

SOUTH BROWARD HOSPITAL DISTRICT

**REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE
SOUTH BROWARD HOSPITAL DISTRICT**

INCLUDING REPRESENTATIVES OF THE MEDICAL STAFF OF EACH OF ITS HOSPITALS

June 25, 2025

A Regular Meeting of the Board of Commissioners of the South Broward Hospital District (S.B.H.D.) was held in person, and by video and telephone conference, on Wednesday, June 25, 2025, at 5:30 p.m., in the Perry Board Room, 3111 Stirling Road, Hollywood, Florida, 33312.

The following members were present:

Ms. Elizabeth Justen	Chairwoman	In person
Mr. Steven Harvey	Vice Chairman	In person
Mr. Douglas Harrison	Secretary Treasurer	In person
Ms. Laura Raybin Miller		In person
Mr. Brad Friedman		In person

1. PUBLIC MEETING CERTIFICATION

Ms. Linda Epstein, Interim General Counsel of Memorial Healthcare System, confirmed and provided certification that all public notice and open meeting (Sunshine) legal requirements had been complied with for this meeting.

2. CALL TO ORDER

There being a physical quorum present, Ms. Justen called the meeting to order at 5:30 p.m.

3. ROLL CALL

A roll call was taken. All Board members were present in person.

4. PLEDGE OF ALLEGIANCE

At the request of Ms. Justen, Mr. Friedman led the Pledge of Allegiance.

5. PUBLIC COMMENTS

Ms. Justen noted that public participation is welcome, and that this was the only opportunity for members of the public to come forward with any comments. There were no comments from the public.

6. PRESENTATIONS

a. **Request Board Approval of Resolution No. 514 Honoring Juan F. Villegas, M.D., Former Chief of the Medical Staff at Memorial Hospital Miramar**

Mr. Harvey read out Resolution No. 514 honoring Juan F. Villegas, M.D.

Mr. Friedman ***moved, seconded*** by Mr. Harvey, that:

***THE BOARD OF COMMISSIONERS APPROVES RESOLUTION
NO. 514 HONORING JUAN F. VILLEGRAS, M.D., FORMER CHIEF
OF THE MEDICAL STAFF AT MEMORIAL HOSPITAL MIRAMAR***

The Motion ***carried*** unanimously.

The Board presented Dr. Villegas with an award for his service, and flowers for Mrs. Villegas, and photographs were taken.

Dr. Villegas thanked the Board and gave details of his career at Memorial. He noted over the past four years that the Board has invested in the System and its patients. He thanked Memorial and TeamHealth for everything they have done for him. Ms. Justen asked Dr. Villegas to also thank his wife on their behalf. Board members thanked Dr. Villegas for his service.

7. APPROVAL OF MINUTES

a. **Request Board Approval of the Minutes of the Regular Board Meeting Held on May 27, 2025**

A copy of the Minutes is on file in the Executive Office.

Mr. Friedman ***moved, seconded*** by Mr. Harvey, that:

***THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF
THE REGULAR BOARD MEETING HELD ON MAY 27, 2025***

The Motion ***carried*** unanimously.

b. **Board Workshop: Memorial Regional Hospital Surgical Tower, Held on June 16, 2025**

Mr. Mark Greenspan, Vice President, Construction and Property Management, reported that there had not been a quorum of the Board at the Workshop.

1) Presentation on Memorial Regional Hospital Surgical Tower

Mr. Shane Strum, Interim Chief Executive Officer of Memorial Healthcare System, thanked the Board for allowing staff to go ahead with the project, this being a culmination of hard work by all staff involved. Mr. Strum confirmed that the community will not be taxed for the expansion.

Mr. Greenspan then gave a presentation on the Surgical Tower.

The Board thanked Mr. Greenspan and his team, noting the work carried out to reduce the cost of the project. Mr. Greenspan responded to questions from the Board, confirming that the level of care to patients during the expansion will not be compromised, and that input has been received from staff at all levels, including caregivers. The Board thanked Mr. Aurelio Fernandez, Interim Chief Executive Officer, and Mr. Jonathan Pickett, Vice President of Operations, both of Memorial Regional Hospital, for their involvement. Mr. Irfan Mirza, Interim Chief Financial Officer of Memorial Healthcare System, then gave details of the project's costs, confirming that funding is available to carry out the project, due to a successful financial year.

(a) Guaranteed Maximum Price (GMP) Amendment in the Amount of \$524.3M

The following Motion was made:

Request Board Approval of the Guaranteed Maximum Price Proposal from Robins & Morton, in the Amount of \$524,297,701, for the Construction of the Memorial Regional Hospital Surgical Tower Project

Mr. Friedman **moved, seconded** by Mr. Harrison, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
GUARANTEED MAXIMUM PRICE PROPOSAL FROM
ROBINS & MORTON, IN THE AMOUNT OF \$524,297,701,
FOR THE CONSTRUCTION OF THE MEMORIAL
REGIONAL HOSPITAL SURGICAL TOWER PROJECT**

The Motion **carried** unanimously.

Mr. Mirza confirmed that this project will come back to the Board for approval each year, as it is a multi-year project.

2) Request Board Approval of the Minutes of the Board Workshop: Memorial Regional Hospital Surgical Tower, Held on June 16, 2025

A copy of the Minutes is on file in the Executive Office.

Mr. Harrison **moved, seconded** by Mr. Harvey, that:

**THE BOARD OF COMMISSIONERS APPROVES THE
MINUTES OF THE BOARD WORKSHOP: MEMORIAL
REGIONAL HOSPITAL SURGICAL TOWER, HELD ON
JUNE 16, 2025**

The Motion **carried** unanimously.

With the Board's agreement, Mr. Greenspan then gave his report on the Building Committee Meeting held on June 16, 2025 (see under item 9(b)).

8. BOARD REGULAR BUSINESS

a. **Resolution No. 511 – Graduate Medical Education (GME) Statement of Commitment; Saima Chaudhry, M.D., Chief Academic Officer and Vice President of Academic Affairs**

1) ***Request Board Approval of Resolution No. 511, Graduate Medical Education (GME) Statement of Commitment***

Saima Chaudhry, M.D., presented Resolution No. 511, Graduate Medical Education (GME) Statement of Commitment, and explained that the Accreditation Council for Graduate Medical Education (ACGME) requires that Memorial recommits to the GME Program every five years. Dr. Chaudhry then gave a copy of the GME annual report to all Board members. She stated that it was an honor to teach the physicians, and thanked the Board for its support of the Program.

Mr. Harvey ***moved, seconded*** by Mr. Friedman, that:

**THE BOARD OF COMMISSIONERS APPROVES
RESOLUTION NO. 511, GRADUATE MEDICAL EDUCATION
(GME) STATEMENT OF COMMITMENT**

The Motion ***carried*** unanimously.

b. **Report from the President of the Medical Staff, Memorial Regional Hospital, Joe DiMaggio Children's Hospital, and Memorial Regional Hospital South; Nigel Spier, M.D.**

1) ***Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.***

Nigel Spier, M.D., presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on June 18, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harrison ***moved, seconded*** by Mr. Harvey, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL REGIONAL
HOSPITAL, JOE DIMAGGIO CHILDREN'S HOSPITAL, AND
MEMORIAL REGIONAL HOSPITAL SOUTH**

The Motion ***carried*** unanimously.

c. Report from the Chief of Staff, Memorial Hospital West; Fausto De La Cruz, M.D.

1) *Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.*

Fausto De La Cruz, M.D., presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on June 9, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harrison **moved, seconded** by Mr. Harvey, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL HOSPITAL WEST**

The Motion **carried** unanimously.

d. Report from the Chief of Staff, Memorial Hospital Miramar; Alvaro Visbal-Ventura, M.D.

1) *Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.*

In the absence of Alvaro Visbal-Ventura, M.D., Holly Neville, M.D., Chief Physician and Associate Chief Medical Officer of Memorial Healthcare System, presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on June 11, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harrison **moved, seconded** by Mr. Harvey, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL HOSPITAL MIRAMAR**

The Motion **carried** unanimously.

e. Report from the Chief of Staff, Memorial Hospital Pembroke; Narendra Upadhyaya, M.D.

1) *Request Board Approval of the Executive Committee Report Regarding Recommendations for Appointments, Advancements, etc.*

In the absence of Narendra Upadhyaya, M.D., Brett Cohen, M.D., Chief Physician of Memorial Physician Group (MPG) General Surgery, presented the Executive Committee Report regarding recommendations for appointments, advancements, etc., convened on June 12, 2025, and submitted for consideration, a copy of which is on file in the Executive Office.

Mr. Harrison **moved, seconded** by Mr. Harvey, that:

**THE BOARD OF COMMISSIONERS APPROVES
RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE OF
THE MEDICAL STAFF AT MEMORIAL HOSPITAL
PEMBROKE**

The Motion **carried** unanimously.

f. Financial Report; Mr. Irfan Mirza, Interim Chief Financial Officer

1) Request Board Acceptance of the Financial Reports for the Months of April and May 2025

Mr. Mirza presented the financial reports for the months of April and May 2025, and took questions.

The report for May – the start of the new fiscal year – showed that net revenue was more than the budgeted figures by over \$6.5M, which was historic. Additionally, expenses were under by \$2M. Mr. Mirza thanked the finance team and stated he was proud to present these figures to the Board.

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

**THE BOARD OF COMMISSIONERS ACCEPTS THE
FINANCIAL REPORTS FOR THE MONTHS OF APRIL AND
MAY 2025**

The Motion **carried** unanimously.

2) Request Board Approval of Resolution No. 512, Amending Fiscal Year 2024-2025 Budgeted Operating Expenditures of the South Broward Hospital District

At the request of the Board, Mr. Mirza read out Resolution No. 512, explaining the reason for the amendment, and how the savings were made.

Mr. Harrison **moved, seconded** by Mr. Harvey, that:

**THE BOARD OF COMMISSIONERS APPROVES
RESOLUTION NO. 512, AMENDING FISCAL YEAR
2024-2025 BUDGETED OPERATING EXPENDITURES
OF THE SOUTH BROWARD HOSPITAL DISTRICT**

The Motion **carried** unanimously.

g. Legal Report; Ms. Linda Epstein, Interim General Counsel, Memorial Healthcare System

Ms. Linda Epstein confirmed there was nothing to report this month.

9. REPORTS TO THE BOARD; REPORTS FROM BOARD OFFICERS AND STANDING COMMITTEES

a. Contracts Committee Meeting Held on June 16, 2025; Mr. Steven Harvey, Chairman

Mr. Harvey presented the Minutes of the Contracts Committee meeting held on June 16, 2025, a copy of which is on file in the Executive Office. Mr. Alan Whaley, Interim Chief Operating Officer of Memorial Healthcare System, then gave details of the one new contract, and reported that there were several renewal contracts for the Board's approval.

1) Request Board Approval of the New Physician Employment Agreement between Atrac Kay, M.D., for Adult Neurology – Stroke Neurohospitalist, and South Broward Hospital District

Ms. Justen **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS APPROVES THE NEW PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN ATRAC KAY, M.D., FOR ADULT NEUROLOGY – STROKE NEUROHOSPITALIST, AND SOUTH BROWARD HOSPITAL DISTRICT

The Motion **carried** unanimously.

2) Request Board Approval of the Renewal Physician Employment Agreement between Kak-Chen Chan, M.D., for Medical Director, Pediatric and Congenital Cardiology and Interventional Services Program, and South Broward Hospital District

Ms. Justen **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS APPROVES THE RENEWAL PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN KAK-CHEN CHAN, M.D., FOR MEDICAL DIRECTOR, PEDIATRIC AND CONGENITAL CARDIOLOGY AND INTERVENTIONAL SERVICES PROGRAM, AND SOUTH BROWARD HOSPITAL DISTRICT

The Motion **carried** unanimously.

3) Request Board Approval of the Renewal Physician Employment Agreement between Brian Boe, M.D., for Medical Director, Pediatric Cardiac Interventional Services, and South Broward Hospital District

Ms. Justen **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS APPROVES THE RENEWAL PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN BRIAN BOE, M.D., FOR MEDICAL DIRECTOR, PEDIATRIC CARDIAC INTERVENTIONAL SERVICES, AND SOUTH BROWARD HOSPITAL DISTRICT

The Motion **carried** unanimously.

- 4) **Request Board Approval of the Renewal Physician Employment Agreement between Brijesh Mehta, M.D., for Medical Director, Comprehensive Stroke Program, and Adult and Pediatric Neurointerventional Surgery, and South Broward Hospital District**

Ms. Justen **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS APPROVES THE RENEWAL PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN BRIJESH MEHTA, M.D., FOR MEDICAL DIRECTOR, COMPREHENSIVE STROKE PROGRAM, AND ADULT AND PEDIATRIC NEUROINTERVENTIONAL SURGERY, AND SOUTH BROWARD HOSPITAL DISTRICT

The Motion **carried** unanimously.

- 5) **Request Board Approval of the Renewal Physician Employment Agreement between Brandon Davis, M.D., for Neurosurgery - Neurointerventional Services, and South Broward Hospital District**

Ms. Justen **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS APPROVES THE RENEWAL PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN BRANDON DAVIS, M.D., FOR NEUROSURGERY - NEUROINTERVENTIONAL SERVICES, AND SOUTH BROWARD HOSPITAL DISTRICT

The Motion **carried** unanimously.

Mr. Harrison voiced his appreciation for the work carried out by Dr. Davis.

- 6) **Request Board Approval of the Renewal Physician Employment Agreement between Kenneth Poon, M.D., for Infectious Disease – Program Director, Memorial Healthcare System Infectious Disease Fellowship, and South Broward Hospital District**

Ms. Justen **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS APPROVES THE RENEWAL PHYSICIAN EMPLOYMENT AGREEMENT BETWEEN KENNETH POON, M.D., FOR INFECTIOUS DISEASE – PROGRAM DIRECTOR, MEMORIAL HEALTHCARE SYSTEM INFECTIOUS DISEASE FELLOWSHIP, AND SOUTH BROWARD HOSPITAL DISTRICT

The Motion **carried** unanimously.

7) Request Board Approval of the Minutes of the Contracts Committee Meeting Held on June 16, 2025

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF THE CONTRACTS COMMITTEE MEETING HELD ON JUNE 16, 2025

The Motion **carried** unanimously.

b. Building Committee Meeting Held on June 16, 2025; Mr. Brad Friedman, Chairman

Mr. Friedman presented the Minutes of the Building Committee meeting held on June 16, 2025, a copy of which is on file in the Executive Office. Mr. Greenspan gave details of the items discussed at the meeting, and took questions.

1) Request Board Acceptance of the Lowest Responsive and Responsible Bidder, Lee Construction Group, Inc., in the Amount of \$1,096,725.00, for the Memorial Hospital West MOB 603, Suite 250, Division of Urology Project, and Allocate a \$164,508 Contingency, to be Controlled by Memorial Healthcare System

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

THE BOARD OF COMMISSIONERS ACCEPTS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, LEE CONSTRUCTION GROUP, INC., IN THE AMOUNT OF \$1,096,725.00, FOR THE MEMORIAL HOSPITAL WEST MOB 603, SUITE 250, DIVISION OF UROLOGY PROJECT, AND ALLOCATE A \$164,508 CONTINGENCY, TO BE CONTROLLED BY MEMORIAL HEALTHCARE SYSTEM

The Motion **carried** unanimously.

2) Request Board Acceptance of the Lowest Responsive and Responsible Bidder, Lee Construction Group, Inc., in the Amount of \$1,595,265.00, for the Memorial Hospital West CT Scan Project, and Allocate a \$239,289 Contingency, to be Controlled by Memorial Healthcare System

Mr. Harrison **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS ACCEPTS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, LEE CONSTRUCTION GROUP, INC., IN THE AMOUNT OF \$1,595,265.00, FOR THE MEMORIAL HOSPITAL WEST CT SCAN PROJECT, AND ALLOCATE A \$239,289 CONTINGENCY, TO BE CONTROLLED BY MEMORIAL HEALTHCARE SYSTEM

The Motion **carried** unanimously.

3) Request Board Approval of the Minutes of the Building Committee Meeting Held on June 16, 2025

Mr. Harrison **moved, seconded** by Mr. Harvey, that:

THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF THE BUILDING COMMITTEE MEETING HELD ON JUNE 16, 2025

The Motion **carried** unanimously.

c. Finance Committee Meeting Held on June 17, 2025; Ms. Elizabeth Justen, Chairwoman

Ms. Justen presented the Minutes of the Finance Committee meeting held on June 17, 2025, a copy of which is on file in the Executive Office. Mr. Veda Rampat, Vice President and Treasurer, then gave details of the items discussed at the meeting, and took questions.

1) Request Board Approval of the Updated Investment Policy to Reflect the 30% Equity Allocation for the Operating Fund

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

THE BOARD OF COMMISSIONERS APPROVES THE UPDATED INVESTMENT POLICY TO REFLECT THE 30% EQUITY ALLOCATION FOR THE OPERATING FUND

The Motion **carried** unanimously.

2) Request Board Approval of the Amended and Restated Trust Agreement for the Retirement Plan – Resolution No. 513

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

THE BOARD OF COMMISSIONERS APPROVES THE AMENDED AND RESTATED TRUST AGREEMENT FOR THE RETIREMENT PLAN – RESOLUTION NO. 513

The Motion **carried** unanimously.

3) Request Board Approval of the Appointment of Wellington Management as a Global Equity Growth Manager Replacing Walter Scott in the Retirement Plan – Resolution No. 515

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

THE BOARD OF COMMISSIONERS APPROVES THE APPOINTMENT OF WELLINGTON MANAGEMENT AS A GLOBAL EQUITY GROWTH MANAGER REPLACING WALTER SCOTT IN THE RETIREMENT PLAN – RESOLUTION NO. 515

The Motion **carried** unanimously.

Mr. Harrison praised Mr. Rampat and the staff team for their hard work.

4) *Request Board Approval of the Minutes of the Finance Committee Meeting Held on June 17, 2025*

Mr. Harvey **moved, seconded** by Mr. Harrison, that:

THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON JUNE 17, 2025

The Motion **carried** unanimously.

10. REPORT OF SPECIAL COMMITTEES

None.

11. ANNOUNCEMENTS

None.

12. UNFINISHED BUSINESS

None.

13. NEW BUSINESS

None.

14. PRESIDENT'S COMMENTS

Mr. Strum began by thanking Mr. Fernandez for his mentorship and the way he has led Memorial Regional Hospital as its Interim Chief Executive Officer, noting that Mr. Fernandez has reduced waiting times during his tenure. He confirmed that a new Chief Executive Officer of Memorial Regional Hospital will start on July 21, 2025.

Mr. Strum thanked Mr. Aleksander Barkov, Captain of the Florida Panthers ice hockey team, who has raised around \$500K for Joe DiMaggio Children's Hospital. He congratulated the Florida Panthers on winning the Stanley Cup.

Mr. Strum thanked Mr. Mirza and the finance department for the great financial report.

Mr. Strum then gave a presentation to the Board, highlighting successes and events over the last month.

Of particular note was the Memorial Cancer Institute's (MCI) new campaign, "Hope Lives Here". Mr. Strum showed a video of the MCI's "Hope Lives Here" advertisement, which is being shown on television. Luis Raez, M.D., Medical Director of the MCI, reported that Memorial had received \$4.7M for cancer research, including \$4.2M from the Florida First Lady Casey DeSantis Program. It was also noted that in addition to the television advertisement, the "Hope Lives Here" campaign is featured in digital media and the Miami Herald newspaper.

Mr. Strum shared various figures for the System, including over 6.5K imaging visits at Memorial Hospital Miramar, the highest monthly figure ever, and a recent visit to Joe DiMaggio Children's Hospital by singer Ms. Taylor Swift, which was covered by over 550 outlets, despite the visit not being advertised.

Mr. Strum recognized various staff and physicians, and showed a video introducing Anna, who has joined Memorial Hospital Pembroke as the newest member of the Animal Assisted Therapy Program.

Mr. Strum gave details of finance and growth, which showed an increase in outpatient revenue of 8.5% over the prior year for the System.

Mr. Strum then presented a check for \$20K to the Board for the Memorial Foundation, received from the Perlman Family Foundation.

Lastly, upon request from the Board, Mr. Strum confirmed that the funding for the Memorial Regional Hospital Surgical Tower would not come from taxpayers' money.

15. CHAIRWOMAN'S COMMENTS

Ms. Justen allowed the other Board members to give their comments first.

She thanked Dr. Villegas for his tenure as Chief of the Medical Staff at Memorial Hospital Miramar. She also thanked the IT team for their work in ensuring the smooth running of tonight's meeting, and passed on her condolences to one of the team on the passing of a family member.

She confirmed that the next Regular Board Meeting (the Annual Meeting) will be held at 3111 Stirling Road in the Perry Board Room on Wednesday, July 23, 2025.

She thanked Ms. Ivonne Diaz, Ms. Cheryl Yeo, and Ms. Gracie Lopez, Senior Executive Assistants in the Executive Suite, for their work in preparing for tonight's meeting.

She informed everyone that Memorial is in a great place. She looked forward to the future and opined that Memorial will have a great year.

16. COMMISSIONERS' COMMENTS

Mr. Friedman reported that he had attended the "One City at a Time" event in Pembroke Pines, where he met Ms. Christine Heft, Senior Director, and Ms. Lisa Yalkut, Director, both from Memorial's Grants Programs Department. Ms. Heft and Ms. Yalkut informed him of the work they carry out, and that they have secured \$28M in grants. He further reported that he visited Memorial's Outpatient Behavioral Health Center, where he was informed by staff that they are already full and need more space. He praised Mr. Strum and the team for moving things along quickly, and noted the approval of the Motion by the Board to move forward with the construction of the Memorial Regional Hospital Surgical Tower, and the financial report for the start of the new fiscal year, both of which are historic. He was humbled to be a part of this and to be on the Board. He encouraged staff to keep the momentum going.

Ms. Miller thanked staff for a fantastic month and stated she was looking forward to the future.

Mr. Harrison thanked Mr. Strum for getting Memorial back to doing what it does best. He thanked Mr. Fernandez and Mr. Pickett for their involvement with the Memorial Regional Hospital Surgical Tower project. He thanked various physicians and staff for their leadership and helping to move Memorial forward. Lastly, he thanked Ms. Justen and Mr. Harvey for their leadership as Officers of the Board.

Mr. Harvey stated that he joined the Board five years ago. He opined that tonight's meeting felt different to other Board meetings; it was very celebratory and fun. He thanked Mr. Strum for keeping the Memorial Regional Hospital Surgical Tower project at the forefront, and for reducing the costs by \$80M, without impacting the quality of care. He thanked Mr. Fernandez and Mr. Pickett for their involvement in the project. He praised the great financial report and thanked everyone for their hard work, stating that the Memorial culture will help everyone adapt to the changes. He looked forward to celebrating all the wins to come.

17. ADJOURNMENT

There being no further business to come before the Board, Ms. Justen declared the meeting adjourned at 7:43 p.m.

THE BOARD OF COMMISSIONERS OF THE SOUTH BROWARD HOSPITAL DISTRICT

BY: _____
Elizabeth Justen, Chairwoman

ATTEST: _____
Douglas Harrison, Secretary Treasurer



July 16, 2025

Ms. Elizabeth Justen
Chairwoman
Board of Commissioners
South Broward Hospital District

Dear Ms. Justen:

The Executive Committees of the Medical Staff met on these dates:

- Memorial Regional Hospital (MRH) and Joe DiMaggio Children's Hospital (JDCH) on July 16, 2025
- Memorial Hospital West (MHW) on July 14, 2025
- Memorial Hospital Pembroke (MHP) on July 10, 2025
- Memorial Hospital Miramar (MHM) on July 10, 2025

All committees made a recommendation to accept the report of the Credentials Committee as follows:

That the following applicants be approved for membership as indicated:

New Applicant Name	Specialty (Sponsor)	Status	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Armstrong, Michael James, MD	Anesthesiology	Active	X	X	X	X	X	2 years	
Ayad, Mina, MD	Internal Medicine	Active	X	X	X	X		2 years	
Baker, Tyrell Ernest, CCP	Perfusionist (Dr. Juan Plate)	AHP	X					2 years	
Birriel-Sanchez, Andrea, PA	Pediatric Emergency Medicine (Drs. Terry-Ann Haynes; Ana Roig-Cantisano & Heidi Cohen.)	APP		X		X	X	1 year	Recommend one year initial appointment with FPPE.
Byriel, Benjamin, DO	Gastroenterology	Active	X	X				2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 2 of 42

New Applicant Name	Specialty (Sponsor)	Status	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Calvo, Laura Nilufer, MD	Neonatal Perinatal Medicine	Active		X		X	X	2 years	
Carballea, Denise, PsyD	Psychology	Active	X					2 years	
Chavez, Jose Gabriel, APRN	Family Medicine (Dr. Ronoel Penalver)	APP	X	X	X	X		2 years	
Coriat, Jeanette Yolanda, MD	Pediatrics	Active					X	2 years	
Costa Chacon, Isadora, MD	Anesthesiology	Active	X	X	X	X	X	2 years	
Dalal, Shivani Manoj, MD	Oncology and Hematology	Active	X	X	X	X		2 years	
Delgado, Angelica Maria, MD	Anesthesiology	Active	On staff	On staff	On staff	On staff	X	2 years	
Diaz, Efren Lazaro, MD	Neonatal-Perinatal Medicine	Active		X		X	X	2 years	
Faridi, Maheen, MD	Family Medicine	Active	On staff	On staff	On staff	X		2 years	
Fernandez Cruz, Damisela, APRN	Pulmonary Disease (Dr. Zael Vazquez)	APP		X				2 years	
Fuentes, Lizzy Coral, APRN, CNM	Nurse Midwife (Dr. Laviniu Anghel)	APP				X		2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 3 of 42

New Applicant Name	Specialty (Sponsor)	Status	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Goyal, Adarsh, MD	Internal Medicine	Active		X				2 years	
Helfman, Beth, DO	Cardiovascular Disease	Active	X					2 years	
Hirschl, Jacob, MD	Emergency Medicine	Active	X	X	X			2 years	
Jacobs, Charles Samuel, MD	Diagnostic Radiology	Active	X	X	X	X	X	2 years	
Jarolem, Kenneth Lawrence, MD	Orthopaedic Surgery	Active		X				1 year	Recommend one year initial appointment to re-examine patient encounters, as per Medical Staff Bylaws.
Kader, Michael, MD	Neurosurgery	Active	X	X	X	X		2 years	
Lima, Mateus, MD	Anesthesiology	Active	X	X	X	X	X	2 years	
Livera, Miguel B.	Surgical Assistant	AHP	X					2 years	
Lucano, Maria Florencia, MD	Pediatric Hospitalist	Active					X	2 years	
Mendoza-Garcia, Franz Chartier, MD	Emergency Medicine	Active	X	X				2 years	
Naim Campos, Onassis Calil,	Anesthesiology	Active	X	X	X	X	X	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 4 of 42

New Applicant Name	Specialty (Sponsor)	Status	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
MD									
Nelson, Galina Leigh, PA	Bone Marrow Transplant and Oncology and Hematology (Drs. Carlos Silva Rondon; Jennifer Logue; Nina Nguyen; Hugo Fernandez; Yehuda Deutsch; Claudia Paba Prada; Jose Sandoval-Sus; Fernando Vargas Madueno & Stanislav Ivanov)	APP	X	X				2 years	
Orbea, Marisa Paola, MD	Pediatric Infectious Disease	Active	X	X		X	X	2 years	
Ortiz Villabona, Cristina Maria, MD	Cardiovascular Disease	Active	X					2 years	
Perumal, Shankar, MD	Neurointraoperative Monitorist	Active	X	X			X	2 years	
Pickle, Jerrah Christine, MD	Otolaryngology/Head and Neck Surgery	Active	X	X	X	X	X	2 years	
Pritchett, Cara, MD	Pediatric Critical Care Medicine	Active					X	2 years	
Razavian, Matthew Darius, DO	Internal Medicine	Active		X		X		2 years	
Redden, Laura Leigh, APRN, CNM	Nurse Midwife (Dr. Laviniu Ion Anghel)	APP				X		2 years	
Rosi-Schumacher, Mattie Rose, MD	Otolaryngology/Head and Neck Surgery	Active				X		2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 5 of 42

New Applicant Name	Specialty (Sponsor)	Status	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Saed, Kaywan DO	Emergency Medicine	Active			X			2 years	
Scadden, Jennifer Rose, CCP	Perfusionist (Dr. Juan Plate)	AHP	X					2 years	
Schwartz, Yvonne M, APRN	Pulmonary Disease (Dr. Randall Schwartz)	APP	X	X	X	X		1 year	Recommend one year initial appointment with FPPE.
Sestopal Epelman, Monica Judith, MD	Diagnostic Radiology	Active	X	X	X	X	X	2 years	
Sommerville, Alia Celeste, DO	Internal Medicine	Active		On Staff		X		2 years	
Stein, Perry Joseph, MD	Physical Medicine and Rehabilitation	Active	X					2 years	
Thomas, Jasmine Kirby, MD	Pediatric Emergency Medicine	Active		X		X	X	2 years	
Thomas, Susan, APRN	Anesthesiology (Dr. Kiesha Raphael)	APP	X	X	X	X	X	2 years	
Valencia, Jessica Marie, MD	Pediatrics	Active				X		2 years	
Verde, Gabriella, DO	Obstetrics and Gynecology	Active		X				2 years	Robotic Assisted Surgery - First 3 cases must be proctored.
Victorero, Diana Rosa PA	Emergency Medicine (Dr. Juan Villegas)	APP				X		2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 6 of 42

New Applicant Name	Specialty (Sponsor)	Status	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Whittaker, Carly Paige, DO	Emergency Medicine	Active		X				2 years	Recommend two year initial appointment. Deep Sedation privileges were not approved pending case documentation.
Young, Casey Wun Jung, MD	Neurology	Active	X	X	X	X		2 years	

That the following applicants for reappointment be approved as indicated:

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Alphonse APRN, Sandra	Emergency Medicine (Dr. Louis Jane)	8/1/2025			APP			2 years	
Alvarez MD, Joan Adolfo	Obstetrics and Gynecology	8/1/2025	Active					2 years	
Antoine MD, Louis Bernard	Psychiatry	8/1/2025	Active	Active	Active	Active	Active	2 years	
Arango MD, Dillonelijah	Orthopedic Surgery	8/1/2025		Active		Active		2 years	
Arce MD, Orlando Xavier	Pediatric Cardiology	8/1/2025		Active		Active	Active	2 years	
Askari MD, Karen Racedo	Endocrinology, Diabetes and Metabolism	8/1/2025	Active			Active		2 years	
Avery MD, Matthew	Orthopedic Surgery	8/1/2025	Active	Active	Active	Active		6 months	Recommend six months reappointment due

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 7 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									to lack of pediatric patient encounters reporting 11 out of 12 pediatric encounters.
Bartos DO, Simona	Dermatology	8/1/2025	Active					2 years	
Bassan MD, Eric Michael	Emergency Medicine	8/1/2025	Active					2 years	
Bataskov MD, Karrie L	Obstetrics and Gynecology (Hospitalist & Memorial Primary Care)	8/1/2025	Active	Active		Active		2 years	
Baylis MD, Robert Wells	Orthopedic Surgery	8/1/2025	Active					2 years	
Beguiristain MD, Tiffany Ann	Obstetrics and Gynecology	8/1/2025				Active		2 years	Recommend two year reappointment. Privileges for Use of Robotics were not approved due to lack of reappointment criteria reporting 12 out of 20 cases. Gynecology privileges for patients 15 years to below the age of 18 years were not

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 8 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									approved due to lack of pediatric encounters reporting 1 out of 12 pediatric encounters.
Behn Ojeda MD, Claudia Del Mar	Obstetrics and Gynecology	8/1/2025				Active		3 months	Recommend three month reappointment pending completion of CRM course. Invasive privileges were discontinued March 2024.
Bengoa MD, Federico G	Vascular and Interventional Radiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Benjamin MD, Dwight Evon	Obstetrics and Gynecology	8/1/2025				Active		2 years	
Bergeron Carter APRN, Stacy Lea Clark	Advanced Heart Failure and Transplant Cardiology (Drs. Iani Patsias; Namita Joseph; Miguel Castro & Mariella Velez Martinez)	8/1/2025	APP	APP				2 years	Recommend two year reappointment and the relinquishment of privileges for: Performance of cardiopulmonary stress test and exercise testing.
Bilasano MD, Vivian Blanquisco	Internal Medicine	8/1/2025	Active	Active		Active		2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 9 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Boyd APRN, Jeremy Taylor	Emergency Medicine (Dr. Juan Villegas)	8/1/2025				APP		2 years	
Bratter DO, Jonathan David	Obstetrics and Gynecology	8/1/2025				Active		2 years	Recommend two year reappointment and the relinquishment of privileges for: Acessa Procedure
Bridgewater MD, Richard L	Obstetrics and Gynecology	8/1/2025		Active		Active		2 years	
Brown MD, Gary Orian	Family Medicine	8/1/2025	Active	Active	Active	On staff		2 years	
Bula DMD, Aurelio Antonio	Pediatric Dentist	8/1/2025					Active	2 years	Recommend two year reappointment and the relinquishment of privileges for: Endodontics Specialist, Orthodontics Specialist & Periodontics Specialist. Committee also recommended additional privileges as follows: (Core Privileges in Dentistry: Adult and Pediatric Non-

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 10 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									operative Procedures): 1-Consult, evaluate, diagnose, and provide diagnostic, preventive, and therapeutic oral health care to patients to correct or treat various routine conditions of the oral cavity 2-For pediatric providers: Provide clinical services to young adults over the age of 17 with congenital/develop- mental conditions that persist into adulthood 3-General dental procedures 4-Administration of injectable local anesthetics and basic blocks 5-Emergent treatment of traumatic dental injuries (Core Privileges in Dentistry: Adult and

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 11 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									Pediatric Operative Procedures): 1-General dental procedures 2- Administration of injectable local anesthetics and basic blocks 3-Dental implant surgery 4-Removal of impacted teeth 5-Simple extractions 6-Restorative dentistry, including crown and bridge preparation 7-Soft tissue surgery (minor) 8-Emergent treatment of traumatic dental injuries.
Bullock MD, James Montgomery	Orthopedic Surgery	8/1/2025		Active				2 years	
Cabrera MD, Denise	Family Medicine (Urgent Care)	8/1/2025	Active					2 years	
Cabrizerzo DMD, Ania	Pediatric Dentist	8/1/2025					Active	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 12 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Cano Cevallos MD, Edison Jose	Infectious Disease	8/1/2025	Active	Active		Active		2 years	
Cano MD, Roberto Antonio	Oncology and Hematology	8/1/2025	Active					6 months	Recommend six months reappointment due to lack of patient encounters reporting 3 out of 20 encounters.
Cantero MD, Victor H	Obstetrics and Gynecology	8/1/2025		Active		Active		2 years	Recommend two year reappointment. Privileges for Use of Robotics were not approved due to lack of reappointment criteria reporting 12 out of 20 cases.
Cantor Varela MD, Manuel Enrique	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Casta MD, Briseida	Pediatrics	8/1/2025				Active		2 years	
Cedeno Abreu MD, Luis Gabriel	Internal Medicine	8/1/2025		Active				2 years	
Chainani MD, Vinod Ashok	Cardiovascular Disease	8/1/2025	Active					2 years	Recommend two year reappointment. Privileges for Moderate Sedation were not approved due to lack of

