance as of June 30, 2026	$	42,547

		Increase (Decrease) Total OPEB Liability
		(In thousands of dollars)
Balance as of June 30, 2024	$	51,824
Changes for the year:		
Service cost		1,451
Interest on total OPEB liability		2,031
Effect of plan changes		—
Effect of economic/demographic gains or losses		(6,236)
Effect of assumptions changes or inputs		(5,834)
Benefit payments		(3,213)
Balance as of June 30, 2025	$	40,023

i) Plan Changes and Changes in Assumptions

There were no plan changes during 2026 or 2025.

(Continued)

j) Sensitivity Analysis

The following presents the total OPEB liability of the District as of June 30, 2026, calculated using the discount rate of 4.67%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent point lower (3.67%) or one percent higher (5.67%) than the current rate.

	1% Decrease 3.67%	Current Discount Rate 4.67%	1% Increase 5.67%
	(In thousands of dollars)		
Total OPEB liability	$ 47,339	42,547	38,527

The following presents the total OPEB liability of the District as of June 30, 2026, calculated using the current healthcare cost trend rates, as well as what the District's total OPEB liability would be if it were calculated using trend rates that are one percent point lower or one percent point higher than the current trend rates. The current trend rates for 2026 were 6.30% for costs prior to age 65 and 6.60% for costs after age 65.

	1% Decrease	Healthcare Current Cost Trend Rates	1% Increase
	(In thousands of dollars)		
Total OPEB liability	$ 41,474	42,547	43,813

k) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2026, the District recognized expenses of $1.5 million. For the year ended June 30, 2025, the District recognized expenses of $942 thousand.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In thousands of dollars)	
Differences between expected and actual experience	$ —	$ (8,429)
Changes of assumptions	3,937	(9,218)
Total	$ 3,937	$ (17,647)

(Continued)

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In thousands of dollars)	
Differences between expected and actual experience	$ —	$ (11,631)
Changes of assumptions	5,922	(11,962)
Total	$ 5,922	$ (23,593)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2026, will be recognized as a reduction in OPEB expense as follows:

Year Ending June 30:	(In thousands of dollars)
2027	$ (3,557)
2028	(5,018)
2029	(3,161)
2030	(1,629)
2031	(499)
Thereafter	154
	$ (13,710)

(Continued)

(14) Charity Care

The District adopted a revised charity care policy effective July 1, 2023, which allows for a propensity to pay determination in addition to traditional financial application. In fiscal year 2026, the District provided $344.8 million in cost for uncompensated care to the community specifically related to the cost to care for uninsured and underinsured patients. Included in these dollars is the provision of charity care to patients that meet the eligibility criteria under the District's Financial Assistance Program (FAP) Policy. Eligibility into the FAP includes income requirements and final approval. The District charges eligible charity patients for services and supplies rendered. The total gross charges of charity care provided during fiscal year 2026 was $125.9 million comprised of $78.2 million in inpatient services and $47.7 million in outpatient services, with an estimated cost of $28.3 million, comprised of $15.9 million for inpatient services and $12.4 million for outpatient services. In addition to the above, during fiscal year 2026, the District performed the retrospective review for services provided in prior years for propensity to pay and provisioned an additional $413.8 million in charity write offs at an estimated cost of $94.2 million. The estimated costs were derived using the Enterprise Decision Support (EDS) system, which included indirect and direct costs.

In fiscal year 2025, the District provided $330.4 million in cost for uncompensated care to the community specifically related to the cost to care for uninsured and underinsured patients. The total gross charges of charity care provided during fiscal year 2025 was $84.9 million. Total gross charges of charity provided reflects inpatient services of $51.1 million and outpatient services of $33.8 million for fiscal year 2025. The estimated cost of charity care was $23.8 million for fiscal year 2025, comprised of $11.1 million for inpatient services and $12.7 million for outpatient services. In addition to the above, during fiscal year 2025, the District performed a retrospective review for services provided during the Public Health Emergency (March 2020 to May 2023) and provisioned an additional $252.8 million in charity write offs at an estimated cost of $73.4 million. The estimated costs were derived using the Enterprise Decision Support (EDS) system, which included indirect and direct costs.