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 13 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									reappointment criteria reporting 0 out of 5 cases.
Chaize DO, Robin Lynn	Pediatric Hospitalist	8/1/2025					Active	2 years	
Christensen DO, Logan Joseph	Anesthesiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Cogan MD, John	Electrophysiology	8/1/2025	Active	Active	Active		Active	2 years	
Cohen MD, Nicole Lauren	Critical Care Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Cordero APRN, CRNA, David	Nurse Anesthetist (Dr. Richard Elf)	8/1/2025	APP	APP	APP	APP	APP	2 years	
Correa MD, Eloisa Margarita	Family Medicine	8/1/2025	Active					2 years	
Cristea MD, Emilian Alexandru	Nephrology	8/1/2025	Active	Active	Active	Active		2 years	
Cubides DO, Lina Maria	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	
D'Amore MD, Peter William	Orthopedic Surgery	8/1/2025		Active	Active			2 years	
Daryanani MD, Shiv Kailash	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 14 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Davis DO, Lowell Scott	Interventional Pain Management	8/1/2025	Active	Active	Active	Active		2 years	Recommend two year reappointment. Privileges for Moderate Sedation were not approved due to lack of self-study course, ACLS, and PALS.
Davis MD, Richard Edmund	Otolaryngology/Head and Neck Surgery	8/1/2025				Active		2 years	
De Los Santos MD, Pablo	Vascular Surgery	8/1/2025	Active	Active	Active	Active	Active	2 years	Recommend two year reappointment with additional privileges as follows: Rib resection & Transcarotid artery revascularization (TCAR).
Del Pino, DO, Perla	Family Medicine (Memorial Primary Care)	8/1/2025	Active	Active	Active	Active		2 years	
Desai MD, Anand	Cardiovascular Disease	8/1/2025	Active					2 years	Recommend two year reappointment. Privileges for Moderate Sedation were not approved due to lack of reappointment criteria reporting 0 out of 5 cases.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 15 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Deutsch MD, Yehuda Ethan	Oncology and Hematology	8/1/2025	Active	Active				2 years	
Diaz MD, Diego Mauricio	Pediatric Gastroenterology	8/1/2025	Active	Active		Active	Active	2 years	
Dolberg MD, Michael Eric	Colon and Rectal Surgery	8/1/2025	Active	Active	Active	Active		2 years	Recommend two year reappointment with additional privileges as follows: Use of fluoroscopy.
Dubrovsky MD, Tatyana	Pediatric Neurology	8/1/2025	Active	Active		Active	Active	2 years	
Eichinger PA, Theresa Anne	Surgical Assistant (Dr. Farid Assouad)	8/1/2025	AHP	AHP	AHP			2 years	
Erikson APRN, DNP, Jenna Logan	Pediatric Neurology (Dr. Diana Martinez)	8/1/2025	APP	APP		APP	APP	2 years	
Espinosa APRN, Michael	Radiation Oncology (Dr. Ignacio Castellon)	8/1/2025	APP	APP	APP	APP	APP	2 years	
Estreicher MD, Michael Benjamin	Emergency Medicine	8/1/2025	Active		Active			2 years	
Exantus MD, Raiza	Medical Genetics	8/1/2025	Active	Active	Active	Active	Active	2 years	
Fazekas MD, Matthew Laub	Pediatric Sports Medicine	8/1/2025	Active			Active	Active	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 16 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Fortu MD, Jesusa Milalaine Terrado	Pediatric Emergency Medicine	8/1/2025		Active		Active	Active	2 years	
Fraser MD, Marika A	Otolaryngology/Head and Neck Surgery	8/1/2025	Active	Active	Active	Active	Active	2 years	Recommend two year reappointment with additional privileges as follows: Major vessel ligation & Split thickness skin.
Friedman MD, Perry	Maternal Fetal Medicine	8/1/2025	Active	Active		Active	Resigning 8/1/2025	2 years	
Gambon MD, Thresia B	Pediatrics	8/1/2025					Active	2 years	
Garazi MD, Esther Danielle	Anesthesiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Garcia APRN, Ana Beatriz	Palliative Medicine (Dr. Patrick Reynolds)	8/1/2025		APP				2 years	
Garcia APRN, CNM, Jennifer Lynn	Nurse Midwife (Dr. Lavinia Ion Anghel)	8/1/2025				APP		2 years	
Gerenstein MD, Gustavo Marcelo	Anesthesiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Giardino APRN, CNM, Monica Frances	Nurse Midwife (Drs. Susan Davila; Martha Garzon & Karen Hirschberg)	8/1/2025	APP	APP				2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 17 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Golding MD, Allan Colville	Endocrinology, Diabetes and Metabolism	8/1/2025	Active	Active	Active	Active	Active	2 years	
Gomez MD, Rolando Ramon Jr	Obstetrics and Gynecology	8/1/2025	Active			Active	Active	2 years	
Gonzalez APRN, Jenessy	Thoracic Surgery (Drs. Mark Block and Francisco Antonio Tarrazzi)	8/1/2025	APP	APP	APP	APP		2 years	
Gonzalez Zequeira MD, Argentina C	Family Medicine	8/1/2025	Active					2 years	
Goril MD, Shery	Family Medicine (Primary Care)	8/1/2025	Active	Active	Active	Active		2 years	
Grosman MD, Daren David	Oncology and Hematology	8/1/2025	Active	Active	Active	Active		2 years	
Gutierrez APRN, Alejandro Jesus	Internal Medicine- Employee Health (Drs. Perla Del Pino and Marc Shapiro)	8/1/2025	APP	APP	APP	APP		2 years	
Hajje MD, Daher Roberto	Anatomic and Clinical Pathology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Hart-Unger MD, Sarah Rachel	Pediatric Endocrinology	8/1/2025		Active		Active	Active	2 years	
Heitz PA, Nicole Alexandra	Otolaryngology/Head and Neck Surgery (Dr. Sina Joorabchi)	8/1/2025	APP	APP	APP	APP	APP	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 18 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Henner MD, Benjamin Joseph	Anesthesiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Hernandez MD, Pedro	Nephrology	8/1/2025	Active	Active	Active	Active		2 years	
Hesse MD, Sabine Vera	Otolaryngology/Head and Neck Surgery	8/1/2025	Active	Active	Active	Active	Active	6 months	Recommend six months reappointment due to lack of pediatric patient encounters reporting 7 out of 12 pediatric encounters.
Hoffman MD, Seth Asher-Kraines	Critical Care Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Holland MD, Breonna	Physical Medicine and Rehabilitation	8/1/2025	Active	Active	Active	Active		2 years	
Hunter MD, Robert Lawrence	Obstetrics and Gynecology	8/1/2025		Active		Active		2 years	
Ialenti MD, Marc Nicholas	Orthopedic Surgery	8/1/2025	Active	Active		Active		2 years	
Janney PA, Gabrielle	Pediatric Emergency Medicine (Dr. Heidi Cohen)	8/1/2025		APP		APP	APP	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 19 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Joorabchi DO, Sina A	Otolaryngology/Head and Neck Surgery	8/1/2025	Active	Active	Active	Active	Active	2 years	
Kachappilly APRN, Preetha Liju	Internal Medicine-Memorial Urgent Care (Dr. Marc Shapiro)	8/1/2025	APP	APP	APP			2 years	
Kaner MD, Jeffrey Bruce	Gastroenterology	8/1/2025	Active	Active	Active			2 years	
Kendricks PA, Jennifer Alexander	Surgical Assistant (Dr. Farid Assouad)	8/1/2025	AHP	AHP	AHP			2 years	
Kubal MD, Aarup Anant	Ophthalmology	8/1/2025		Active				2 years	
Kubiliun-Kotzen DO, Rosa	Pediatric Emergency Medicine	8/1/2025		Active		Active	Active	2 years	
Kurup APRN, Shreeja Satheesh	Anesthesiology (Dr. Kiesha Raphael)	8/1/2025	APP	APP	APP	APP	APP	2 years	
Kurzer MD, Eliecer	Urology	8/1/2025		Active		Active		2 years	
Kwasnicki MD, Amanda	Pediatric Neurosurgery	8/1/2025	Active	Active	Active	Active	Active	2 years	
Lalani DMD, Rizwan Pyarali	Pediatric Dentist	8/1/2025	Active				Active	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 20 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Landa MD, Eric	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Lane MD, Alan S	Ophthalmology	8/1/2025	Active					2 years	
Lao MD, Oliver Bennett	Pediatric Surgery	8/1/2025	Active	Active		Active	Active	2 years	
Laratro PSYD, Marnie Dena	Psychology	8/1/2025	Active				Active	2 years	
Lazar DO, Jared	Family Medicine	8/1/2025	Active					2 years	
Levine MD, Sherry Leigh	Otolaryngology/Head and Neck Surgery	8/1/2025	Active	Active	Active	Active	Active	6 months	Recommend six months reappointment due to lack of pediatric patient encounters reporting 10 out of 12 pediatric encounters.
Lewy-Alterbaum MD, Ana Lorena	Endocrinology, Diabetes and Metabolism	8/1/2025	Active					2 years	
Llaguna MD, Omar Hidalgo	Surgical Oncology	8/1/2025	Active	Active	Active	Active		2 years	
Markovich MD, Alexander	Nephrology	8/1/2025	Active	Active	Active	Active		2 years	
Marshall MD, David S	Anatomic and Clinical Pathology	8/1/2025	Active	Active	Active	Active	Active	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 21 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Matei DO, Emil M	Surgery	8/1/2025	Active	Active	Active	Active		2 years	
McCarthy MD, Kevin J	Orthopedic Surgery	8/1/2025			Active			2 years	
McClure MD, Shawn Andrew	Oral Maxillofacial Surgery	8/1/2025	Active	Active			Active	2 years	
Merunko MD, Alexey	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Merunko MD, Olga	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Messa MD, Charles Angelo III	Plastic Surgery	8/1/2025		Active	Active	Active		2 years	
Minor PA, Gerard Jerome	Pediatric Gastroenterology (Drs. Aymin Delgado & Mario Tano)	8/1/2025	APP	APP		APP	APP	2 years	
Mishiev MD, Baaz	Gastroenterology	8/1/2025	Active	Active	Active			2 years	
Molina MD, Enrique G	Gastroenterology	8/1/2025	Active	Active	Active			2 years	
Montero Hurtado MD, Alfredo	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Montes-Berrios	Anesthesiology & Critical Care	8/1/2025	Active	Active	Active	Active	Active	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 22 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
MD, Veronica	Medicine								
Motley MD, Rohana	Obstetrics and Gynecology	8/1/2025	Active				Active-GYN only	2 years	
Muttal MD, Saraswati A	Neurointraoperative Monitorist	8/1/2025	Active	Active	Active		Active	2 years	
Nair, Sangita, APRN	Anesthesia (Dr. Kiesha Raphael)	8/1/2025	APP	APP	APP	APP	APP	2 years	
Natal-Albelo MD, Eduardo Jose	Orthopedic Surgery	8/1/2025	Active			Active		2 years	Recommend two year reappointment. Privileges for Moderate Sedation were not approved due to lack of reappointment criteria reporting 0 out of 5 cases.
Negron MD, Giorgio Antonio	Physical Medicine and Rehabilitation	8/1/2025	Active	Active	Active	Active		2 years	
Neuwirth MD, Zev Joey	Internal Medicine	8/1/2025	Active					2 years	
Nguyen MD, Van Hoang	Anesthesiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Oramas DDS, Victor R	Pediatric Dentist	8/1/2025		Active		Active	Active	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 23 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Otero MD, Eduardo Alejandro	Neonatal Perinatal Medicine	8/1/2025					Active	2 years	Recommend two year reappointment and the relinquishment of privileges for Moderate Sedation.
Papastavros MD, Vassiliki Anna	Dermatology	8/1/2025		Active				2 years	
Pascuzzo MD, Tara Lee	Internal Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Patzke MD, Anamaria Duvnjak	Pediatrics	8/1/2025				Active		2 years	
Pavuluri MD, Vamsi Mohan	Cardiovascular Disease	8/1/2025	Active	Active	Active			2 years	
Payenson MD, Alon	Emergency Medicine	8/1/2025	Active	Active				2 years	
Paz Cruz APRN, CRNA, Monica	Nurse Anesthetist (Dr. Van Nguyen)	8/1/2025	APP	APP	APP	APP	APP	2 years	
Perez, Luis Daniel, DPM	Podiatry	8/1/2025	Active	Active	Active	Active		2 years	Recommend two year reappointment. Discontinue Reconstructive Rearfoot and Ankle Surgery privileges pending recertification in Reconstructive

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 24 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									Rearfoot/Ankle Surgery by the American Board of Foot and Ankle Surgery.
Pesh-Imam MD, Samir Ahmad	Critical Care Medicine	8/1/2025	Active	Active	Active	Active		2 years	
Petrovani MD, Nicola Karen	Pediatric Emergency Medicine	8/1/2025		Active		Active	Active	1 month	Recommend one month reappointment pending completion of Moderate Sedation self-study course.
Popp MD, Tarah Joy	Pediatric Cardiology	8/1/2025	Active	Active		Active	Active	2 years	
Quintana-Freedman MD, Amber	Anesthesiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Ramirez APRN, CRNA, Rafael	Nurse Anesthetist (Dr. Kiesha Raphael)	8/1/2025	APP	APP	APP	APP	APP	2 years	
Reinherz DO, Benjamin Jeremy	Ophthalmology	8/1/2025	Active					2 years	
Rejtman DO, Marcos	Palliative Medicine	8/1/2025	Active	Active				2 years	
Rivera APRN, CRNA, Eva F	Nurse Anesthetist (Dr. Van Nguyen)	8/1/2025	APP	APP	APP	APP	APP	2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 25 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Rivero-Barba PSYD, Amina	Psychology	8/1/2025	Active					2 years	
Rivers MD, Aeisha Kekhia Stimage	Surgical Oncology	8/1/2025	Active	Active	Active	Active		2 years	Recommend two year reappointment with additional privileges as follows: (Core privileges in General Surgery): 1-Admit to inpatient or appropriate level of care 2-Perform history and physical examination 3-Evaluate, diagnose, consult, provide pre-, intra-, and post-operative care, and perform surgical procedures for patients above the age of 17 years (except for those special procedures listed below that are not included in the core), to correct or treat various conditions, illnesses, and injuries of the alimentary tract,

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 26 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									abdomen and its contents, breast, skin and soft tissue, head and neck, endocrine system, extremity surgery, and urological and gynecological surgery in conjunction with primary general surgery or traumatic surgery. Emergent procedures within scope of general surgeon to save life and limb.
Saef MD, Joshua	Cardiovascular Disease	8/1/2025	Active	Active			Active	2 years	
Salas DPM, Yanira E	Podiatry	8/1/2025		Active				2 years	Recommend two year reappointment with a transfer to Affiliate Staff status with Affiliate Staff privileges. Committee approved the relinquishment of privileges for: Non-Surgical Consults in Podiatry (Adult & Pediatrics).

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 27 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Saporta MD, Inbar	Cardiovascular Disease	8/1/2025	Active	Active	Active	Active		2 years	
Semanoff MD, Theophila C	Physical Medicine and Rehabilitation	8/1/2025	Active	Active	Active	Active		2 years	
Sered MD, Samuel M	Diagnostic Radiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Shatkin MD, Blane Taylor	Plastic Surgery	8/1/2025	Active	Active	Active	Active	Active	2 years	
Simon MD, Michael Ari	Urology	8/1/2025		Active		Active		2 years	
Singh APRN, Neeta L	Neonatal Perinatal Medicine (Drs. Mesfin Afework; Yasser Al-Jebawi; Richard Auerbach; Sharell Bindom; Gianina Davila; Cristian Esquer; Ruxandra Faraon-Pogaceanu; Cherie Foster; Vicki Johnston; Doron Kahn; Angela Leon-Hernandez; Lester McIntyre; Estela Pina; Claudia Ocampo-Chin; Mariela Sanchez Rosado; Bruce Schulman; Mona Tabbara; Max Shenberger; Flavio Soliz & Pablo Valencia)	8/1/2025		APP		APP	APP	2 years	
Smart APRN, CNM, Claire	Nurse Midwife (Dr. Charles Adamcyk)	8/1/2025				APP		2 years	Recommend two year reappointment with additional

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 28 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									privileges for: Vaginal birth after Cesarean section/trial of labor after Cesarean birth (VBAC/TOLAC)
Snow APRN, CRNA, Laurie Caryn Siegel	Nurse Anesthetist (Dr. Cameron Howard)	8/1/2025	APP	APP	On staff	On staff	APP	2 years	
Stengel MD, Joel Zachry	Gastroenterology	8/1/2025	Active	Active			Active	2 years	
Sutton APRN, Tracy Lee	Cardiovascular Disease (Drs. Ralph Levy; Julio Peguero Moreno & Alian Aguila)	8/1/2025	APP	APP	APP	APP		2 years	
Swift MD, Deborah Lynn	Obstetrical Hospitalist	8/1/2025		Active		Active		2 years	Recommend two year reappointment with additional privileges for: Circumcision
Sykes APRN, Andrea Mead	Cardiac Services (Drs. Minaba Wariboko, Ralph Levy, Walif Aji, Alian Aguila, Michael Entenberg, Jayant Nath and Inbar Saporta)	8/1/2025	APP	APP	APP	APP		2 years	Recommend two year reappointment with a change in privileges from Critical Care Medicine to Cardiac Services.
Taylor MD,	Orthopedic Surgery	8/1/2025		Active	Active			2 years	

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 29 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Kenneth Warren									
Taylor PA, Emily Anne	Surgical Assistant (Dr. Farid Assouad)	8/1/2025	AHP	AHP	AHP			2 years	
Thebaud DO, Steven	Anesthesiology	8/1/2025	Active	Active	Active	Active	Active	2 years	
Thomas MD, Michael Joseph	Pediatric Gastroenterology	8/1/2025	Active				Active	6 months	Recommend six month reappointment due to lack of encounters reporting 2 out of 20 encounters. Committee recommended additional privileges for: Use of fluoroscopy in a procedure where the physician is a concurrent privilege holder.
Torres MD, Miguel Angel	Obstetrics and Gynecology	8/1/2025		Active		Active		2 months	Recommend two month reappointment pending completion of retrospective FPPE and monthly leadership meetings at MHM.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 30 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									Committee recommended additional privileges for: 1-Post Delivery/postpartum curettage; and 2-Dilatation and curettage for termination of pregnancy or pregnancy loss less than 14 weeks at MHM ONLY. Privileges for Acessa Procedure not approved due to lack of reappointment criteria reporting 0 out of 5 cases.
Treitl MD, Daniela Edith	General Surgery	8/1/2025	Active	Active	Active	Active	Active	3 months	Recommend three months reappointment pending Bylaws revision pertaining to patient encounters for Adult providers with pediatric privileges in which a consult or presence of a pediatric

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 31 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
									<p>surgeon/interventionalist is required to exercise those pediatric privileges.</p> <p>Committee recommended additional privileges for: Pediatric Privileges, All Age Categories: 1- Thyroidectomy; 2- Parathyroidectomy, 3-Neck Dissection, and 4- Adrenalectomy/adrenal surgery (open and laparoscopic).</p> <p>Privileges for Robotic Assisted Surgery were not approved due to lack of reappointment criteria reporting 19 out of 20 cases.</p>
Umlas Odzer MD, Shari-Lynn	Diagnostic Radiology	8/1/2025	Active	Active	Active	Active	Active	2 years	Recommend two year reappointment and relinquishment of privileges for: Incision and drainage of breast and axilla abscess.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 32 of 42

Reappointment Applicant Name	Specialty (Sponsor)	Date	MRH	MHW	MHP	MHM	JDCH	Term	Action by Committee
Urban-Galvez DO, Stephanie Nhora	Pediatrics	8/1/2025				Active		2 years	
Vara MD, Alexander	Orthopedic Surgery	8/1/2025		Active		Active		2 years	
Wang DO, Annie	Pediatrics	8/1/2025		Active		Active	Active	2 years	
Weiss MD, Lindsay	Pediatric Hospitalist	8/1/2025					Active	2 years	
Whitman (O'Connor), Tiffany Ann, APRN	Emergency Medicine (Drs. Steven Katz and Louis Anthony Jane)	8/1/2025		APP	APP			2 years	
Willis DO, Aaron Robin	Pediatric Pulmonology	8/1/2025	Active	Active		Active	Active	2 years	
Zapata-Reyes MD, Carlos Manuel	Internal Medicine and Nephrology	8/1/2025	Active	Active	Active	Active		2 years	

That the following changes in privileges for lack of Crew Resource Management Training Course be approved:

Practitioners Name	Specialty (Sponsor)	Appointment Date	Expirable Date	MRH	MHW	MHP	MHM	JDCH	Action by Committee
--------------------	---------------------	------------------	----------------	-----	-----	-----	-----	------	---------------------

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 33 of 42

Practitioners Name	Specialty (Sponsor)	Appointment Date	Expirable Date	MRH	MHW	MHP	MHM	JDCH	Action by Committee
Cameron, Blaine, MD	Pain Medicine	4/23/2025	7/1/2025	X					Discontinue invasive privileges pending CRM course compliance.
Chen, Yu, APRN, CRNA	Nurse Anesthetist (Dr. Kiesha Raphael)	4/23/2025	7/1/2025	X	X	X	X	X	Discontinue invasive privileges pending CRM course compliance.
Erickson, Vanessa, ARPN, CRNA	Nurse Anesthetist (Dr. Kiesha Raphael)	4/23/2025	7/1/2025	X	X	X	X	X	Discontinue invasive privileges pending CRM course compliance.

That the following requests for changes, additions or relinquishment of privileges be approved:

Name	Specialty (Sponsor)	Request	Privilege	MRH	MHW	MHP	MHM	JDCH	Action by Committee
Ali, Sadia Anees, MD	Family Medicine	Change	From Memorial Primary Care-Ambulatory to Family Medicine Core Privileges as follows: 1-Admit to inpatient or appropriate level of care; 2-Perform history and	X	X	X	X		Recommend approval.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 34 of 42

Name	Specialty (Sponsor)	Request	Privilege	MRH	MHW	MHP	MHM	JDCH	Action by Committee
			physician examination; and 3-Evaluate, diagnose, treat and provide consultation to patients above the age 17 years admitted with both common and complex general medical illnesses.						
Beguiristain, Clara Huebra, PA	Pediatric Surgery (Drs. Holly Neville, Oliver Lao, Noor Kassira, Jill Whitehouse, Tamar Levene, Moiz Mustafa)	Additional	Assistance with robotic surgery as it pertains to the management of the patient cart, to include but not limited to docking of the robotic trocars, management of the instrumentation, management of the robotic arms, insertions and removal of operative equipment as directed by the surgeon.	X				X	Recommend approval.
Bueno, Teresa Graciela, APRN, DNP	Advanced Heart Failure and Transplant Cardiology and	Relinquish	1) Clinical management of the end-stage kidney transplant patient; and	X	X				Recommend approval.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 35 of 42

Name	Specialty (Sponsor)	Request	Privilege	MRH	MHW	MHP	MHM	JDCH	Action by Committee
	Transplant Surgery (Drs. Jose P Garcia; Tae Song; I-wen Wang; Priyanka Gosain; Miguel Castro; Iani Patsias; Namita Joseph & Mariella Velez Martinez)		2) Clinical management of the kidney transplant patient (inpatient and outpatient)						
Gernaga, Kristi Esther, APRN	Vascular and Interventional Radiology (Drs. Federico Bengoa & Michael Cohn)	Additional	Prescribe/order controlled substances	X	X	X	X	X	Recommend approval.
Leon Hernandez, Angela Patricia, MD	Neonatal Perinatal Medicine	Additional	POCUS/Point of Care Ultrasound		X		X	X	Recommend approval.
Mazzuca, Nicholas, RRA	Radiologist Assistant (Dr. Benjamin Freedman)	Additional	Hysterosalpingography - procedure and imaging	X	X	X	X	X	Recommend approval.
Metellus, Stephanie, APRN	Cardiovascular Disease (Drs. Howard Berlin, Juan Brenes, Ethan Siev, Lawrence Reiss, Chao-wen Lee, Alvaro Vargas Pelaez, Anand Desai, Sarah Rosanel, Julio Peguero Moreno)	Relinquish	1) Removal of venous or arterial sheath; 2) Management and removal of pleural tube; and 3) Management and removal of surgical drains.	X	X	X	X		Recommend approval.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 36 of 42

Name	Specialty (Sponsor)	Request	Privilege	MRH	MHW	MHP	MHM	JDCH	Action by Committee
	and Vamsi Pavuluri)								
Nelson, Christopher John, APRN	Emergency Medicine (Drs. Adam Rubin; Juan Villegas & Steven Katz.)	Additional	Prescribe/order controlled substances	X	X	X	X		Recommend approval.
Perez Nodarse, Eddy, APRN	Pain Medicine (Dr. Nancy Erickson) and Family Medicine (Dr. Rafael Briceno)	Additional	Prescribe/order controlled substances	X	X	X	X		Recommend approval.

Please be advised that these applicants for appointment and reappointment were processed through the Board approved Credentialing Procedure that meets and exceeds the requirements of Florida Statute 395.011, and the standards of The Joint Commission.

The Executive Committees also accepted the following recommendations for changes in staff status as indicated:

Name	Specialty (Sponsor)	Topic	MRH	MHW	MHP	MHM	JDCH	Action by Committee
------	---------------------	-------	-----	-----	-----	-----	------	---------------------

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 37 of 42

Name	Specialty (Sponsor)	Topic	MRH	MHW	MHP	MHM	JDCH	Action by Committee
Allen, Amanda J, DPM	Podiatry	Request resignation effective 5/22/2025.	Active	Active	Active	Active		Accepted resignation effective 5/22/2025.
Boz, Andre Eduardo, AA	Anesthesiologist Assistant (Dr. Walter Diaz)	Automatic termination of membership and privileges. No longer providing services in MHS through Envision effective 6/19/2025.	APP	APP	APP	APP	APP	Automatic termination of membership and privileges. No longer providing services in MHS through Envision effective 6/19/2025.
Bratter, Jonathan David, DO	Obstetrics and Gynecology	Request resignation at MHW only, effective 12/5/2024.		Active		On Staff		Accepted resignation at MHW only- effective 12/5/2024.
Cavitt, Layla, MD	Family Medicine	Request resignation effective 1/5/2023.				Active		Accepted resignation effective 1/5/2023.
Cedeno Abreu, Luis Gabriel, MD	Internal Medicine	Request resignation at MHM and MRH only, effective 8/1/2025.	Active	On staff		Active		Accepted resignation at MHM and MRH only, effective 8/1/2025.
Deutsch, Yehuda Ethan, MD	Oncology and Hematology	Request resignation at MHM only, effective 8/1/2025.	On staff	On staff		Active		Accepted resignation at MHM only, effective 8/1/2025.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 38 of 42

Name	Specialty (Sponsor)	Topic	MRH	MHW	MHP	MHM	JDCH	Action by Committee
Easterling, Kenneth Jay, MD	Orthopedic Surgery	Request resignation effective 4/22/2025.				Active		Accepted resignation effective 4/22/2025.
Friedman, Perry, MD	Maternal Fetal Medicine	Request resignation at JDCH only, effective 08/1/2025.	On Staff	On Staff		On Staff	Active	Accepted resignation at JDCH only effective 8/1/2025.
Funes, Catherine Fernanda, PSYD	Psychology	Automatic termination of membership and privileges for failing to request reappointment, effective 8/1/2025.	Active					Automatic termination of membership and privileges for failing to request reappointment, effective 8/1/2025.
Gosain, Priyanka, MD	Advanced Heart Failure and Transplant Cardiology	Request resignation effective 7/12/2025.	Active	Active	Active	Active		Accepted resignation effective 7/12/2025.
Herrod DMD, Robert Joseph	Oral Maxillofacial Surgery	Automatic termination of membership and privileges for failing to request reappointment, effective 8/1/2025.		Active			Active	Automatic termination of membership and privileges for failing to request reappointment, effective 8/1/2025.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 39 of 42

Name	Specialty (Sponsor)	Topic	MRH	MHW	MHP	MHM	JDCH	Action by Committee
Hirsh, Steven Perry, DPM	Podiatry	Request resignation effective 10/1/2025.	Active					Accepted resignation effective 10/1/2025.
Kaliki, Giri Venkata, MD	Pediatric Critical Care Medicine	Request resignation effective 1/1/2025.					Active	Accepted resignation effective 1/1/2025.
Krishnamoorthy, Mahalakshmi, MD	Internal Medicine	Automatic termination of membership and privileges. No longer providing services in MHS through TeamHealth effective 8/4/2024.	Active	Active	Active	Active		Automatic termination of membership and privileges. No longer providing services in MHS through TeamHealth effective 8/4/2024.
Meriden, Zina, MD	Psychiatry	Request resignation effective 7/31/2025.	Active					Accepted resignation effective 7/31/2025.
Mitchell MD, Vanessa Monique	Internal Medicine	Automatic termination of membership and privileges. No longer providing services in MHS through TeamHealth effective	Active	Active	Active	Active		Automatic termination of membership and privileges. No longer providing services in MHS through TeamHealth effective 2/18/2025.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 40 of 42

Name	Specialty (Sponsor)	Topic	MRH	MHW	MHP	MHM	JDCH	Action by Committee
		2/18/2025.						
Randazzo, Paula Hartman APRN, CRNA	Nurse Anesthetist (Dr. Van Nguyen)	Request resignation effective 6/19/2025.	APP	APP	APP		APP	Accepted resignation effective 6/19/2025.
Raymond, Kourtney Marie PA	Surgical Assistant (Dr. Farid Assouad)	Request resignation effective 6/17/2025.	AHP	AHP	AHP			Accepted resignation effective 6/17/2025.
Rivas-Chacon, Rafael Federico, MD	Pediatric Rheumatology	Request resignation effective 12/31/2024.	Active				Active	Accepted resignation effective 12/31/2024.
Schiff, Barry H., MD	Internal Medicine	Request resignation effective 6/11/2025.				Active		Accepted resignation effective 6/11/2025.
Segovia, Carlos	Surgical Assistant (Dr. Farid Assouad)	Automatic termination of membership and privileges. No longer providing services in MHS through AP Health effective 8/1/2025.		AHP				Automatic termination of membership and privileges. No longer providing services in MHS through AP Health effective 8/1/2025.
Selvaraju, Akilan, DO	Critical Care Medicine	Request resignation effective 5/7/2025.	Active	Active	Active	Active		Accepted resignation effective 5/7/2025.

Memorial Healthcare System Medical Executive Committees

Board of Commissioners Report

July 16, 2025

Page 41 of 42

Name	Specialty (Sponsor)	Topic	MRH	MHW	MHP	MHM	JDCH	Action by Committee
Solages, Anthony, MD	Infectious Disease	Request resignation at MRH only, effective 6/18/2025.	Active	On Staff	On staff	On Staff		Accepted resignation at MRH only, effective 6/18/2025.
Su, Ashley Michelle, APRN	Critical Care Medicine (Drs. Lance Cohen; Martinus Dyrud; Shelly Miller; Miguel Robles; Moses Washington; Edgardo Dos Santos; Ana Berbel Caban & Andrew Goodrich)	Automatic termination of membership and privileges. No longer providing services in MHS effective 5/27/2025.	APP					Automatic termination of membership and privileges. No longer providing services in MHS effective 5/27/2025.
Van-Horne, Simone Soyini, MD	Internal Medicine	Automatic termination of membership and privileges for failing to request reappointment, effective 8/1/2025.	Active			Active		Automatic termination of membership and privileges for failing to request reappointment, effective 8/1/2025.
Velazquez Stuart, Juan Luis, MD	Vascular Surgery	Automatic termination of membership and privileges. No longer providing services in MHS effective 4/9/2025.	Active	Active	Active	Active		Automatic termination of membership and privileges. No longer providing services in MHS effective 4/9/2025.

Memorial Healthcare System Medical Executive Committees
Board of Commissioners Report
July 16, 2025
Page 42 of 42

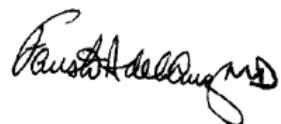
New Physician Appointments	34
New AHP Appointments	12
Physician Reappointments	140
AHP Reappointments	29
Physician Resignations/Terminations	16
AHP Resignations/Terminations	5

Your approval of these recommendations is requested.

Sincerely,



Maria Pilar Gutierrez, MD
President
Memorial Regional Hospital
Joe DiMaggio Children's Hospital



Fausto A. De La Cruz, M.D.
Chief of Staff
Memorial Hospital West



Alvaro Efrain Visbal-Ventura, MD
Chief of Staff
Memorial Hospital Miramar



Narendra R Upadhyaya, MD
Chief of Staff
Memorial Hospital Pembroke

Board of Commissioners Financial Reports

Period Ending June 2025

Memorial Healthcare System | July 23rd, 2025

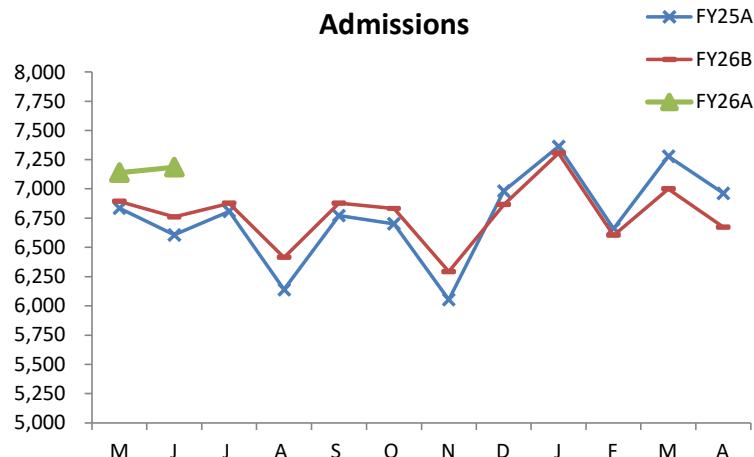


Memorial Healthcare System

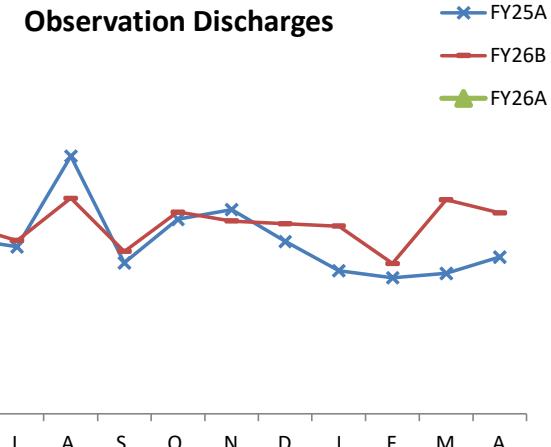
Executive Summary - MTD June 2025

- Inpatient Revenue was above budget due to 6.3% higher admissions, 20.8% higher emergency room admissions, and 2.9% higher inpatient surgeries
- Outpatient Revenue was above budget due to 6.8% higher outpatient visits
- Net Revenue of \$304.2M was above the budget of \$293.4M, and Income from Operations of \$15.3M was higher than the budget of \$8.8M
- Excess of Revenues over Expenses was \$43.1M, including an unrealized gain of \$18.9M, compared with the budgeted Excess of Revenues over Expenses of \$13.9M

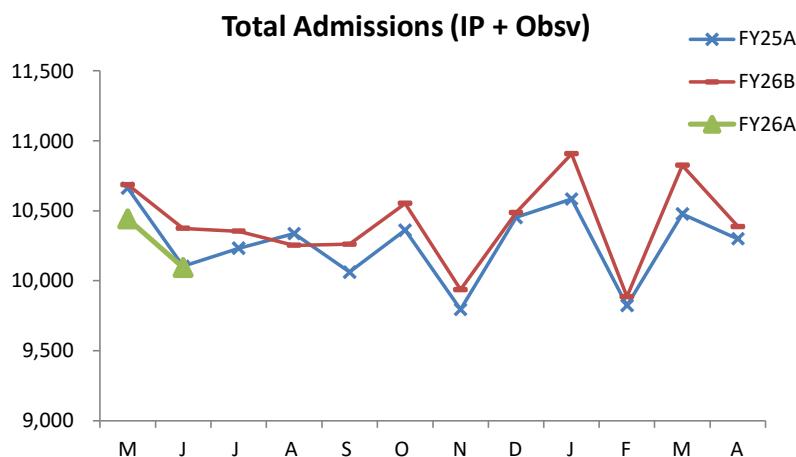
Memorial Healthcare System - Consolidated Volumes and Payor Mix - June 2025



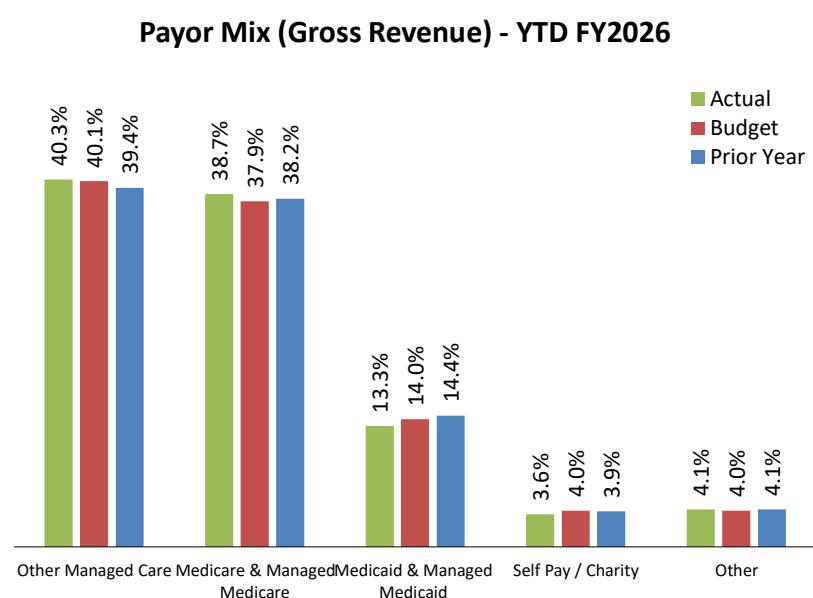
	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	7,186	6,761	6,607	6.3%	8.8%
YTD:	14,324	13,655	13,442	4.9%	6.6%



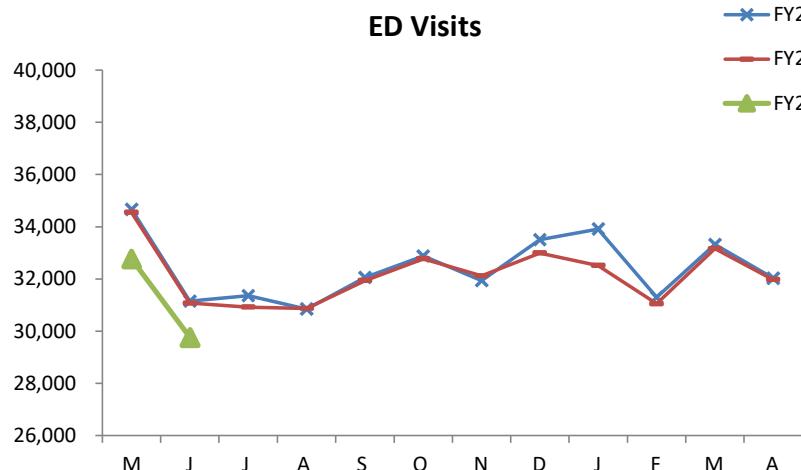
	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	2,908	3,613	3,496	-19.5%	-16.8%
YTD:	6,211	7,404	7,323	-16.1%	-15.2%



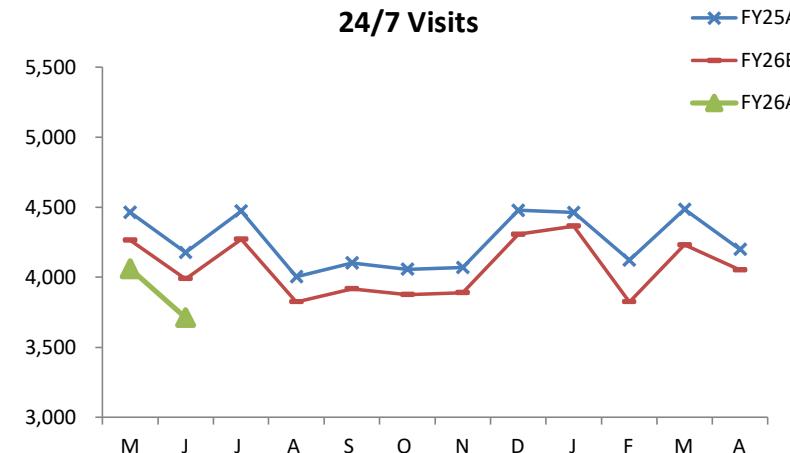
	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	10,094	10,374	10,103	-2.7%	-0.1%
YTD:	20,535	21,059	20,765	-2.5%	-1.1%



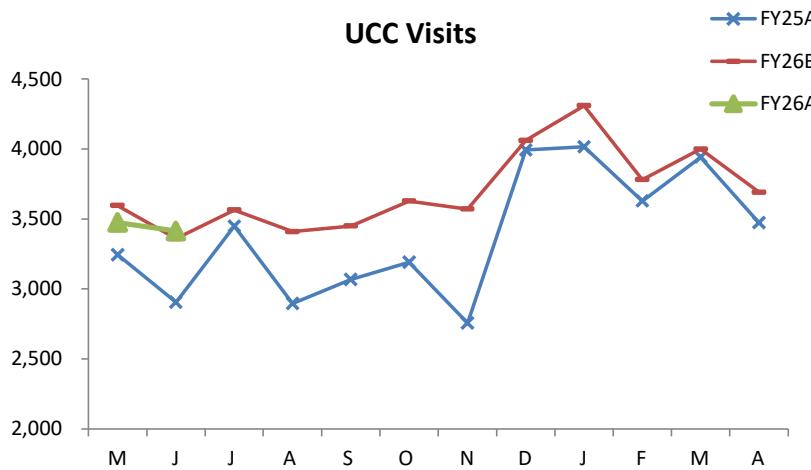
Memorial Healthcare System - Consolidated Volumes - June 2025



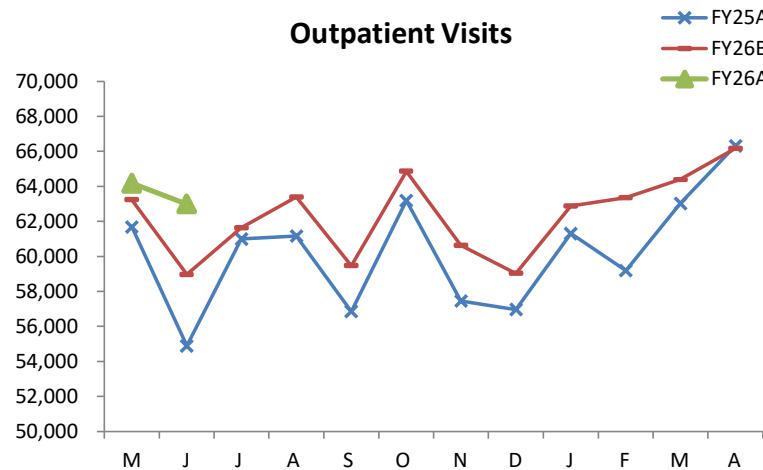
	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	29,756	31,072	31,157	-4.2%	-4.5%
YTD:	62,523	65,624	65,824	-4.7%	-5.0%



	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	3,711	3,989	4,176	-7.0%	-11.1%
YTD:	7,771	8,252	8,639	-5.8%	-10.0%

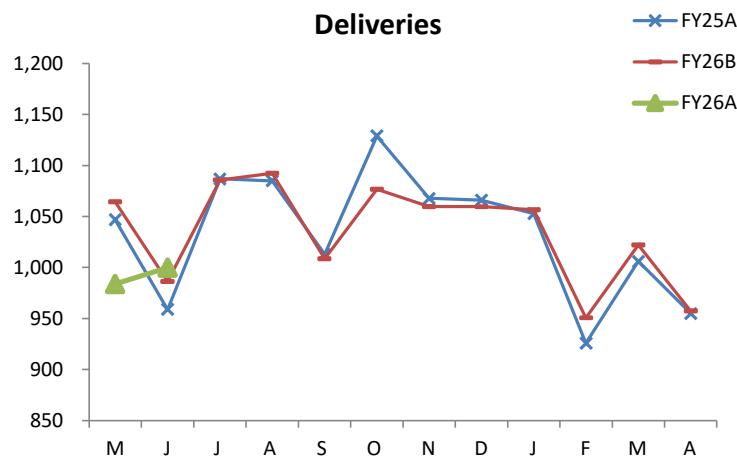


	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	3,414	3,360	2,906	1.6%	17.5%
YTD:	6,889	6,956	6,151	-1.0%	12.0%

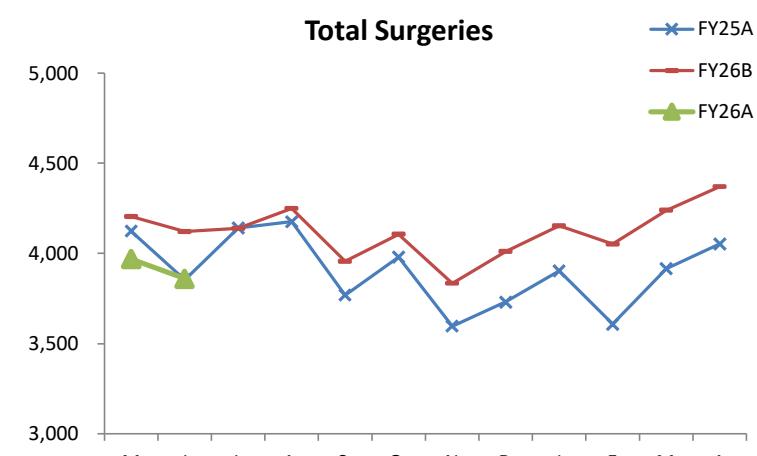


	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	62,999	58,963	54,896	6.8%	14.8%
YTD:	127,179	122,192	116,578	4.1%	9.1%

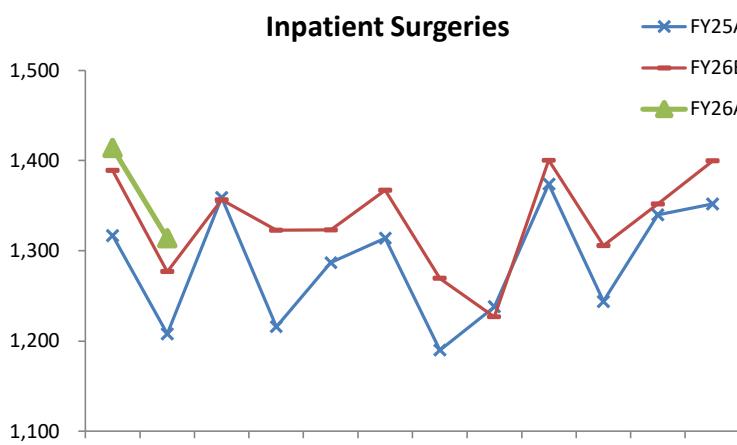
Memorial Healthcare System - Consolidated Volumes - June 2025



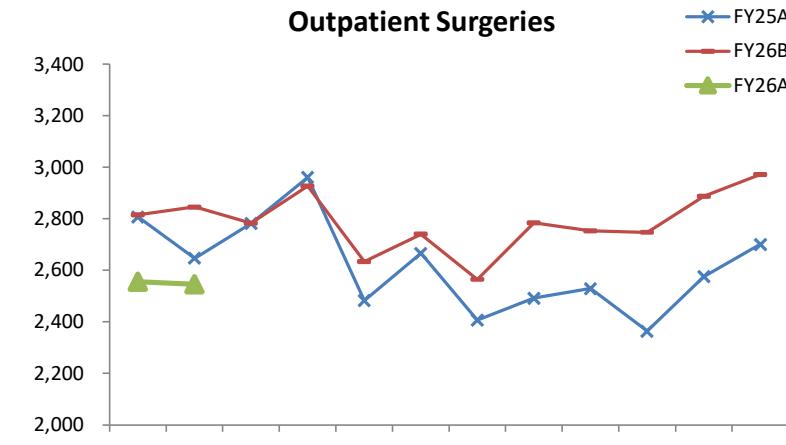
	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	1,000	986	959	1.4%	4.3%
YTD:	1,984	2,051	2,006	-3.3%	-1.1%



	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	3,860	4,122	3,855	-6.4%	0.1%
YTD:	7,829	8,326	7,979	-6.0%	-1.9%



	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	1,314	1,277	1,208	2.9%	8.8%
YTD:	2,728	2,666	2,525	2.3%	8.0%



	FY26A	FY26B	FY25A	vs FY26B	vs FY25
MTD:	2,546	2,845	2,647	-10.5%	-3.8%
YTD:	5,101	5,660	5,454	-9.9%	-6.5%

Memorial Healthcare System - Operating Statement - June 2025

Variance		Month to Date			\$ thousands	Year to Date		Variance		
vs PY	vs Budget	Prior Year	Budget	Actual		Actual	Budget	Prior Year	vs Budget	
A	12.9%	5.6%	935,894	1,000,855	1,056,486	Inpatient Revenue	2,122,356	2,021,467	1,891,467	5.0%
B	17.4%	0.5%	866,508	1,013,058	1,017,623	Outpatient Revenue	2,060,039	2,070,274	1,827,608	(0.5%)
C	15.1%	3.0%	1,802,402	2,013,913	2,074,109	Total Patient Revenue	4,182,394	4,091,741	3,719,075	2.2%
D	16.5%	2.2%	1,454,310	1,657,164	1,693,563	Contractual Allowances	3,439,575	3,365,370	3,027,512	2.2%
E	15.1%	12.5%	70,601	72,249	81,256	Charity Care	149,082	147,575	136,931	1.0%
F	1.1%	28.2%	25,149	19,830	25,424	Provision for Bad Debt	41,036	40,502	43,051	1.3%
G	16.1%	2.9%	1,550,060	1,749,244	1,800,244	Total Deductions	3,629,693	3,553,447	3,207,493	2.1%
H	8.5%	3.5%	252,342	264,669	273,866	Net Patient Revenue	552,701	538,294	511,582	2.7%
I	60.8%	(13.9%)	1,733	3,236	2,787	Disproportionate Share Distributions	5,573	6,473	5,260	(13.9%)
J	32.3%	7.9%	20,811	25,516	27,538	Other Operating Revenue	54,791	50,982	39,828	7.5%
K	34.5%	5.5%	22,544	28,752	30,325	Total Other Operating Revenue	60,364	57,455	45,088	5.1%
L	10.7%	3.7%	274,886	293,421	304,191	Net Revenue	613,065	595,749	556,670	2.9%
M	4.1%	(0.4%)	130,738	136,595	136,087	Salaries & Wages	277,360	278,110	265,556	(0.3%)
N	6.5%	0.0%	19,393	20,640	20,648	Employee Benefits	41,924	43,432	42,586	(3.5%)
O	(0.9%)	(17.7%)	7,065	8,506	7,000	Professional Fees	13,491	17,026	14,392	(20.8%)
P	25.5%	11.1%	57,649	65,117	72,358	Supplies Expense	144,918	131,821	114,602	9.9%
Q	13.4%	6.0%	18,478	19,756	20,945	Purchased Services	40,715	39,473	37,687	3.1%
R	14.7%	(0.9%)	7,692	8,900	8,820	Facilities Expense	16,228	17,807	14,504	(8.9%)
S	4.0%	(6.9%)	13,163	14,699	13,691	Depreciation & Amortization	27,122	29,484	25,976	(8.0%)
T	4.7%	(10.9%)	8,881	10,429	9,296	Other Operating Expense	18,570	20,968	18,072	(11.4%)
V	9.8%	1.5%	263,059	284,642	288,845	Total Expenses	580,328	578,121	533,375	0.4%
W	29.8%	74.8%	11,827	8,779	15,346	Income/(Loss) from Operations	32,737	17,628	23,295	85.7%
X	N/A	N/A	-	(93)	(93)	Tax Revenue	(186)	(186)	-	N/A
Y	5.6%	2.8%	(2,893)	(2,809)	(2,730)	Interest Expense	(5,379)	(5,619)	(5,648)	4.3%
Z	29.3%	N/A	14,630	-	18,920	Unrealized Gain/(Loss)	422	-	40,588	N/A
AA	(76.3%)	45.8%	49,388	8,023	11,701	Investment & Other	43,439	16,049	92,570	>100%
AB	(54.5%)	>100%	61,125	5,121	27,798	Total Non Operating Revenue/(Loss)	38,295	10,244	127,510	>100%
Excess/(Deficit) of Revenues over Expenses										
AC	(40.9%)	>100%	\$72,952	\$13,901	\$43,144		\$71,032	\$27,872	\$150,805	>100%
AD	(45.2%)	29.5%	\$74,389	\$31,473	\$40,768	EBITDA	\$103,306	\$63,102	\$141,863	63.7%
AE	(46.9%)	39.2%	\$69,602	\$26,548	\$36,963	Normalized EBITDA (GASB 96 and GASB 87 Impacts Removed)	\$95,655	\$53,253	\$132,589	79.6%
									(27.9%)	

Memorial Healthcare System

Operating Statement - MTD June 2025

\$ thousands	Month to Date		Variance vs Budget	Variance %	Notes
	Actual	Budget			
A Inpatient Revenue	1,056,486	1,000,855	55,631	5.6%	Higher admissions, emergency room admissions, and inpatient surgeries
B Outpatient Revenue	1,017,623	1,013,058	4,565	0.5%	Higher outpatient visits
C Total Patient Revenue	2,074,109	2,013,913	60,196	3.0%	
D Total Deductions	1,800,244	1,749,244	51,000	2.9%	
E Net Patient Revenue	273,866	264,669	9,197	3.5%	Higher gross revenue impact due to higher volumes
F Total Other Operating Revenue	30,325	28,752	1,573	5.5%	Higher outpatient pharmacy due to higher priced drugs, partially offset by lower Disproportionate Share revenue
G Net Revenue	304,191	293,421	10,770	3.7%	
H Salaries and Wages	136,087	136,595	(508)	-0.4%	
I Employee Benefits	20,648	20,640	8	0.0%	
J Professional Fees	7,000	8,506	(1,506)	-17.7%	Lower consultant, physician, and legal fees
K Supplies Expense	72,358	65,117	7,241	11.1%	Higher pharmaceuticals due to higher cost drugs and higher medical supplies due to volume
L Purchased Services	20,945	19,756	1,189	6.0%	Higher purchased outside labor, higher IT cloud services due to subscription reclassification, and higher reference lab due to timing
M Facilities Expense	8,820	8,900	(80)	-0.9%	Lower repairs and maintenance, partially offset by higher instrument repairs, and higher gas and fuel due to timing
N Depreciation and Amortization	13,691	14,699	(1,008)	-6.9%	
O Other Operating Expense	9,296	10,429	(1,133)	-10.9%	Lower advertising spend
P Total Expenses	288,845	284,642	4,203	1.5%	
Q Income from Operations	15,346	8,779	6,567	74.8%	
R Tax Revenue/(Expense)	-93	-93	-	0.0%	
S Interest Expense	-2,730	-2,809	79	-2.8%	
T Unrealized Gain/(Loss)	18,920	-	18,920	na	
U Investment & Other	11,701	8,023	3,678	45.8%	
V Non Operating Revenue/Expense	27,798	5,121	22,677	442.8%	Unrealized investment gains and realized investment gains
W Excess of Revenues over Expenses	43,144	13,901	29,243	210.4%	
X EBITDA	40,768	31,473	9,295	29.5%	
Y EBITDA Margin	13.4%	10.7%	2.7%		

Memorial Healthcare System

Operating Statement - YTD June 2025

\$ thousands	Year to Date		Variance vs Budget	Variance %	
	Actual	Budget			
A Inpatient Revenue	2,122,356	2,021,467	100,889	5.0%	Higher admissions, emergency room admissions, and inpatient surgeries
B Outpatient Revenue	2,060,039	2,070,274	(10,235)	-0.5%	Lower observation discharges, ER Visits, and outpatient surgeries
C Total Patient Revenue	4,182,394	4,091,741	90,653	2.2%	
D Total Deductions	3,629,693	3,553,447	76,246	2.1%	
E Net Patient Revenue	552,701	538,294	14,407	2.7%	Higher gross revenue impact from higher inpatient volumes and favorable payor mix
F Total Other Operating Revenue	60,364	57,455	2,909	5.1%	Higher outpatient pharmacy due to higher priced drugs and increased volume, partially offset by lower Disproportionate Share revenue
G Net Revenue	613,065	595,749	17,316	2.9%	
H Salaries & Wages	277,360	278,110	(750)	-0.3%	
I Employee Benefits	41,924	43,432	(1,508)	-3.5%	Lower FICA expense
J Professional Fees	13,491	17,026	(3,535)	-20.8%	Lower consultant fees, lower physician fees, and lower legal fees
K Supplies Expense	144,918	131,821	13,097	9.9%	Higher pharmaceuticals due to higher cost drugs, and higher medical supplies
L Purchased Services	40,715	39,473	1,242	3.1%	Higher purchased outside labor, higher IT cloud services due to subscription reclassification, and higher reference lab expense due to timing
M Facilities Expense	16,228	17,807	(1,579)	-8.9%	Lower repairs and maintenance expenses due to timing
N Depreciation & Amortization	27,122	29,484	(2,362)	-8.0%	
O Other Operating Expense	18,570	20,968	(2,398)	-11.4%	Lower advertising spend, lower community service expense due to timing, and lower equipment rentals due to volume
P Total Expenses	580,328	578,121	2,207	0.4%	
Q Income from Operations	32,737	17,628	15,109	85.7%	
R Tax Revenue/(Expense)	-186	-186	-	0.0%	
S Interest Expense	-5,379	-5,619	240	-4.3%	
T Unrealized Gain/(Loss)	422	-	422	na	
U Investment & Other	43,439	16,049	27,390	170.7%	
V Total Non Operating Revenue/(Loss)	38,295	10,244	28,051	273.8%	Unrealized investment gains and realized investment gains
W Excess of Revenues over Expenses	71,032	27,872	43,160	154.9%	
X EBITDA	103,306	63,102	40,204	63.7%	
Y EBITDA Margin	16.9%	10.6%	6.3%		

Memorial Healthcare System - Consolidated Balance Sheet and Key Indicators - June 2025

\$ thousands	06/30/2025	05/31/2025	4/30/2025
A CASH AND INVESTMENTS	\$ 3,053,337	\$ 2,852,625	\$ 2,794,282
B PATIENT ACCOUNTS RECEIVABLE (NET)	314,070	340,778	359,565
C RESTRICTED ASSETS AND ASSETS WHOSE USE IS LIMITED	89,025	88,402	122,118
D CAPITAL ASSETS (NET)	1,510,052	1,510,845	1,529,418
E OTHER ASSETS AND DEFERRED OUTFLOWS	517,146	605,074	572,723
F TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 5,483,630</u>	<u>\$ 5,397,724</u>	<u>\$ 5,378,106</u>
G CURRENT LIABILITIES	\$ 694,687	\$ 645,835	\$ 685,057
H LONG TERM DEBT	840,904	841,086	861,348
I ESTIMATED CLAIMS LIABILITY	29,409	28,699	27,923
J OTHER NON-CURRENT LIABILITIES AND DEFERRED INFLOWS	285,008	291,626	241,286
K TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>1,850,008</u>	<u>1,807,246</u>	<u>1,815,614</u>
L NET POSITION	3,633,622	3,590,478	3,562,493
M LIABILITIES, NET POSITION AND DEFERRED INFLOWS	<u>\$ 5,483,630</u>	<u>\$ 5,397,724</u>	<u>\$ 5,378,106</u>
N DAYS CASH ON HAND	342.2	322.3	317.7
O CASH TO DEBT (%)	346.7	324.4	311.5
P NET DAYS IN AR	33.8	37.0	39.2
Q DEBT TO NET POSITION RATIO	0.24	0.25	0.25
R DEBT TO CAPITALIZATION	0.20	0.20	0.20
S DEBT TO CASH FLOW	2.06	1.91	1.93
T MADS* COVERAGE	6.99	7.54	7.62

* MAXIMUM ANNUAL DEBT SERVICE

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, Chairwoman • **Steven Harvey**, Vice Chairman • **Douglas A. Harrison**, Secretary Treasurer
Brad Friedman • **Laura Raybin Miller**
Shane Strum, President and Chief Executive Officer

FROM: Irfan Mirza, Interim Chief Financial Officer - MHS
TO: Shane Strum, President and Chief Executive Officer, MHS
CC: Linda Epstein, Interim General Counsel, MHS
DATE: July 16, 2025
SUBJECT: **SOUTH BROWARD HOSPITAL DISTRICT PROPOSED TAX MILLAGE RATE FOR FISCAL YEAR 2026**

We have received the 2025 Broward County Property Appraiser's Certification of Taxable Value, totaling \$98,158,948,149 for property in the South Broward Hospital District (District). Compared with last year's assessed valuation of \$90,318,489,239 this year's valuation is an increase of \$7,840,458,910 or 8.7%. This change amounts to an increase of \$6,226,102,890 or 6.9% related to previously existing property and an increase of \$1,614,356,020 or 1.8% related to new construction.

At the July 23 Board Meeting, the District Board of Commissioners (Board) will adopt a "Proposed Millage Rate" based on these new, assessed values. The Board also shall establish the date, time, and place of the first required public hearing of the tentative tax budget. Such a hearing is required to be held between September 3 and September 18 and is not to conflict with the County Commission or School Board public hearing dates. The School Board meetings are scheduled for July 29 and September 9, while the County Commission meetings are scheduled for September 4 and 16. The District's final public hearing is required to be held within 15 days of the first public hearing.

When establishing millage rates for the current fiscal year, the Board must take into consideration previously enacted tax relief legislation. Key to the various calculations continues to be the Rolled-Back Rate (RBR), which is the millage rate that would raise the same amount of revenue as last year when applied to the current year's assessed value, less the value of any new construction and the dedicated increment values of the Community Redevelopment Agencies (CRAs).

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DiMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

The following is a summary of the voting requirements and the millage rates per requirement:

- Simple Majority vote 0.0000 to 2.2692 mils

The maximum millage rate allowed by a Simple Majority vote of the Board is equal to the rate that would raise the same amount of revenue as last year's simple majority rate (excluding new construction and CRA dedicated increment values), adjusted by the change in per capita Florida personal income.

- Two-Thirds vote: 2.2693 to 2.4961 mils (110% of the maximum millage rate allowed by Simple Majority vote)
- Unanimous vote or Referendum of the voters: 2.4962 to 2.5000 mils (statutory maximum millage)

The millage rate proposed at the July board meeting can be reduced at the Preliminary Tax Hearing, but any increase would be extremely difficult to accomplish, due to notice requirements. After the Preliminary Hearing, a reduction can be made but there can be no increase.

In order to assist in the determination of a Proposed Millage Rate, I have enclosed a schedule showing several alternative millage rates for the current year, including the Rolled-Back Rate. Also attached is the proposed September calendar, which is in compliance with the Statutory Timetable.

Should you have any questions regarding these matters, please contact me at your convenience.

**SOUTH BROWARD HOSPITAL DISTRICT
TAX FUND BUDGET - SENSITIVITY ANALYSIS
FY 2026**

	ROLLED-BACK RATE IS 0.0805	PRIOR YEAR'S RATE	BREAK EVEN RATE	ROLLED-BACK RATE (RBR)	BUDGET BOOK	
		FY2026		FY2026		FY2025
		A NO CHANGE	B 19.3% INCREASE	C 7.4% DECREASE	PROJECTED BUDGET	
1	ASSESSED VALUATIONS (In thousands)	\$ 98,158,948	\$ 98,158,948	\$ 98,158,948	\$ 97,266,111	\$ 90,318,489
2	MILLAGE RATE	0.0869	0.1037	0.0805	0.0850	0.0869
3	% Change from Rolled-Back Rate	7.95%	28.82%	0.00%	5.59%	0.00%
4	% Change from Prior Year Rate	0.00%	19.29%	-7.36%	-2.19%	-7.26%
5	GROSS TAXES LEVIED	\$ 8,530,000	\$ 10,175,000	\$ 7,902,000	\$ 8,268,000	\$ 7,849,000
	a Difference from Prior Year Actual	\$ 681,000	\$ 2,326,000	\$ 53,000	\$ 419,000	\$ 7,271
	b Variance from Prior Year Actual	8.68%	29.63%	0.68%	5.34%	0.09%
	TAX FUND REVENUE					
5	Gross Taxes Levied	\$ 8,530,000	\$ 10,175,000	\$ 7,902,000	\$ 8,268,000	\$ 7,849,000
6	Less:					
	a Discounts on Taxes	(155,000)	(185,000)	(144,000)	39,000	(143,000)
	b Uncollectible Taxes	0	0	0	0	0
7	TAXES PAID BY DISTRICT RESIDENTS	\$ 8,685,000	\$ 10,360,000	\$ 8,046,000	\$ 8,229,000	\$ 7,992,000
	a Difference from Prior Year Actual	\$ 693,000	\$ 2,368,000	\$ 54,000	\$ 237,000	\$ 335,373
	b Variance from Prior Year Actual	8.67%	29.63%	0.68%	2.97%	4.20%
8	Revenue Collection Fees	174,000	207,000	161,000	165,000	160,000
9	DISTRICT TAX RECEIPTS	\$ 8,511,000	\$ 10,153,000	\$ 7,885,000	\$ 8,064,000	\$ 7,832,000
	a Difference from Prior Year Actual	\$ 679,000	\$ 2,321,000	\$ 53,000	\$ 232,000	\$ 335,373
	b Variance from Prior Year Actual	8.67%	29.63%	0.68%	2.96%	4.28%
	Other Deductions from Tax Revenue:					
10	Property Appraiser's Fee	47,000	47,000	47,000	177,000	48,000
11	Community Redevelopment Agencies	272,000	286,000	267,000	377,000	369,000
12	Medicaid Match	9,820,000	9,820,000	9,820,000	8,623,000	8,534,000
	Total Other Deductions from Tax Revenue	\$ 10,139,000	\$ 10,153,000	\$ 10,134,000	\$ 9,177,000	\$ 8,951,000
13	NET TAX REVENUE/(EXPENSE)	\$ (1,628,000)	\$ -	\$ (2,249,000)	\$ (1,113,000)	\$ (1,119,000)
14	TAX RECEIPTS FROM PRIOR TAX YEARS AND OTHER ADJUSTMENTS	-	-	-	-	-
15	TOTAL NET TAX REVENUE/(EXPENSE)	\$ (1,628,000)	\$ -	\$ (2,249,000)	\$ (1,113,000)	\$ (1,119,000)
	a Difference from Prior Year Actual	\$ (509,000)	\$ 1,119,000	\$ (1,130,000)	\$ 6,000	\$ -
	TAX FUND PATIENT CARE EXPENDITURES					
16	Memorial Primary Care	-	-	-	-	-
17	Other SBHD Charity Care	-	-	-	-	-
18	Other SBHD Operating Fund Flow**	(1,628,000)	-	(2,249,000)	(1,113,000)	(1,119,000)
	TOTAL TAX FUND PATIENT CARE EXPENDITURES	\$ (1,628,000)	\$ -	\$ (2,249,000)	\$ (1,113,000)	\$ (1,119,000)

** Negative amount indicates that operations had to cover some or all of the Tax Fund obligations.

DESCRIPTION OF TAX FUND COMPONENTS

[1] ASSESSED VALUATIONS (IN THOUSANDS)

These values (illustrated in thousands) are provided by Broward County on the Certification of Taxable Value (form DR-420).

[2] MILLAGE RATE

The millage rate is multiplied by the Assessed Valuation (In Thousands) to derive the gross taxes levied. Per statutory guidelines, the District's maximum allowed millage rate is 2.5000.

[3] % CHANGE FROM ROLLED-BACK RATE

The percentage change in the millage rate from the year's rolled-back rate. The rolled-back rate is the rate that would generate the same tax revenues as the prior year, less allowances for new construction, additions, rehabilitative improvements increasing assessed value by at least 100%, annexations and deletions.

[4] % CHANGE FROM PRIOR YEAR RATE

The percentage change in the millage rate from the prior year millage rate.

[5] GROSS TAXES LEVIED

Total taxes levied on the assessed valuations per the given millage rate.

[a] Difference from Prior Year Actual

The dollar difference in gross taxes levied per the given millage rate versus those levied in the prior year.

[b] Variance from Prior Year Actual

The percentage change in gross taxes levied per the given millage rate versus those levied in the prior year.

[6] LESS:

[a] Discounts on Taxes

The discounts that taxpayers receive by paying their property taxes prior to the due date.

[b] Uncollectible Taxes

The taxes that are not collected from taxpayers (bad debt).

[7] TAXES PAID BY DISTRICT RESIDENTS

Total amount of ad valorem taxes paid to the District for the given year.

[a] Difference from Prior Year Actual

The dollar difference in taxes paid by District residents versus those paid in the prior year.

[b] Variance from Prior Year Actual

The percentage change in taxes paid by District residents versus those paid in the prior year.

[8] REVENUE COLLECTION FEES

Represents collection fees charged by the Broward County Tax Collector.

This is 2.0% of collected funds (i.e., 2.0% of taxes paid).

[9] DISTRICT TAX RECEIPTS

Total amount of tax revenue actually received by the District for the given year.

[a] Difference from Prior Year Actual

The dollar difference in tax revenue received by the District versus that received in the prior year.

[b] Variance from Prior Year Actual

The percentage change in tax revenue received by the District versus that received in the prior year.

[10] PROPERTY APPRAISER'S FEE
Fees charged by Broward County Property Appraiser's Office.

[11] COMMUNITY REDEVELOPMENT AGENCIES
The portion of taxes that must be remitted to the cities of Hollywood, Hallandale Beach and Davie for their community redevelopment agency programs.

[12] MEDICAID MATCH
The State of Florida has determined an amount due from each county. That amount is allocated to all counties based on a blend of each county's total Medicaid expenditures and number of Medicaid eligible enrollees per county. The District's share is 27.4% of the amount allocated to Broward County, based on historical hospital inpatient utilization.

[13] NET TAX REVENUE/(EXPENSE)
Total net tax revenue for the given year available for patient care; i.e., gross taxes levied less discounts on taxes, uncollectable taxes, revenue collection fees, Property Appraiser's fee, community redevelopment agency assessments, and Medicaid match.

[14] TAX RECEIPTS FROM PRIOR TAX YEARS AND OTHER ADJUSTMENTS
Collections and adjustments related to prior tax years.

[15] TOTAL NET TAX REVENUE/(EXPENSE)
Total net tax revenue (for all years), received in the given year, available for patient care.

[a] Difference from Prior Year Actual
The dollar difference in total net tax revenue per the given millage rate versus those in the prior year.

[16] MEMORIAL PRIMARY CARE
Funding for the clinics and programs offered by Memorial Primary Care.

[17] OTHER SBHD CHARITY CARE
Tax funds allocated to offset charges for services rendered at District hospitals to patients qualifying as "indigent" under the District's indigent care policy guidelines. The annual income test currently used by the District corresponds to 200% of the Federal Poverty Guidelines.

[18] OTHER SBHD OPERATING FUND FLOW
Non-tax, District operating funds needed to cover expenditures not otherwise provided by the Tax Fund.

TAX EFFECT ON A SAMPLE HOME
SOUTH BROWARD HOSPITAL DISTRICT
TAX FUND BUDGET
FISCAL YEAR 2026

	FISCAL YEAR	OPERATING MILLAGE RATE	TAXABLE VALUE BEFORE HOMESTEAD EXEMPTION	TAXABLE VALUE AFTER HOMESTEAD EXEMPTION	TAX ON HOME ASSESSED AT \$319,000 THIS YEAR	ANNUAL DOLLAR CHANGE	ANNUAL PERCENT CHANGE
PRIOR YEAR	2025-2026	0.0869	\$319,000	\$269,000	\$23.38	\$0.79	3.5%
BREAK EVEN	2025-2026	0.1037	\$319,000	\$269,000	\$27.88	\$5.29	23.4%
ROLLED BACK	2025-2026	0.0805	\$319,000	\$269,000	\$21.65	(\$0.94)	-4.2%
PRIOR YEAR	2024-2025	0.0869	\$310,000	\$260,000	\$22.59	(\$0.84)	-3.6%
	2023-2024	0.0937	\$300,000	\$250,000	\$23.43	\$0.00	0.0%
	2022-2023	0.1010	\$282,000	\$232,000	\$23.43	(\$1.05)	-4.3%
	2021-2022	0.1144	\$264,000	\$214,000	\$24.48	(\$0.70)	-2.8%
	2020-2021	0.1199	\$260,000	\$210,000	\$25.18	(\$0.51)	-2.0%
	2019-2020	0.1260	\$254,000	\$204,000	\$25.69	(\$2.45)	-8.7%
	2018-2019	0.1414	\$249,000	\$199,000	\$28.14	(\$0.36)	-1.3%
	2017-2018	0.1469	\$244,000	\$194,000	\$28.50	(\$2.02)	-6.6%
	2016-2017	0.1615	\$239,000	\$189,000	\$30.52	(\$1.96)	-6.0%
	2015-2016	0.1737	\$237,000	\$187,000	\$32.48	(\$1.99)	-5.8%
	2014-2015	0.1863	\$235,000	\$185,000	\$34.47	(\$38.33)	-52.7%
	2013-2014	0.4000	\$232,000	\$182,000	\$72.80	(\$34.00)	-31.8%
	2012-2013	0.6000	\$228,000	\$178,000	\$106.80	(\$21.45)	-16.7%

Comparing various millage rate scenarios with prior year for a sample home valued at \$319,000 with homestead exemption

Break-Even Rate
Sources & Uses of Tax Funds Based on Millage Rate of 0.1037

<u>Sources of Funds</u>	<u>Funds</u>	<u>Millage Breakout</u>	<u>% Breakout</u>
Gross Taxes Levied by SBHD	\$10,175,000	0.1037	100.0%
Total Sources	\$10,175,000	0.1037	100.0%
<u>Uses of Funds</u>			
Medicaid Match	\$ 9,820,000	0.1000	96.5%
Community Redevelopment Agencies	\$ 286,000	0.0029	2.8%
Hallandale Beach	200,000		
Hollywood Downtown	-		
Davie	86,000		
Uncollected Taxes	\$ (185,000)	(0.0019)	-1.8%
Discounts on Taxes	(185,000)		
Uncollectible Taxes	-		
Broward County Revenue Collector's Fees	\$ 207,000	0.0021	2.0%
Property Appraiser's Fee	\$ 47,000	0.0005	0.5%
Memorial Primary Care	\$ -	-	0.0%
Total Uses	\$10,175,000	0.1037	100.0%

Proposed MHS FY2025-2026 Tax Budget Hearing Calendar

September

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Key Dates and Deadlines

10	First/Tentative Tax Hearing (meetings must be held b/n Sept 3 to 18); alternate days 9/11, 9/12, 9/15 and 9/18, in-person quorum
25	Final Tax Hearing & Board Meeting (must be held within 15 days of First Tax Hearing)
26	Deadline for Property Appraiser to receive final resolutions of adopted millage (3 days after final tax hearing)
1	Rosh Hashanah 9/22 -9/24
2	Yom Kippur 10/1 - 10/2
9	School Board Second Public Hearing
16	Broward County Commission First & Second Public Hearing



GRID OF OPTIONS FOR MOTIONS TO ADOPT A MILLAGE RATE

	A	B	C
<u>MOTION #1</u>			
PROPOSED MILLAGE RATE	0.0869	0.1037	0.0805
% DIFFERENCE VS ROLLED-BACK	7.95%	28.82%	0.00%
ROLLED-BACK MILLAGE RATE	0.0805	0.0805	0.0805

NOTE:

ONLY DECREASES TO SELECTED RATE CAN BE ACHIEVED AT SUBSEQUENT HEARINGS.

MOTION #2

TAX HEARING DATES:

FIRST Wednesday, September 10, 2025 at 5:30 PM

FINAL Wednesday, September 25, 2025 at 5:30 PM

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, Chairwoman • **Steven Harvey**, Vice Chairman • **Douglas A. Harrison**, Secretary Treasurer
Brad Friedman • **Laura Raybin Miller**
Shane Strum, President and Chief Executive Officer

Group: S.B.H.D. Contracts Committee **Date:** July 14, 2025
Chairman: Mr. Steven Harvey **Time:** 2:45 p.m.
Vice Chairman: Mr. Douglas Harrison
Location Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312
In Attendance: Mr. Steven Harvey, Mr. Douglas Harrison, Ms. Elizabeth Justen, Mr. Brad Friedman, Ms. Laura Raybin Miller, Mr. Shane Strum, Mr. Alan Whaley, Ms. Linda Epstein, Mr. Irfan Mirza, Mr. Mario Salceda Cruz, Ms. Esther Surujon, Ms. Sarah Griffith, Ms. Jeanette Aleu, and Mr. Brett Bauman

The Contracts Committee meeting convened at 2:45 p.m. on July 14, 2025.

1) CALL TO ORDER / PUBLIC MEETING NOTICE CERTIFICATION

The meeting was called to order and legal certification of compliance with Florida's Public Meetings Law was given by Ms. Linda Epstein, Interim General Counsel. The meeting materials were not posted based on assertion of confidentiality.

2) BOARD APPROVAL CONTRACTS

The following agenda items were discussed.

a) New Physician Employment Agreement between Denise Sherman, M.D. – Pediatric Otolaryngology, and South Broward Hospital District

The Committee reviewed the New Physician Employment Agreement between the South Broward Hospital District and Denise Sherman, M.D., for Pediatric Otolaryngology Services.

Dr. Sherman received her Doctor of Medicine degree from the University of Western Ontario in London, Ontario, Canada in 1996. She completed a five-year Integrated Residency Training Program in Otolaryngology, Head and Neck Surgery at Dalhousie University in Halifax, Nova Scotia, Canada in 2001, followed by a Pediatric Otolaryngology Fellowship at Harvard Medical School in Boston, Massachusetts in 2002. Dr. Sherman has practiced in Pediatric Otolaryngology at Wolfson Children's Hospital from 2003 to 2021, at AdventHealth in Tampa, Florida from 2021 to 2023, and since 2023 at Studer Family Children's Hospital and UF Health Shands, where she practices in both Otolaryngology and Pediatric Otolaryngology. She is a Diplomate of the American Board of Otolaryngology.

Dr. Sherman will be responsible for providing Pediatric Otolaryngology Services consistent with the clinical scope of her privileges. She will provide medical care and treatment to all patients who require the services of a Pediatric Otolaryngologist. She shall provide such services assuring that patient care is delivered in a manner which results in safe, high-quality care, as measured by clinical outcomes and patient satisfaction. Dr. Sherman may also be required to perform other medical administrative services.

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

Under this employment agreement, she will be required to perform such services at any Hospital District location.

The details of Dr. Sherman's compensation package were discussed. The Committee noted that Dr. Sherman's salary was evaluated based upon the 2024 – 2025 Physician Salary Matrix for Pediatric Otolaryngology.

The Employment Agreement shall be effective October 1, 2025, and shall remain in effect for three (3) years. The Physician may terminate this Agreement at any time upon one hundred and twenty (120) days prior written notice to the Hospital District. The Hospital District may terminate this Agreement at any time upon ninety (90) days prior written notice to the Physician.

During the Term of the Agreement and for a period of one (1) year following the Term, the Physician shall not, without the prior written consent of the Hospital District, provide services within the geographic boundaries of the Restricted Area of Broward County plus five (5) miles.

Following further discussion:

The Contracts Committee recommends to the Board of Commissioners approval of the New Physician Employment Agreement with Denise Sherman, M.D., for Pediatric Otolaryngology Services

b) Renewal Physician Employment Agreement between John Dentel, M.D. – Pediatric Cardiothoracic Surgery, and South Broward Hospital District

The Committee reviewed the Renewal Physician Employment Agreement between the South Broward Hospital District and John Dentel, M.D., for Pediatric Cardiothoracic Surgery Services.

Dr. Dentel received a Bachelor's degree at Michigan State University, East Lansing, Michigan (2004) and completed a Post-Baccalaureate Program (2005) and received his Medical Doctor degree (2009) from Wayne State University School of Medicine, Detroit, Michigan. He completed a General Surgery Residency at the Hospital of Saint Raphael, New Haven, Connecticut (2012), a General Surgery Residency at Yale University School of Medicine, New Haven, Connecticut (2014), a Cardiothoracic Surgery Fellowship at Indiana University School of Medicine, Indianapolis, Indiana (2017) and a Congenital Cardiac Surgery Fellowship at the University of Washington Seattle Children's Hospital (2018). He practiced at Children's Hospital of Michigan prior to joining MHS in 2022. Dr. Dentel is board-certified in Thoracic Surgery and Congenital Cardiac Surgery.

Dr. Dentel will be responsible for providing Pediatric Cardiac Surgery Services consistent with the clinical scope of his privileges. He will provide medical care and treatment to all patients who require the services of a Pediatric Cardiac Surgeon. He shall provide such services assuring that patient care is delivered in a manner which results in safe, high-quality care, as measured by clinical outcomes and patient satisfaction. Dr. Dentel may also be required to perform other medical administrative services. Under this employment agreement, he will be required to perform such services at any Hospital District location.

The details of Dr. Dentel's compensation package were discussed. The Committee noted that Dr. Dentel's salary was evaluated based upon the 2024 – 2025 Physician Salary Matrix for Pediatric Cardiothoracic Surgery.

The Employment Agreement shall be effective August 1, 2025, and shall remain in effect for three (3) years. The Physician may terminate this Agreement at any time upon one hundred and twenty (120) days prior written notice to the Hospital District. The Hospital District may terminate this Agreement at any time upon ninety (90) days prior written notice to the Physician.

During the Term of the Agreement and for a period of two (2) years following the Term, the Physician shall not, without the prior written consent of the Hospital District, provide services within the geographic boundaries of the Restricted Area of Palm Beach, Broward, and Miami-Dade Counties.

Following further discussion:

The Contracts Committee recommends to the Board of Commissioners approval of the Renewal Physician Employment Agreement with John Dentel, M.D., for Pediatric Cardiothoracic Surgery Services

3) FYI CONTRACTS

- a) New Physician Employment Agreement between Avi Davis, M.D., for Psychiatry Inpatient / Outpatient Services, and South Broward Hospital District. The Employment Agreement shall be effective September 15, 2025, and shall remain in effect for three (3) years. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for General Psychiatry, is within the President and CEO's Board-approved authority.
- b) Renewal Physician Employment Agreement between Lynda Otalvaro-Orozco, M.D., for Adult Cardiology Services, and South Broward Hospital District. The Employment Agreement became effective July 1, 2025, and shall remain in effect for three (3) years. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Adult Cardiology, is within the President and CEO's Board-approved authority.
- c) Renewal Physician Employment Agreement between Carlos Perez Mitchel, M.D., for Adult Head and Neck Surgery Services, and South Broward Hospital District. The Employment Agreement shall be effective July 24, 2025, and shall remain in effect for one (1) year. The proposed salary, as reflected in the 2024 – 2025 Physician Salary Matrix for Head and Neck Surgery, is within the President and CEO's Board-approved authority.
- d) Renewal Physician Employment Agreement between Sean O'Donnell, M.D., for Staff Relief, Vascular Surgery Services, and South Broward Hospital District. The Employment Agreement became effective May 1, 2025, and shall remain in effect for one (1) year. The proposed daily staff relief rate as reflected in the 2024 – 2025 Physician Salary Matrix for Vascular Surgery Services, is within the President and CEO's Board-approved authority.
- e) Renewal Physician Employment Agreement between Larry Latson, M.D., for Staff Relief, Pediatric Interventional Cardiology Services, and South Broward Hospital District. The Employment Agreement became effective April 21, 2025, and shall remain in effect for one (1) year. It was noted that national compensation benchmark data does not exist for Pediatric Interventional Cardiology Services. Thus, a compensation benchmark percentile cannot be established at this time. A fair market value appraisal was performed by outside independent consultants to confirm compensation range.