(15) Net Patient Service Revenue

Net patient service revenue for fiscal years 2026 and 2025 consisted of the following:

	2026	2025
	(In thousands of dollars)	
Gross patient service revenue:		
Medicare	$ 3,196,112	$ 2,865,127
Medicaid	971,611	958,092
Commercial and Managed Care	2,457,725	2,595,713
Self-pay and all other	618,223	705,621
Total gross patient service revenue	7,243,671	7,124,553
Allowances:		
Medicare	2,582,756	2,332,685
Medicaid	778,588	789,916
Commercial and Managed Care	1,464,506	1,681,156
Self-pay and all other	540,690	514,204
Total allowances	5,366,540	5,317,961
Provision for uncollectible amounts	353,902	376,623
Total deductions from patient service revenue	5,720,442	5,694,584
Net patient service revenue	$ 1,523,229	$ 1,429,969

(16) Ad Valorem Tax Revenue

The Board of the District is empowered and directed to annually levy upon all real and personal taxable property within the boundaries of the District a sufficient tax, not to exceed 2.5 mills, to accomplish the purposes of the District, as determined by the Board. For fiscal years 2026 and 2025, the levies were 1.2391 mills and 1.3261 mills, respectively. The total assessed value for which fiscal years 2026 and 2025 levies were based was approximately $221.8 billion and $206.7 billion, respectively, with total taxes, net of associated fees, levied at the District level aggregating $252.1 million and $248.3 million for fiscal years 2026 and 2025, respectively. The Broward County Property Appraiser assesses, and the Broward County Tax Collector collects all ad valorem taxes within Broward County.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied and are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the revenue collector. The District has a legal claim to the property taxes at the assessment date, generally during November of each tax year. Taxes may be paid upon receipt of such notice at declining discounts through the month of February.

All unpaid taxes on real and personal property become delinquent on April 1 of the year following the year in which taxes were levied, or within 30 days after the mailing of the original tax notice on the final assessment date, whichever is later. Delinquent real property taxes bear interest at the rate of 1.5% per month, and interest continues to accrue until a certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the certificates. Personal property taxes bear interest at 1.5% per month from April 1 until paid. On or before April 25, delinquent personal property taxes must be advertised, and after May 1, a petition requesting the ratification and confirmation of tax warrants may be filed in the Circuit Court and upon issuance of an order, the property may be levied, seized, and sold.

(17) Concentrations of Credit Risk

The District grants credit without collateral to its patients, most of whom are local residents and are covered under third-party payor agreements. The mix of receivables, net of contractual allowance reserves and provision for uncollectible accounts from patients and third-party payors at June 30, 2026 and 2025, is detailed below. The District establishes reserves against these receivables based upon estimated collectability and credit risk. Self-pay receivables are by nature high risk, and estimated collectability is low.

	2026	2025
Medicare	30.4%	31.5%
Medicaid	4.4	6.8
Commercial and Managed Care	53.5	58.1
Self-pay and all other	11.7	3.6
	100.0%	100.0%

(18) Risk Management

The District's tort exposures are subject to Florida's sovereign immunity established in section §768.28, Florida Statutes, as amended. F.S. §768.28 states in pertinent part that the state nor its agencies or subdivisions shall be liable to pay a claim or a judgment by any one person which exceeds the sum of $200,000 or any claim or judgment when totaled with all other claims or judgments arising out of the same incident or occurrence to exceed the sum of $300,000. Any recovery above this amount can only be awarded by the passage of a claims bill which requires majority approval in both chambers of Florida's State Legislature and signed by the governor. Further, Senate Rule 4.81(6) and House Rule 5.6(c) provide that the Legislature will not process a contested claim bill until the claimant has exhausted all available administrative and judicial remedies.

Public Liability, Medical Malpractice, and Workers' Compensation

In 1975, the District developed a self-insurance program to provide coverage for professional liability and general liability. In September 1979, the District added workers' compensation to its self-insurance program. The District operates a comprehensive quality assurance program in collaboration with its risk management department and in compliance with F.S. §395.0197, which enables its healthcare facilities to closely monitor adverse incidents, potential claims at the point of occurrence and to enhance its procedures for estimating accruals for such claims.

The District maintains adequate reserves for each formal claim, notice of intent, or lawsuit, and administers claims in-house and through an approved panel of outside defense counsel. In November 1995, the District purchased Hospital Professional Liability (HPL) excess, claims-made insurance coverage which is renewed annually and includes coverage for general liability losses. The combined total of the various layers of excess insurance equals $25,000,000. It became effective for incidents incurred on or after January 22, 1996. Under the current terms of the District's self-insurance program, the District self-insured up to its legal limits of liability. Moreover, the District maintains a self-insurance program with a self-insured retention (SIR) of $25,000,000 for all professional liability and general liability claims. The District also has excess insurance of $1,000,000 above the District's SIR.