4) NEW BUSINESS

There was no new business.

5) ADJOURNMENT

There being no further business, the meeting was adjourned at 2:49 p.m.

Respectfully submitted,



Steven Harvey
Chairman
Contracts Committee

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, Chairwoman • **Steven Harvey**, Vice Chairman • **Douglas A. Harrison**, Secretary Treasurer
Brad Friedman • **Laura Raybin Miller**
Shane Strum, President and Chief Executive Officer

Group: S.B.H.D. Audit and Compliance Committee **Date:** July 14, 2025
Chairman: Mr. Steven Harvey **Time:** 3:00 p.m.
Vice Chairman: Mr. Douglas Harrison
Location Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312
In Attendance: Steven Harvey, Douglas Harrison, Elizabeth Justen, Laura Raybin Miller, Brad Friedman (left meeting at 4:50 p.m.), Shane Strum, Alan Whaley, Linda Epstein, Sarah Griffith, Paola Buitron-Bouw, Brett Bauman, Jeanette Aleu, Irfan Mirza, Christina Mullins, Kimisha Smith, Denise DiCesare, Valerie Morris, Mary Grace Sosa, Brooke Rasner, Anil Harris of RSM US LLP, Kirk Cornack of RSM US LLP, Wes Campbell of RSM US LLP, Betty Martin of ZOMMA Group, LLP, and Jenny Ballesteros of ZOMMA Group, LLP

The Audit and Compliance Committee meeting convened at 3:00 p.m. on July 14, 2025.

1) CALL TO ORDER / PUBLIC MEETING NOTICE CERTIFICATION

The meeting was called to order and legal certification of compliance with Florida's Public Meetings Law was given by Ms. Linda Epstein, Interim General Counsel.

2) NEW BUSINESS

PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2025:

Mr. Anil Harris of RSM US presented the audit results of the Fiscal Year 2025 Financial Statements and noted an unmodified opinion. There were no significant changes to the planned audit strategy. Kirk Cornack of RSM communicated the Significant Accounting Estimates. There was one item on the management letter that was discussed.

Request Board Approval of the Audited Financial Statements, Audit Results Report and Management Letter for the Fiscal Period Ended April 30, 2025.

Betty Martin of ZOMMA Group, LLP, and Jenny Ballesteros of ZOMMA Group, LLP provided an update regarding the April 30, 2025, MHS Single Audit noting a clean audit with no material weaknesses for Memorial Healthcare System.

Request Board Approval of the Single Audit Report and Schedule of Expenditures of Federal Awards, State Financial Assistance, and Local and Other Entities Awards, and Supplementary Information and Schedule of Findings and Questioned Costs for the Year Ended April 30, 2025.

3) REVIEW OF THE AUDIT AND COMPLIANCE THIRD QUARTER REPORT:

From Section VI and VII - Other reports were provided to the Committee

A. Services Provided by Protiviti

Protiviti provided the Committee with a special update of the services provided during the quarter and the observations.

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

I. WRITTEN STANDARDS AND PROCEDURES

The Cost Reports and Credit Balance Reports and the Hazardous and Medical Waste Disposal policies were reviewed, and the Reimbursement and Billing and the DEA Compliance policies were revised during the quarter.

II. COMPLIANCE OFFICER

The Compliance Officer attended one session each of the ISACA WOW! Conference, Where the New Administration Stands on Health Care and AI, Florida Compliance and Privacy Consortium, and the HCCA 20th Annual Compliance Institute during the quarter as part of her ongoing efforts to stay abreast of emerging industry compliance matters.

III. TRAINING AND EDUCATION

The Compliance Department provided Compliance Program training at twelve sessions of New Employee Orientation, two sessions of Leadership Essentials, one session of the Compliance Working Committee, Memorial Physician Leadership: Outside Activities Laws Training, and MPG Physician Business Meeting presentation on Conflicts of Interest.

IV. OPEN LINES OF COMMUNICATION**A. Hotline Calls**

During the quarter, 105 calls, of which 33 were callbacks, were placed to the System's Compliance Hotline covering 67 new topics and seven old topics. Four topics were compliance allegations (four calls). Two topics were HIPAA Privacy allegations (two calls). Two topics were Patient Safety allegations (two calls). Two topics were Quality of Care/Service allegation (two call). All of the calls were investigated and one of the compliance allegations was substantiated.

Finally, one new topic and two old topics were informational (one call, two callbacks), 22 topics were incomplete calls (22 calls), and 33 new topics and five old topics (38 calls, 31 callbacks) were employee-management relations issues. The employee-management relations issues have been forwarded to the Employee Relations and Human Resources Departments.

V. ENFORCEMENT AND DISCIPLINE**A. Sanctions Checks**

Sanction checks were conducted of employees, physicians, vendors, volunteers, and students. There were two referring physicians, one vendor, and one student sanctions during the quarter. Accounts Receivables Management was notified of the referring physicians so that appropriation actions are taken, Supply Chain Management was notified of the sanction vendor, from which we were notified that Memorial stopped doing business with the vendor in December 2024 and will deactivate the account. Memorial Nursing Student Education was notified of the nursing student identified as sanctioned and they immediately removed the student from the program and contacted the school about their due diligence process to include a sanction check prior to sending students.

B. Conflicts of Interest

The Calendar Year (CY) 2025 Conflicts of Interest Questionnaire cumulative employee completion rate is 77%, in which 13,555 of the 17,462 employees completed their questionnaire. There were 229 reports of possible or potential conflict of interest that were researched.

VI. RISK ASSESSMENT, MONITORING AND AUDITING**VII. RESPONSE AND PREVENTION****A. Recurring internal audits were conducted of:**

- Construction Projects;
- Requests For Proposal (RFP) and Competitive Quotes;
- Board Expenses;
- Government Relations Expenses; and
- Employee Travel and Reimbursements.

No irregularities were found in the Board Expenses and Government Relations Expenses audits. An exception was identified in one Construction project, one RFP and 10 Competitive Quotes. Opportunities for improvement were identified in the Employee Travel and Reimbursements.

B. Internal Audits were conducted of:

- Privacy and Security of Voice Recognition Devices Available in Patient Rooms at MRHS.

Opportunities for improvement in documentation were noted in the Privacy and Security of Voice Recognition Devices Available in Patient Rooms at MRHS. Management has developed detailed corrective action plan for the audit.

C. Compliance audits were conducted of:

- 340B Program at Memorial Healthcare System Contract Pharmacies - FY 2025 Fourth Quarter,
- Documentation and Billing of the Levels of Neonatal Care in the Neonatal Intensive Care Unit at JDCH,
- Documentation and Billing of the CPT 96374 Intravenous Push in the Emergency Department at MHW,
- Documentation and Billing of the Comprehensive Outpatient Medical Nutrition Therapy Services at MHP,
- Procedures for Orthopedic Surgery Professional Coding and Billing MPG, and
- Follow Up of Nivolumab One MG Injection in the Memorial Cancer Institute at MRH.

Opportunities for improvement in record documentation were noted in the 340B Program at Memorial Healthcare System Contract Pharmacies - FY 2025 Fourth Quarter, Documentation and Billing of the Levels of Neonatal Care in the Neonatal Care in the Neonatal Intensive Care Unit at JDCH, Documentation and Billing of the CPT 96374 Intravenous Push in the Emergency Department at MHW, Documentation and Billing of the Comprehensive Outpatient Medical Nutrition Therapy Services at MHP, and Procedures for Orthopedic Surgery Professional Coding and Billing MPG. Management has developed detailed corrective action plans for each of these audits.

D. The following other reports were provided to the Committee:

Committee members were provided with a copy of the list of RSM and ZOMMA Group Non-Audit Engagements for the quarter.

Committee members were provided with a copy of the Investor Contact Log for the quarter.

Committee members were provided with an update on the nationwide audit and investigation activities of various federal and state agencies.

Privacy Report

The Committee was updated on the number of investigations for the first quarter of calendar year 2025 and the HIPAA/FIPA breaches that resulted from those investigations.

4) OLD BUSINESS

Board Policy on Engagement of Auditing Firms

The Committee was presented with the Redlined version of the updated Board Policy on the Engagement of Auditing Firms.

A request was made to approve the updates to the Board Policy to conform to Florida Statute 218.391.

Ms. Justen moved, seconded by Ms. Miller.

**The Audit and Compliance Committee Requests Board Approval of the
Updates to the Board Policy to Conform to Florida Statute 218.391.**

5) ADJOURNMENT

There being no further business, the meeting was adjourned at 5:50 p.m.

Respectfully Submitted,



Steven Harvey
Chairman
Audit and Compliance Committee

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

FY 2025 Audit Results

Report to the Audit and Compliance Committee
of the Board of Commissioners

July 14, 2025



The Audit and Compliance Committee of the Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System

We are pleased to present this report related to our 2025 audit of the basic financial statements (hereafter, the financial statements) of South Broward Hospital District d/b/a Memorial Healthcare System (the System). Our report shares the results of our audit work as required by professional standards alongside other meaningful insights, which we believe will help you in executing your oversight responsibility for the System's financial reporting process.

It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the System.

RSM US LLP

This report is intended solely for the information and use of the Audit and Compliance Committee of the Board of Commissioners and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Table of contents

<u>Executive summary</u>	4
<u>Required communications</u>	5
<u>Independence</u>	12
<u>Market and industry update</u>	13
<u>Appendices:</u>	14
<u>Appendix A—Significant written communications between management and our firm</u>	15
<u>Appendix B—Recommendations to Management</u>	16
<u>Appendix C—Recent accounting pronouncements</u>	17

Executive summary

Audit status

The 2025 audit is nearing completion.

We expect the System to be able to issue the financial statements as planned following the Audit and Compliance Committee of the Board of Commissioners (the Committee) approval of the financial report.

After completing our remaining procedures, we expect to issue an unmodified opinion on the financial statements.

Significant changes to the planned audit strategy

There were no significant changes to the planned audit strategy communicated to the Committee in our report dated January 16, 2025.

Significant risks

We have issued a separate communication dated January 16, 2025, regarding the planned scope and timing of our audit and identified significant risks. We identified a significant risk related to grant revenue recognition subsequent to those we communicated to you in our report dated January 16, 2025, due to the significant amount of Federal Emergency Management Agency (FEMA) funding recorded.

Audit adjustments or uncorrected misstatements

During our audit, we identified uncorrected misstatements as further described on p. 10.

Recommendations to management

We have a recommendation to management as further described in Appendix B.

Understand the client

Risk assessment

Further audit procedures

Evaluation

Delivery

Accounting policies and practices

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Matter to Report	Yes	No
Our responsibilities		✓ We described our responsibilities under auditing standards generally accepted in the United States of America in our engagement letter dated November 15, 2021. Our audit of the financial statements does not relieve management or you of your responsibilities, which are also described in that letter.
Planned scope and timing of the audit	✓	We have issued a separate communication dated January 16, 2025, regarding the planned scope and timing of our audit and identified significant risks. We identified a significant risk related to grant revenue recognition subsequent to those we communicated to you in our report dated January 16, 2025, due to the significant amount of FEMA funding recorded.
Accounting policies and practices		
Preferability of accounting policies and practices	✓	<p>Under accounting principles generally accepted in the United States of America, management may select among alternative accounting practices in certain circumstances.</p> <p>In our view, in such circumstances, management has selected the preferable accounting policies and practices.</p>
Adoption of, or change in, accounting policies	✓	<p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the System.</p> <p>The System did not adopt any significant new accounting policies nor change any significant accounting policies during the current period.</p>
Significant accounting policies in controversial or emerging areas	✓	We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Significant or unusual transactions	✓	We did not identify any significant or unusual transactions.

Significant accounting estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

Allowances for Doubtful Accounts and Contractual Discounts and Directed Payment Program (DPP) Revenues and Receivables

Accounting policy

Accounts receivable are reduced to their estimated net collectible amounts. DPP revenues and receivables are the calculated shortfall between Medicaid reimbursement rates and the costs of providing care.

Management's estimation process

The System recognizes revenue in the period in which services are rendered. Net patient service revenue is measured at estimated net realizable amounts due from patients, third-party payors, and others for services rendered. An allowance for contractual adjustments is established for unbilled and billed accounts for which contractual adjustments are not recorded at the time of billing or where the recorded contractual is not sufficient, based on the System's best estimate of net revenue dollars that will not be collected. Management also evaluates that all required disclosures are included in the financial statements. Management determines the allowance for doubtful accounts by utilizing the Revenue Cycle Analytics (RCA) software, which identifies potentially uncollectible accounts, by applying historical experience to an aging of accounts, and by considering the financial and credit history and current economic conditions. Management estimated DPP revenues and receivables based on hospital Medicaid Managed Care claims with discharge dates within 10/1/2023 to 9/30/24 (DPP year 4). Management also evaluates that all required disclosures are included within the financial statements related to this program.

Basis for our conclusion on the reasonableness of the estimate

We tested the propriety of information underlying management's estimates including the transfer of information from the patient billing system (EPIC) to RCA, the patient aging reports utilized by management to obtain the gross accounts receivable balances, the reperformance of the hindsight analysis to analyze the adequacy of the year-end allowances, and the credit balance allowance process. We then developed our own independent estimate of the net accounts receivable and compared our results to management's estimate. Based on the procedures performed, we concluded that management's estimates are reasonable. We reviewed the accounting and financial reporting for the DPP program. We also tested management's calculation of revenue and receivables recorded related to this program, including testing the inputs used in the calculations and agreement to payment support, if available. We concluded that management's estimates related to the DPP program are reasonable.

Significant accounting estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

Third-Party Payor Settlements and Waiver Days

Accounting policy

The System retroactively calculated and determined that contractual adjustments arising under reimbursement agreements with third-party payors are recognized on an estimated basis in the period the services are rendered and adjusted in future periods as final settlements are determined. The revenue related to Section 1115 Waiver Days is estimated using prior audits completed by the Medicare Administrative Contractors (MAC).

Management's estimation process

Some third-party payors retrospectively determine final amounts reimbursable to the System for services rendered to their beneficiaries based on allowable costs. These payors reimburse the System on the basis of interim payment rates until the retrospective determination of allowable costs can be made. In most instances, the accumulation and allocation of allowable costs and other factors result in final settlements different from the interim payment rates. Management estimates the amount of receivables from, or payables to, third-party payors in the same period that the related services are rendered. Differences between the original estimates and subsequent revisions (including final settlements) are included in the period revisions are made.

Management also evaluates that all required disclosures for third-party settlements are included in the financial statements. Revenue associated with Section 1115 Waiver Days is based on the impact on Medicare Disproportionate Share Hospital (DSH) payments by hospital by fiscal year, net of reserves, determined by reviewing prior audits completed by the MAC.

Basis for our conclusion on the reasonableness of the estimate

We tested the propriety of information underlying management's estimates. We utilized our third-party reimbursement specialist to assess management's third-party liability positions and supporting correspondence, reviewed the calculations, and had discussions with management. We discussed the accounting and financial reporting for the Provider Reimbursement Review Board Decision in Florida Section 1115 DSH Waiver Days Groups vs. First Coast Service Options. We also tested management's calculation of revenue, including testing the inputs determined by reviewing prior audits completed by the MAC. Based on our discussions with management, who has assessed the prior year estimates and determined no adjustment of the estimates are needed, and the procedures we performed, we concluded that management's estimates are reasonable.

Significant accounting estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

Medical Malpractice Liabilities

Accounting policy

A liability for unpaid claims and estimated incurred but not reported claims, net of their related anticipated insurance recoveries, are estimated in the period that claims are incurred and adjusted in future periods as final settlements are determined.

Management's estimation process

The System is self-insured for a portion of the medical malpractice liabilities. Accruals are based on estimated ultimate losses and costs associated with settling claims and the relationship of past reported claims to eventual claim payments. The accrual includes an estimate of the losses that will result from unreported claims, which are probable of having occurred before the end of the reporting period. Management's liability estimates are based on actuarial studies using both current and historical information.

Basis for our conclusion on the reasonableness of the estimate

We tested the propriety of information underlying management's estimates, including verification of information provided to the actuaries, confirmation with legal counsel and testing of claim activity. We utilized our firm's actuary specialist to assess management's processes and assumptions. Based on our procedures, we concluded that management's estimates are reasonable.

Accounting for Pension Plan Liabilities

Accounting policy

Pension liabilities and related pension amounts are actuarially determined in accordance with the parameters established by the GASB. The difference between the total pension liability and plan fiduciary net position at the plan's measurement date and any associated deferred outflows/inflows as of the year ended are recognized in the financial statements.

Management's estimation process

Management, with input from its actuary, developed the actuarial assumptions based on relevant criteria. Management reviewed and approved the financial statement estimates derived from the pension plan's actuarial reports.

Basis for our conclusion on the reasonableness of the estimate

We audited the underlying data supporting the estimate and reviewed management's methodology, including evaluating the actuarial reports and assumptions used. We utilized our firm's actuary specialist to assess management's processes and assumptions. Based on our procedures, we concluded that management's estimates are reasonable.

Valuation of Investments (Including Pension Investments)

Accounting policy

Investments are reported at fair value.

Management's estimation process

Management recorded investments at fair value, based on information obtained from their year-end custodian investment statements.

Basis for our conclusion on the reasonableness of the estimate

We tested the valuation of a sample of investment securities and concluded that the System's methodology and assumptions utilized to estimate fair value are appropriate, and the fair value of the investments balances recorded are reasonable.

Audit adjustments and uncorrected misstatements

Audit adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Uncorrected misstatements

Uncorrected misstatements were identified during the audit.

Uncorrected misstatements or matters underlying them could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Uncorrected misstatements

We identified the following uncorrected misstatements that management has concluded are not, individually or in the aggregate, material to the financial statements. We agree with management's conclusion in that regard.

Business-type Activities	Effect—Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Reclassification of credit balances within patient accounts receivable to a liability	\$ 10,600,000	\$ (10,600,000)	\$ -	\$ -	\$ -
Total effect	-	-	-	\$ -	\$ -
Statement of net position effect	<u>\$ 10,600,000</u>	<u>\$ (10,600,000)</u>	<u>\$ -</u>		

In addition to the above misstatement, we identified the following misstatement (i.e., omitted, incomplete and (or) inaccurate disclosures) that management has concluded is immaterial to the financial statements taken as a whole. We agree with management's conclusion in that regard.

- The System has elected to present its blended component units within a single column in the financial statements and omitted disclosures required for presenting condensed combining financial statements (statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows) of the System and its blended component units in the notes to the financial statements as required by GASB Cod. Sec. 2600.115.

Observations about the audit process

Matter to Report	Yes	No
Observations about the audit process		
Significant issues discussed with management	✓	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Disagreements with management	✓	There were no disagreements with management.
Significant difficulties encountered in performing the audit	✓	We did not encounter any significant difficulties in performing the audit.
Consultations with other accountants	✓	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant matters that required consultation	✓	We did not encounter any difficult or contentious matters that required consultation outside our engagement team and that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process.

Independence

Shared responsibilities for independence

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and Government Accountability Office (GAO) independence rules. For RSM to fulfill its professional responsibility to maintain and monitor independence, management, the Audit and Compliance Committee of the Board of Commissioners, and RSM each play an important role.

Our responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. RSM is to ensure that the AICPA and GAO's General Requirements for performing nonattest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The System's responsibilities

- Timely inform RSM, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
 - Changes in the organizational structure or the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units, and jointly governed organizations.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the System and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with RSM.
- Not entering into relationships resulting in close family members of RSM covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the System.

Market and industry update

We are pleased to provide real-time, middle market relevant macroeconomic perspectives to help clients anticipate and address the unique issues and challenges facing their businesses and the industries in which they operate. Our insights and analysis benefit clients and others by deepening their understanding of the importance of the middle market to economic growth and stability. For more articles, guides and webcasts, [view all RSM Insights](#).

01

AI strategies and insights for CEOs and boards

AI can enhance decision making and open opportunities for growth

05

Governing cybersecurity requires understanding

Boards and management teams must meet in the middle to understand systemic digital risk

02

Generative AI

Get insights to capitalize on opportunities while addressing risks

06

2025 Economic and policy updates

Will a new administration work in your favor or bring new challenges? Our team offers insights

03

The Real Economy

A monthly economic report for middle market business leaders

07

Critical insights for boards and audit committees

Guidance for board members and audit committees serving public and private companies

04

The Real Economy: Industry Outlook

Industry-specific quarterly insights

08

Tax regulatory resources

Insights on tax policy and regulation

Appendices

Appendix A—Significant written communications between management and our firm

Copies of significant written communications between our firm and the management of the System, including the representation letters to be provided to us by management, are attached.



South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, *Chairwoman* • **Steven Harvey**, *Vice Chairman* • **Douglas A. Harrison**, *Secretary Treasurer*
Brad Friedman • **Laura Raybin Miller**

Shane Strum, *President and Chief Executive Officer*

July 14, 2025

RSM US LLP
201 E. Las Olas Blvd.
Suite 2500
Fort Lauderdale, FL 33301

This representation letter is provided in connection with your audit of the basic financial statements of the business-type activities and fiduciary activities of South Broward Hospital District d/b/a Memorial Healthcare System (the System) as of and for the year ended April 30, 2025, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 15, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the System include:
 - a. Those with component units for which the System is accountable.
 - b. Those with other organizations for which the nature and significance of their relationship with the System are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
 - c. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, as applicable.

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DiMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

3501 Johnson Street, Hollywood, FL 33021 • 954-987-2000 • MHS.net

6. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities* (GASB 84), as amended.
7. We have evaluated the Memorial Healthcare System Supplemental Executive Retirement Plan (the IRS 457(f) Plan) under the requirements of GASB 84 and determined that the IRS 457(f) Plan is not a fiduciary activity of the System. The investment assets and related plan liability is recorded in the basic financial statements. However, we have concluded that the IRS 457(f) Plan is not material to the System to require separate disclosure in the notes to the financial statements.
8. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
11. Risk disclosures associated with deposit and investment securities are presented in accordance with GASB requirements.
12. Provisions for uncollectible receivables have been properly identified and recorded.
13. Capital assets, including infrastructure, intangible assets, and right-to-use assets are properly capitalized, reported and, if applicable, depreciated.
14. The System has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses, as applicable, in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
15. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
16. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

17. The System's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and net position is properly recognized under the policy.
18. There are no tax abatement agreements required to be disclosed in accordance with the requirements of GASB Statement No. 77, *Tax Abatement Disclosures*.
19. Leases have been properly identified, recorded and disclosed in accordance with GASB Statement No. 87, *Leases*.
20. Subscription-based technology information arrangements have been properly identified, recorded and disclosed in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

21. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.
22. There are no conduit debt obligations and/or certain arrangements associated with conduit debt obligations required to be reported in accordance with GASB Statement No. 91, *Conduit Debt Obligations*.
23. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. We have disclosed all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered by management when preparing the financial statements, when applicable. In connection therewith, we specifically represent that we are responsible for determining that we are subject to the requirements of the Single Audit Act because we have received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit. The System engaged another licensed Certified Public Accounting firm to perform the Single Audit.
24. We have informed you of all uncorrected misstatements. As of and for the year ended April 30, 2025, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are quantitatively and qualitatively immaterial, both individually and in the aggregate, to the business-type activities basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Business-type Activities Description	Effect—Debit (Credit)				
	Assets	Liabilities	Net Position	Revenue	Expense
Reclassification of credit balances within patient accounts receivable to a liability	\$ 10,600,000	\$ (10,600,000)	\$ -	\$ -	\$ -
Total effect	-	-	-	\$ -	\$ -
Statement of net position effect	<u>\$ 10,600,000</u>	<u>\$ (10,600,000)</u>	<u>\$ -</u>		

In addition to the above misstatement, we identified the following misstatement (i.e., omitted, incomplete and (or) inaccurate disclosures) that management has concluded is immaterial to the financial statements taken as a whole:

The System has elected to present its blended component units within a single column in the financial statements and omitted disclosures required for presenting condensed combining financial statements (statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows) of the System and its blended component units in the notes to the financial statements as required by GASB Cod. Sec. 2600.115.

25. We have requested an unsecured electronic copy of the auditor's report and basic financial statements and agree that the auditor's report and basic financial statements will not be modified in any manner.

Information Provided

26. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
- b. Additional information that you have requested from us for the purpose of the audit.
- c. Unrestricted access to persons within the System from whom you determined it necessary to obtain audit evidence.
- d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

27. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.

28. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

29. We have disclosed to you all information that we are aware of regarding allegations of fraud or suspected fraud affecting the System's basic financial statements involving:

- a. Management.
- b. Employees who have significant roles in internal control.
- c. Others where the fraud could have a material effect on the basic financial statements.

30. We have no knowledge of any allegations of fraud or suspected fraud affecting the System's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.

31. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

32. We have disclosed to you all known actual or possible litigation, claims or assessments and unasserted claims or assessments whose effects should be considered when preparing the financial statements.

33. We have disclosed to you the identity of all of the System's related parties and all the related-party relationships and transactions of which we are aware.

34. We are aware of the deficiencies in internal control over financial reporting that you have brought to our attention. We are not aware of any other deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the System's ability to record, process, summarize and report financial data.

35. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

36. It is our responsibility to inform you of all current and potential affiliates of the System as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests, and other relationships with, affiliates of the System may create threats to independence.

We have:

- a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
- b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the System's financial statements as a whole, (ii) the level of influence the System has over an entity's financial reporting process or (iii) the level of control or influence the System or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the System and RSM US LLP to identify and eliminate potential impermissible services and relationships between RSM US LLP or its associated entities and those potential affiliates, prior to the effective dates.
- c. Made you aware, to the best of our knowledge and belief, of any non-audit services that the System or any of our affiliates has engaged RSM US LLP or any of its associated entities to perform.

37. We agree with the findings of the specialists in evaluating the System's self-insurance liabilities and pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give instructions, or cause any instructions to be given, to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

38. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.

39. The following representations relate to receivables:

- a. Adequate consideration has been given to, and appropriate provision made for, estimated adjustments to revenue, such as for denied claims and changes to home health resource group, resource utilization group, ambulatory payment classification and DRG assignments, as applicable.
- b. Recorded valuation allowances are necessary, appropriate and properly supported.
- c. All peer review organizations, fiscal intermediary, and third-party payor reports and information have been made available.

40. The following representations relate to cost report filing requirements:

- a. All required Medicare, Medicaid and similar reports have been properly filed.
- b. Management is responsible for the accuracy and propriety of all filed cost reports.
- c. All costs reflected on such reports are appropriate and allowable under applicable reimbursement rules and regulations, and are patient-related and properly allocated to applicable payors.
- d. The employed reimbursement methodologies and principles are in accordance with applicable rules and regulations.

- e. Adequate consideration has been given to, and appropriate provision made for, audit adjustments by intermediaries, third-party payors or other regulatory agencies.
- f. All items required to be disclosed, including disputed costs that are being claimed to establish a basis for a subsequent appeal, have been fully disclosed in the cost report.
- g. Recorded third-party settlements include differences between filed (and to-be-filed) cost reports and calculated settlements, which are necessary based on historical experience or new or ambiguous regulations that may be subject to differing interpretations. Although management believes that the entity is entitled to all amounts claimed on the cost reports, management also believes the amounts of these differences are appropriate.

41. The following representations relate to contingencies:

- a. There are no instances of noncompliance with Medicare and Medicaid antifraud and abuse statutes, in any jurisdiction, whose effects are considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements. This is including, but not limited to, the anti-kickback statute of the Medicare and Medicaid Patient and Program Protection Act of 1987, limitations on certain physician referrals (the Stark law) and the False Claims Act.
- b. Billings to third-party payors comply in all material respects with applicable coding guidelines (e.g., ICD-10 and CPT-4) and laws and regulations, including those dealing with Medicare and Medicaid antifraud and abuse, and billings reflect only charges for goods and services that were medically necessary; properly approved by regulatory bodies (e.g., the Food and Drug Administration), if required; and properly rendered.
- c. There have been no internal or external investigations relating to compliance with applicable laws and regulations, including investigations in progress that would have an effect on the amounts reported in the financial statements or on the disclosure in the notes to the financial statements.
- d. There have been no oral or written communications from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, including those related to Medicare and Medicaid antifraud and abuse statutes; deficiencies in financial reporting practices; or other matters that could have a material adverse effect on the financial statements.
- e. Guarantees, whether written or oral, under which the System is contingently liable, including guarantee contracts and indemnification agreements have been properly recorded or disclosed in the financial statements.
- h. We continue to maintain commercial insurance policies and/or programs of self-insurance for general liability, director and officer liability, auto, workers' compensation, cyber security and business interruption risk that provides adequate coverage for the risks commensurate with the System's business. Management periodically reviews such insurance coverages and intends to maintain appropriate levels of insurance coverage to address such risks.
- i. The System reported all material known asserted and unasserted claims and incidents for financial statement reporting purposes. Adequate and reasonable provisions have been made for losses related to asserted and unasserted malpractice, health insurance, worker's compensation and any other claims.

42. The System is exempt from income taxes as it is a political subdivision of the State of Florida. It also has dual status as a tax-exempt entity under Internal Revenue Code (IRC) Section 501(a) as an entity described in Section 501(c)(3). The System is in compliance with the provisions of IRC Section 501(c)(3) and is exempt from federal income tax under IRC Section 501(a), as evidenced by a determination letter.
43. Management has evaluated all individuals providing services to the System to determine if they are being properly treated as either independent contractors or employees pursuant to applicable state and federal laws. Management believes that all individuals being treated as independent contractors meet the criteria to be treated as such, and accordingly, we do not believe there is any exposure for payroll taxes, or penalties or interest for underpayment of payroll or other taxes.
44. Provision has been made, when material, for estimated retroactive adjustments by third-party payors under reimbursement agreements.
45. The System is in compliance with bond indentures or other debt instruments and agreements.
46. For each of its outstanding bond issues, the System is in compliance with post-issuance requirements, as specified in the IRC, including, but not limited to, the areas of arbitrage and private business use.
47. There are no pending changes in the organizational structure, financing arrangements or other matters that could have a material effect on the financial statements of the System.
48. The System is in compliance with all contractual agreements, grants and donor restrictions.
49. As of April 30, 2025, we have accounted for the fourth year of the Direct Payment Program (DPP).
50. The schedules showing Net Income Available for Debt Service and Long-Term Debt Service Coverage Ratio included within the Independent Auditor's Report on the Schedules of Net Income Available for Debt Service and Long-Term Debt Service Coverage Ratio have been prepared in accordance with Section 3.07 of the Master Trust Indenture between U.S. Bank Trust Company, National Association and the System, dated September 1, 2003.
51. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

52. With respect to supplementary information presented in relation to the basic financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period, except for as disclosed in the financial statements.
 - d. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the

supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

53. With respect to management's discussion and analysis and pension related schedules presented as required by GASB to supplement the basic financial statements:

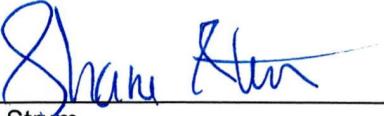
- We acknowledge our responsibility for the presentation of such required supplementary information.
- We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

54. In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

- Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
- Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
- Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
- Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
- Has a process to track the status of audit findings and recommendations (when applicable).
- Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented, when applicable.
- Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
- In connection with the audit, you have requested us to perform certain non-audit services for the System. Management acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

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



Shane Strum
Interim Chief Executive Officer



Irfan Mirza
Interim Chief Financial Officer

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, Chairwoman • **Steven Harvey**, Vice Chairman • **Douglas A. Harrison**, Secretary Treasurer

Brad Friedman • **Laura Raybin Miller**

Shane Strum, President and Chief Executive Officer

July 14, 2025

RSM US LLP
201 E Las Olas Blvd
Suite 2500
Fort Lauderdale, FL 33301

In connection with your examination of the South Broward Hospital District d/b/a Memorial Healthcare System's (the System) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* (the specified requirements) during the period from May 1, 2024 to April 30, 2025, in accordance with attestation standards established by the American Institute of Certified Public Accountants, we confirm, to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

1. We assert that, during the period from May 1, 2024 to April 30, 2025, the System was in compliance with the specified requirements.
2. We assert that, as of April 30, 2025, the System had effective internal control over compliance with the specified requirements.
3. All relevant matters are reflected in the measurement or evaluation of the compliance with the specified requirements.
4. There are no known matters contradicting the compliance with the specified requirements or our assertion nor any communication from regulatory agencies affecting the compliance with the specified requirements or our assertion.
5. We are responsible for the System's compliance with the specified requirements, for our assertion and for establishing and maintaining effective internal control over the System's compliance with the specified requirements.
6. We understand that we are responsible for the selection of the criteria against which the compliance with the specified requirements is being evaluated. The criteria are contained in *Section 218.415, Florida Statutes, Local Government Investment Policies*.
7. We understand that we are responsible for determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of your engagement.
8. We have performed an evaluation of the System's compliance with the specified requirements. Based on our evaluation, the System has complied with the specified requirements during the period from May 1, 2024 to April 30, 2025, based on the abovementioned criteria.
9. No events or transactions have occurred subsequent to April 30, 2025 that would have a material effect on the System's compliance with the specified requirements.

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DiMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

3501 Johnson Street, Hollywood, FL 33021 • 954-987-2000 • MHS.net

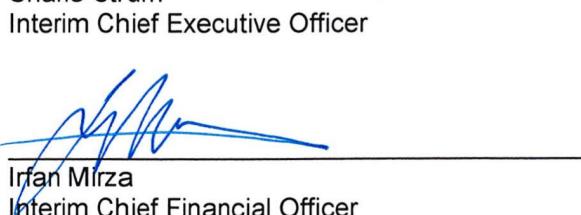
10. We have made available to you all documentation related to the System's compliance with the specified requirements as agreed upon in the terms of the engagement.
11. We have responded fully to all inquiries made to us by you during your engagement.
12. There have been no deficiencies in internal control relevant to your engagement of which we are aware.
13. There has been no knowledge of fraud or suspected fraud affecting the System involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where fraud could have a material effect on the System's compliance with the specified requirements.
14. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the System received in communications from employees, former employees, analysts, regulators, or others.
16. There has been no known noncompliance with the specified requirements during the period from May 1, 2024 through April 30, 2025 or through the date of this letter.
17. There are no known communications from regulatory agencies, internal auditors or other practitioners concerning the System's possible noncompliance with the specified requirements received by us during the period from May 1, 2024 through April 30, 2025, or through the date of this letter.
18. We have requested an unsecured electronic copy of the auditor's report and agree that the auditor's report will not be modified in any manner.

During the course of your engagement, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

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



Shane Strum
Interim Chief Executive Officer



Irfan Mirza
Interim Chief Financial Officer

Appendix B—Recommendations to Management

A copy of our communication of recommendations to management identified during our audit is attached.





RSM US LLP

July 14, 2025

Management and the Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System
Fort Lauderdale, Florida

201 E Las Olas Boulevard
Suite 2500
Fort Lauderdale, Florida 33301

T +1 954 462 6300
F +1 954 462 4607
www.rsmus.com

This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of South Broward Hospital District d/b/a Memorial Healthcare System (the System) as of and for the year ended April 30, 2025. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the System's practices and procedures.

Expense Approval Policy

We noted that pharmacy directors can approve vendor invoices for medication and supplies that exceed the System's currently established dollar thresholds for invoice approval. We recommended that the System establishes an exception policy within the expense approval matrix to provide pharmacy directors the ability to approve vendor invoices for payments at specific dollar thresholds determined reasonable for operational efficiency. This will enhance the System's internal control process and allow for the purchase of medication and supplies required for operations on an ongoing basis.

This letter is intended solely for the information and use of management, and the Board of Commissioners and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Appendix C—Recent accounting pronouncements

The following accounting pronouncements have been issued as of the report date but are not yet effective and may affect the future financial reporting by the System.

Pronouncement	Summary
GASB Statement No. 102: <i>Certain Risk Disclosures</i>	For fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.
GASB Statement No. 103: <i>Financial Reporting Model Improvements</i>	For fiscal years beginning after June 15, 2025. 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.
GASB Statement No. 104: <i>Disclosure of Certain Capital Assets</i>	For fiscal years beginning after June 15, 2025. 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 in the capital assets note disclosures required by GASB Statement No. 34: <i>Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments</i> .

RSM contacts



Carlos Hernandez

Relationship Leader and
National Health Care Leader

+1 305 407 4622

Carlos.Hernandez@rsmus.com



Anil Harris

Audit Engagement Partner

+1 954 356 5730

Anil.Harris@rsmus.com



Jeremy Zabel

Engagement Quality Reviewer

+1 952 484 2235

Jeremy.Zabel@rsmus.com



Kirk Cornack

Audit Senior Manager

+1 810 516 1483

Kirk.Cornack@rsmus.com



Katie Carabeo

Audit Manager

+1 305 704 1572

Katie.Carabeo@rsmus.com



THE POWER OF BEING UNDERSTOOD

ASSURANCE | TAX | CONSULTING

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent assurance, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit rsmus.com/about for more information regarding RSM US LLP and RSM International.

RSM, the RSM logo and *the power of being understood* are registered trademarks of RSM International Association.

© 2025 RSM US LLP. All Rights Reserved.

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

Financial Report
April 30, 2025

Contents

<u>Independent auditor's report</u>	<u>1-3</u>
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	4-5
Management's discussion and analysis (unaudited)	6-17
Financial statements	
Statements of net position—system	18-19
Statements of revenues, expenses and changes in net position—system	20
Statements of cash flows—system	21-22
Statements of fiduciary net position—pension trust fund	23
Statements of changes in fiduciary net position—pension trust fund	24
Notes to financial statements	25-75
Required supplementary information (unaudited)	
Schedule of changes in the plan's net pension liability and related ratios	76-78
Schedule of system contributions	79-81
Schedule of plan investment returns	82
Supplementary information	
Combining statements of net position—system	83-86
Combining statements of revenues, expenses and changes in net position—system	87-88

Independent Auditor's Report

Management and the Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System
Fort Lauderdale, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of South Broward Hospital District d/b/a Memorial Healthcare System (the System), as of and for the years ended April 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 System, as of April 30, 2025 and 2024, 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.

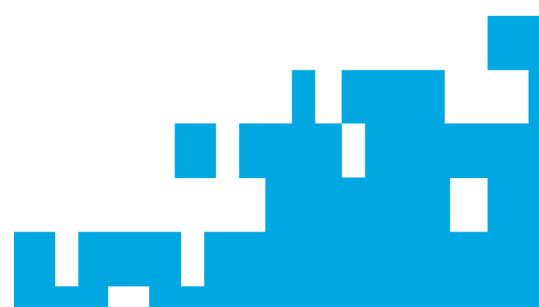
Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension related schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 GAAS. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2025, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

PSM VS LLP

Fort Lauderdale, Florida

July 14, 2025

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

Independent Auditor's Report

Management and the Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System
Fort Lauderdale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of South Broward Hospital District d/b/a Memorial Healthcare System (the System), as of and for the years ended April 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated July 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

RSM US LLP

Fort Lauderdale, Florida

July 14, 2025

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

Management's Discussion and Analysis—Unaudited

Required Financial Statements

The South Broward Hospital District d/b/a Memorial Healthcare System (the System) is a special tax district created under the Laws of Florida and a 501(c)(3) not-for-profit entity. The System operates Memorial Regional Hospital and Joe DiMaggio Children's Hospital at Memorial Regional Hospital, both located in Hollywood, Florida; Memorial Regional Hospital South (a campus of Memorial Regional Hospital) located in Hollywood, Florida; Memorial Hospital Pembroke, located in Pembroke Pines, Florida; Memorial Hospital West, located in Pembroke Pines, Florida; and Memorial Hospital Miramar, located in Miramar, Florida. The System also operates the 24/7 Care Center and Memorial Manor Nursing Home, both located in Pembroke Pines, Florida. Other components of the System include Memorial Physician Group; Memorial Outpatient Pharmacy Services; Memorial Neuroscience Institute; Memorial Rehabilitation Institute; Memorial Outpatient Behavioral Health; U-18 Sports Medicine; Memorial Primary Care; three Urgent Care Centers; Memorial Cancer Institute, including a partnership with Moffitt Cancer Center; Memorial Cardiac and Vascular Institute; Graduate Medical Education; Memorial Health Network; Broward Guardian; and Memorial Health Assurance. As of April 30, 2025, the System operates a total of 2,035 licensed hospital beds and 120 licensed nursing home beds.

The System utilizes two different funds to account for its activities: an enterprise fund, which combines the business-type activities of the operating fund of the System and a pension trust fund, which reports information about the plan fiduciary net position and changes in plan fiduciary net position of the Retirement Plan for Employees of the South Broward Hospital District (the Plan). The pension trust fund does not issue a stand-alone financial report; however, it is reported as a pension trust fund, and fiduciary component unit in the financial statements of the System herein.

The financial statements of the System report information about the System's business-type activities using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statements of net position include all of the System's assets, deferred outflows of resources, liabilities and deferred inflows of resources and provide information about the nature and amounts of investments in resources (assets) and the obligations to the System's creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. These statements also provide the basis for computing rate of return, evaluating the capital structure of the System, and assessing the liquidity and financial flexibility of the System.

All of the current year's revenue and expenses are accounted for in the statements of revenues, expenses and changes in net position. This statement communicates the performance of the System's operations over the past year.

The final required statement is the statements of cash flows. The primary purpose of these statements is to provide information about the System's cash receipts and cash disbursements during the reporting period. These statements report cash receipts, cash disbursements and net changes in cash and cash equivalents resulting from operating, non-capital financing, capital and related financing and investing activities.

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

Management's Discussion and Analysis—Unaudited

Summary of Financial Information

The financial statements consist of four parts: (a) management's discussion and analysis; (b) the audited financial statements; (c) required supplementary information; and (d) supplementary information. The audited financial statements also include notes that explain in more detail some of the information in the financial statements. The financial statements are intended to describe the results of operations, the changes in net position, the sources and uses of cash and cash equivalents, and the capital structure of the System. The following selected financial data as of April 30, 2025 and 2024, and for the years then ended, for the System's business-type activities are derived from the audited financial statements of the System. The data should be read in conjunction with the financial statements, related notes and supplementary information contained therein.

	Condensed Statements of Net Position				
	2025	2024	Dollar Increase (Decrease)		Percentage Increase (Decrease)
				(In Thousands)	
Other non-capital assets	\$ 3,771,812	\$ 3,460,206	\$ 311,606		9.0%
Capital assets, net	1,385,448	1,260,684	124,764		9.9%
Right-to-use lease assets, net	50,467	56,654	(6,187)		(10.9%)
Right-to-use subscription assets, net	93,504	111,943	(18,439)		(16.5%)
Total assets	5,301,231	4,889,487	411,744		8.4%
Deferred outflows of resources	76,877	117,212	(40,335)		(34.4%)
Total current liabilities	685,059	657,226	27,833		4.2%
Long-term debt	861,348	881,813	(20,465)		(2.3%)
Lease payable, net of current portion	45,660	44,242	1,418		3.2%
Subscription liability, net of current portion	38,436	51,858	(13,422)		(25.9%)
Other noncurrent liabilities	133,065	216,496	(83,431)		(38.5%)
Total liabilities	1,763,568	1,851,635	(88,067)		(4.8%)
Deferred inflows of resources	52,047	14,176	37,871		>100%
Net investment in capital assets	521,363	390,329	131,034		33.6%
Restricted net position	34,957	29,659	5,298		17.9%
Unrestricted net position	3,006,173	2,720,900	285,273		10.5%
Total net position	\$ 3,562,493	\$ 3,140,888	\$ 421,605		13.4%

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

Management's Discussion and Analysis—Unaudited

Management's Discussion of Financial Performance

Statements of Revenues, Expenses and Changes in Net Position				
	2025	2024	Dollar Increase (Decrease)	Percentage Increase (Decrease)
	<i>(In Thousands)</i>			
Operating revenue:				
Net patient service revenue	\$3,216,313	\$3,003,774	\$ 212,539	7.1%
Disproportionate share distributions	33,125	45,371	(12,246)	(27.0%)
Other operating revenues	285,543	223,076	62,467	28.0%
Total operating revenue	3,534,981	3,272,221	262,760	8.0%
Operating expenses:				
Salaries and wages	1,670,828	1,557,796	113,032	7.3%
Employee benefits	286,359	265,478	20,881	7.9%
Professional fees	91,085	79,081	12,004	15.2%
Supplies	739,018	637,353	101,665	16.0%
Purchased services	232,430	240,218	(7,788)	(3.2%)
Facilities	96,324	91,361	4,963	5.4%
Depreciation and amortization	162,823	145,170	17,653	12.2%
Other	118,510	108,999	9,511	8.7%
Total operating expenses	3,397,377	3,125,456	271,921	8.7%
Operating income	137,604	146,765	(9,161)	(6.2%)
Nonoperating revenues, net	267,824	99,156	168,668	>100%
Excess of revenues over expenses	405,428	245,921	159,507	64.9%
Capital contributions and grants	16,177	30,773	(14,596)	(47.4%)
Increase in net position	421,605	276,694	144,911	52.4%
Net position at the beginning of the year	3,140,888	2,864,194	276,694	9.7%
Net position at the end of the year	\$3,562,493	\$3,140,888	\$ 421,605	13.4%

For fiscal year 2025, the System's total operating revenue increased by 8.0% and operating expenses increased by 8.7%, resulting in operating income decreasing by 6.2% from the prior year of \$146.8 million to approximately \$137.6 million. The System's excess of revenues over expenses increased from \$245.9 million for the fiscal year ended April 30, 2024, to \$405.4 million for the fiscal year ended April 30, 2025.

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

Management's Discussion and Analysis—Unaudited

Net patient service revenue increased by 7.1% from \$3.004 billion for the fiscal year ended April 30, 2024, to \$3.216 billion for the fiscal year ended April 30, 2025, primarily due to increased patient volumes, price increases, and more favorable payor mix. Total admissions, including observation discharges, increased by 1.5% from 121,373 for the fiscal year ended April 30, 2024, to 123,184 for the fiscal year ended April 30, 2025, with the acuity of patients, as measured by case-mix index, remaining stable at 1.57, and occupancy increasing from 73.9% to 74.1%. Total surgical volume increased from 46,697 cases to 46,851 cases, or 0.3%; hospital outpatient visits increased from 668,112 to 723,043, or 8.2%; emergency visits, including the 24/7 Care Center, decreased from 453,115 to 440,090, or 2.9%; and patient days decreased from 487,554 to 482,281, or 1.1% for these periods.

For the fiscal years ended April 30, 2024 and 2025, the System recognized approximately \$107.5 million and \$109.3 million, respectively, of net patient service revenue under the Medicaid supplemental financing initiative called the Hospital Directed Payment Program (DPP). DPP is administered regionally and is intended to bridge the difference between Medicaid reimbursement rates and the costs of providing the care. Florida's DPP provides a financial incentive for all hospitals to engage in quality initiatives with the Medicaid managed care plans in their region. Hospitals that participate receive their DPP funding via their local Medicaid managed care plans.

On November 13, 2020, the U.S. Court of Appeals for the D.C. Circuit issued its opinion in favor of the plaintiff hospitals, concluding that patient days paid for with Florida Medicaid Waiver funds from the Low Income Pool (LIP) must be regarded as Medicaid patient days for purposes of computing Medicare Disproportionate Share Hospital (DSH) payments. Centers for Medicare & Medicaid Services (CMS) declined to appeal the U.S. Court of Appeals decision, and during fiscal year 2023, CMS entered into settlement discussions with the affected hospitals, resulting in the issuance of formal payment instructions. During the fiscal year ended April 30, 2024, the System changed its estimate and recognized \$14.1 million of interest due from CMS related to this matter, which was included in nonoperating revenues, net in the accompanying statements of revenues, expenses and changes in net position. Besides the recognition of interest, there were no additional material changes in estimates related to this matter in fiscal years 2025 and 2024.

Other operating revenue increased as the System recognized \$223.1 million and \$285.5 million for the fiscal years ended April 30, 2024 and 2025, respectively. The increase was primarily attributable to an increase in outpatient pharmacy revenue, driven by volumes of higher cost specialty drugs. Total revenue recognized by the System from disproportionate share distributions, which includes both DSH and LIP funding, was \$45.4 million and \$33.1 million for the fiscal years ended April 30, 2024 and 2025, respectively. The decrease was primarily driven by lower DSH revenue, as no amounts for the State Fiscal Year ending June 30, 2025, were recognized in fiscal year 2025 since the DSH model had not been approved by the State Legislature as of year-end. Refer to Note 3 for further information.

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

Management's Discussion and Analysis—Unaudited

Total operating expenses increased from \$3.125 billion for the fiscal year ended April 30, 2024, to \$3.397 billion for the fiscal year ended April 30, 2025, or 8.7%. The increase in salaries and wages was driven by additional staffing needs related to higher patient volumes, along with the System's ongoing focus on recruitment and retention efforts, which contributed to a reduced reliance on purchased outside labor. Correspondingly, the increase in employee benefits was primarily due to higher headcount and wages, resulting in greater overall benefit costs. This was partially offset by a decrease in pension expense due to improved returns on pension plan assets. The increase in professional fees resulted from greater utilization of contracted physician services to support expanded clinical volumes. The increase in supplies expense was driven by both higher medical supply and pharmaceutical costs associated with increased patient volumes, as well as greater utilization of higher-cost specialty drugs. Purchased services declined, largely reflecting a reduction in outsourced labor as internal staffing capacity increased. This decrease was partially offset by higher costs associated with new patient care initiatives and expanded security efforts. The increase in facilities expenses was attributable to higher routine repairs and maintenance of clinical equipment and facility infrastructure across the System. Depreciation and amortization expense increased due to the completion of major projects in the prior year, including the new freestanding Memorial Cancer Institute and the System's Enterprise Resource Planning (ERP) system replacement, both of which incurred a full year of depreciation and amortization expense in fiscal year 2025. The increase was further driven by the ongoing growth in the System's infrastructure and technology assets. The increase in other operating expenses was driven by higher medical equipment rental costs, increased Public Medical Assistance Trust Fund assessments due to higher net patient service revenue, and a lease termination loss related to the acquisition of Memorial Hospital Pembroke.

Nonoperating revenues, net, increased by \$168.8 million, from \$99.1 million for the fiscal year ended April 30, 2024, to \$267.8 million for the fiscal year ended April 30, 2025. The increase is primarily driven by higher COVID-19 relief funding from the Federal Emergency Management Agency, which totaled \$78.4 million for the fiscal year ended April 30, 2025, compared to \$22.4 million for the fiscal year ended April 30, 2024, as well as improved investment performance. Investment returns benefited from favorable market conditions, resulting in \$117.9 million of unrealized gains and \$99.9 million of realized gains for the year ended April 30, 2025, compared to \$10.0 million and \$79.0 million, respectively, for the year ended April 30, 2024. These increases were partially offset by \$14.1 million of interest income recognized for the fiscal year ended April 30, 2024, related to the Medicare DSH Waiver Days settlement.

Capital contributions and grants decreased by \$14.6 million, from \$30.8 million for the fiscal year ended April 30, 2024, to \$16.2 million for the fiscal year ended April 30, 2025, primarily due to timing of contributions from the Joe DiMaggio Children's Hospital Foundation and the Memorial Foundation in the prior year. These contributions supported the construction of the four-floor expansion of Joe DiMaggio Children's Hospital and the new, freestanding Memorial Cancer Institute facility located on the campus of Memorial Hospital West.

In fiscal year 2025, the System's Board of Commissioners adopted a millage rate of 0.0869, which is less than the prior year millage rate of 0.0937. In fiscal years 2025 and 2024, the System used the gross tax proceeds solely to offset the cost of the System's governmental obligations, including the county's Medicaid match, community redevelopment assessment and tax collector fees. No tax dollars were used for the operations of the System's facilities.

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

Management's Discussion and Analysis—Unaudited

Income available for debt service was \$404.3 million and \$465.0 million for the fiscal years ended April 30, 2024 and 2025, respectively. The long-term debt service coverage ratio was 6.71 and 7.62 for the fiscal years ended April 30, 2024 and 2025, respectively, as defined by the System's Master Trust Indenture. The investment policy of the System is consistent with Section 218.415 of the Florida Statutes, which is designed to ensure the prudent management of financial assets. Cash, cash equivalents and investments, excluding assets whose use is limited and restricted assets, increased from \$2.617 billion at April 30, 2024, to \$2.794 billion at April 30, 2025. Cash, cash equivalents and investments, including assets whose use is limited and restricted assets, increased from \$2.729 billion at April 30, 2024, to \$2.917 billion at April 30, 2025, primarily as a result of \$190.2 million cash provided by operating activities, \$77.9 million provided by noncapital financing activities, unrealized investment gains of \$117.9 million, and realized investment gains of \$99.9 million, offset by \$306.5 million used in capital and related financing activities. Net patient accounts receivable decreased from \$361.9 million at April 30, 2024, to \$359.5 million at April 30, 2025, due to aging accounts resulting in higher allowances. Additions to capital assets, excluding right-to-use lease and subscription assets, increased from \$147.4 million in fiscal year 2024, to \$239.7 million in fiscal year 2025, largely driven by the acquisition of the land, buildings, structures and site improvements located at the Memorial Hospital Pembroke campus for \$96.0 million as well as the fourth-floor expansion of the Family Birthplace at Memorial Regional Hospital. The estimated cost to complete all construction projects in process at April 30, 2025, is \$165.0 million. Additions to right-to-use lease assets increased from \$2.5 million in fiscal year 2024, to \$12.1 million in fiscal year 2025, which was driven by growth in clinical services and efforts to optimize space on hospital campuses. Additional offsite space was leased to support expanding operations and reduce congestion, improving access and efficiency across the System. Additions to right-to-use subscription assets decreased from \$77.8 million in fiscal year 2024 to \$17.1 million in fiscal year 2025, primarily due to the System's ERP replacement project completed in fiscal year 2024. Total debt decreased from \$894.7 million at April 30, 2024 to \$879.6 million at April 30, 2025, primarily attributable to scheduled maturities of long-term debt. Refer to Note 4, Note 7, Note 9, Note 15 and Note 16 for further discussion of other funding, capital asset, long-term debt, right-to-use lease asset and right-to-use subscription asset activity, respectively.

Taxes and Uncompensated Care

The Board of Commissioners of the System is authorized to levy a tax annually upon real and personal taxable property located within the boundaries of the System at a millage rate not to exceed 2.5 mills. The taxes collected pursuant to this levy can be used for the purposes and needs of the System, such as operations, debt service, and construction. Such ad valorem taxes cannot be pledged directly or indirectly to pay revenue bonds; however, there is no prohibition on the use of such taxes once collected. Since fiscal year 2015, the System has primarily used the gross tax proceeds to cover the cost of its governmental obligations, including the county's Medicaid match, community redevelopment assessments, and the tax collectors' fee.

The financial strength of the System minimizes the tax burden in south Broward County. In September 2024, the System's Board of Commissioners voted once again to reduce the tax millage rate from 0.0937 mills to 0.0869 mills.

With no net tax revenue, the System's financial strength enables it to absorb the financial burden of providing a continued high level of uncompensated care and to develop and support state-of-the-art facilities.

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

Management's Discussion and Analysis—Unaudited

Source of Patient Charges

A substantial amount of the gross charges of the System are provided to patients insured by third-party payors. The table below lists the approximate percentages of gross charges by payor.

	2025	2024
Medicare	12.9%	12.9%
Medicaid	3.0%	3.2%
Managed care	76.1%	75.6%
Other	8.0%	8.3%
Total	100.0%	100.0%

Summary of Financial Information

As of and for the Years Ended April 30, 2024 and 2023

	Condensed Statements of Net Position				
	2024	2023 (*)	Dollar Increase (Decrease)	Percentage Increase (Decrease)	
				(In Thousands)	
Other non-capital assets	\$ 3,460,206	\$ 3,200,033	\$ 260,173	8.1%	
Capital assets, net	1,260,684	1,217,578	43,106	3.5%	
Right-to-use lease assets, net	56,654	72,406	(15,752)	(21.8%)	
Right-to-use subscription assets, net	111,943	-	111,943	100.0%	
Total assets	4,889,487	4,490,017	399,470	8.9%	
Deferred outflows of resources	117,212	71,041	46,171	65.0%	
Total current liabilities	657,226	558,216	99,010	17.7%	
Long-term debt	881,813	896,930	(15,117)	(1.7%)	
Lease payable, net of current portion	44,242	59,179	(14,937)	(25.2%)	
Subscription liability, net of current portion	51,858	-	51,858	100.0%	
Other noncurrent liabilities	216,496	163,663	52,833	32.3%	
Total liabilities	1,851,635	1,677,988	173,647	10.3%	
Deferred inflows of resources	14,176	18,876	(4,700)	(24.9%)	
Net investment in capital assets	390,329	283,120	107,209	37.9%	
Restricted net position	29,659	29,444	215	0.7%	
Unrestricted net position	2,720,900	2,551,630	169,270	6.6%	
Total net position	\$ 3,140,888	\$ 2,864,194	\$ 276,694	9.7%	

(*) Fiscal year 2023 amounts do not reflect the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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

Management's Discussion and Analysis—Unaudited

Management's Discussion of Financial Performance

Statement of Revenues, Expenses and Changes in Net Position				
	2024	2023 (*)	Dollar Increase (Decrease)	Percentage Increase (Decrease)
	(In Thousands)			
Operating revenue:				
Net patient service revenue	\$3,003,774	\$2,682,483	\$ 321,291	12.0%
Disproportionate share distributions	45,371	67,539	(22,168)	(32.8%)
Other operating revenues	223,076	180,654	42,422	23.5%
Total operating revenue	3,272,221	2,930,676	341,545	11.7%
Operating expenses:				
Salaries and wages	1,557,796	1,434,958	122,838	8.6%
Employee benefits	265,478	194,297	71,181	36.6%
Professional fees	79,081	66,176	12,905	19.5%
Supplies	637,353	547,440	89,913	16.4%
Purchased services	240,218	303,357	(63,139)	(20.8%)
Facilities	91,361	80,174	11,187	14.0%
Depreciation and amortization	145,170	109,569	35,601	32.5%
Other	108,999	108,283	716	0.7%
Total operating expenses	3,125,456	2,844,254	281,202	9.9%
Operating income	146,765	86,422	60,343	69.8%
Nonoperating revenues, net	99,156	23,415	75,741	>100%
Excess of revenues over expenses	245,921	109,837	136,084	>100%
Capital contributions and grants	30,773	1,408	29,365	>100%
Increase in net position	276,694	111,245	165,449	>100%
Net position at the beginning of the year	2,864,194	2,752,949	111,245	4.0%
Net position at the end of the year	\$3,140,888	\$2,864,194	\$ 276,694	9.7%

(*) Fiscal year 2023 amounts do not reflect the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

For fiscal year 2024, the System's total operating revenue increased by 11.7% and operating expenses increased by 9.9%, resulting in operating income increasing by 69.8% from the prior year of \$86.4 million to approximately \$146.8 million. The System's excess of revenues over expenses increased from \$109.8 million for the fiscal year ended April 30, 2023, to \$245.9 million for the fiscal year ended April 30, 2024.

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

Management's Discussion and Analysis—Unaudited

Net patient service revenue increased by 12.0% from \$2.682 billion for the fiscal year ended April 30, 2023, to \$3.004 billion for the fiscal year ended April 30, 2024, primarily due to increased patient volumes, price increases, and more favorable payor mix. Total admissions, including observation discharges, increased by 3.4% from 117,402 for the fiscal year ended April 30, 2023, to 121,373 for the fiscal year ended April 30, 2024, with the acuity of patients, as measured by case-mix index, decreasing from 1.58 to 1.57, and occupancy decreasing from 74.7% to 73.9%. Total surgical volume increased from 44,576 cases to 46,697 cases, or 4.8%; hospital outpatient visits increased from 614,106 to 668,112, or 8.8%; emergency visits, including the 24/7 Care Center, decreased from 461,649 to 453,115, or 1.8%; and patient days increased from 483,279 to 487,554, or 0.9% for these periods.

For the fiscal years ended April 30, 2023 and 2024, the System recognized approximately \$75.3 million and \$107.5 million, respectively, of net patient service revenue under the Medicaid supplemental financing initiative called the Hospital Directed Payment Program (DPP). DPP is administered regionally and is intended to bridge the difference between Medicaid reimbursement rates and the costs of providing the care. Florida's DPP provides a financial incentive for all hospitals to engage in quality initiatives with the Medicaid managed care plans in their region. Hospitals that participate receive their DPP funding via their local Medicaid managed care plans.

On November 13, 2020, the U.S. Court of Appeals for the D.C. Circuit issued its opinion in favor of the plaintiff hospitals, concluding that patient days paid for with Florida Medicaid Waiver funds from the Low Income Pool (LIP) must be regarded as Medicaid patient days for purposes of computing Medicare Disproportionate Share Hospital (DSH) payments. Centers for Medicare & Medicaid Services (CMS) declined to appeal the U.S. Court of Appeals decision, and during fiscal year 2023, CMS entered into settlement discussions with the affected hospitals, resulting in the issuance of formal payment instructions. As a result, the System recognized \$65.4 million of additional net patient service revenue during the fiscal year ended April 30, 2023 for cost report years 2007 through 2020. Additionally, during the fiscal year ended April 30, 2024, the System changed its estimate and recognized \$14.1 million of interest due from CMS related to this matter, which was included in nonoperating revenues, net in the accompanying statements of revenues, expenses and changes in net position.

Other operating revenue increased as the System recognized \$180.7 million and \$223.1 million for the fiscal years ended April 30, 2023 and 2024, respectively. The increase was primarily attributable to an increase in outpatient pharmacy revenue, driven by volumes of higher cost specialty drugs as well as revenue generated by external contract pharmacy relationships which began in late fiscal year 2023. Total revenue recognized by the System from disproportionate share distributions, which includes both DSH and LIP funding, was \$67.5 million and \$45.4 million for the fiscal years ended April 30, 2023 and 2024, respectively. The decrease was driven by lower DSH payments due to the offsetting higher amounts of other Medicaid supplemental payments, such as DPP, and an increase in LIP reserves due to lower than expected uninsured charity care costs. Refer to Note 3 for further information.

On May 1, 2023, the System implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96). As a result, fiscal year 2023 amounts do not reflect the adoption of GASB Statement No. 96. During the fiscal year ended April 30, 2024, the impact of this Statement related to subscription-based technology arrangements resulted in a decrease of \$2.2 million in operating expenses and an increase of \$1.9 million of interest expense included within nonoperating revenues, net. The decrease in operating expenses included decreases of \$0.5 million in professional fees, \$26.5 million in purchased services, and \$1.2 million in other operating expenses offset by an increase of \$26.0 million in depreciation and amortization. Refer to Note 16 for further information on adoption of GASB Statement No. 96.

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

Management's Discussion and Analysis—Unaudited

Total operating expenses increased from \$2.844 billion for the fiscal year ended April 30, 2023, to \$3.125 billion for the fiscal year ended April 30, 2024, or 9.9%. The increase in salaries and wages was related to additional staffing needed due to higher patient volumes and increased number of employees as a result of a reduction of purchased outside labor. The increase in employee benefits was primarily attributable to an increase in payroll taxes due to higher salaries and wages and an increase in pension expense mainly driven by lower pension asset returns. The increase in professional fees was primarily due to higher utilization of consulting and contracted physician services. The increase in supplies expense was directly correlated to the increase in volumes as well as an increase in supply chain costs due to inflationary pressure. The decrease in purchased services was primarily due to labor cost reduction for nurse travelers driving higher internal labor utilization and the implementation of GASB Statement No. 96, offset by higher purchased services related to new IT project initiatives, including the implementation of the System's new ERP. The increase in facilities expenses was due to higher routine repairs and maintenance activity for clinical equipment and facility maintenance across the System. The increase in depreciation and amortization was primarily attributable to the implementation of GASB Statement No. 96 and an increase in capital assets in fiscal year 2024, largely due to the construction projects as listed further below. The increase in other operating expenses was the result of Public Medical Assistance Trust Fund assessments due to an increase in net patient service revenue partially offset by software purchases in line with GASB Statement No. 96 implementation.

Nonoperating revenues, net, increased from \$23.4 million for the fiscal year ended April 30, 2023, to \$99.1 million for the fiscal year ended April 30, 2024, or by \$75.7 million. The increase is primarily attributable to \$14.1 million of interest due from CMS related to the Medicare DSH Waiver Days settlement, \$22.4 million of COVID-19 related relief funds from the Federal Emergency Management Agency, and an increase in net investment returns due to the favorable performance of the fixed-income segment of the investment portfolio, which has benefited from a higher interest rate environment in the current year, resulting in realized gains of \$79.0 million for the fiscal year ended April 30, 2024, compared to \$43.4 million for the fiscal year ended April 30, 2023, an increase of \$35.6 million. Additionally, to a lesser extent, the increase is also driven by investing cash from the System's operating portfolio in money market accounts during the fiscal year ended April 30, 2023, which took its full effect during the fiscal year ended April 30, 2024.

Capital contributions and grants increased from \$1.4 million for the fiscal year ended April 30, 2023, to \$30.8 million for the fiscal year ended April 30, 2024, primarily due to significant contributions from the Memorial Foundation and the Joe DiMaggio Children's Hospital Foundation to support the construction of the new, freestanding Memorial Cancer Institute facility located on the campus of Memorial Hospital West and the four-floor expansion of Joe DiMaggio Children's Hospital.

In fiscal year 2024, the System's Board of Commissioners adopted a millage rate of 0.0937, which is less than the prior year millage rate of 0.1010. In fiscal years 2024 and 2023, the System used the gross tax proceeds solely to offset the cost of the System's governmental obligations, including the county's Medicaid match, community redevelopment assessment and tax collector fees. No tax dollars were used for the operations of the System's facilities.

Income available for debt service was \$260.3 million and \$404.3 million for the fiscal years ended April 30, 2023 and 2024, respectively. The long-term debt service coverage ratio was 4.22 and 6.71 for the fiscal years ended April 30, 2023 and 2024, respectively, as defined by the System's Master Trust Indenture. The long-term debt service coverage ratio for the fiscal year ended April 30, 2023, does not reflect the adoption of GASB Statement No. 96.

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

Management's Discussion and Analysis—Unaudited

The investment policy of the System is consistent with Section 218.415 of the Florida Statutes, which is designed to ensure the prudent management of financial assets. Cash, cash equivalents and investments, excluding assets whose use is limited and restricted assets, increased from \$2.454 billion at April 30, 2023, to \$2.617 billion at April 30, 2024. Cash, cash equivalents and investments, including assets whose use is limited and restricted assets, increased from \$2.563 billion at April 30, 2023, to \$2.729 billion at April 30, 2024, primarily as a result of \$317.6 million cash provided by operating activities, \$22.4 million provided by noncapital financing activities, realized investment gains of \$79.0 million, and unrealized investment gains of \$10.0 million, offset by \$267.5 million used in capital and related financing activities. Net patient accounts receivable increased from \$340.2 million at April 30, 2023, to \$361.9 million at April 30, 2024, in line with the increase in the net patient service revenue, as volumes have continued to improve and contractual pricing has increased. Additions to capital assets, excluding right-to-use lease and subscription assets, decreased from \$269.9 million in fiscal year 2023, to \$147.4 million in fiscal year 2024, largely due to the completion of the four-floor expansion of Joe DiMaggio Children's Hospital in fiscal year 2023 and the opening of the freestanding Memorial Cancer Institute facility in January 2024, which were both under construction throughout fiscal year 2023, as well as the purchase of two parcels of land and future development site at the corner of Hollywood Boulevard and State Road 7 in fiscal year 2023. The estimated cost to complete all construction projects in process at April 30, 2024, is \$155.5 million. Additionally, additions to right-to-use subscription assets were \$77.8 million in fiscal year 2024, largely due to the replacement of the System's ERP in fiscal year 2024. Total debt decreased from \$909.3 million at April 30, 2023 to \$894.7 million at April 30, 2024, primarily attributable to scheduled maturities of long-term debt. Refer to Note 4, Note 7, Note 9 and Note 16 for further discussion of other funding, capital asset, long-term debt and right-to-use subscription asset activity, respectively.

Taxes and Uncompensated Care

The Board of Commissioners of the System is authorized to levy a tax annually upon real and personal taxable property located within the boundaries of the System at a millage rate not to exceed 2.5 mills. The taxes collected pursuant to this levy can be used for the purposes and needs of the System, such as operations, debt service, and construction. Such ad valorem taxes cannot be pledged directly or indirectly to pay revenue bonds; however, there is no prohibition on the use of such taxes once collected. Since fiscal year 2015, the System has primarily used the gross tax proceeds to cover the cost of its governmental obligations, including the county's Medicaid match, community redevelopment assessments and the tax collectors' fee.

The financial strength of the System minimizes the tax burden in south Broward County. In September 2023, the System's Board of Commissioners voted once again to reduce the tax millage rate from 0.1010 mills to 0.0937 mills.

With no net tax revenue, the System's financial strength enables it to absorb the financial burden of providing a continued high level of uncompensated care and to develop and support state-of-the-art facilities.

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

Management's Discussion and Analysis—Unaudited

Source of Patient Charges

A substantial amount of the gross charges of the System are provided to patients insured by third-party payors. The table below lists the approximate percentages of gross charges by payor.

	2024	2023
Medicare	12.9%	13.4%
Medicaid	3.2%	3.6%
Managed care	75.6%	74.5%
Other	8.3%	8.5%
Total	100.0%	100.0%

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

**Statements of Net Position—System
April 30, 2025 and 2024
(In Thousands)**

	2025	2024
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	\$ 427,752	\$ 271,605
Investments	2,366,530	2,345,956
Patient accounts receivable, net of estimated uncollectibles of \$771,000 and \$592,658 at April 30, 2025 and 2024, respectively	359,566	361,946
Inventories	63,342	58,009
Other current assets	385,787	265,034
Restricted assets:		
Investments under indenture agreements for debt service	33,866	28,785
Investments under self-insurance agreements	13,752	13,215
Total current assets	3,650,595	3,344,550
Noncurrent assets:		
Designated investments for employee disability	21,542	20,105
Capital assets, net	1,385,448	1,260,684
Right-to-use lease assets, net	50,467	56,654
Right-to-use subscription assets, net	93,504	111,943
Other assets	46,717	46,500
Restricted assets, net of current portion:		
Investments under self-insurance agreements	52,958	49,051
Total assets	\$ 5,301,231	\$ 4,889,487
Deferred outflows of resources:		
Pension related items	\$ 63,399	\$ 102,455
Loss on defeasance	13,478	14,757
Total deferred outflows of resources	\$ 76,877	\$ 117,212

(Continued)

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

Statements of Net Position—System (Continued)
April 30, 2025 and 2024
(In Thousands)

	2025	2024
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable and accrued expenses	\$ 160,963	\$ 170,414
Accrued compensation and payroll taxes	254,118	240,100
Estimated third-party payor settlements	144,728	118,630
Current installments of long-term debt	18,280	12,935
Current portion of estimated claims liability	17,263	15,443
Current portion of lease payable	8,417	14,555
Current portion of subscription liability	24,420	22,462
Other current liabilities	56,870	62,687
Total current liabilities	685,059	657,226
Noncurrent liabilities:		
Long-term portion of estimated claims liability	27,923	27,487
Net pension liability	41,944	128,128
Other noncurrent liabilities	63,198	60,881
Lease payable	45,660	44,242
Subscription liability	38,436	51,858
Long-term debt	861,348	881,813
Total liabilities	\$ 1,763,568	\$ 1,851,635
Deferred inflows of resources:		
Pension related items	\$ 37,925	\$ -
Lease related items	14,122	14,176
Total deferred inflows of resources	\$ 52,047	\$ 14,176
Net position:		
Net investment in capital assets	\$ 521,363	\$ 390,329
Restricted	34,957	29,659
Unrestricted	3,006,173	2,720,900
Total net position	\$ 3,562,493	\$ 3,140,888

See notes to financial statements.

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

**Statements of Revenues, Expenses and Changes in Net Position—System
Years Ended April 30, 2025 and 2024
(In Thousands)**

	2025	2024
Operating revenue:		
Net patient service revenue	\$ 3,216,313	\$ 3,003,774
Disproportionate share distributions	33,125	45,371
Other operating revenues	285,543	223,076
Total operating revenue	3,534,981	3,272,221
Operating expenses:		
Salaries and wages	1,670,828	1,557,796
Employee benefits	286,359	265,478
Professional fees	91,085	79,081
Supplies	739,018	637,353
Purchased services	232,430	240,218
Facilities	96,324	91,361
Depreciation and amortization	162,823	145,170
Other	118,510	108,999
Total operating expenses	3,397,377	3,125,456
Operating income	137,604	146,765
Nonoperating revenues, net	267,824	99,156
Excess of revenues over expenses	405,428	245,921
Capital contributions and grants	16,177	30,773
Increase in net position	421,605	276,694
Net position at the beginning of the year	3,140,888	2,864,194
Net position at the end of the year	\$ 3,562,493	\$ 3,140,888

See notes to financial statements.

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

**Statements of Cash Flows—System
Years Ended April 30, 2025 and 2024
(In Thousands)**

	2025	2024
Cash flows from operating activities:		
Receipts from third-party payors and patients	\$ 3,110,837	\$ 2,965,652
Payments to vendors	(1,283,360)	(1,139,369)
Other receipts	309,531	261,962
Payments to employees	(1,871,458)	(1,708,113)
Claims and self-insurance payments	(75,363)	(62,497)
Net cash provided by operating activities	190,187	317,635
Cash flows from noncapital financing activities:		
COVID-19 relief funds	78,425	22,429
Transitional reinsurance program recoveries	936	-
Ad valorem tax receipts	7,456	7,596
Payments for governmental obligations	(8,951)	(7,609)
Net cash provided by noncapital financing activities	77,866	22,416
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(239,287)	(156,070)
Capital contribution and grant receipts	30,768	11,485
Recoveries from damage and defects related to capital assets	523	-
Principal payments on long-term debt	(12,935)	(12,390)
Interest payments on long-term debt	(30,613)	(31,438)
Change in investments restricted under debt service	(5,081)	(316)
Principal payments on leases	(13,618)	(17,274)
Interest payments on leases	(1,932)	(2,113)
Termination payments on leases	(4,000)	-
Principal payments on SBITAs	(27,964)	(25,562)
Interest payments on SBITAs	(2,404)	(1,920)
Initial implementation costs on SBITAs	(35)	(31,951)
Net cash used in capital and related financing activities	(306,578)	(267,549)
Cash flows from investing activities:		
Proceeds from sales, maturities or repayment of investments	3,589,594	2,965,761
Purchases of investments	(3,505,422)	(3,016,975)
Investment income received	113,890	91,563
Custodial fees paid	(3,390)	(3,800)
Net cash provided by investing activities	194,672	36,549
Net change in cash and cash equivalents	156,147	109,051
Cash and cash equivalents:		
Beginning of year	271,605	162,554
End of year	\$ 427,752	\$ 271,605

(Continued)

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

Statements of Cash Flows – System (Continued)

Years Ended April 30, 2025 and 2024

(In Thousands)

	2025	2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 137,604	\$ 146,765
Adjustments to reconcile operating income to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	162,823	145,170
Provision for doubtful accounts	308,960	145,100
Loss on termination of right-to-use assets	3,928	-
(Gain) loss on disposal of capital assets	(269)	310
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Patient accounts receivable	(306,580)	(166,843)
Other current assets and inventories	(137,085)	(42,464)
Other assets	373	1,948
Lease receivable and related deferred inflows of resources	492	373
Accounts payable and accrued expenses	(8,265)	12,717
Accrued compensation and payroll taxes	14,018	58,709
Estimated third-party payor settlements	26,098	13,124
Other current liabilities	(5,817)	7,079
Other noncurrent liabilities	854	2,405
Net pension liability and related deferred outflows and inflows of resources	(9,203)	(4,629)
Estimated claims liability	2,256	(2,129)
Net cash provided by operating activities	\$ 190,187	\$ 317,635
Supplemental noncash investing, capital and financing activities:		
Noncash investment and other nonoperating income	\$ 10,551	\$ 12,640
Nonoperating depreciation expense	2,141	2,100
Nonoperating loss on disposal of assets	234	320
Unrealized gains on investments	117,917	10,048
Noncash interest expense	1,232	1,186
Decrease in noncash capital assets	869	13,022
Right-to-use lease asset additions	12,112	2,593
Right-to-use lease asset deletions	3,213	1,187
Right-to-use SBITA additions	17,075	45,885
Right-to-use SBITA deletions	576	-
(Decrease) increase in noncash capital contributions and grants	(14,591)	19,288
Medicare DSH Waiver Days settlement interest income	-	14,148

See notes to financial statements.

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

**Statements of Fiduciary Net Position—Pension Trust Fund
April 30, 2025 and 2024
(In Thousands)**

	2025	2024
Assets, Liabilities and Net Position		
Investments:		
SEC-registered money market funds	\$ 18,872	\$ 15,141
U.S. government and agency obligations	167,834	169,265
Asset-backed / mortgage obligations	8,646	7,342
Corporate debt	98,202	91,341
Commercial mortgage securities	-	3,904
Floating rate mutual fund	56,327	53,440
U.S. equities	150,095	132,954
U.S. equity exchange traded funds	176,033	161,403
International equities	86,979	96,813
Global mutual funds	271,549	249,862
Foreign bonds	7,331	4,862
Total investments	1,041,868	986,327
Due from broker for investment sold	3,248	3,495
Total assets	\$ 1,045,116	\$ 989,822
Investment management fee payable	\$ 1,151	\$ 1,152
Total liabilities	\$ 1,151	\$ 1,152
Restricted for pension benefits	\$ 1,043,965	\$ 988,670
Total net position	\$ 1,043,965	\$ 988,670

See notes to financial statements.

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

**Statements of Changes in Fiduciary Net Position—Pension Trust Fund
Years Ended April 30, 2025 and 2024
(In Thousands)**

	2025	2024
Additions:		
Investment income:		
Net appreciation in fair value of investments	\$ 51,345	\$ 75,961
Interest and dividends	27,284	26,565
Less investment expense	(2,587)	(3,172)
Net investment income	76,042	99,354
Employer pension contributions	37,350	43,650
Total additions	113,392	143,004
Deductions:		
Benefit payments	57,987	43,344
Administrative expenses	110	111
Total deductions	58,097	43,455
Increase in net position	55,295	99,549
Net position at the beginning of year	988,670	889,121
Net position at the end of year	\$ 1,043,965	\$ 988,670

See notes to financial statements.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of organization: The South Broward Hospital District d/b/a Memorial Healthcare System (the System) is a special tax district created under the Laws of Florida and a 501(c)(3) not-for-profit entity. The System operates Memorial Regional Hospital and Joe DiMaggio Children's Hospital at Memorial Regional Hospital, both located in Hollywood, Florida; Memorial Regional Hospital South (a campus of Memorial Regional Hospital) located in Hollywood, Florida; Memorial Hospital Pembroke, located in Pembroke Pines, Florida; Memorial Hospital West, located in Pembroke Pines, Florida; and Memorial Hospital Miramar, located in Miramar, Florida. The System also operates the 24/7 Care Center and Memorial Manor Nursing Home, both located in Pembroke Pines, Florida. Other components of the System include Memorial Physician Group; Memorial Outpatient Pharmacy Services; Memorial Neuroscience Institute; Memorial Rehabilitation Institute; Memorial Outpatient Behavioral Health; U-18 Sports Medicine; Memorial Primary Care; three Urgent Care Centers; Memorial Cancer Institute, including a partnership with Moffitt Cancer Center; Memorial Cardiac and Vascular Institute; Graduate Medical Education; Memorial Health Network; Broward Guardian; and Memorial Health Assurance. As of April 30, 2025, the System operates a total of 2,035 licensed hospital beds and 120 licensed nursing home beds.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the primary unit of government, the System, and its component units. All significant intercompany accounts and balances have been eliminated in the financial statements.