The District established a current and noncurrent liability in the total amount of $30.7 million and $26.3 million at June 30, 2026 and 2025, respectively, to cover losses resulting from asserted and unasserted claims. The liability includes estimates of the ultimate costs of both reported claims and claims incurred but not reported. Management believes these reserves are adequate to cover losses from such claims after considering the limits provided by Florida Statutes as set forth above. The current year claims expense is included within insurance expenses in the respective statements of revenues, expenses, and changes in net position.

Changes in the District's self-insurance program claims liability during fiscal years 2026 and 2025 was as follows:

	2026 (In thousands of dollars)	2025 (In thousands of dollars)
Liability at beginning of year	$ 26,337	$ 27,883
Current year claims expense	12,326	4,921
Current year claims payments	(7,924)	(6,467)
Liability at end of year	$ 30,739	$ 26,337

Medical Health Benefits

In 2009, the District developed a self-insurance program to provide medical health benefits for its employees.

The estimated reserve for the District's health benefits as of June 30, 2026 and 2025, for non-retirees is $7.2 million and $6.9 million, respectively, and is included in accrued salaries, benefits, and payroll taxes in the accompanying statements of net position. The District considered the need for a margin for adverse deviation from the best estimate of reserve based on the variability of claims and has included a 10% explicit margin. The liability includes estimates of the ultimate costs of both reported claims and claims incurred but not reported. Management believes these reserves are adequate to cover such claims.

Changes in the District's health plan liability during fiscal years 2026 and 2025 was as follows:

	2026 (In thousands of dollars)	2025 (In thousands of dollars)
Liability at beginning of year	$ 6,940	$ 7,824
Current year claims expense	89,860	83,839
Current year claims payments	(89,555)	(84,723)
Liability at end of year	$ 7,245	$ 6,940

The District contracts with Aetna (medical with Aetna and CVS/Caremark is its Pharmacy Benefit Manager) to provide for adjudication of medical and prescription claims.

In the opinion of management, the District's self-insured medical plan complies with Section 112.08, Florida Statutes, regarding the Plan's actuarial soundness and compliance requirements.

(19) Related Parties

The District is an equal member (50% interest) of South Florida Community Care Network, LLC, d/b/a Community Care Plan (CCP), a managed care plan and third-party administrator governed by an agreement between two governmental entities: the District and the South Broward Hospital District d/b/a Memorial Healthcare System. The Members operate two of the largest and diverse integrated healthcare systems in the state of Florida that consist of hospitals, clinics, physicians, ancillary services, nursing homes, and many programs to serve those with special medical and behavioral needs.

CCP is a Provider Service Network (PSN) and third-party administrator for various programs, including Title XXI – Children's Health Insurance Program on behalf of the Florida Healthy Kids Corporation and Title XIX – Managed Medical Assistance on behalf of the Agency for Healthcare Administration as part of the Statewide Medicaid Managed Care program. CCP serves Medicaid members in 19 Florida counties, Florida Healthy Kids in eight Florida counties and self-insured health plans. A division of CCP provides value-based care for uncompensated and underserved populations. Their health insurance marketplace division provides qualified Affordable Care Act (ACA) health plans in Broward County.

As of June 30, 2026 and 2025, the District's investment in CCP was approximately $36.2 million and $31 million, respectively, and is included in other assets. For June 30, 2026 and 2025, the District recorded earnings of $5.2 million and a loss of $3 million, respectively.

Summarized financial information taken from the audited financial statements of CCP as of December 31, 2025 and 2024, was as follows:

	2025 (In thousands of dollars)	2024 (In thousands of dollars)
Assets		
Current assets	$ 108,764	$ 83,654
Capital assets, net	1,567	1,772
Other assets	38,164	36,555
Total assets	$ 148,495	$ 121,981
Liabilities and Net Position		
Current liabilities	$ 77,162	$ 55,397
Long-term liabilities	2,874	65
Total liabilities	80,036	55,462
Net position	68,459	66,519
Total liabilities and net position	$ 148,495	$ 121,981

	2025 (In thousands of dollars)	2024 (In thousands of dollars)
Revenue	$ 334,872	$ 193,209
Expenses:		
Medical services expenses	286,800	147,642
General administrative expenses	52,198	49,155
Total expenses	338,998	196,797
Operating loss	(4,126)	(3,588)
Nonoperating other income	6,066	5,910
Increase in net position	1,940	2,322
Net position:		
Beginning of year	66,519	64,197
End of year	$ 68,459	$ 66,519

(Continued)

(20) State and Local Assessments

In 1984, the Agency for Healthcare Administration created a Public Medical Assistance Trust Fund to collect assessments from all hospitals in the state of Florida to fund enhancements to the Medicaid program. Hospitals in the state of Florida are required to deposit into the fund an amount equal to 1.5% of the hospital's prior year net inpatient revenue and 1.0% of the hospital's prior year net outpatient revenue.