Component units: Memorial Health Network, Inc. (MHN) is a not-for-profit taxable corporation wholly owned by the System. MHN operates as a clinically-integrated physician hospital organization with an 18-member board comprised of nine independent physicians and nine employed System executives and physicians. MHN was conceived to foster collaboration between the System's employed physicians, community physicians, and hospitals in order to improve quality, reduce cost, eliminate waste and enhance patient and physician satisfaction. The System shares savings with MHN members based on the achievement of certain quality and financial goals.

Broward Guardian, LLC (Broward Guardian) is a Florida limited liability company wholly owned by the System. It currently has a contract with the Centers for Medicare and Medicaid Services (CMS) to participate in the Medicare Shared Savings Program—Enhanced track. Broward Guardian is a collaboration between the System and community primary care providers, in an effort to work together to develop a higher quality and more efficient health care delivery model. Through this collaboration, Broward Guardian collaborates with doctors, hospitals and other health care providers towards achieving the three goals of health care reform: expanding access, improving quality and controlling cost.

Memorial Insurance Company, LLC d/b/a Memorial Health Assurance (Memorial Health Assurance) is a Montana limited liability company and a special purpose insurance captive, wholly owned by the System. The System formed Memorial Health Assurance, as part of its value-based care initiatives, to provide a self-funded direct-to-employer health care solution for businesses located in its primary service area with 51 to 2,000 employees.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, MHN, Broward Guardian, and Memorial Health Assurance are blended within the financial results of the System because of the significance of the component units' operational and financial relationships with the System and, in certain cases, because the component unit is a nonprofit corporation for which the System is the sole corporate member. Additionally, the System also reports a defined benefit pension plan as a fiduciary component unit. Further information on the plan is included in Note 10 of the financial statements.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

A summary of the System's significant accounting policies follows:

Basis of presentation: The financial statements are prepared in accordance with the requirements of the GASB. The System utilizes the accrual basis of accounting, whereby revenues are recognized as they are earned, and expenses are recognized when the related obligation is incurred.

The accounts of the System are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, revenue and expenses, as appropriate. Significant intercompany accounts and transactions have been eliminated in the combination of these funds for financial reporting purposes herein.

The System is accounted for in an enterprise fund that consists of unrestricted net position, restricted net position and net investment in capital assets. The enterprise fund is used to account for the System's ongoing business-type activities.

The pension trust fund is a fiduciary component unit which accounts for the assets held in trust for the benefit of the employees of the System who participate in the Retirement Plan for Employees of the South Broward Hospital District (the Plan). The Plan's custodians hold the Plan's assets in custody accounts on behalf of the trust.

Cash and cash equivalents: Cash includes cash on hand, amounts in demand deposits and cash equivalents. The System considers all highly liquid investments with a maturity of three months or less when purchased, except those classified as restricted assets, U.S. equities, equity mutual funds and group annuity contracts to be cash equivalents.

Fair value of investments: The System categorizes its investments within the fair value hierarchy established by GASB 72, *Fair Value Measurement and Application* (GASB Statement No. 72). The hierarchy is based on the inputs used in valuation and gives the highest priority to unadjusted quoted prices in active markets and requires that observable inputs be used in the valuation when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuations are observable as listed below:

Level 1: Valuations based on unadjusted quoted prices for identical instruments in active markets that the System has the ability to access.

Level 2: Valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments that are not active; and model-driven valuations in which all significant inputs are observable.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In instances where inputs used to measure fair value fall into different levels, fair value measurement is categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these measurements requires judgment and considers factors specific to each investment. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Net patient accounts receivables: Net patient accounts receivables are reported at estimated net realizable amounts due from patients, third-party payors and others for services rendered. The provision for bad debts is based on management's assessment of historical and expected net collections, considering business and economic conditions, trends in health care coverage and other collection indicators. Throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based on these trends. The results of this review are then used to make any modifications to the provision for bad debts and to establish an appropriate estimated allowance for uncollectible accounts. Specific patient accounts identified as uncollectible are written off to the allowance for uncollectible accounts.

Inventories: Inventories, consisting primarily of medical, surgical and other supplies, are stated at the lower of cost (principally determined by the weighted average cost method) or market.

Restricted assets: Restricted assets include resources restricted to a specific period or purpose. This includes balances held in investments under indenture agreements for principal and interest amounts due for debt service, balances held in investments to fund workers' compensation, professional liability and health and dental self-insurance, balances held in investments as the repayment mechanism for Broward Guardian to participate in the Medicare Shared Savings Program (MSSP), and funds held as collateral for reinsurance obligations of Memorial Health Assurance.

Capital assets, net: Capital assets, including improvements to existing facilities, are recorded at cost, except for donated items, which are recorded at acquisition value at the date of the contribution. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives for buildings and improvements range from 7 to 40 years and for equipment range from 3 to 10 years. Routine maintenance and repairs that do not extend the life of the assets are charged to expense as incurred, and major renovations or improvements are capitalized. The System capitalizes assets with an initial cost of \$5,000 or greater, with a life expectancy greater than a year.

Other assets: Other assets consist primarily of the following:

South Florida Community Care Network d/b/a Community Care Plan (SFCCN): The System is an equal partner in SFCCN, a managed care network governed by an agreement between two governmental entities, the System and the North Broward Hospital District, which are the sole members of SFCCN. SFCCN administers various health programs and is designated by the State of Florida as a Provider Service Network (PSN). SFCCN operates pursuant to contracts with the Florida Agency for Health Care Administration (AHCA), the Florida Department of Health (DOH), and the Florida Healthy Kids Corporation (FHK). As a PSN, SFCCN comprises a network of hospitals, physicians, and ancillary providers developed to deliver integrated, managed care services to covered enrollees across multiple Florida counties.

The System accounts for its investment in SFCCN under the equity method and it measures the value of its investment in SFCCN based on the net asset value of its membership interest. The System evaluates the value of its investment by considering available evidence, including general market conditions and the investee's financial condition. This investment may not be transferred unless all existing SFCCN members agree in writing in advance. For the years ended April 30, 2025 and 2024, the System recognized income from its investments in SFCCN of approximately \$1,161,000 and \$5,482,000, respectively, which is included in nonoperating revenues, net in the accompanying statements of revenues, expenses and changes in net position. As of April 30, 2025 and 2024, the System's investment in SFCCN was approximately \$33,277,000 and \$32,116,000, respectively, and is included in other assets in the accompanying statements of net position.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Leases: The System applies GASB Statement No. 87, *Leases* (GASB Statement No. 87), for the measurement, recognition, and disclosure of both lessee and lessor leases. GASB Statement No. 87 requires leases with durations greater than twelve months to be recognized on the statements of net position. The System capitalizes leases with an initial, individual value of \$176,000 or greater. Refer to Note 15 for further information.

The System is a lessee for various noncancelable operating leases for office space, medical equipment and data processing equipment, and a lessor for noncancelable leases of medical and retail office space in its managed facilities.

At the commencement of a lease, the System initially measures the lease payable or receivable at the present value of fixed payments expected to be made or received during the lease term. Subsequently, the lease payable or receivable is reduced by the principal portion of lease payments made or received. The lease asset or deferred inflow of resources is initially measured as the initial amount of the lease payable or lease receivable, adjusted for lease payments made or received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the term of the respective lease or the life of the related asset and the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the System determines the: (1) the discount rate it uses to discount the expected lease payments or receipts to present value, (2) lease term, and (3) lease payments or receipts.

- (1) The System uses its estimated incremental borrowing rate as the discount rate for leases, as most of the leases do not provide a readily determinable implicit interest rate.
- (2) The lease term includes the noncancelable period of the lease.
- (3) Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase options that the System is reasonably certain to exercise. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The System monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease if certain changes occur that are expected to significantly affect the amount of the lease.

Subscription-Based Information Technology Arrangements: The System applies GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), for the measurement, recognition and disclosure of subscription-based information technology arrangements (SBITA). A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB Statement No. 96 requires SBITAs with durations greater than twelve months to be recognized on the statements of net position. The System is obligated under various noncancelable SBITAs. The System capitalizes subscriptions with an initial, individual value of \$176,000 or greater. Refer to Note 16 for further information.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

At the commencement of a SBITA, the System initially measures the subscription liability at the present value of fixed payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, in addition to certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the respective SBITA term or the life of the related IT asset.

Key estimates and judgments related to SBITAs include how the System determines the: (1) discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- (1) The System uses the incremental borrowing rate as the discount rate for SBITAs, as most of the subscriptions do not provide a readily determinable implicit interest rate.
- (2) The subscription term includes the noncancelable period of the subscription.
- (3) Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase options that the System is reasonably certain to exercise.

The System monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Deferred outflows and inflows of resources: A deferred outflow of resources represents the consumption of net assets by the System that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net assets by the System that is applicable to a future reporting period. Amounts reported in deferred outflows and inflows of resources are amortized over time. Certain pension related activities are included in deferred outflows and inflows of resources, which are amortized in employee benefits expense in the accompanying statements of revenues, expenses and changes in net position. Losses on refunding of debt in prior years are included in deferred outflows of resources, which are amortized in nonoperating revenues, net in the accompanying statements of revenues, expenses and changes in net position. The initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, is included in deferred inflows of resources, which is amortized in nonoperating revenues in the accompanying statements of revenues, expenses and changes in net position.

Compensated absences: Personal leave time, which includes holiday, sick and vacation time, that is accrued but not used at April 30, 2025 and 2024, is included in accrued compensation and payroll taxes and other noncurrent liabilities in the accompanying statements of net position. The gross increases and decreases for compensated absences are disclosed as a net change.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Pensions: The System applies GASB Statement No. 67, *Financial Reporting for Pension Plans* (GASB Statement No. 67), GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB Statement No. 68), GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* (GASB Statement No. 71), GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB Statement No. 73), and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68 and No. 73* (GASB Statement No. 82), for the measurement, recognition, and disclosure of pension expenses, liabilities, assets and deferred inflows and outflows of resources. The Plan's fiduciary net position has been determined on the same basis as it is reported by the Plan, for purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to the Plan. The Plan's financial statements are prepared using the accrual basis of accounting, whereby employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan's policy.

Costs of borrowing: Premiums and discounts associated with long-term debt are amortized using the straight-line method over the life of the debt since the result is not significantly different from the effective interest method of amortization. Debt issuance costs, excluding prepaid bond insurance, are expensed in the year of issuance. Losses resulting from the defeasance of debt are recorded as deferred outflows of resources and amortized over the shorter of the remaining life of the refunded debt or the life of the new debt using the straight-line method since the results are not significantly different from the effective interest method of amortization.

Income taxes: The System is exempt from income taxes as it is a political subdivision of the State of Florida (the State). It also has dual status as a tax-exempt entity under Internal Revenue Code Section 501(a) as an entity described in Section 501(c)(3).

Net position: Net position is reported in three categories: net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets and right-to-use assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any debt issued that is attributable to the acquisition, construction or improvement of those capital assets, and any outstanding lease or subscription liability balances. If there are unspent related debt proceeds at year-end, including investments restricted under indenture agreements for project funds, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

The restricted component of net position consists of restricted assets; assets that have constraints placed on them externally by creditors, grantors, contributors, laws or regulations of other governments or laws through constitutional provisions or enabling legislation, reduced by liabilities or deferred inflows related to those restricted assets. The unrestricted component of net position consists of the net amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources that do not meet the definitions of the other two components of net position.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the System's policy is to apply restricted resources first, and then unrestricted resources as needed.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Accounting estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the accounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Statements of revenues, expenses and changes in net position: For purposes of presentation, transactions determined to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Non-exchange transactions and peripheral, incidental or transactions not considered to be central to the provision of health care services are reported as nonoperating revenues and expenses and include investment income, interest expense, ad valorem tax revenue and certain grants, including relief funds related to the coronavirus (COVID-19). Revenue recognition for grants and other non-exchange transactions occurs when all eligibility requirements are met (including time requirements) or when qualifying expenditures and contingencies are met, as applicable. The System uses the gross tax proceeds to cover a portion of the cost of its governmental obligations, including the county's Medicaid match, community redevelopment assessments, and the tax collectors' fee, and is reported net in nonoperating revenues and expenses in the accompanying statements of revenues, expenses and changes in net position. Grants and other contributions received for the purpose of acquiring or constructing capital assets are reported as capital contributions and grants, below nonoperating revenues, net in the accompanying statements of revenues, expenses and changes in net position.

Net patient service revenue: Net patient service revenue is reported as net realizable amounts due from patients, third-party payors, and others for services rendered. Settlements with certain third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity care: The System provides care, without charge, to patients who meet certain financial criteria based upon the Federal Income Poverty Guidelines. The System does not pursue collection of amounts due from patients who meet the System's criteria for charity care; therefore, such amounts are not reported as revenue.

Disproportionate share distributions: AHCA distributes Low Income Pool (LIP) and Disproportionate Share Hospital (DSH) payments to the System based in part on the System's indigent care service level. The System's policy is to recognize these distributions as revenue when amounts are due, and collection is reasonably assured. The receipt of any additional distributions is contingent upon the continued support by the State Legislature and the Federal Government.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

New accounting pronouncements: In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* to provide guidance on the accounting and financial reporting for SBITAs for government end users. This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, which for the System was May 1, 2023. The effect of adopting GASB Statement No. 96 as of May 1, 2023, resulted in the restatement of certain balances as follows (in thousands):

	Balances at April 30, 2023, as Previously Reported	Change to Implement GASB Statement No. 96	Balances at May 1, 2023, as Restated
Other current assets	\$ 198,843	\$ (6,079)	\$ 192,764
Right-to-use subscription assets, net	-	60,076	60,076
Current portion of subscription liability	-	(16,750)	(16,750)
Subscription liability, net of current portion	-	(37,247)	(37,247)

In May 2022, the GASB issued Statement No. 99, *Omnibus 2022* (GASB Statement No. 99). The Statement provides guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements, including: accounting and financial reporting for exchange or exchange-like financial guarantees; certain derivative instruments that are neither hedging derivative instruments nor investment derivative instruments; and clarification of certain provisions of: GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* (GASB Statement No. 34), GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB Statement No. 94), GASB Statement No. 87, and GASB Statement No. 96.

The requirements of GASB Statement No. 99 are effective as follows:

- The extension of the use of LIBOR, disclosures for nonmonetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in GASB Statement No. 34, and terminology updates were effective immediately.
- The requirements related to GASB Statement No. 87, GASB Statement No. 94, and GASB Statement No. 96 were effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the other requirements related to derivative instruments were effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The requirements of this Statement which were effective immediately had no material impact on the financial statements. The System implemented the requirements related to GASB Statement No. 87 as of May 1, 2022. Additionally, the System implemented the requirements related to GASB Statement No. 96 as of May 1, 2023. The System implemented the remainder of the requirements of this Statement as of May 1, 2023, which had no material impact on the financial statements.

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

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB Statement No. 102). The Statement requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources; and a constraint as a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority, such as a voter-approved property tax cap or a state-imposed debt limit. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met: (a) a concentration or constraint is known to the government prior to issuing the financial statements; (b) the concentration or constraint makes the government vulnerable to the risk of a substantial impact; and (c) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. The System has not elected to implement the requirements of this Statement early and is still evaluating the potential impacts.

In May 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB Statement No. 103). The Statement provides guidance built on GASB Statement No. 34, to improve key components of the financial reporting model. The targeted improvements contained in GASB Statement No. 103 establish or modify existing accounting and financial reporting requirements related to: management's discussion and analysis, unusual or infrequent items (previously known as extraordinary and special items), presentation of the proprietary fund statements of revenues, expenses and changes in fund net position, major component unit information, and budgetary comparison information. The requirements of Statement No. 103 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The System has not elected to implement the requirements of this Statement early and is still evaluating the potential impacts.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB Statement No. 104). The Statement requires governments to disclose separately certain types of capital assets in the capital assets note disclosures required by Statement No. 34. The Statement also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of GASB Statement No. 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The System has not elected to implement the requirements of this Statement early and is still evaluating the potential impacts.

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

Notes to Financial Statements

Note 2. Uncompensated Care

The System maintains records to identify and monitor the level of uncompensated care it provides. These records include the amount of charges forgone for services provided under the System's charity care policy, as well as a provision for uncollectible accounts, included in the accompanying statements of revenues, expenses and changes in net position.

The following information measures the level of uncompensated care provided during the years ended April 30, 2025 and 2024 (in thousands):

	2025	2024
Uncompensated care, based on established rates	\$ 1,123,781	\$ 910,382
Percentage of uncompensated care patients to all patients served based upon total charges	4.9%	4.5%

For the years ended April 30, 2025 and 2024, uncompensated care includes approximately \$814,821,000 and \$765,282,000, respectively, of charges forgone for services provided under the System's charity care policy. Using the System's average ratio of cost to charges, the cost of charity care provided was approximately \$121,581,000 and \$118,710,000 for the years ended April 30, 2025 and 2024, respectively.

Note 3. Net Patient Service Revenue

The System has contractual agreements with third-party payors (Medicare, Medicaid, and commercial insurance payors) that provide for prospective reimbursement at contractually established rates. A summary of the payment arrangements with major third-party payors follows.

Medicare

Reimbursement for certain services subject to special reimbursement formulas under the Medicare program is subject to audit and settlement by a Medicare Administrative Contractor. Audits and final settlements have been completed through 2018 for Memorial Hospital West, with audit fieldwork substantially completed for 2019 and 2020. For Memorial Hospital Pembroke, audits and final settlements have been completed through 2019, and audit fieldwork for 2022 is currently in progress. Memorial Regional Hospital has completed audits and final settlements through 2020. And for Memorial Hospital Miramar, audits and final settlements have been completed through 2022, except for 2021, where audit fieldwork has been substantially completed. All related final settlements are not expected to differ materially from the recorded amounts. Medicare program beneficiaries accounted for approximately 12.9% of the System's gross patient charges in both fiscal years 2025 and 2024.

On November 13, 2020, the U.S. Court of Appeals for the D.C. Circuit issued its opinion in favor of the plaintiff hospitals, concluding that patient days paid for with Florida Medicaid Waiver funds from the Low Income Pool must be regarded as Medicaid patient days for purposes of computing Medicare DSH payments. This matter affected the System's cost reports dating back to fiscal year 2007. CMS declined to appeal the U.S. Court of Appeals decision, and during fiscal year 2023, CMS entered into settlement discussions with the affected hospitals, instructing its Medicare Administrative Contractors (MACs) to reopen and adjust certain hospital cost reports to revise upward the Medicare DSH payments (the Medicare DSH Waiver Days settlement). These retrospective reopenings applied to the System's cost reports for fiscal years 2007 through 2016. MACs were also instructed to allow amendments to non-final cost reports for the affected hospitals to include additional documentation for those periods. This applied to the System's cost reports for fiscal years 2017 through 2020. Beginning with fiscal year 2021, the relevant documentation was included in the original filed cost reports, based on the favorable court decision.

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

Notes to Financial Statements

Note 3. Net Patient Service Revenue (Continued)

As of April 30, 2025 and 2024, the receivable from the Medicare DSH Waiver Days settlement, including interest, was approximately \$62,340,000 and \$76,594,000, respectively, which is included in other current assets in the accompanying statements of net position. During the year ended April 30, 2024, the System changed its estimate and recognized approximately \$14,148,000 of interest related to this matter, which was included in nonoperating revenues, net in the accompanying statements of revenues, expenses and changes in net position. Besides the recognition of interest, there were no additional material changes in estimate related to this matter in fiscal years 2025 and 2024.

Medicaid

Reimbursement under the Florida Medicaid program is based on a variety of prospective rate methodologies. Medicaid program beneficiaries accounted for approximately 3.0% and 3.2% of the System's gross patient charges in fiscal years 2025 and 2024, respectively.

During the years ended April 30, 2025 and 2024, the System recognized approximately \$109,314,000 and \$107,482,000, respectively, of net patient service revenue under the Medicaid supplemental financing initiative called the Hospital Directed Payment Program (DPP). This included approximately \$195,972,000 of DPP funding net of intergovernmental transfers (IGTs) of \$86,658,000 for the year ended April 30, 2025, and \$189,103,000 of DPP funding net of IGTs of \$81,621,000 for the year ended April 30, 2024. DPP is administered regionally and is intended to bridge the difference between Medicaid reimbursement rates and the costs of providing the care. Hospitals that participate receive their DPP funding via their local Medicaid managed care plans. Florida's DPP provides a financial incentive for all hospitals to engage in quality initiatives with the Medicaid managed care plans in their region. Total DPP payments are subject to a 2% withholding for each of the three quality measures (6% in total). Each measure is applied collectively to participant hospitals. If the group of participant hospitals meet a benchmark measure, then all participants receive back the 2% withheld for the respective measure.

During the years ended April 30, 2025 and 2024, the net patient service revenue recognized for DPP primarily included Medicaid HMO Plan years ended September 30, 2024 and 2023, respectively, which was net of 6% withheld for certain quality measures, and quality measures for the Medicaid HMO Plan year ended September 30, 2023 and 2022, respectively. Measurement of performance against these benchmarks for the Medicaid HMO Plan year ended September 30, 2024, was still being conducted by the State Medicaid Agency as of April 30, 2025. Total receivables from DPP funding were approximately \$120,893,000 and \$13,667,000 as of April 30, 2025 and 2024, respectively, which was reported in other current assets in the accompanying statements of net position. Subsequent to April 30, 2025, the System received approximately \$99,032,000 of the outstanding DPP receivables reported as of the fiscal year then ended. As of April 30, 2025, government administrative approval has not yet been received for the Hospital Directed Payment Program related to the Medicaid HMO Plan year ended September 30, 2025.

Insurance and Other Payors

The System has entered into payment agreements with certain commercial insurance carriers, HMOs, and preferred provider organizations. The basis for payments to the System under these agreements includes prospectively determined rates per discharge, allowances from established charges and prospectively determined daily rates.

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

Notes to Financial Statements

Note 3. Net Patient Service Revenue (Continued)

Net Patient Service Revenue

The difference between gross patient charges and the contractually established rate for all payors is accounted for as contractual adjustments. The System's gross patient charges, charity care adjustments, provision for doubtful accounts and contractual adjustments for the years ended April 30, 2025 and 2024, are as follows (in thousands):

	2025	2024
Gross patient charges	\$ 22,764,756	\$ 20,148,780
Charity care adjustments	(814,821)	(765,282)
Provision for doubtful accounts	(308,960)	(145,100)
Contractual adjustments	(18,424,662)	(16,234,624)
Net patient service revenue	<u>\$ 3,216,313</u>	<u>\$ 3,003,774</u>

Net Patient Accounts Receivable

The System grants credit without collateral to its patients, most of which are local residents that are insured under third-party payor agreements. Net patient accounts receivable, reported as current assets by the System at April 30, 2025 and 2024, consists of the following amounts (in thousands):

	2025	2024
Receivable from Medicare	\$ 213,171	\$ 125,630
Receivable from Medicaid	103,531	63,980
Receivable from patients' insurance carriers	2,206,175	1,621,490
Receivable from other	345,363	325,014
Total patient accounts receivable	<u>2,868,240</u>	<u>2,136,114</u>
Less allowance for charity care and contractual adjustments	(1,737,671)	(1,181,510)
Less allowance for doubtful accounts	(771,003)	(592,658)
Patient accounts receivable, net	<u>\$ 359,566</u>	<u>\$ 361,946</u>

Concentrations of Credit Risk

The mix of net receivables from patients and third-party payors at April 30, 2025 and 2024, is as follows:

	2025	2024
Medicare	10.3%	8.4%
Medicaid	4.4%	1.6%
Managed care	77.9%	84.2%
Other	7.4%	5.8%
Total	<u>100.0%</u>	<u>100.0%</u>

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

Notes to Financial Statements

Note 4. Other Funding Sources

The System receives funding from various components of the State Medicaid program, including the LIP and DSH payments. The State's LIP distributes funding to the System in support of programs that provide coverage for uninsured and underinsured patients. The LIP is a federal matching program that provides the State with the opportunity to receive additional distributions based upon a fixed annual pool of approximately \$1.5 billion distributed by the State based on a measure of charity care cost. DSH is a federally mandated additional Medicaid payment intended to recognize the higher cost of treating a disproportionate share of low-income patients, subject to federal State-wide limits. Both are subject to a provider-specific cost limits which are retrospectively audited. Audits have been completed through the State Fiscal Year ended June 30, 2022. There were no material differences between original estimates and subsequent revisions in fiscal years 2025 and 2024.

Total revenue recognized by the System from LIP and DSH funding was approximately \$33,125,000 and \$45,371,000 for the years ended April 30, 2025 and 2024, respectively, and was reported as disproportionate share distributions in the accompanying statements of revenues, expenses and changes in net position. As of April 30, 2025 and 2024, the System had total receivables and total unearned revenue from LIP funding of approximately \$50,216,000 and \$8,448,000, respectively, which are reported in other current assets and other current liabilities, respectively, in the accompanying statements of net position. In addition, the System had reserves from LIP funding of approximately \$70,388,000 and \$45,249,000 as of April 30, 2025 and 2024, respectively, which are reported in estimated third-party payor settlements in the accompanying statements of net position. Subsequent to April 30, 2025, the System received approximately \$122,601,000 in LIP funding and remitted approximately \$62,342,000 in IGTs related to the receivables at year-end. As of April 30, 2025, the DSH model for the State Fiscal Year ending June 30, 2025, had not been approved by the State Legislature; therefore, no amounts related to this year were recognized during the year ended April 30, 2025. Accordingly, the System had no receivables or unearned revenue from DSH funding as of April 30, 2025, compared to approximately \$8,485,000 of receivables from DSH funding as of April 30, 2024, which were reported in other current assets in the accompanying statements of net position.

For the years ended April 30, 2025 and 2024, the System recognized approximately \$78,425,000 and \$22,429,000, respectively, of COVID-19 related relief funds from the Federal Emergency Management Agency (FEMA) for expenses incurred during the pandemic, which were reported as nonoperating revenues, net in the accompanying statements of revenue, expenses and changes in net position.

Note 5. Cash, Cash Equivalents and Investments

Custodial Credit Risk

The System's unrestricted bank deposit balances in the accompanying statements of net position were approximately \$195,394,000 and \$120,823,000 at April 30, 2025 and 2024, respectively. At April 30, 2025 and 2024, the System's deposits consisting of cash and money market accounts were covered by federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as Qualified Public Depositories (QPDs) by the State Treasurer. QPDs are required to pledge collateral to the State Treasurer with a market value equal to a percentage of the average daily balance of all governmental deposits in excess of any federal deposit insurance. In the event of a default by a QPD, all claims for governmental deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default, and, if necessary, a pro rata assessment to the other QPDs participating in the collateral pool.

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

Notes to Financial Statements

Note 5. Cash, Cash Equivalents and Investments (Continued)

At April 30, 2025 and 2024, pursuant to Florida Statute 218.415, investment securities, with the exception of certificates of deposit and money market accounts, are held with a third-party custodian, and all securities purchased by, and all collateral obtained by the System are properly designated as an asset of the System. The securities are held in accounts separate and apart from the assets of the financial institution. The System's bond indentures stipulate that all bond and trustee held funds be "Eligible Investments" as defined in the indentures and be maintained in separate accounts with a bond trustee. All bond and trustee held investments are held in accounts separate and apart from the assets of the financial institution.

Cash Equivalents and Investments

At April 30, 2025 and 2024, the System's cash equivalents and investments, including assets whose use is limited and restricted assets, are as follows (in thousands):

	2025	2024
Unrestricted cash equivalents	\$ 440,488	\$ 282,834
Unrestricted investments	2,366,530	2,345,956
Designated investments for employee disability	21,717	20,225
Restricted assets:		
Investments for MSSP repayment mechanism (*)	671	669
Investments under indenture agreements for debt service	33,866	28,785
Investments under self-insurance agreements	66,710	62,266
	<hr/> <u>\$ 2,929,982</u>	<hr/> <u>\$ 2,740,735</u>

(*) Included in Other assets in the accompanying statements of net position

As of April 30, 2025 and 2024, designated investments for employee disability included in cash and cash equivalents were approximately \$175,000 and \$120,000, respectively.

The System's investment policy, as amended from time to time, is approved by the Board of Commissioners of the South Broward Hospital District (the Board). The investment policy is designed to maximize financial return to the System consistent with the risks incumbent in each investment and designed to preserve the appropriate diversification in the portfolio. The System utilizes an independent investment consultant to identify and hire investment managers, implement strategies and monitor risk and performance. The investment policy authorizes investment in equity strategies up to a 20% limitation of investable assets. At April 30, 2025 and 2024, approximately 16.54% and 15.87%, respectively, of investable assets were in low volatility equity mutual funds and/or exchange traded funds.

Fair Value Measurements

The System measures and records investments, assets whose use is limited and restricted assets using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets.

Level 2: Observable inputs other than quoted prices.

Level 3: Unobservable inputs.

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

Notes to Financial Statements

Note 5. Cash, Cash Equivalents and Investments (Continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Money market mutual funds and equity mutual funds are valued using the net asset values as quoted daily for the funds. Debt securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies and commercial paper: quoted prices for identical securities in markets that are not active; and
- Corporate and municipal bonds: quoted prices for similar securities in active markets.

The tables below present the fair value leveling of the System's cash equivalents and investments as of April 30, 2025 and 2024, in accordance with GASB Statement No. 72 (in thousands):

	2025				
	Level 1	Level 2	Level 3	Total	
Money market accounts	\$ 193,838	\$ -	\$ -	\$ 193,838	
SEC-registered money market funds	149,324	-	-	149,324	
Commercial paper	-	45,242	-	45,242	
U.S. treasuries	860,397	-	-	860,397	
U.S. agencies / U.S. agency mortgage bonds	-	322,598	-	322,598	
Supranational bonds	-	1,916	-	1,916	
Corporate debt / asset-backed securities	-	850,016	-	850,016	
U.S. equity / equity mutual funds	164,681	320,010	-	484,691	
Municipal securities	-	21,855	-	21,855	
Group annuity contract	-	-	105	105	
	\$ 1,368,240	\$ 1,561,637	\$ 105	\$ 2,929,982	

	2024				
	Level 1	Level 2	Level 3	Total	
Money market accounts	\$ 117,196	\$ -	\$ -	\$ 117,196	
SEC-registered money market funds	89,152	-	-	89,152	
Commercial paper	-	109,178	-	109,178	
U.S. treasuries	847,436	-	-	847,436	
U.S. agencies / U.S. agency mortgage bonds	-	302,058	-	302,058	
Supranational bonds	-	5,835	-	5,835	
Corporate debt / asset-backed securities	-	804,014	-	804,014	
U.S. equity / equity mutual funds	179,037	255,837	-	434,874	
Municipal securities	-	30,117	-	30,117	
Group annuity contract	-	-	875	875	
	\$ 1,232,821	\$ 1,507,039	\$ 875	\$ 2,740,735	

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

Notes to Financial Statements

Note 5. Cash, Cash Equivalents and Investments (Continued)

Interest Rate Risk

The System manages interest rate exposure by limiting investment maturities in accordance with parameters in its investment policy. To the extent possible, the System attempts to match investment maturities with known cash needs and anticipated cash flow requirements. The System's investment policy segments its fixed income investment portfolio into pools with identified asset allocation percentages that attempt to match its liquidity requirements. Investments of bond indenture restricted funds have maturities set in accordance with the relevant documents.

At April 30, 2025 and 2024, the System had cash equivalents and investments maturing as follows (in thousands):

	2025				
	Fair Value	No Maturity Date or Less than 1 Year		Greater Than 10 Years	
		1 - 5 Years	6-10 Years		
Money market accounts	\$ 193,838	\$ 193,838	\$ -	\$ -	\$ -
SEC-registered money market funds	149,324	149,324	-	-	-
Commercial paper	45,242	45,242	-	-	-
U.S. treasuries	860,397	261,540	314,602	284,255	-
U.S. agencies / U.S. agency mortgage bonds	322,598	9,894	83,253	72,163	157,288
Supranational bonds	1,916	-	1,916	-	-
Corporate debt / asset-backed securities	850,016	93,882	523,120	206,001	27,013
U.S. equity / equity mutual funds	484,691	484,691	-	-	-
Municipal securities	21,855	1,120	11,000	9,725	10
Group annuity contract	105	105	-	-	-
	\$2,929,982	\$ 1,239,636	\$ 933,891	\$ 572,144	\$ 184,311

	2024				
	Fair Value	No Maturity Date or Less than 1 Year		Greater Than 10 Years	
		1 - 5 Years	6-10 Years		
Money market accounts	\$ 117,196	\$ 117,196	\$ -	\$ -	\$ -
SEC-registered money market funds	89,152	89,152	-	-	-
Commercial paper	109,178	109,178	-	-	-
U.S. treasuries	847,436	310,951	317,833	218,652	-
U.S. agencies / U.S. agency mortgage bonds	302,058	20,771	65,487	73,395	142,405
Supranational bonds	5,835	-	5,835	-	-
Corporate debt / asset-backed securities	804,014	75,252	478,617	212,499	37,646
U.S. equity / equity mutual funds	434,874	434,874	-	-	-
Municipal securities	30,117	-	14,020	16,058	39
Group annuity contract	875	875	-	-	-
	\$2,740,735	\$ 1,158,249	\$ 881,792	\$ 520,604	\$ 180,090

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

Notes to Financial Statements

Note 5. Cash, Cash Equivalents and Investments (Continued)

Credit Risk

The System's investment policy provides guidelines for fixed income investment managers that require maintaining an average portfolio credit rating of at least A; restricting investments in debt securities to those with A- or higher credit ratings at the time of purchase; and limiting the duration of the System's total fixed income portfolios to match the applicable benchmarks. The System's bond indentures stipulate credit ratings for "Eligible Investments".

At April 30, 2025 and 2024, the System's cash equivalents and investments have credit ratings as follows (in thousands):

	S&P Rating or Comparable as of April 30, 2025												
	Total	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	B
Money market accounts	\$ 193,838	\$ 193,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SEC-registered money market funds	149,324	149,324	-	-	-	-	-	-	-	-	-	-	-
Commercial paper	45,242	45,242	-	-	-	-	-	-	-	-	-	-	-
U.S. treasuries	860,397	860,397	-	-	-	-	-	-	-	-	-	-	-
U.S. agencies / U.S. agency mortgage bonds	322,598	7,849	314,749	-	-	-	-	-	-	-	-	-	-
Supranational bonds	1,916	1,916	-	-	-	-	-	-	-	-	-	-	-
Corporate debt / asset-backed securities	850,016	111,481	4,245	14,163	38,118	42,123	135,381	211,237	112,196	119,272	59,776	1,928	96
Municipal securities	21,855	5,380	9,223	5,163	1,784	305	-	-	-	-	-	-	-
	<u>2,445,186</u>	<u>\$ 1,375,427</u>	<u>\$ 328,217</u>	<u>\$ 19,326</u>	<u>\$ 39,902</u>	<u>\$ 42,428</u>	<u>\$ 135,381</u>	<u>\$ 211,237</u>	<u>\$ 112,196</u>	<u>\$ 119,272</u>	<u>\$ 59,776</u>	<u>\$ 1,928</u>	<u>\$ 96</u>
U.S. equities, and group annuity contracts	<u>484,796</u>												
	<u><u>\$ 2,929,982</u></u>												

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

Notes to Financial Statements

Note 5. Cash, Cash Equivalents and Investments (Continued)

	S&P Rating or Comparable as of April 30, 2024												
	Total	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	B
Money market accounts	\$ 117,196	\$ 117,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SEC-registered money market funds	89,152	89,152	-	-	-	-	-	-	-	-	-	-	-
Commercial paper	109,178	109,178	-	-	-	-	-	-	-	-	-	-	-
U.S. treasuries	847,436	576,049	271,387	-	-	-	-	-	-	-	-	-	-
U.S. agencies / U.S. agency mortgage bonds	302,058	3,592	298,466	-	-	-	-	-	-	-	-	-	-
Supranational bonds	5,835	5,835	-	-	-	-	-	-	-	-	-	-	-
Corporate debt / asset-backed securities	804,014	121,886	6,857	11,196	23,186	54,072	102,817	190,984	128,372	108,289	53,379	2,854	122
Municipal securities	30,117	7,431	10,495	7,169	4,076	451	-	495	-	-	-	-	-
	<u>2,304,986</u>	<u>\$ 1,030,319</u>	<u>\$ 587,205</u>	<u>\$ 18,365</u>	<u>\$ 27,262</u>	<u>\$ 54,523</u>	<u>\$ 102,817</u>	<u>\$ 191,479</u>	<u>\$ 128,372</u>	<u>\$ 108,289</u>	<u>\$ 53,379</u>	<u>\$ 2,854</u>	<u>\$ 122</u>
U.S. equities, and group annuity contracts	<u>435,749</u>												
	<u><u>\$ 2,740,735</u></u>												

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

Notes to Financial Statements

Note 5. Cash, Cash Equivalents and Investments (Continued)

Concentration of Credit Risk

The System's investment policy has asset allocation and issuer limitations for cash equivalents and fixed income investments which are designed to reduce concentration of credit risk of the System's investments. The System's investment policy does not have an issuer limitation for U.S. Treasury securities. The System's bond indentures do not stipulate issuer limitations for "Eligible Investments".

At April 30, 2025, investments in any one issuer representing 5% or more of the System's total investments were approximately \$148,781,000 (5.1%) invested in issues of the Federal National Mortgage Association. At April 30, 2024, there were no investments in any one issuer representing greater than 5% or more of the System's total investments.

Note 6. Other Current Assets

At April 30, 2025 and 2024, the System's other current assets consist of the following amounts (in thousands):

	2025	2024
Due from Medicare	\$ 125,279	\$ 144,349
Due from Medicaid	178,530	25,505
Prepaid expense	23,008	34,844
Due from the Foundations	4,986	18,649
Accrued interest receivable	15,998	12,642
Lease receivable	4,775	4,575
Other receivables	33,211	24,470
	<hr/> \$ 385,787	<hr/> \$ 265,034

Refer to Note 3 and Note 4 for additional information related to other receivables due from Medicare and Medicaid.