During fiscal year 2026 and 2025, approximately $18.9 million and $17 million, respectively, was recorded as an operating expense in the accompanying statement of revenues, expenses, and changes in net position. During fiscal years 2026 and 2025, approximately $27.4 million and $26.8 million, respectively, was recorded as a liability in the accompanying statements of net position.

During the fiscal year 2026 and 2025, approximately $1.1 million and 1.2 million, respectively, was recorded for property taxes. Additionally, during fiscal year 2026 and 2025, approximately $12.3 million and 10.8 million, respectively, was recorded for Medicaid County Funding.

(21) Commitments and Contingencies

a) Litigation

The District is involved in litigation and regulatory examinations arising in the normal course of business. Management believes that the ultimate outcome of these matters will not have any adverse material impact on the District's net position, operations, or its cash flows.

The District has been named as a defendant in a number of malpractice lawsuits. In matters involving potential liability, the District actively engages in settlement discussions to resolve matters below the statutory cap. In the event that a claimant obtains a tort judgment in excess of the statutory cap the claimant must petition the Florida Legislature to seek an appropriation to pay the judgment. The District may incur charges more than its established reserves that could have an adverse impact on the District's net income and net cash flows in the period in which it is recorded or paid. The existing sovereign immunity cap under Florida Statute §768.28 imposes a $200,000 limit per person and a $300,000 limit per incident for claims filed since July 1, 2011. For the District to incur liability in excess of the sovereign immunity cap, a claimant must first obtain a judgment in excess of sovereign immunity limits or agree to the terms of a settlement that is unopposed by the District's Board of Commissioners and the excess insurance carriers, and after exhausting all available remedies the claimant must petition the Legislature. The claims bill must be presented and sponsored by a senator or representative of the State of Florida. The claims bill is then typically referred to a Special Master, whereby the claimant has the burden to prove elements of negligence by preponderance of the evidence. If the claims bill passes both houses of the Florida Legislature, the Governor may sign it or allow it to become law without signature. The deadline to file a new bill for the 2027 Florida legislative session was August 07, 2026.

Currently, the District has one potential claims bill for the upcoming 2027 legislative session.

b) Other Industry Risks

The healthcare industry is subject to numerous complex laws and regulations imposed by federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation by both the District with respect to implementation, as well as the government with respect to retrospective review. In addition, at this time, regulatory actions are unknown and un-asserted. There are routine audits that occur from the state, federal government, and private payers but no regulatory actions are currently in progress.

In the past few years, federal government activity has increased with respect to investigations and allegations concerning possible violations by healthcare providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patient services.

Management believes that the District is in compliance with current laws and regulations, including grant agreements. To the extent that issues with noncompliance are identified, the District's management takes the appropriate steps to correct such matters. Management of the District also takes steps to ensure immediate payback of any funds received as a result of the issue. Management of the District believes that the ultimate exposure from any such matters would not have a material effect on the financial statements of the District.

(22) Significant Business Risk

The District receives a significant amount of reimbursement from Medicaid. The Florida State Legislature, the Centers for Medicare & Medicaid Services (CMS), and the Florida Medicaid Agency continually evaluate the terms of the Medicaid Program. If the terms of the Medicaid program change, the District cannot determine what impact this will have on future funding. This poses a significant business risk to the District.

(23) Condensed Financial Information – Component Units

The following tables represent the condensed financial information of the District's component units at June 30, 2026 (in thousands of dollars):

	Children's Diagnostic & Treatment Center	Broward Health Foundation	Broward Health ACO	Total of Blended Component Units
Assets:				
Other current assets	$ 4,456	$ 28,631	$ 2	$ 33,089
Total current assets	4,456	28,631	2	33,089
Capital assets, net	1,508	1,000	8	2,516
Due (to)/from other components	(3,177)	616	(610)	(3,171)
Other assets	1,631	2,410	51	4,092
Total assets	4,418	32,657	(549)	36,526
Deferred outflows of resources	253	15	20	288
Liabilities:				
Other current liabilities	11,348	8,217	2,358	21,923
Total current liabilities	11,348	8,217	2,358	21,923
Other long-term liabilities	648	26	41	715
Total liabilities	11,996	8,243	2,399	22,638
Deferred inflows of resources	944	39	65	1,048
Net Position:				
Net investment in capital assets	1,508	1,000	8	2,516
Restricted for donor restrictions	—	22,892	—	22,892
Restricted for pension	281	18	22	321
Unrestricted	(10,058)	480	(3,023)	(12,601)
Total net position	$ (8,269)	$ 24,390	$ (2,993)	$ 13,128

(Continued)

	Children's Diagnostic & Treatment Center	Broward Health Foundation	Broward Health ACO	Total of Blended Component Units
Operating revenues	$ 12,857	$ —	$ 705	$ 13,562
Operating expenses	15,382	1,729	821	17,932
Operating loss	(2,525)	(1,729)	(116)	(4,370)
Noncapital subsidies	2,730	(5,666)	—	(2,936)
Operating loss and noncapital subsidies	205	(7,395)	(116)	(7,306)
Nonoperating revenues	80	2,013	43	2,136
Increase (decrease) in net position	285	(5,382)	(73)	(5,170)
Net position Beginning of year	(8,554)	29,772	(2,920)	18,298
End of year	$ (8,269)	$ 24,390	$ (2,993)	$ 13,128

(Continued)

The following tables represent the condensed financial information of the District's component units at June 30, 2025 (in thousands of dollars):

	Children's Diagnostic & Treatment Center	Broward Health Foundation	Broward Health ACO	Total of Blended Component Units
Assets:				
Other current assets	$ 4,546	$ 25,279	$ 216	$ 30,041
Total current assets	4,546	25,279	216	30,041
Capital assets, net	1,273	1,062	12	2,347
Due (to)/from other components	(3,285)	507	466	(2,312)
Other assets	1,211	3,088	38	4,337
Total assets	3,745	29,936	732	34,413
Deferred outflows of resources	313	14	23	350
Liabilities:				
Other current liabilities	11,137	126	3,592	14,855
Total current liabilities	11,137	126	3,592	14,855
Other long-term liabilities	880	25	40	945
Total liabilities	12,017	151	3,632	15,800
Deferred inflows of resources	595	27	43	665
Net Position:				
Net investment in capital assets	1,260	1,030	12	2,302
Restricted for donor restrictions	—	28,285	—	28,285
Restricted for pension	496	22	36	554
Unrestricted	(10,310)	435	(2,968)	(12,843)
Total net position	$ (8,554)	$ 29,772	$ (2,920)	$ 18,298

(Continued)

	Children's Diagnostic & Treatment Center	Broward Health Foundation	Broward Health ACO	Total of Blended Component Units
Operating revenues, as adjusted (Note 2)	$ 12,499	$ —	$ 663	$ 13,162
Operating expenses, as adjusted (Note 2)	17,053	1,757	939	19,749
Operating loss	(4,554)	(1,757)	(276)	(6,587)
Noncapital subsidies, as adjusted (Note 2)	2,125	4,126	—	6,251
Operating loss and noncapital subsidies	(2,429)	2,369	(276)	(336)
Nonoperating revenues (expenses), as adjusted (Note 2)	(43)	1,663	6	1,626
Increase (decrease) in net position	(2,472)	4,032	(270)	1,290
Net position Beginning of year	(6,082)	25,740	(2,650)	17,008
End of year	$ (8,554)	$ 29,772	$ (2,920)	$ 18,298

REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

NORTH BROWARD HOSPITAL DISTRICT

Schedule of Changes in Net Pension Liability and Related Ratios – Defined Benefit Pension Plan (Unaudited)