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

Notes to Financial Statements

Note 7. Capital Assets, Net

A summary of the activity for capital assets and the related accumulated depreciation is as follows for the years ended April 30, 2025 and 2024 (in thousands):

	Balance at May 1, 2023	Additions	Transfers	Deletions	Balance at April 30, 2024
Depreciable assets:					
Land improvements	\$ 32,094	\$ -	\$ 41	\$ -	\$ 32,135
Buildings and improvements	1,566,326	3,574	116,110	(1,380)	1,684,630
Equipment	751,468	34,539	32,327	(31,000)	787,334
Total depreciable assets	2,349,888	38,113	148,478	(32,380)	2,504,099
Accumulated depreciation:					
Land improvements	(22,509)	(1,366)	-	-	(23,875)
Buildings and improvements	(862,551)	(46,875)	-	1,088	(908,338)
Equipment	(556,887)	(55,260)	-	30,487	(581,660)
Total accumulated depreciation	(1,441,947)	(103,501)	-	31,575	(1,513,873)
Net depreciable assets	907,941	(65,388)	148,478	(805)	990,226
Land	117,826	5,334	-	-	123,160
Construction in progress	191,811	103,965	(148,478)	-	147,298
Capital assets, net	\$ 1,217,578	\$ 43,911	\$ -	\$ (805)	\$ 1,260,684
	Balance at May 1, 2024	Additions	Transfers	Deletions	Balance at April 30, 2025
Depreciable assets:					
Land improvements	\$ 32,135	\$ 4,385	\$ -	\$ -	\$ 36,520
Buildings and improvements	1,684,630	68,969	79,311	(579)	1,832,331
Equipment	787,334	38,613	36,650	(19,541)	843,056
Total depreciable assets	2,504,099	111,967	115,961	(20,120)	2,711,907
Accumulated depreciation:					
Land improvements	(23,875)	(1,458)	-	-	(25,333)
Buildings and improvements	(908,338)	(51,783)	-	345	(959,776)
Equipment	(581,660)	(61,056)	-	19,152	(623,564)
Total accumulated depreciation	(1,513,873)	(114,297)	-	19,497	(1,608,673)
Net depreciable assets	990,226	(2,330)	115,961	(623)	1,103,234
Land	123,160	23,387	-	-	146,547
Construction in progress	147,298	104,330	(115,961)	-	135,667
Capital assets, net	\$ 1,260,684	\$ 125,387	\$ -	\$ (623)	\$ 1,385,448

At April 30, 2025 and 2024, noncash capital additions that are included in accounts payable and accrued expenses were approximately \$24,973,000 and \$25,842,000, respectively. The System is currently engaged in construction projects at its facilities. The estimated cost to complete all construction projects in process at April 30, 2025, is approximately \$164,993,000.

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

Notes to Financial Statements

Note 8. Self-Insurance

The System is exposed to various risks of loss related to professional liability, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and certain employee health plan costs; and natural disasters. The System believes it is more economical to manage certain risks internally and set aside assets for possible claim settlements. Commercial insurance is procured to cover the System's property, commissioners and officers, accidents and vehicles.

The System, as a subdivision of the State, has sovereign immunity in tort actions. Therefore, in accordance with Chapter 768.28 of the Florida Statutes, for claims with occurrence dates subsequent to October 1, 2011, the System is not liable to pay a claim or judgment by any one person that exceeds the sum of \$200,000 or any claim or judgment, or portions thereof that when totaled with all other claims or judgments paid by the State or its agencies or subdivisions arising out of the same incident or occurrence exceeds the sum of \$300,000.

Chapter 768.28 of the Florida Statutes also provides that judgments may be claimed or rendered in excess of these limits; however, these amounts must be reported to, and approved by, the State Legislature. In addition, the System has excess insurance coverage that varies by claim year. Specific excess coverage to cover any damages rendered against the System as a result of the passage of a claims bill for professional and general liability ranges from \$10 million to \$25 million in excess insurance coverage, with self-insured retention that ranges from \$2 million to \$10 million. Specific excess coverage for workers' compensation includes retention that ranges from \$125,000 to \$1,000,000 per incident.

The System's management estimates and accrues for the cost of unreported claims based on historical data and actuarial projections. The liability includes estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The estimated claims liability for professional and general liability and workers' compensation has been discounted based on an interest rate of 4.5% and 4.0% at April 30, 2025 and 2024, respectively.

The System has established separate accounts for the purpose of setting aside assets to fund future self-insurance losses. The assets can only be used for payment of losses and administrative expenses. Earnings and losses on investments in the self-insurance accounts are reported as nonoperating revenues and expenses in the statements of revenues, expenses and changes in net position and are retained as part of the self-insurance accounts. A roll forward of the System's claims liability for self-insurance claims is as follows (in thousands):

	Liability at Beginning of Year	New			Estimated Amount Due Within One Year	
		Claims and Changes in Estimates	Claim Payments	Liability at End of Year		
Years ended April 30:						
2023	\$ 49,140	\$ 43,027	\$ (47,108)	\$ 45,059	\$ 16,573	
2024	45,059	60,368	(62,497)	42,930	15,443	
2025	42,930	77,619	(75,363)	45,186	17,263	

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

Notes to Financial Statements

Note 9. Long-Term Debt

The following is a summary of long-term debt as of April 30, 2025 and 2024 (in thousands):

	2025	2024
Series 2021A Hospital Revenue Bonds – \$200,000 authorized and issued:		
Serial Bonds, interest rates of 2.25% to 3.00%, maturing in amounts ranging from \$4,545 to \$10,765 beginning May 1, 2037 through May 1, 2048	\$ 82,150	\$ 82,150
3.00% Term Bond due May 1, 2050	40,105	40,105
3.00% Term Bond due May 1, 2051	41,325	41,325
3.00% Term Bond due May 1, 2052	36,420	36,420
	<u>200,000</u>	<u>200,000</u>
Unamortized premium, net	7,199	7,466
	<u>207,199</u>	<u>207,466</u>
Series 2021B Hospital Revenue Bonds – \$50,000 authorized and issued:		
2.85% Term Bond due May 1, 2051	6,160	6,160
2.85% Term Bond due May 1, 2052	43,840	43,840
	<u>50,000</u>	<u>50,000</u>
Unamortized discount, net	(270)	(279)
	<u>49,730</u>	<u>49,721</u>
Series 2018 Hospital Revenue Bonds – \$101,575 authorized and issued:		
Serial Bonds, interest rate of 5.00%, maturing on May 1, 2045	20,715	20,715
4.00% Term Bond due May 1, 2048	80,860	80,860
	<u>101,575</u>	<u>101,575</u>
Unamortized premium, net	207	216
	<u>101,782</u>	<u>101,791</u>
Series 2017 Hospital Revenue and Refunding Revenue Bonds – \$101,420 authorized and issued:		
Serial Bonds, interest rates of 3.25% to 5.00%, maturing in amounts ranging from \$3,835 to \$15,305 beginning May 1, 2022 through May 1, 2032	87,900	93,570
Unamortized premium, net	5,980	6,834
	<u>93,880</u>	<u>100,404</u>
Series 2016A Hospital Revenue and Refunding Revenue Bonds – \$160,620 authorized and issued:		
Serial Bonds, interest rates of 3.375% to 4.00%, maturing in amounts ranging from \$11,235 to \$20,435 beginning May 1, 2027 through May 1, 2040	31,670	31,670
3.50% Term Bond due May 1, 2039	38,825	38,825
4.00% Term Bond due May 1, 2044	90,125	90,125
	<u>160,620</u>	<u>160,620</u>
Unamortized premium, net	1,664	1,752
	<u>162,284</u>	<u>162,372</u>
Series 2016 Hospital Revenue and Refunding Revenue Bonds – \$173,040 authorized and issued:		
Serial Bonds, interest rates of 2.75% to 5.00%, maturing in amounts ranging from \$1,600 to \$24,070 beginning May 1, 2017 through May 1, 2037	143,740	146,590
Unamortized premium, net	8,012	8,628
	<u>151,752</u>	<u>155,218</u>
Series 2015 Hospital Revenue and Refunding Revenue Bonds – \$154,905 authorized and issued:		
Serial Bonds, interest rates of 3.00% to 5.00%, maturing in amounts ranging from \$1,195 to \$7,915 beginning May 1, 2016 through May 1, 2037	77,485	81,900
4.00% Term Bond due May 1, 2040	9,560	9,560
4.00% Term Bond due May 1, 2045	18,735	18,735
	<u>105,780</u>	<u>110,195</u>
Unamortized premium, net	7,221	7,581
	<u>113,001</u>	<u>117,776</u>
Total debt	879,628	894,748
Less current portion	(18,280)	(12,935)
Long-term portion	<u>\$ 861,348</u>	<u>\$ 881,813</u>

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

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

At April 30, 2025 and 2024, the System's long-term debt is comprised solely of revenue bonds issued under its Master Trust Indenture (MTI) dated as of September 1, 2003, as supplemented to date by the Supplemental Indenture dated as of November 1, 2021. The System is the only member of the obligated group although the MTI provides for additional membership. The obligations issued under the MTI are payable solely from and are secured by a pledge of and a lien on the gross patient charges of the obligated group and any future member of the obligated group and certain accounts created under the MTI, provided, however, the lien and pledge of the accounts under the MTI do not extend to obligations issued for the benefit of the Revenue Certificate holders. As of April 30, 2025 and 2024, amounts on deposit in certain accounts under the MTI were approximately \$33,866,000 and \$28,785,000, respectively, and are presented as restricted assets in investments under indenture agreements for debt service in the accompanying statements of net position.

The MTI contains certain restrictive debt covenants for the System, including a minimum debt service ratio and an incurrence test for the addition of indebtedness. As of April 30, 2025 and 2024, the System was in compliance with all of its debt covenants.

The MTI also contains an acceleration provision which provides that, upon the occurrence and during the continuation of an event of default (as described in the MTI), outstanding obligations issued under the MTI may be declared to be immediately due and payable in the manner provided thereby. Additionally, each series of bonds or other indebtedness secured by obligations issued under the MTI also may be subject to acceleration pursuant to the terms of the trust indenture or other agreement governing each such series of bonds or other indebtedness, as applicable. If the obligations issued under the MTI are accelerated, the total principal amount of those obligations, plus all interest accrued thereon to the date of acceleration and that which accrues to the date of payment, will be due and payable.

Series 2015 Bonds: \$154,905,000 issued on April 14, 2015, as tax-exempt fixed rate bonds and are callable on or after May 1, 2025, at par in the amount of \$105,780,000, without premium. The 2015 Bonds provided funds to refund and redeem a portion of the Series 2006 Bonds and to finance certain eligible projects and costs of issuance.

The System completed the advance refunding of a portion of its Series 2006 Bonds as a part of the Series 2015 Bonds to reduce its total debt service payments. On a matched-maturity basis, the cash flow savings, not including the funds held in related bond debt service accounts, was approximately \$8,169,000.

The refunding of the Series 2006 Bonds resulted in a loss on defeasance of approximately \$5,975,000. At April 30, 2025 and 2024, the unamortized value of the deferred amount was approximately \$3,259,000 and \$3,531,000, respectively, which is included in loss on defeasance, net in the accompanying statements of net position. The deferred amount is being charged to operations through the year 2037.

Series 2016 Bonds: \$173,040,000 issued on June 29, 2016, as tax-exempt fixed rate bonds and are callable on or after May 1, 2026, at par in the amount of \$143,740,000, without premium. The 2016 Bonds provided funds to refund and redeem the remaining Series 2006 Bonds, advance refund all of the Series 2008 Bonds and to pay certain costs of issuance.

The System completed the refunding of the remaining outstanding Series 2006 Bonds and the advance refunding of the Series 2008 Bonds with the Series 2016 Bonds to reduce its total debt service payments. On a matched-maturity basis, the present value of the cash flow savings was approximately \$29,725,000.

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

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

The refunding of the Series 2006 and advance refunding of the 2008 Bonds resulted in a loss on defeasance of approximately \$15,936,000. At April 30, 2025 and 2024, the unamortized value of the deferred amount was approximately \$8,802,000 and \$9,606,000, respectively, which is included in loss on defeasance, net in the accompanying statements of net position. The deferred amount is being charged to operations through the year 2036.

Series 2016A Bonds: \$160,620,000 issued on November 10, 2016, as tax-exempt fixed rate bonds to advance refund, on a cross-over basis, all of the Series 2009 Bonds and to pay certain costs of issuance. The cross-over structure was used in order to preserve the cash subsidy payments from the U.S. Department of the Treasury through the May 1, 2019 call date. The Series 2009 Escrow Fund was funded to pay interest on the Series 2016A Bonds through May 1, 2019 and redeem all of the \$150,000,000 Series 2009 Bonds on May 1, 2019. The System completed the cross-over refunding of the Series 2009 to reduce its total debt service payments. On a matched-maturity basis, the net present value cash flow savings were approximately \$10,512,000.

Series 2017 Bonds: \$101,420,000 issued on March 8, 2017, as tax-exempt fixed rate bonds to refund and redeem all of the Series 2007 Bonds and to pay certain costs of issuance and are callable on or after May 1, 2027, at par in the amount of \$81,945,000, without premium. The System completed the refunding of its Series 2007 Bonds to reduce its total debt service payments. On a matched-maturity basis, the net present value cash flow savings, not including the funds held in related bond debt service accounts, was approximately \$15,145,000.

The refunding of the Series 2007 Bonds resulted in a loss on defeasance of approximately \$3,070,000. At April 30, 2025 and 2024, the unamortized value of the deferred amount was approximately \$1,417,000 and \$1,620,000, respectively, which is included in loss on defeasance, net in the accompanying statements of net position. The deferred amount is being charged to operations through the year 2032.

Series 2018 Bonds: \$101,575,000 issued on November 1, 2018, as tax-exempt fixed rated bond to finance certain eligible projects and pay costs of issuance and are callable on or after May 1, 2028, at par in the amount of \$101,575,000, without premium.

Series 2021A Bonds: \$200,000,000 issued on November 18, 2021, as tax-exempt fixed rated bond to finance certain eligible projects and pay costs of issuance and are callable on or after May 1, 2031, at par in the amount of \$200,000,000, without premium.

Series 2021B Bonds: \$50,000,000 issued on November 18, 2021, as taxable fixed rated bond to finance certain projects and pay costs of issuance and are callable on or after May 1, 2031, at par in the amount of \$50,000,000, without premium.

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

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Maturities of long-term debt for the next five years and thereafter are shown in the table below (in thousands):

	Principal	Interest Payments	Total Debt Service
Years ending April 30:			
2026	\$ 18,280	\$ 30,335	\$ 48,615
2027	20,080	29,454	49,534
2028	21,070	28,466	49,536
2029	22,090	27,441	49,531
2030	23,110	26,416	49,526
2031-2035	133,265	117,686	250,951
2036-2040	142,045	93,510	235,555
2041-2045	154,765	67,553	222,318
2046-2050	187,165	35,148	222,313
2051-2055	127,745	5,646	133,391
	\$ 849,615	\$ 461,655	\$ 1,311,270

A summary of the activity for long-term debt is summarized as follows for the years ended April 30, 2025 and 2024 (in thousands):

	2025	2024
Balance at beginning of year	\$ 894,748	\$ 909,320
Principal payments on long-term debt	(12,935)	(12,390)
Amortization of premiums and/or discounts	(2,185)	(2,182)
Balance at end of year	\$ 879,628	\$ 894,748

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68

Plan Description

The Plan is a single employer, noncontributory defined benefit pension plan administered by the System, covering substantially all full-time regular employees that were hired on or before October 31, 2011. Effective November 1, 2011, the Plan was closed to new hires and rehires. Eligible employees hired or had a status change on or after November 1, 2011, are covered under the Memorial Healthcare System 401(a) Retirement Plan (the 401(a) Plan). Refer to Note 12 for further discussion of the 401(a) Plan. The Plan does not issue a stand-alone financial report; however, it is reported as a pension trust fund in the financial statements of the System herein. The Board has the authority to establish and amend the benefit provisions of the Plan.

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

Benefits Provided

The Plan's retirement benefits are based on employees' years and completed months of continuous service from date of employment to date of termination and average compensation during the highest consecutive 60-month period in the last 120 months preceding termination or retirement. Employees become eligible for normal retirement based on the attainment of a specified age ranging from 55 to 65 years and years of credited service ranging from 5 to 30 years. Early and late retirement options are available subject to certain conditions.

The Plan is permitted to distribute the actuarial equivalent present value of a participant's benefit that is \$1,000 or less as soon as administratively practical following the participant's date of termination or distribute to the participant (if elected) or into an eligible retirement plan (if the participant does not make an election) the actuarial equivalent present value of a participant's benefit when it exceeds \$1,000 but does not exceed \$5,000. The Plan previously permitted lump-sum distributions to participants when the actuarial equivalent present value of the retirement benefit did not exceed \$50,000 and the participant had not begun receiving a monthly retirement benefit. Effective August 1, 2024, the Plan was amended to remove the \$50,000 limit, allowing retirement benefits to be paid as a single lump sum, in lieu of an annuity form of payment, regardless of the present value of such benefit.

Funding Policy

The Plan's funding policy provides for actuarially determined amounts, which, together with investment earnings, are sufficient to fund the Plan as prescribed under Part VII, Chapter 112 of the Florida Statutes. There are no employee contributions. The Plan's funding policy provides for actuarially determined periodic contributions that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The portion of the actuarially determined contribution for normal cost is determined using the projected unit credit actuarial funding method with proration based on service. The actuary uses the level dollar method to amortize the unfunded liability over the average future working lifetime of active participants which was 9 and 7 years as of May 1, 2024 and 2023, respectively. The same amortization method is used for experience gains or losses, changes in benefits, or changes in actuarial assumptions. The actuarial value of assets uses a five-year smoothing for investment gains and losses. The annual contributions to the Plan during fiscal year ended April 30, 2025 were approximately \$37,350,000, and were in excess of the actuarially determined contribution of approximately \$25,653,000 computed through an actuarial valuation performed as of May 1, 2024. The annual contributions to the Plan during fiscal year ended April 30, 2024, were approximately \$43,650,000, and were in excess of the actuarially determined contribution of approximately \$36,684,000 computed through an actuarial valuation performed as of May 1, 2023. During the fiscal years ended April 30, 2025 and 2024, actual annual contributions as a percentage of covered payroll were 13.0% and 14.7%, respectively.

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

Listed below is information regarding plan membership or employees covered by the benefit terms:

Participant data as of April 30, 2025 and 2024, are as follows:

	2025	2024
Active plan members or employees	2,675	2,937
Inactive plan members or employees or beneficiaries currently receiving benefits	3,158	2,961
Inactive plan members or employees entitled to but not yet receiving benefits	2,179	2,234
Total	8,012	8,132

Net Pension Liability

The net pension liability of the System reported, as of April 30, 2025 and 2024, was measured as of April 30, 2024 and 2023, respectively. The total pension liability reported by the System as of April 30, 2025 and 2024, is based on the liability determined using May 1, 2023 and 2022, census data and valuation date using update procedures to roll forward to the measurement date of April 30, 2024 and 2023, respectively.

The following schedule presents the change in net pension liability reporting for the System for the fiscal years ended April 30, 2025 and 2024 (in thousands):

	2025	2024
Total pension liability		
Service cost	\$ 12,002	\$ 12,667
Interest	66,787	62,748
Differences between expected and actual experience	16,345	34,642
Changes in assumptions	(38,425)	10,704
Benefit payments	(43,344)	(39,210)
Net change in total pension liability	13,365	81,551
Total pension liability – beginning	1,017,249	935,698
Total pension liability – ending (a)	\$ 1,030,614	\$ 1,017,249
 Plan fiduciary net position		
Contributions – employer	\$ 43,650	\$ 39,894
Net investment income	99,354	32,549
Benefit payments	(43,344)	(39,210)
Administrative expense	(111)	(105)
Net change in plan fiduciary net position	99,549	33,128
 Plan fiduciary net position – beginning	889,121	855,993
Plan fiduciary net position – ending (b)	\$ 988,670	\$ 889,121
 Plan's net pension liability ending – (a) – (b)	\$ 41,944	\$ 128,128

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

Pension Expense and Deferred Outflows and Inflows of Resources

The System recorded approximately \$28,148,000 and \$39,022,000 in pension expense for the fiscal years ended April 30, 2025 and 2024, respectively, which is included in employee benefits expense in the accompanying statements of revenues, expenses and changes in net position.

The following schedule presents information about the pension-related deferred outflows and inflows of resources at April 30, 2025 and 2024 (in thousands):

	Deferred Outflows of Resources	
	2025	2024
Differences between expected and actual experience	\$ 22,027	\$ 25,740
Employer's contribution to the plan subsequent to the measurement date of the net pension liability	37,350	43,650
Changes in assumptions	4,022	11,428
Net difference between projected and actual earnings on pension plan investments	-	21,637
Total deferred outflows of resources	\$ 63,399	\$ 102,455
	Deferred Inflows of Resources	
	2025	2024
Changes in assumptions	\$ 23,925	\$ -
Net difference between projected and actual earnings on pension plan investments	14,000	-
Total deferred inflows of resources	\$ 37,925	\$ -

The following schedule presents the future amortization of pension-related deferred outflows and inflows of resources, excluding the balance attributable to the employer's contribution to the Plan in the current fiscal year and subsequent to the net pension liability measurement date. The difference between projected and actual earnings on pension investment is recorded in pension expense over a five-year period. Under GASB standards, the difference between projected and actual earnings on pension plan investments is amortized into pension expense over a closed five-year period. The changes in assumptions and differences between expected and actual experience is amortized into pension expense over the average remaining service lives of active and inactive members, which were 2.65 and 2.99 years as of May 1, 2023 and 2022, respectively.

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

The employer's contribution to the Plan reported by the System in the fiscal year ended April 30, 2025, will be reported as a reduction in the net pension liability in the next fiscal year. Other amounts reported as pension-related deferred outflows of resources and deferred inflows of resources at April 30, 2025, will be recognized as an increase (reduction) to pension expense for the fiscal years ending April 30, as follows (in thousands):

Years ending April 30:

2026	\$ (8,844)
2027	8,382
2028	(3,300)
2029	(8,114)
	<hr/>
	\$ (11,876)

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

Actuarial Methods and Assumptions

The System recognizes annual pension expense and net pension liability in accordance with GASB Statements No. 68 and No. 71, based on information obtained from its annual actuarial report.

The assumptions used to measure the total pension liability of the System as of the measurement date of April 30, 2024 and 2023, follows. Significant assumptions used in the May 1, 2023 and 2022, valuation were based on the results of actuarial experience studies performed within five years of each respective valuation date.

	2025	2024																																																
Measurement date	April 30, 2024	April 30, 2023																																																
Valuation date	May 1, 2023, rolled forward from May 1, 2023 to April 30, 2024	May 1, 2022, rolled forward from May 1, 2022 to April 30, 2023																																																
Actuarial cost method	Entry age normal actuarial cost method	Entry age normal actuarial cost method																																																
Asset valuation method	Fair market value for plan investments	Fair market value for plan investments																																																
Long-term expected rate of return	7.00%	6.60%																																																
Discount rate	7.00%	6.60%																																																
Mortality rates	Based on the Pri-2012 Benefits-weighted Employee, Annuitant, and Disabled Mortality tables for males and females projected from 2012 using generational projection Scale MP-2021 for males and females.	Based on the Pri-2012 Benefits-weighted Employee, Annuitant, and Disabled Mortality tables for males and females projected from 2012 using generational projection Scale MP-2021 for males and females.																																																
Projected salary increases	<table> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Increase*</u></th> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Increase*</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 35</td><td style="text-align: center;">6.00%</td><td style="text-align: center;">Less than 35</td><td style="text-align: center;">6.00%</td></tr> <tr> <td style="text-align: center;">35-39</td><td style="text-align: center;">5.25%</td><td style="text-align: center;">35-39</td><td style="text-align: center;">5.25%</td></tr> <tr> <td style="text-align: center;">40-44</td><td style="text-align: center;">4.00%</td><td style="text-align: center;">40-44</td><td style="text-align: center;">4.00%</td></tr> <tr> <td style="text-align: center;">45-49</td><td style="text-align: center;">3.50%</td><td style="text-align: center;">45-49</td><td style="text-align: center;">3.50%</td></tr> <tr> <td style="text-align: center;">50-54</td><td style="text-align: center;">3.00%</td><td style="text-align: center;">50-54</td><td style="text-align: center;">3.00%</td></tr> <tr> <td style="text-align: center;">55-59</td><td style="text-align: center;">2.50%</td><td style="text-align: center;">55-59</td><td style="text-align: center;">2.50%</td></tr> <tr> <td style="text-align: center;">60 or older</td><td style="text-align: center;">2.25%</td><td style="text-align: center;">60 or older</td><td style="text-align: center;">2.25%</td></tr> </tbody> </table> <p style="text-align: center;">*Includes inflation at 2.50% Age-based rated based on plan experience per the rates above.</p> <p style="text-align: center;">The salary increase assumption was adjusted to reflect a one-time 2.00% increase at May 1, 2024.</p>	<u>Age</u>	<u>Increase*</u>	<u>Age</u>	<u>Increase*</u>	Less than 35	6.00%	Less than 35	6.00%	35-39	5.25%	35-39	5.25%	40-44	4.00%	40-44	4.00%	45-49	3.50%	45-49	3.50%	50-54	3.00%	50-54	3.00%	55-59	2.50%	55-59	2.50%	60 or older	2.25%	60 or older	2.25%	<table> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Increase*</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 35</td><td style="text-align: center;">6.00%</td></tr> <tr> <td style="text-align: center;">35-39</td><td style="text-align: center;">5.25%</td></tr> <tr> <td style="text-align: center;">40-44</td><td style="text-align: center;">4.00%</td></tr> <tr> <td style="text-align: center;">45-49</td><td style="text-align: center;">3.50%</td></tr> <tr> <td style="text-align: center;">50-54</td><td style="text-align: center;">3.00%</td></tr> <tr> <td style="text-align: center;">55-59</td><td style="text-align: center;">2.50%</td></tr> <tr> <td style="text-align: center;">60 or older</td><td style="text-align: center;">2.25%</td></tr> </tbody> </table> <p style="text-align: center;">*Includes inflation at 2.50% Age-based rated based on plan experience per the rates above.</p> <p style="text-align: center;">The salary increase assumption was adjusted to reflect a one-time 2.00% increase at May 1, 2023.</p>	<u>Age</u>	<u>Increase*</u>	Less than 35	6.00%	35-39	5.25%	40-44	4.00%	45-49	3.50%	50-54	3.00%	55-59	2.50%	60 or older	2.25%
<u>Age</u>	<u>Increase*</u>	<u>Age</u>	<u>Increase*</u>																																															
Less than 35	6.00%	Less than 35	6.00%																																															
35-39	5.25%	35-39	5.25%																																															
40-44	4.00%	40-44	4.00%																																															
45-49	3.50%	45-49	3.50%																																															
50-54	3.00%	50-54	3.00%																																															
55-59	2.50%	55-59	2.50%																																															
60 or older	2.25%	60 or older	2.25%																																															
<u>Age</u>	<u>Increase*</u>																																																	
Less than 35	6.00%																																																	
35-39	5.25%																																																	
40-44	4.00%																																																	
45-49	3.50%																																																	
50-54	3.00%																																																	
55-59	2.50%																																																	
60 or older	2.25%																																																	
Cost of living adjustments	None	None																																																
Experience study date	May 1, 2019	May 1, 2019																																																

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

Discount Rate

The discount rate used to measure the total pension liability reported by the System as of April 30, 2025, was 7.00%, reflecting a 0.40% increase from the prior year. The discount rate used to measure the total pension liability reported by the System as of April 30, 2024, was 6.60%, showing no change from the discount rate used to measure the total pension liability reported by the System as of April 30, 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions are made at 100% of the annual actuarial determined value and that future contributions will be made in the same manner. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Florida Statutes require the System to make an actuarially determined contribution to the Plan each year. Thus, as long as the System continues to fund the Plan based on the contributions, the Plan will remain adequately funded. Actuaries perform a valuation on census data and asset information every year as of May 1st. The annual valuation includes a contribution amount that the System funds each year. An alternative method applies for the System due to the Florida Statutes, requiring that the System fund an actuarially determined dollar amount of contribution each year. As long as the System remains financially able to make the contributions each year, there will not likely be a point in time where the Plan will run out of money and not be able to make benefit payments.

Investment Policy

The Board adopted an investment policy for the Plan that adheres to the investment guidelines and permissible investments outlined in Florida Statutes, Title XIV, Chapters 215.44 and 215.47. The investment policy has target percentages for certain asset classes and permits variances of +/- 5% as an allowable range. The Board and its Finance Committee uses an independent registered financial advisor to assist in monitoring investment activities, investment policy formulation and investment manager selection. The following are the Board's adopted investment policy asset allocation midpoint percentages for both the measurement dates as of April 30, 2024 and 2023:

Asset Class	Allocation Percentage
Domestic equity	10.0%
Global equity:	
Value	17.5%
Growth	27.5%
Defensive equity strategy	10.0%
Fixed Income:	
Core fixed income	25.0%
Senior secured bank loans	5.0%
High yield	5.0%
Total Plan	100.0%

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

The Plan provides the following guidelines and restrictions for the asset classes authorized:

- **Domestic equity:** The following list of investments may be purchased in the Domestic equity portfolio: common and preferred stock; securities convertible into common stock, including 144a stock limited to 10% of the portfolio and must be in securities that are of size to be index eligible; warrants; American Depository Receipts; no-load mutual funds; bank, trust or insurance company pooled funds; cash and cash equivalents; exchange traded funds; and initial public offerings. Large and small capitalization companies and defensive or enhanced indexing strategies utilizing domestic large cap equity index funds and/or exchange traded funds in combination with futures and swaps are included as domestic equities.
- **Global equity (including dedicated emerging markets):** The following list of investments may be purchased in a global equity portfolio: common and preferred stocks of issuers whose primary stock exchange listing, registration or headquarters are located in the United States, or countries comprising the Morgan Stanley Capital International All Country World Index (MSCI ACWI Index). The exceptions to this are stocks in emerging markets, subject to certain limitations. Other permissible investments include: securities convertible into common stock, including offerings under Securities Act Rule 144, limited to 20% of the portfolio at market value; warrants; ADRs listed on a major U.S. exchange; forward contracts for foreign currency to be used in defensive hedging only; World Equity Benchmarks (WEBS); exchange traded funds; initial public offerings (only after notification to the System's Finance Committee and its Investment Consultant); no-load mutual funds; bank, trust or insurance company pooled funds; and cash or cash equivalents.
- **Fixed income:** The following list of investments may be purchased in the fixed-income portfolios: U.S. Treasury obligations, Treasury inflation protected bonds, government agencies and government sponsored agency debentures and mortgage pass-through; mortgage-backed To-Be-Announced (TBA) notes; collateralized mortgage obligations, limited to 25% of the portfolio; non-agency issued mortgages originated in Florida per Statute 215.47(2)(b)(c)(d); commercial mortgage-backed securities; corporate bonds and other corporate obligations, including equipment trust certificates; high-yield bonds and secured bank loans; 144a fixed income securities with and without registration rights; asset-backed securities; indexed notes, floaters, and other variable rate obligations; pooled accounts or other collective investment funds; certificates of deposit, bankers' acceptances, and commercial paper rated at least A-1 by S&P or P-1 by Moody's; mutual funds; municipal bonds; complex tranches of collateralized mortgage obligations, asset-backed securities, and commercial mortgage-backed securities (including interest only, principal only, super floaters, inverse floaters, and support bonds), limited to 10% of the portfolio at market value; and U.S. dollar global bonds and non-U.S. dollar global bonds, limited to 5% each (10% total) of the portfolio at market value. Investments not listed above may be purchased only if the investment manager receives written approval from the System's Finance Committee.
- **Alternative investments—long/short equity hedge fund:** A hedge fund refers to an investment or strategy that is not a long-only portfolio of traditional equity. The Plan will generally invest in strategies that have at least yearly liquidity and reasonable levels of transparency.

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

Pension Plan Fiduciary Net Position

Stand-alone financial statements are not issued for the Plan. Detailed information about the pension plan's fiduciary net position used to compute the System's net pension liability as of April 30, 2025 and 2024, is available in the separately issued financial statements of the System for the years ended April 30, 2024 and 2023, which include the pension trust fund statements that can be obtained from the System's website at www.mhs.net.

Expected Rate of Return

The projected long-term rate of return on pension plan investments at April 30, 2024 and 2023, was determined using a model of current capital market simulations. It is designed to simulate a wide range of plausible scenarios of future capital market performance over a 10-year time period. It reflects the capital market conditions prevailing at the start date of the simulation. The long-term rate of return on pension plan investments was determined using best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense) developed for each major asset class. These ranges are combined to support the long-term expected rate of return assumptions for the Plan by weighting the expected future rates of return by the asset allocation percentage and by considering active and passive management investment strategies. Best estimates of arithmetic real rates of return (expected returns, net of pension plan investment expense and inflation) for major assets classes included in the Plan's asset allocations as of the measurement date April 30, 2024 and 2023, as reported by the System as of April 30, 2025 and 2024, respectively, are summarized in the following table:

Asset Class	2025	2024
	Long-Term Expected Real Rate of Return	
US Large-Cap Equity	3.9%	4.7%
US Small / Mid-Cap Equity	4.7%	*
Global Equity	4.4%	4.9%
Global Low Volatility	*	4.5%
Defensive Equity	*	3.9%
US Aggregate Bond	2.4%	2.3%
US High Yield Corporate Bond	4.6%	6.2%
US Leverage Loan	4.0%	6.3%

* Not available based on rates of return modeling changes year over year

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

Notes to Financial Statements

Note 10. Employer Pension Disclosures, As Required By GASB Statement No. 68 (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the sensitivity of the net pension liability calculation to a 1.0% increase and a 1.0% decrease in the discount rate used to measure the total pension liability as of the measurement date of April 30, 2024 and 2023, as reported by the System as of April 30, 2025 and 2024, respectively (in thousands):

	2025		
	Current		
	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net pension liability (asset)	\$ 165,205	\$ 41,944	\$ (62,070)
<hr/>			
	2024		
	Current		
	1% Decrease 5.60%	Discount Rate 6.60%	1% Increase 7.60%
Net pension liability	\$ 255,274	\$ 128,128	\$ 21,312

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67

The net pension liability of the Plan as of April 30, 2025 to be reported by the System as of April 30, 2026, was measured as of April 30, 2025. The total pension liability of the Plan as of April 30, 2025, is based on the liability determined using May 1, 2024 census data and a May 1, 2024 valuation date using update procedures to roll forward to the measurement date of April 30, 2025. The net pension liability as of April 30, 2024 to be reported by the System as of April 30, 2025, was measured as of April 30, 2024. The total pension liability of the Plan as of April 30, 2024, is based on the liability determined using May 1, 2023 census data and a May 1, 2023 valuation date using update procedures to roll forward to the measurement date of April 30, 2024.

The components of the net pension liability as of the Plan's years ended April 30, 2025 and 2024, were as follows (in thousands):

	2025	2024
Net pension liability		
Total pension liability	\$ 1,084,628	\$ 1,030,614
Plan fiduciary net position	(1,043,965)	(988,670)
Net pension liability	\$ 40,663	\$ 41,944
Plan fiduciary net position as a percentage of the total pension liability	96.3%	95.9%

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the sensitivity of the net pension liability calculation to a 1.0% increase and a 1.0% decrease in the discount rate used to measure the total pension liability as of April 30, 2025 and 2024 (in thousands):

	2025		
	Current		
	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net pension liability (asset)	\$ 156,930	\$ 40,663	\$ (58,926)
	2024		
	Current		
	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net pension liability (asset)	\$ 165,205	\$ 41,944	\$ (62,070)

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

Actuarial Methods and Assumptions

Significant assumptions used in the May 1, 2024 and 2023 valuations, with measurement dates of April 30, 2025 and 2024, under GASB Statement No. 67 were based on the results of actuarial experience studies performed within five years of each respective valuation date. The assumptions used to measure the total pension liability as of the measurement dates of April 30, 2025 and 2024, were based on actuarial valuation dates of May 1, 2024 and 2023, as follows:

	2025	2024																																																																
Measurement date	April 30, 2025	April 30, 2024																																																																
Valuation date	May 1, 2024, rolled forward from May 1, 2024 to April 30, 2025	May 1, 2023, rolled forward from May 1, 2023 to April 30, 2024																																																																
Actuarial cost method	Entry age normal actuarial cost method	Entry age normal actuarial cost method																																																																
Asset valuation method	Fair market value for plan investments	Fair market value for plan investments																																																																
Long-term expected rate of return	7.00%	7.00%																																																																
Discount rate	7.00%	7.00%																																																																
Mortality rates	Based on the Pri-2012 Benefits-weighted Employee and Annuitant Mortality tables for males and females projected from 2012 using generational projection Scale MP-2021 for males and females.	Based on the Pri-2012 Benefits-weighted Employee, Annuitant, and Disabled Mortality tables for males and females projected from 2012 using generational projection Scale MP-2021 for males and females.																																																																
Projected salary increases	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Percentage</u></th> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Percentage</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 35</td><td style="text-align: center;">6.00%</td><td style="text-align: center;">Less than 35</td><td style="text-align: center;">6.00%</td></tr> <tr> <td style="text-align: center;">35-39</td><td style="text-align: center;">5.25%</td><td style="text-align: center;">35-39</td><td style="text-align: center;">5.25%</td></tr> <tr> <td style="text-align: center;">40-44</td><td style="text-align: center;">5.00%</td><td style="text-align: center;">40-44</td><td style="text-align: center;">4.00%</td></tr> <tr> <td style="text-align: center;">45-49</td><td style="text-align: center;">4.50%</td><td style="text-align: center;">45-49</td><td style="text-align: center;">3.50%</td></tr> <tr> <td style="text-align: center;">50-54</td><td style="text-align: center;">4.00%</td><td style="text-align: center;">50-54</td><td style="text-align: center;">3.00%</td></tr> <tr> <td style="text-align: center;">55-59</td><td style="text-align: center;">3.50%</td><td style="text-align: center;">55-59</td><td style="text-align: center;">2.50%</td></tr> <tr> <td style="text-align: center;">60 or older</td><td style="text-align: center;">3.25%</td><td style="text-align: center;">60 or older</td><td style="text-align: center;">2.25%</td></tr> </tbody> </table> <p>*Includes inflation at 2.50% Age-based rated based on plan experience per the rates above. The salary increase assumption was adjusted to reflect a one-time 1.00% increase at May 1, 2025.</p>	<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>	Less than 35	6.00%	Less than 35	6.00%	35-39	5.25%	35-39	5.25%	40-44	5.00%	40-44	4.00%	45-49	4.50%	45-49	3.50%	50-54	4.00%	50-54	3.00%	55-59	3.50%	55-59	2.50%	60 or older	3.25%	60 or older	2.25%	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Percentage</u></th> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Percentage</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 35</td><td style="text-align: center;">6.00%</td><td style="text-align: center;">Less than 35</td><td style="text-align: center;">6.00%</td></tr> <tr> <td style="text-align: center;">35-39</td><td style="text-align: center;">5.25%</td><td style="text-align: center;">35-39</td><td style="text-align: center;">5.25%</td></tr> <tr> <td style="text-align: center;">40-44</td><td style="text-align: center;">4.00%</td><td style="text-align: center;">40-44</td><td style="text-align: center;">4.00%</td></tr> <tr> <td style="text-align: center;">45-49</td><td style="text-align: center;">3.50%</td><td style="text-align: center;">45-49</td><td style="text-align: center;">3.50%</td></tr> <tr> <td style="text-align: center;">50-54</td><td style="text-align: center;">3.00%</td><td style="text-align: center;">50-54</td><td style="text-align: center;">3.00%</td></tr> <tr> <td style="text-align: center;">55-59</td><td style="text-align: center;">2.50%</td><td style="text-align: center;">55-59</td><td style="text-align: center;">2.50%</td></tr> <tr> <td style="text-align: center;">60 or older</td><td style="text-align: center;">2.25%</td><td style="text-align: center;">60 or older</td><td style="text-align: center;">2.25%</td></tr> </tbody> </table> <p>*Includes inflation at 2.50% Age-based rated based on plan experience per the rates above. The salary increase assumption was adjusted to reflect a one-time 2.00% increase at May 1, 2024.</p>	<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>	Less than 35	6.00%	Less than 35	6.00%	35-39	5.25%	35-39	5.25%	40-44	4.00%	40-44	4.00%	45-49	3.50%	45-49	3.50%	50-54	3.00%	50-54	3.00%	55-59	2.50%	55-59	2.50%	60 or older	2.25%	60 or older	2.25%
<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>																																																															
Less than 35	6.00%	Less than 35	6.00%																																																															
35-39	5.25%	35-39	5.25%																																																															
40-44	5.00%	40-44	4.00%																																																															
45-49	4.50%	45-49	3.50%																																																															
50-54	4.00%	50-54	3.00%																																																															
55-59	3.50%	55-59	2.50%																																																															
60 or older	3.25%	60 or older	2.25%																																																															
<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>																																																															
Less than 35	6.00%	Less than 35	6.00%																																																															
35-39	5.25%	35-39	5.25%																																																															
40-44	4.00%	40-44	4.00%																																																															
45-49	3.50%	45-49	3.50%																																																															
50-54	3.00%	50-54	3.00%																																																															
55-59	2.50%	55-59	2.50%																																																															
60 or older	2.25%	60 or older	2.25%																																																															
Retirement rates	Age-graded rates that participants are assumed to retire from age 52 through age 75 based on plan experience. The assumption was updated to reflect the results of the most recent experience study.	Age-graded rates that participants are assumed to retire from age 52 through age 75 based on plan experience.																																																																
Cost of living adjustments	None	None																																																																
Experience study date	May 1, 2024	May 1, 2019																																																																

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

Discount Rate

The discount rate used to measure the total pension liability of the Plan as of April 30, 2025, was 7.00%, reflecting no change from the prior year. The discount rate used to measure the total pension liability of the Plan as of April 30, 2024, was 7.00%, reflecting a 0.40% increase from the discount rate used to measure the total pension liability of the Plan as of April 30, 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions are made at 100% of the annual actuarial determined value and that future contributions will be made in the same manner. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Florida Statutes require the System to make an actuarially-determined contribution to the Plan each year. Thus, as long as the System continues to fund the Plan based on the contributions, the Plan will remain adequately funded. The valuation includes the annual contribution amount that the System funds each year. An alternative method applies for the System due to the Florida Statutes, requiring that the System fund an actuarially determined dollar amount of contribution each year. As long as the System remains financially able to make the contributions each year, there will never be a point in time where the Plan will run out of money and not be able to make the benefit payments.