June 30, 2017 Through June 30, 2026

(In thousands of dollars)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability										
Service cost	$ 15,359	15,446	12,919	12,923	12,225	13,588	12,604	14,202	11,692	11,114
Interest on total pension liability	23,526	22,969	22,048	21,441	21,039	21,136	22,525	22,571	25,251	25,255
Effect of economic/demographic gains or losses	(8,372)	9,935	(4,203)	(4,818)	(5,583)	1,891	(8,793)	(1,684)	(3,996)	(2,844)
Effect of assumption changes or inputs	4,086	(7,867)	8,485	6,484	7,274	(5,405)	(19,993)	(4,753)	20,211	(4,654)
Benefit payments	(35,281)	(27,792)	(26,295)	(26,341)	(32,007)	(30,808)	(28,351)	(30,555)	(31,731)	(27,411)
Net change in total pension liability	(682)	12,691	12,954	9,689	2,948	402	(22,008)	(219)	21,427	1,460
Total pension liability, beginning	378,438	365,747	352,793	343,104	340,156	339,754	361,762	361,981	340,554	339,094
Total pension liability, ending (a)	$ 377,756	378,438	365,747	352,793	343,104	340,156	339,754	361,762	361,981	340,554
Fiduciary Net Position										
Employer contributions	$ —	4,000	7,000	—	2,688	10,725	16,000	16,000	16,010	17,000
Investment income net of investment expenses	53,731	36,489	34,687	25,072	(17,533)	93,993	12,015	25,602	39,513	42,243
Benefit payments	(35,281)	(27,792)	(26,295)	(26,341)	(32,007)	(30,808)	(28,351)	(30,555)	(31,731)	(27,411)
Administrative expenses	(1,749)	(1,655)	(2,067)	(971)	(2,682)	(2,034)	(2,207)	(1,867)	(2,131)	(2,273)
Net change in plan fiduciary net position	16,701	11,042	13,325	(2,240)	(49,534)	71,876	(2,543)	9,180	21,661	29,559
Fiduciary net position, beginning	416,625	405,583	392,258	394,498	444,032	372,156	374,699	365,519	343,858	314,299
Fiduciary net position, ending (b)	$ 433,326	416,625	405,583	392,258	394,498	444,032	372,156	374,699	365,519	343,858
Net pension (asset) liability, ending = (a) - (b)	$ (55,570)	(38,187)	(39,836)	(39,465)	(51,394)	(103,876)	(32,402)	(12,937)	(3,538)	(3,304)
Fiduciary net position as a % of total pension liability	114.71%	110.09%	110.89%	111.19%	114.98%	130.54%	109.54%	103.58%	100.98%	100.97%
Covered payroll	$ 524,727	480,922	406,455	389,610	387,944	389,554	362,948	377,071	375,867	376,441
Net pension (asset) liability as a % of covered payroll	-10.59%	-7.94%	-9.80%	-10.13%	-13.25%	-26.67%	-8.93%	-3.43%	-0.94%	-0.88%

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

Schedule of Employer Contributions – Defined Benefit Pension Plan (Unaudited)

July 1, 2016 Through June 30, 2026
(In thousands of dollars)

Fiscal Year Ending June 30	Actuarially Determined Contribution*	Actual Employer Contribution**	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2026	$ 13,881	$ —	$ 13,881	$ 524,727	0.00%
2025	13,501	4,000	9,501	480,922	0.83%
2024	6,883	7,000	(117)	406,455	1.72%
2023	—	—	—	389,610	0.00%
2022	—	2,688	(2,688)	387,944	0.69%
2021	—	10,725	(10,725)	389,554	2.75%
2020	4,271	16,000	(11,729)	362,948	4.41%
2019	9,758	16,000	(6,242)	377,071	4.24%
2018	9,028	16,010	(6,982)	375,867	4.26%
2017	11,052	17,491	(6,439)	376,441	4.65%

*Minimum contribution determined as of plan year-end under Florida statutes.

**Interest adjusted to plan year-end.

Notes to Schedule

Assumed rate of return on investments	6.25%
Mortality basis	Pub-2016 with generational projection per MP-2021, per Florida State Statute
Amortization method	None
Existing amortization period	None
Asset valuation method	
Smoothing period	Three years
Corridor	90% to 110% of Market
Assumed inflation rate	2.30%
Salary increases	4.50%
Cost of living adjustments	None
Actuarial cost method	Aggregate

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

Schedule of Money-Weighted Rate of Return – Defined Benefit Pension Plan (Unaudited)

Fiscal Years Ending June 30, 2017 Through June 30, 2026

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2017	13.96%
2018	11.71%
2019	7.09%
2020	3.58%
2021	24.70%
2022	-4.61%
2023	9.65%
2024	9.08%
2025	9.29%
2026	13.43%

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)

Fiscal Years Ending June 30, 2018 Through June 30, 2026

(In thousands of dollars)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability									
Service cost	$ 1,192	1,451	1,278	1,380	2,472	2,603	2,587	2,246	3,066
Interest on total OPEB liability	2,067	2,031	1,936	2,048	1,485	4,158	5,579	6,083	8,217
Effect of plan changes	—	—	—	—	—	(110,357)	—	—	(68,863)
Effect of economic/demographic gains or losses	—	(6,236)	—	(3,492)	—	(12,207)	—	(1,906)	—
Effect of assumption changes or inputs	2,212	(5,834)	(1,612)	(1,729)	(10,274)	1,438	26,543	1,921	(6,393)
Benefit payments	(2,947)	(3,213)	(3,068)	(2,762)	(4,232)	(5,529)	(6,408)	(6,532)	(8,563)
Net change in total OPEB liability	2,524	(11,801)	(1,466)	(4,555)	(10,549)	(119,894)	28,301	1,812	(72,536)
Total OPEB liability, beginning	40,023	51,824	53,290	57,845	68,394	188,288	159,987	158,175	230,711
Total OPEB liability, ending	$ 42,547	40,023	51,824	53,290	57,845	68,394	188,288	159,987	158,175
Covered payroll	$ 522,373	499,879	437,454	418,616	407,925	390,359	391,701	385,993	428,904
Total OPEB liability as a % of covered payroll	8.14%	8.01%	11.85%	12.73%	14.18%	17.52%	48.07%	41.45%	36.88%

See accompanying independent auditors' report.

SUPPLEMENTAL COMBINING INFORMATION

NORTH BROWARD HOSPITAL DISTRICT

Combining Schedule of Net Position

June 30, 2026

(In thousands of dollars)

Assets	Broward Health Medical Center	Broward Health North	Broward Health Imperial Point	Broward Health Coral Springs	Foundation	Other Non-Hospital Entities	Eliminations	Total
Current assets:								
Cash and cash equivalents	$ 5	3	2	3	—	442,814	—	442,827
Cash and investments externally restricted by donors	—	—	—	—	27,139	—	—	27,139
Short-term investments	—	—	—	—	—	790,688	—	790,688
Assets whose use is limited required for current liabilities – investments	3,940	1,576	541	2,605	—	1,062	—	9,724
Due from patients and others, net of allowance for uncollectibles	116,584	57,534	18,691	33,875	—	5,649	—	232,333
Inventories	16,649	10,429	3,966	6,004	—	2,155	—	39,203
Estimated third-party payor settlements	12,360	3,639	3,302	4,096	—	147,571	—	170,968
Other current assets	14,007	3,526	552	3,895	1,492	37,237	(11,624)	49,085
Total current assets	163,545	76,707	27,054	50,478	28,631	1,427,176	(11,624)	1,761,967
Assets whose use is limited – cash and investments:								
Amounts designated for self-insurance	23,656	4,440	5,504	9,747	—	4,260	—	47,607
	23,656	4,440	5,504	9,747	—	4,260	—	47,607
Less amount required to meet current obligations	(3,940)	(1,576)	(541)	(2,605)	—	(1,062)	—	(9,724)
Assets whose use is limited, net	19,716	2,864	4,963	7,142	—	3,198	—	37,883
Investments	—	—	—	—	—	212,421	—	212,421
Due from/(to) affiliates	1,058,694	321,126	68,095	355,755	616	(1,804,286)	—	—
Capital assets, net	182,464	129,464	52,050	124,797	1,000	468,419	—	958,194
Net pension asset	17,727	9,039	4,692	7,399	32	16,428	—	55,317
Other assets	48,289	—	1	12,560	2,378	73,105	—	136,333
Total noncurrent assets	1,307,174	459,629	124,838	500,511	4,026	(1,033,913)	—	1,362,265
Total assets	1,490,435	539,200	156,855	558,131	32,657	396,461	(11,624)	3,162,115
Deferred outflows of resources:								
Loss on debt refundings	5,427	153	85	58	—	206	—	5,929
Deferred pension amounts	4,664	2,354	1,248	1,960	12	4,492	—	14,730
Deferred other postemployment benefits	1,256	635	335	527	3	1,181	—	3,937
Total deferred outflows of resources	11,347	3,142	1,668	2,545	15	5,879	—	24,596

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

Combining Schedule of Net Position (Continued)

June 30, 2026

(In thousands of dollars)

Liabilities	Broward Health Medical Center	Broward Health North	Broward Health Imperial Point	Broward Health Coral Springs	Foundation	Other Non-Hospital Entities	Eliminations	Total
Current liabilities:								
Current maturities of revenue bonds payable	$ 3,219	477	431	461	—	2,482	—	7,070
Accounts payable and accrued expenses	72,667	55,273	20,400	25,362	8,139	68,592	(11,624)	238,809
Accrued salaries, benefits, and payroll taxes	3,827	2,093	1,209	1,682	53	54,354	—	63,218
Accrued personal leave	11,295	5,406	2,933	4,338	25	12,689	—	36,686
Current portion of lease, SBITA, and finance purchase obligations	1,384	550	534	645	—	32,613	—	35,726
Estimated third-party payor settlements	41,033	38,147	13,515	17,024	—	39,321	—	149,040
Current portion of self-insurance program liability	3,940	1,576	541	2,605	—	1,062	—	9,724
Interest payable	13	6	6	5	—	1,218	—	1,248
Total current liabilities	137,378	103,528	39,569	52,122	8,217	212,331	(11,624)	541,521
Revenue bonds, net of current maturities	129,623	19,176	17,376	18,569	—	99,941	—	284,685
Lease, SBITA, and finance purchase obligations, net of current portion	647	100	97	83	—	38,347	—	39,274
Self-insurance program liability, net of current portion	8,606	3,051	884	6,389	—	2,085	—	21,015
Other postemployment benefit program liability	13,595	6,932	3,607	5,677	26	12,710	—	42,547
Total noncurrent liabilities	152,471	29,259	21,964	30,718	26	153,083	—	387,521
Total liabilities	289,849	132,787	61,533	82,840	8,243	365,414	(11,624)	929,042
Deferred inflows of resources:								
Deferred pension amounts	15,874	8,121	4,195	6,612	26	15,036	—	49,864
Deferred other postemployment benefits	5,631	2,855	1,501	2,359	13	5,288	—	17,647
Leases	50,858	1,364	—	13,541	—	20,829	—	86,592
Total deferred inflows of resources	72,363	12,340	5,696	22,512	39	41,153	—	154,103
Net position:								
Net investment in capital assets	53,018	109,314	33,697	105,097	1,000	295,242	—	597,368
Restricted for donor restrictions	—	—	—	—	22,892	—	—	22,892
Restricted for pension	6,517	3,272	1,745	2,747	18	5,884	—	20,183
Unrestricted	1,080,035	284,629	55,852	347,480	480	(305,353)	—	1,463,123
Total net position	$ 1,139,570	397,215	91,294	455,324	24,390	(4,227)	—	2,103,566

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2026

(In thousands of dollars)

	Broward Health Medical Center	Broward Health North	Broward Health Imperial Point	Broward Health Coral Springs	Foundation	Other Non-Hospital Entities	Eliminations	Total
Operating revenues:								
Net patient service revenue (net of provision for uncollectible accounts)	$ 694,088	365,129	139,313	261,459	—	63,240	—	1,523,229
Other operating revenue	54,057	18,763	1,826	6,698	—	133,112	(14,902)	199,554
Total operating revenues	748,145	383,892	141,139	268,157	—	196,352	(14,902)	1,722,783
Operating expenses:								
Salaries	226,852	112,114	55,999	91,459	547	256,834	—	743,805
Employee benefits	41,793	22,553	10,683	17,233	92	48,068	—	140,422
Professional fees	46,788	33,301	13,304	16,035	—	13,307	(6,781)	115,954
Purchased services and temporary labor	22,980	7,896	2,835	3,459	—	10,907	—	48,077
Outside services	9,550	6,476	1,836	2,686	8	23,557	—	44,113
Supplies	165,897	99,210	25,311	41,047	6	33,323	—	364,794
Insurance	3,812	3,725	(475)	5,223	2	3,588	—	15,875
Utilities	6,735	3,447	2,596	2,487	2	5,913	—	21,180
Repairs and maintenance	10,158	5,318	5,196	5,028	—	2,509	—	28,209
State assessments	16,870	7,352	2,470	4,857	—	826	—	32,375
Depreciation and amortization	23,056	10,559	5,722	10,821	87	72,412	—	122,657
Other	116,964	68,606	32,985	50,396	985	(182,098)	(8,121)	79,717
Total operating expenses	691,455	380,557	158,462	250,731	1,729	289,146	(14,902)	1,757,178
Operating income/(loss)	56,690	3,335	(17,323)	17,426	(1,729)	(92,794)	—	(34,395)
Noncapital subsidies:								
Ad valorem tax revenue	104,134	53,479	23,601	41,676	—	29,252	—	252,142
Donations (net)	434	153	—	59	(5,666)	(300)	—	(5,320)
Total noncapital subsidies	104,568	53,632	23,601	41,735	(5,666)	28,952	—	246,822
Operating income/(loss) and noncapital subsidies	161,258	56,967	6,278	59,161	(7,395)	(63,842)	—	212,427
Nonoperating revenues (expenses):								
Investment income, net	1,071	194	251	444	2,013	131,175	—	135,148
Interest expense	(7,594)	(1,146)	(943)	(956)	—	(7,989)	—	(18,628)
Capital contributions	—	17	—	—	—	4,072	—	4,089
Other	(1,492)	(258)	(283)	190	—	10,381	—	8,538
Total nonoperating revenues (expenses)	(8,015)	(1,193)	(975)	(322)	2,013	137,639	—	129,147
Unusual or infrequent items:								
Grant revenue	—	—	—	—	—	2,503	—	2,503
Total unusual or infrequent items	—	—	—	—	—	2,503	—	2,503
Increase (decrease) in net position	153,243	55,774	5,303	58,839	(5,382)	76,300	—	344,077
Net position:								
Beginning of year	986,327	341,441	85,991	396,485	29,772	(80,527)	—	1,759,489
End of year	$ 1,139,570	397,215	91,294	455,324	24,390	(4,227)	—	2,103,566

See accompanying independent auditors' report.