Termination Rates

As part of the demographic assumption studies performed every three to five years, to ensure that assumptions are still appropriate for the population, a study of termination rates was performed for the May 1, 2024 valuation. The results of this study were not significant to the Plan valuations.

Lump-Sum Election Rate

The Plan was amended effective August 1, 2024, to remove the \$50,000 ceiling on the lump-sum optional form of payment. Accordingly, it was assumed that 30% of active participants who terminate or retire will elect to receive their retirement benefit as a lump sum. This assumption was used to measure the total pension liability of the Plan as of April 30, 2025.

Rate of Return

For the years ended April 30, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.7% and 11.2%, respectively. The money-weighted rate of return is used to express investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Expected Rate of Return

The projected long-term rate of return on pension plan investments at April 30, 2025 and 2024, was determined using a model of current capital market simulations. It is designed to simulate a wide range of plausible scenarios of future capital market performance over a 30-year time period. It reflects the capital market conditions prevailing at the start date of the simulation. The long-term rate of return on pension plan investments was determined using best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense) developed for each major asset class. These ranges are combined to support the long-term expected rate of return assumptions for the Plan by weighting the expected future rates of return by the largest asset allocation percentage and by considering active and passive investment strategies.

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

Best estimates of arithmetic real rates of return (expected returns, net of pension plan investment expense and inflation) for major asset classes included in the Plan's asset allocations as of April 30, 2025 and 2024, are summarized in the following table:

Asset Class	2025	2024
	Long-Term Expected Real Rate of Return	
U.S. Large-Cap Equity	4.7%	3.9%
U.S. Small / Mid-Cap Equity	*	4.7%
Global Equity	4.9%	4.4%
U.S. Aggregate Bond	2.5%	2.4%
U.S. High Yield Corporate Bond	4.8%	4.6%
U.S. Leveraged Loan	3.9%	4.0%

* Not available based on expected rates of return modeling changes year over year

Fair Value Measurements—Pension Plan Assets

The tables below present the fair value leveling of the Plan's investments as of April 30, 2025 and 2024, in accordance with GASB Statement No. 72 (in thousands):

	2025		
	Level 1	Level 2	Total
Asset-backed / mortgage obligations	\$ -	\$ 8,646	\$ 8,646
Corporate debt	-	98,202	98,202
Floating rate mutual fund	-	56,327	56,327
Foreign bonds	-	7,331	7,331
Global mutual funds	271,549	-	271,549
International equities	71,191	15,788	86,979
SEC-registered money market funds	18,872	-	18,872
U.S. agencies / U.S. agency mortgage bonds	-	81,657	81,657
U.S. equities	145,870	4,225	150,095
U.S. equity exchange traded funds	176,033	-	176,033
U.S. treasuries	86,177	-	86,177
	\$ 769,692	\$ 272,176	\$ 1,041,868

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

	2024			Total
	Level 1	Level 2		
Asset-backed / mortgage obligations	\$ -	\$ 7,342	\$ 7,342	\$ 7,342
Commercial mortgage securities	-	3,904		3,904
Corporate debt	-	91,341		91,341
Floating rate mutual fund	-	53,440		53,440
Foreign bonds	-	4,862		4,862
Global mutual funds	249,862	-		249,862
International equities	81,405	15,408		96,813
SEC-registered money market funds	15,141	-		15,141
U.S. agencies / U.S. agency mortgage bonds	-	99,252		99,252
U.S. equities	130,051	2,903		132,954
U.S. equity exchange traded funds	161,403	-		161,403
U.S. treasuries	69,957	56		70,013
	\$ 707,819	\$ 278,508		\$ 986,327

Interest Rate Risk

Interest rate risk exposure is managed by limiting investment maturities in accordance with parameters in the Plan's investment policy. At April 30, 2025 and 2024, the Plan had investments maturing as follows (in thousands):

	2025				
	Fair Value	No Maturity Date or Less than			
		1 Year	1 - 5 Years	6-10 Years	Greater Than 10 Years
Asset-backed / mortgage obligations	\$ 8,646	\$ 13	\$ 5,029	\$ 1,241	\$ 2,363
Corporate debt	98,202	6,344	54,411	21,975	15,472
Floating rate mutual fund	56,327	56,327	-	-	-
Foreign bonds	7,331	-	3,440	2,487	1,404
Global mutual funds	271,549	271,549	-	-	-
International equities	86,979	86,979	-	-	-
SEC-registered money market funds	18,872	18,872	-	-	-
U.S. agencies / U.S. agency mortgage bonds	81,657	-	5,258	7,807	68,592
U.S. equities	150,095	150,095	-	-	-
U.S. equity exchange traded funds	176,033	176,033	-	-	-
U.S. treasuries	86,177	50,310	13,413	6,393	16,061
	\$ 1,041,868	\$ 816,522	\$ 81,551	\$ 39,903	\$ 103,892

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

	2024				
	No Maturity Date or Less than 1 Year				Greater Than 10 Years
	Fair Value	1 - 5 Years	6-10 Years		
Asset-backed / mortgage obligations	\$ 7,342	\$ -	\$ 4,082	\$ 1,959	\$ 1,301
Commercial mortgage securities	3,904	-	-	-	3,904
Corporate debt	91,341	4,469	55,585	15,402	15,885
Floating rate mutual fund	53,440	53,440	-	-	-
Foreign bonds	4,862	-	1,015	1,123	2,724
Global mutual funds	249,862	249,862	-	-	-
International equities	96,813	96,813	-	-	-
SEC-registered money market funds	15,141	15,141	-	-	-
U.S. agencies / U.S. agency mortgage bonds	99,252	-	3,277	12,900	83,075
U.S. equities	132,954	132,954	-	-	-
U.S. equity exchange traded funds	161,403	161,403	-	-	-
U.S. treasuries	70,013	50,338	3,105	4,164	12,406
	\$ 986,327	\$ 764,420	\$ 67,064	\$ 35,548	\$ 119,295

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

Credit Risk

The Plan's investment policy provides guidelines for fixed income investment managers that require:

- fixed income securities should be rated BBB (or, its equivalent) or higher at the time of purchase by a nationally recognized statistical rating agency;
- the minimum dollar weighted average credit quality of the portfolio is "A";
- asset-backed securities, mortgage-backed securities and collateralized mortgage obligations should be rated "AAA" (or, its equivalent) at the time of purchase by a nationally recognized statistical rating agency;
- for split ratings, the higher rating will be used to determine compliance; and
- fixed income securities not in these guidelines shall be authorized by the Board.

At April 30, 2025 and 2024, the Plan's investments have credit ratings as follows (in thousands):

	S&P Rating or Comparable as of April 30, 2025															
	Total	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BB+	B+	BBB	BBB-	Below BBB-	Not rated
Asset-backed / Mortgage obligations	\$ 8,646	\$ 8,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate debt	98,202	1,536	1,136	660	4,401	4,129	9,148	9,749	10,196	8,860	3,782	18,187	14,786	11,632	-	-
Floating rate mutual fund	56,327	-	-	-	-	-	-	-	-	-	-	-	-	-	56,327	-
Foreign bonds	7,331	-	-	-	-	619	981	3,284	399	785	796	-	-	-	467	-
Global mutual funds	271,549	-	-	-	-	-	-	-	-	-	-	-	-	-	271,549	-
International equities	86,979	-	-	-	-	-	-	-	-	-	-	-	-	-	86,979	-
SEC-registered money market funds	18,872	18,872	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. agencies / U.S. agency mortgage bonds	81,657	-	81,657	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. equities	150,095	-	-	-	-	-	-	-	-	-	-	-	-	-	150,095	-
U.S. equity exchange traded funds	176,033	-	-	-	-	-	-	-	-	-	-	-	-	-	176,033	-
U.S. treasuries	86,177	62,253	23,924	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$ 1,041,868	\$ 91,307	\$ 106,717	\$ 660	\$ 4,401	\$ 4,748	\$ 10,129	\$ 13,033	\$ 10,595	\$ 9,645	\$ 4,578	\$ 18,187	\$ 14,786	\$ 12,099	\$ 740,983	

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

	S&P Rating or Comparable as of April 30, 2024															
	Total	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BB+	B+	BBB	BBB-	Below BBB-	Not rated	
Asset-backed / Mortgage obligations	\$ 7,342	\$ 7,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial mortgage securities	3,904	3,904	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate debt	91,341	-	1,472	1,670	3,873	8,961	11,417	11,105	14,627	2,551	6,355	7,568	9,107	12,635	-	-
Floating rate mutual fund	53,440	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,440
Foreign bonds	4,862	2,139	2,723	-	-	-	-	-	-	-	-	-	-	-	-	-
Global mutual funds	249,862	-	-	-	-	-	-	-	-	-	-	-	-	-	-	249,862
International equities	96,813	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,813
SEC-registered money market funds	15,141	15,141	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. agencies / U.S. agency mortgage bonds	99,252	-	99,252	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. equities	132,954	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132,954
U.S. equity exchange traded funds	161,403	-	-	-	-	-	-	-	-	-	-	-	-	-	-	161,403
U.S. treasuries	70,013	-	70,013	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$ 986,327	\$ 28,526	\$ 173,460	\$ 1,670	\$ 3,873	\$ 8,961	\$ 11,417	\$ 11,105	\$ 14,627	\$ 2,551	\$ 6,355	\$ 7,568	\$ 9,107	\$ 12,635	\$ 694,472	

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

Notes to Financial Statements

Note 11. Pension Plan Disclosures, As Required by GASB Statement No. 67 (Continued)

Concentration of Credit Risk

The Plan's investment policy provides the following guidelines to limit concentration of credit risk:

- No more than 10% of a fixed income portfolio shall be invested in securities of any one issuer with the exception of the U.S. government;
- No more than 3% of Plan assets may be invested in any one bond, with the exception of securities issued or guaranteed by the U.S. government; and
- No more than 50% of fixed income assets may be in non-government guaranteed agency securities.

At April 30, 2025 and 2024, there were no investments with any one issuer representing greater than 5% or more of the Plan's total investments.

Custodial Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan may not be able to recover the full value of the investment or collateral securities that are in the possession of an outside party. As of April 30, 2025 and 2024, the Plan's investment portfolio was held in accounts with two third-party custodians in the Plan's name.

Foreign Currency Risk

GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*, requires disclosure of deposits or investments exposed to foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan's exposure to foreign currency derives from its positions in foreign currency denominated equities.

As of April 30, 2025 and 2024, global equities had a target percentage of 25% and an approved Policy range of 0% to 80% of the Plan's assets. The following table shows the Plan's exposure to foreign currencies as of April 30, 2025 and 2024 (in thousands):

Currency	2025	2024
Australian dollar	\$ 3,101	\$ 3,468
British sterling pound	12,394	12,639
Canadian dollar	8,192	10,957
Danish krone	5,148	10,842
EMU (euro)	22,426	21,396
Hong Kong dollar	3,661	2,742
Japanese yen	9,792	11,665
Swiss franc	6,676	8,576
Total Plan investments subject to foreign currency risk	<u>\$ 71,390</u>	<u>\$ 82,285</u>
Percentage of total Plan investments	6.9%	8.3%

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

Notes to Financial Statements

Note 12. Defined-Contribution Plans

The System implemented the 401(a) Plan for employees who were hired or had a status change on or after November 1, 2011. The 401(a) Plan is a defined-contribution plan under which the System makes required contributions for each eligible employee. Prior to January 1, 2024, eligible employees were defined as those who were full-time (working 72 hours or more per pay period), who were paid 1,872 eligible hours (regular hours excluding overtime) in a calendar year or at least 1,404 eligible hours in their first calendar year of participation, and who maintain active employment status on the last day of the calendar year. The required employer contribution was equal to 2.5% of eligible compensation during such Plan year and an employee was 100% vested after five contributions. Beginning January 1, 2024, employees are now immediately eligible if they are age 21 and a full-time employee expected to work 72 or more hours biweekly. The System increased its required contribution to 3.0% and shortened the time it takes to be vested in matching contributions to three years. In order to receive a contribution, employees must be actively employed on December 31st each year and work at least 1,872 hours during the calendar year. However, no hours are required for the year in which employees are hired.

Eligible employees may also participate in the Memorial Healthcare System 403(b) Retirement Plan (the RSP Gold Plan). Employees are eligible to participate immediately, and full-time and part-time regularly scheduled employees who work 40 or more hours per pay period are eligible for employer matching contributions. The RSP Gold Plan is a defined contribution plan under which the System makes required contributions of up to 55% of the employee's contribution (based on the employee's years of service), not to exceed 5% of the employee's eligible compensation. Prior to January 1, 2024, employees vested 20% per year of employment for employer matched funds. Beginning January 1, 2024, the System shortened the time it takes to be vested in matching contributions to three years, and also amended the RSP Gold Plan to permit Roth elective deferrals.

Participants in the 401(a) Plan and RSP Gold Plan can elect investment options for their individual accounts from among the allowable mutual fund options. In the event investment elections are not provided by the participant, the 401(a) and RSP Gold Plan utilize target date funds as the Qualified Default Investment Alternative. The System's contribution and interest forfeited by employees who leave employment before vesting will periodically be used to reduce the System's current period contribution requirement. For the year ended April 30, 2025 and 2024, the System's contribution expense was approximately \$24,214,000 and \$19,779,000, respectively, for the 401(a) Plan and approximately \$31,158,000 and \$27,769,000, respectively, for the RSP Gold Plan, and is included in employee benefits expense in the accompanying statements of revenues, expenses and changes in net position.

Note 13. Regulatory Matters

In May 1984, the State Legislature enacted the Health Care Consumer Protection and Awareness Act (the Act) in an effort to improve access to medical care for indigent persons. The Act established, among other things, the Public Medical Assistance Trust Fund (PMATF), which is financed by an assessment on the net operating revenues of Florida hospitals. In 1992, the State Legislature transferred the authority to levy assessments to AHCA. The amount of the PMATF assessment is 1.5% of adjusted inpatient operating revenue and 1.0% of adjusted outpatient operating revenue. In addition, an assessment of 0.04% of total operating expenses is levied to be used in the operation of AHCA in the performance of its various functions and duties. The assessed amount recognized by the System was approximately \$40,211,000 and \$37,945,000 for the years ended April 30, 2025 and 2024, respectively, and is included in other operating expenses in the accompanying statements of revenues, expenses and changes in net position.

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

Notes to Financial Statements

Note 13. Regulatory Matters (Continued)

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Note 14. Other Noncurrent Liabilities

Other noncurrent liabilities consist primarily of accrued disability expenses, AHCA and other assessments, and retirement benefits.

A summary of the activity for other noncurrent liabilities is summarized as follows for the years ended April 30, 2025 and 2024 (in thousands):

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 60,881	\$ 55,472
AHCA assessments	870	2,002
Disability expense	(16)	504
Retirement benefits	1,463	3,003
Other	-	(100)
Balance at end of year	<u>\$ 63,198</u>	<u>\$ 60,881</u>

Note 15. Leases

Lessee: As a lessee, the System is obligated under various noncancelable operating leases for office space, medical equipment, and data processing equipment. These leases have terms greater than one year and up to fifteen years, requiring monthly, quarterly or annual payments. Many of the System's leases include escalation clauses and renewal options that are factored into the determination of lease payments, when appropriate. In addition, the System expenses variable payments for increases that are based on the consumer price index (CPI) as well as variable payments based on usage which are not included in the measurement of the lease liability. The amount of lease expense recognized for variable payments not included in the measurement of the lease liability was approximately \$70,000 and \$155,000 for the years ended April 30, 2025 and 2024, respectively.

Effective November 20, 2024, the System acquired the land, buildings, structures, and site improvements located at the Memorial Hospital Pembroke campus for a total purchase price of \$96,000,000. As part of the transaction, the System also paid a \$4,000,000 lease termination fee to end the existing lease, which was scheduled to expire on June 30, 2025. As a result, the System recognized lease termination expense of approximately \$3,837,000 for the year ended April 30, 2025, which is included in other operating expenses in the accompanying statements of revenues, expenses and changes in net position. In connection with the termination, the related right-to-use asset and lease liability were derecognized in the accompanying statements of net position.

For the years ended April 30, 2025 and 2024, the System did not recognize other payments attributable to residual value guarantees or termination penalties not previously included in the measurement of the lease liability, with the exception of the amounts disclosed above.

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

Notes to Financial Statements

Note 15. Leases (Continued)

A summary of the activity for right-to-use lease assets and the related accumulated amortization is as follows for the years ended April 30, 2025 and 2024 (in thousands):

	Balance at May 1, 2024	Additions	Deletions	Balance at April 30, 2025
Leased assets being amortized:				
Equipment	\$ 11,212	\$ 362	\$ (10,274)	\$ 1,300
Real estate	79,404	11,750	(16,478)	74,676
Total leased assets being amortized	<u>90,616</u>	<u>12,112</u>	<u>(26,752)</u>	<u>75,976</u>
Accumulated amortization:				
Equipment	(7,733)	(3,061)	10,274	(520)
Real estate	(26,229)	(12,246)	13,486	(24,989)
Total accumulated amortization	<u>(33,962)</u>	<u>(15,307)</u>	<u>23,760</u>	<u>(25,509)</u>
Total, net of accumulated amortization	<u>\$ 56,654</u>	<u>\$ (3,195)</u>	<u>\$ (2,992)</u>	<u>\$ 50,467</u>
	Balance at May 1, 2023	Additions	Deletions	Balance at April 30, 2024
Leased assets being amortized:				
Equipment	\$ 10,819	\$ 393	\$ -	\$ 11,212
Real estate	78,678	2,200	(1,474)	79,404
Total leased assets being amortized	<u>89,497</u>	<u>2,593</u>	<u>(1,474)</u>	<u>90,616</u>
Accumulated amortization:				
Equipment	(3,807)	(3,926)	-	(7,733)
Real estate	(13,284)	(13,327)	382	(26,229)
Total accumulated amortization	<u>(17,091)</u>	<u>(17,253)</u>	<u>382</u>	<u>(33,962)</u>
Total, net of accumulated amortization	<u>\$ 72,406</u>	<u>\$ (14,660)</u>	<u>\$ (1,092)</u>	<u>\$ 56,654</u>

A summary of the activity for the lease payable balance is as follows for the years ended April 30, 2025 and 2024 (in thousands):

	2025	2024
Balance at beginning of year	\$ 58,797	\$ 74,707
Additions	12,112	2,593
Deletions	(3,214)	(1,229)
Lease payments	(13,618)	(17,274)
Balance at end of year	<u>\$ 54,077</u>	<u>\$ 58,797</u>

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

Notes to Financial Statements

Note 15. Leases (Continued)

Maturities of the lease payable balance for the next five years and thereafter are shown in the table below (in thousands):

Years ending April 30:	Principal	Interest	Total
2026	\$ 8,417	\$ 1,661	\$ 10,078
2027	10,165	1,343	11,508
2028	9,524	1,026	10,550
2029	8,980	721	9,701
2030	6,167	468	6,635
2031-2035	10,311	706	11,017
2036-2040	513	35	548
	\$ 54,077	\$ 5,960	\$ 60,037

Lessor: As a lessor, the System leases medical and retail office space in its managed facilities. These leases have terms greater than one year and up to eight years requiring monthly or annual payments. Many of the System's leases include escalation clauses and renewal options that are factored into the determination of lease payments, when appropriate. In addition, the System receives variable payments for increases that are based on CPI, which are not included in the measurement of the lease receivable. For the year ended April 30, 2025, the System recognized approximately \$704,000 in lease termination income, which is included in nonoperating revenues, net in the accompanying statements of revenues, expenses and changes in net position. For the years ended April 30, 2025 and 2024, the System did not recognize other payments attributable to residual value guarantees or termination penalties not previously included in the measurement of the lease receivable, with the exception of the amounts disclosed above.

As of April 30, 2025 and 2024, the short-term lease receivable was approximately \$4,775,000 and \$4,575,000, respectively, and the long-term lease receivable was approximately \$10,234,000 and \$10,264,000, respectively, which is included in other current assets and other assets, respectively, in the accompanying statements of net position. The total amount of inflows of resources recognized for the years ended April 30, 2025 and 2024, is as follows (in thousands):

	2025	2024
Lease revenue (*)	\$ 5,059	\$ 4,792
Interest income	707	667
Other variable	2	36

(*) Lease revenue is included net of expenses within Nonoperating revenues, net, in the accompanying statements of revenues, expenses and changes in net position.

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

Notes to Financial Statements

Note 16. Subscription-Based Information Technology Arrangements

On May 1, 2023, the System implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which requires SBITAs with durations greater than twelve months to be recognized on the statements of net position.

These subscriptions have terms greater than one year and up to ten years requiring monthly, quarterly, or annual payments. Many of the System's subscriptions include escalation clauses and renewal options that are factored into the determination of subscription payments, when appropriate. In addition, the System expenses variable payments for increases that are based on CPI as well as variable payments based on usage which are not included in the measurement of the subscription liability. The amount of subscription expense recognized for variable payments not included in the measurement of the subscription liability was approximately \$3,692,000 and \$3,815,000 for the years ended April 30, 2025 and 2024, respectively. As of April 30, 2025, the System's commitments under SBITAs before the commencement of the subscription term were approximately \$952,000. For the years ended April 30, 2025 and 2024, the System did not recognize other payments attributable to residual value guarantees or termination penalties not previously included in the measurement of the subscription liability.

A summary of the activity for right-to-use subscription assets and the related accumulated amortization is as follows for the years ended April 30, 2025 and 2024 (in thousands):

	Balance at May 1, 2024	Additions	Deletions	Balance at April 30, 2025
Subscription assets being amortized	\$ 137,700	\$ 17,110	\$ (10,540)	\$ 144,270
Less accumulated amortization	(25,757)	(34,882)	9,873	(50,766)
Total, net of accumulated amortization	\$ 111,943	\$ (17,772)	\$ (667)	\$ 93,504

	Balance at May 1, 2023 (*)	Additions	Deletions	Balance at April 30, 2024
Subscription assets being amortized	\$ 60,076	\$ 77,836	\$ (212)	\$ 137,700
Less accumulated amortization	-	(25,969)	212	(25,757)
Total, net of accumulated amortization	\$ 60,076	\$ 51,867	\$ -	\$ 111,943

(*) Restated due to the implementation of GASB Statement No. 96

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

Notes to Financial Statements

Note 16. Subscription-Based Information Technology Arrangements (Continued)

A summary of the activity for the subscription liability balance is as follows for the years ended April 30, 2025 and 2024 (in thousands):

	<u>2025</u>	<u>2024</u>
Balance at beginning of year (*)	\$ 74,320	\$ 53,997
Additions	17,075	45,885
Deletions	(575)	-
Payments	(27,964)	(25,562)
Balance at end of year	<u>\$ 62,856</u>	<u>\$ 74,320</u>

(*) Beginning balance for the year ended April 30, 2024, was restated due to the implementation of GASB Statement No. 96

Maturities of the subscription liability balance for the next five years and thereafter are shown in the table below (in thousands):

	Principal	Interest	Total
Years ending April 30:			
2026	\$ 24,420	\$ 1,718	\$ 26,138
2027	10,572	1,217	11,789
2028	5,919	963	6,882
2029	5,603	766	6,369
2030	4,417	575	4,992
2031-2035	11,925	1,045	12,970
	<u>\$ 62,856</u>	<u>\$ 6,284</u>	<u>\$ 69,140</u>

Note 17. Compensated Absences

A summary of the activity for accrued compensated absences is summarized as follows for the years ended April 30, 2025 and 2024 (in thousands):

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 176,540	\$ 158,402
Change	11,857	18,138
Balance at end of year	<u>\$ 188,397</u>	<u>\$ 176,540</u>

For the years ended April 30, 2025 and 2024, the short-term portion of accrued compensated absences was approximately \$165,674,000 and \$153,801,000, respectively, and the long-term portion was approximately \$22,722,000 and \$22,739,000, respectively. These amounts are included in accrued compensation and payroll taxes and in noncurrent liabilities, respectively, in the accompanying statements of net position.

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

Notes to Financial Statements

Note 18. Nonoperating Revenues, Net

Nonoperating revenues and expenses consist of activities that are peripheral, incidental, or not considered to be central to the provision of health care services. A summary of the activity for nonoperating revenues, net is as follows for the years ended April 30, 2025 and 2024 (in thousands):

	2025	2024
Investment income and other, net	\$ 104,516	\$ 84,673
Medicare DSH Waiver Days settlement interest	-	14,148
Depreciation expense	2,141	2,100
Unrealized gains on investments	117,917	10,048
Interest expense	(33,716)	(34,242)
COVID-19 relief funds	78,425	22,429
Ad valorem taxes, net	(1,459)	-
	<hr/> \$ 267,824	<hr/> \$ 99,156

The System recognized gross ad valorem tax revenue of approximately \$7,492,000 and \$7,609,000 for the years ended April 30, 2025 and 2024, respectively. For the years ended April 30, 2025 and 2024, the System used the gross ad valorem tax proceeds to cover the majority of the cost of its governmental obligations, including the county's Medicaid match, community redevelopment assessments and the tax collectors' fee. These amounts are reported net in nonoperating revenues in the accompanying statements of revenues, expenses and changes in net position.

Note 19. Related Parties

The System has related party relationships with two Foundations, Memorial Foundation, Inc. (Memorial Foundation) and Joe DiMaggio Children's Hospital Foundation, Inc. (JDCH Foundation), collectively referred to as the Foundations, which raise money to benefit the System and the citizens located within the South Broward Hospital District. For the years ended April 30, 2025 and 2024, the System recognized contributions from the Foundations of approximately \$3,471,000 and \$3,118,000, respectively, included in other operating revenues and approximately \$15,818,000 and 26,484,000, respectively, included in capital contributions and grants, in the accompanying statements of revenues, expenses and changes in net position. The capital contributions and grants for the years ended April 30, 2025 and 2024, were primarily used to support the construction of the new, freestanding Memorial Cancer Institute facility located on the campus of Memorial Hospital West and the four-floor expansion of Joe DiMaggio Children's Hospital. As of April 30, 2025 and 2024, total receivables due from the Foundations were approximately \$4,986,000 and \$18,649,000, respectively, and were included in other current assets in the accompanying statements of net position.

Note 20. Reclassifications

During the fiscal year ended April 30, 2025, the System adopted a new accounting policy for classifying certain employee-related costs as benefits expense to more accurately reflect the nature of those expenditures. As a result of this change, approximately \$33,077,000 was reclassified from supplies expense to benefits expense in the accompanying statements of revenues, expenses and changes in net position.

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

Notes to Financial Statements

Note 20. Reclassifications (Continued)

To conform to the presentation used in the fiscal year 2025 financial statements and supplementary information, the System reclassified approximately \$27,240,000 and \$16,613,000 from supplies expense to benefits expense for the years ended April 30, 2024 and 2023, respectively. This reclassification also resulted in a shift between payments to vendors and claims and self-insurance payments in the accompanying statements of cash flows. Additionally, it was reflected as an increase in both new claims incurred and claims paid in the rollforward of the System's self-insurance claims liability as disclosed in Note 8. These reclassifications did not affect total expenses, changes in net position or beginning net position.

Note 21. Subsequent Events

The System has evaluated the impact of subsequent events through July 14, 2025, the date on which the financial statements were issued.

Required Supplementary Information
Unaudited

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

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios—Unaudited

Last 10 fiscal years

(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 10,509	\$ 12,002	\$ 12,667	\$ 12,692	\$ 13,375	\$ 16,436	\$ 16,386	\$ 16,902	\$ 17,460	\$ 17,579
Interest	71,220	66,787	62,748	57,782	55,647	56,111	54,578	52,277	48,950	45,777
Differences between expected and actual experience	33,873	16,345	34,642	5,810	3,288	1,273	(13,440)	830	(926)	(1,572)
Changes in benefit terms	(17,182)	-	-	-	-	-	-	-	-	-
Changes in assumptions	13,581	(38,425)	10,704	7,307	10,323	(18,609)	(20,003)	-	305	25,721
Benefit payments	(57,987)	(43,344)	(39,210)	(35,139)	(33,013)	(35,788)	(24,903)	(20,812)	(18,572)	(16,302)
Net change in total pension liability	54,014	13,365	81,551	48,452	49,620	19,423	12,618	49,197	47,217	71,203
Total pension liability – beginning	1,030,614	1,017,249	935,698	887,246	837,626	818,203	805,585	756,388	709,171	637,968
Total pension liability – ending (a)	\$ 1,084,628	\$ 1,030,614	\$ 1,017,249	\$ 935,698	\$ 887,246	\$ 837,626	\$ 818,203	\$ 805,585	\$ 756,388	\$ 709,171
Plan fiduciary net position										
Contributions – employer	\$ 37,350	\$ 43,650	\$ 39,894	\$ 34,648	\$ 35,136	\$ 41,122	\$ 37,043	\$ 38,343	\$ 37,295	\$ 37,649
Net investment (loss) income	76,042	99,354	32,549	(27,097)	197,540	(8,993)	48,985	48,286	53,179	(9,762)
Benefit payments	(57,987)	(43,344)	(39,210)	(35,139)	(33,013)	(35,788)	(24,903)	(20,812)	(18,572)	(16,302)
Administrative expense	(110)	(111)	(105)	(162)	(192)	(225)	(235)	(225)	(261)	(235)
Net change in plan fiduciary net position	55,295	99,549	33,128	(27,750)	199,471	(3,884)	60,890	65,592	71,641	11,350
Plan fiduciary net position – beginning	988,670	889,121	855,993	883,743	684,272	688,156	627,266	561,674	490,033	478,683
Plan fiduciary net position – ending (b)	\$ 1,043,965	\$ 988,670	\$ 889,121	\$ 855,993	\$ 883,743	\$ 684,272	\$ 688,156	\$ 627,266	\$ 561,674	\$ 490,033
Plan's net pension liability – ending (a) – (b)	\$ 40,663	\$ 41,944	\$ 128,128	\$ 79,705	\$ 3,503	\$ 153,354	\$ 130,047	\$ 178,319	\$ 194,714	\$ 219,138
Plan fiduciary net position as a percentage of total pension liability	96.3%	95.9%	87.4%	91.5%	99.6%	81.7%	84.1%	77.9%	74.3%	69.1%
Covered payroll	\$ 287,369	\$ 296,115	\$ 308,229	\$ 304,098	\$ 324,895	\$ 335,633	\$ 348,296	\$ 369,605	\$ 387,420	\$ 405,279
Plan's net pension liability as a percentage of covered payroll	14.2%	14.2%	41.6%	26.2%	1.1%	45.7%	37.3%	48.2%	50.3%	54.1%

The information above is reported in the System's financial statements one year in arrears.

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

**Schedule of Changes in the Plan's Net Pension Liability and Related Ratios—Unaudited (Continued)
(In Thousands)**

Notes to Schedule

Valuation date	Liability determined using May 1 census data and valuation date using update procedures to roll forward to the measurement date. The census data and valuation date are both one year prior to the measurement date and the Plan fiscal year end. The System reports this liability in its financial statements one year after the measurement date.
<i>Methods and assumptions used to determine accounting and financial reporting under GASB Statements No. 67 and No. 68.</i>	
Actuarial cost method	Entry age normal actuarial cost method under GASB Statements No. 67 and No. 68.
Asset valuation method	Fair market value for fiduciary net position used to determine net pension liability under GASB Statements No. 67 and No. 68.
Long-term expected rate of return	7.00% beginning with the April 30, 2024 measurement date; 6.60% beginning with the April 30, 2021 measurement date; 6.75% as of the April 30, 2020 measurement date; and 7.00% beginning with the April 30, 2016 measurement date.
Mortality rates	For the May 1, 2024 valuation, mortality rates were based on the Pri-2012 Benefits-weighted Employee and Annuitant Mortality tables for males and females projected from 2012 using generational projection Scale MP-2021 for males and females. For the May 1, 2022 and May 1, 2023 valuations, mortality rates were based on the Pri-2012 Benefits-weighted Employee, Annuitant, and Disabled Mortality tables for males and females projected from 2012 using generational projection Scale MP-2021 for males and females. For the May 1, 2021 and May 1, 2020 valuations, mortality rates were based on the Pri-2012 Benefits-weighted Employee, Annuitant, and Disabled Mortality tables for males and females projected from 2012 using generational projection Scale MP-2020 for males and females. For the May 1, 2019 valuation, mortality rates were based on the Pri-2012 Benefits-weighted Employee, Annuitant, and Disabled Mortality tables for males and females projected from 2012 using generational projection Scale MP-2018 for males and females. For the May 1, 2018 valuation, mortality rates were based on the RP-2014 Employee and Annuitant Mortality tables for males and females with the Scale MP-2014 backed out to 2006 and projected forward from 2006 generationally using Scale MP-2018 for males and females. Prior to the May 1, 2018 valuation, mortality rates were based on the RP-2014 Employee and Annuitant Mortality tables for males and females with the Scale MP-2014 backed out to 2006 and projected forward from 2006 generationally using Scale BB (male).

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

**Schedule of Changes in the Plan's Net Pension Liability and Related Ratios—Unaudited (Continued)
(In Thousands)**

Notes to Schedule

Projected salary increases	For the May 1, 2024 valuation, an age-graded salary scale was used starting at 6.00%, grading down to 3.25% and was adjusted to reflect a one-time 1.00% increase at May 1, 2025. For the May 1, 2023 valuation, an age-graded salary scale was used starting at 6.00%, grading down to 2.25% and was adjusted to reflect a one-time 2.00% increase at May 1, 2024. For the May 1, 2022 valuation, an age-graded salary scale was used starting at 6.00%, grading down to 2.25% and was adjusted to reflect a one-time 2.00% increase at May 1, 2023. For the May 1, 2021 valuation, an age-graded salary scale was used starting at 6.00%, grading down to 2.25% and was adjusted to reflect a one-time 2.00% increase at May 1, 2022. For the May 1, 2020 valuation, an age-graded salary scale was used starting at 6.00%, grading down to 2.25%. For the May 1, 2019 valuation, an age-graded select and ultimate table of rates was used starting with 5.25% and grading down to 3.75% in 2019 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2018 valuation, an age-graded select and ultimate table of rates was used starting with 5.00% and grading down to 3.50% in 2018 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2017 valuation, an age-graded select and ultimate table of rates was used starting with 4.75% and grading down to 3.25% in 2017 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2016 valuation, an age-graded select and ultimate table of rates was used starting with 4.50% and grading down to 3.00% in 2016 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2015 valuation, an age-graded select and ultimate table of rates was used starting with 4.25% and grading down to 2.75% in 2015 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%.
Retirement rates	An age-graded schedule of retirement rates was used, ranging from age 52 through 75, based on plan experience. For the May 1, 2020 and May 1, 2024 valuations, the assumption was updated to reflect the results of the most recent experience studies.
Benefit changes	Effective August 1, 2024, the Plan was amended to remove the \$50,000

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

**Schedule of System Contributions—Unaudited
Last 10 fiscal years
(In Thousands)**

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 25,653	\$ 36,684	\$ 36,278	\$ 33,648	\$ 35,136
Contributions in relation to the actuarially determined contribution	37,350	43,650	39,894	34,648	35,136
Contribution deficiency (excess)	(11,697)	(6,966)	(3,616)	(1,000)	-
Covered payroll	287,369	296,115	308,229	304,098	324,895
Contributions as a percentage of covered payroll	13.0%	14.7%	12.9%	11.4%	10.8%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 38,723	\$ 37,043	\$ 38,343	\$ 37,295	\$ 37,649
Contributions in relation to the actuarially determined contribution	41,122	37,043	38,343	37,295	37,649
Contribution deficiency (excess)	(2,399)	-	-	-	-
Covered payroll	335,633	348,296	369,605	387,420	405,279
Contributions as a percentage of covered payroll	12.3%	10.6%	10.4%	9.6%	9.3%

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

Schedule of System Contributions—Unaudited (Continued)
Unaudited
(In Thousands)

Notes to Schedule

Valuation date Actuarially determined contributions are calculated as of the beginning of each fiscal year/plan year and interest-adjusted to the end of the year. 1/12 of this amount is paid by the System on a monthly basis.

Methods and assumptions used to determine annual required contributions.

Actuarial cost method	Projected unit credit cost method.
Amortization method	Beginning with the May 1, 2015 valuation – Level dollar amount, closed.
Remaining amortization period	1-9 years, the average future work life expectancy of the active participants in the year the amortization base is established.
Asset valuation method	Five-year smoothed market value
Inflation	2.50% beginning with the May 1, 2015 valuation
Salary increases	For the May 1, 2024 valuation, an age-graded salary scale was used starting at 6.00%, grading down to 3.25%. For the May 1, 2020 to May 1, 2023 valuations, an age-graded salary scale was used starting at 6.00%, grading down to 2.25%. For the May 1, 2019 valuation, an age-graded select and ultimate table of rates was used starting with 5.25% and grading down to 3.75% in 2019 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2018 valuation, an age-graded select and ultimate table of rates was used starting with 5.00% and grading down to 3.50% in 2018 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2017 valuation, an age-graded select and ultimate table of rates was used starting with 4.75% and grading down to 3.25% in 2017 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2016 valuation, an age-graded select and ultimate table of rates was used starting with 4.50% and grading down to 3.00% in 2016 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%. For the May 1, 2015 valuation, an age-graded select and ultimate table of rates was used starting with 4.25% and grading down to 2.75% in 2015 and increasing 0.25% per year to 2020 when rates are 5.50% and grading down to 4.00%.

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

Schedule of System Contributions—Unaudited (Continued)
Unaudited
(In Thousands)

Notes to Schedule

Investment rate of return	7.0% for the May 1, 2024 valuation; 6.60% for the May 1, 2021 to May 1, 2023 valuations; 6.75% for the May 1, 2020 valuation; 7.00% for the May 1, 2015 to May 1, 2019 valuations.
Retirement rates	An age-graded schedule of retirement rates was used, ranging from age 52 through 75, based on plan experience. For the May 1, 2020 and May 1, 2024 valuations, the assumption was updated to reflect the results of the most recent experience studies.
Mortality rates	For the May 1, 2020 to May 1, 2024 valuations – Pub-2010 separate Employee and Annuitant Below Median Headcount-Weighted Mortality Tables for males and females projected generationally using Scale MP-2018 for males and females. For the May 1, 2016 to May 1, 2019 valuations – combined RP-2000 Mortality tables for males and females projected forward generationally using Scale BB. For the May 1, 2015 valuation – RP-2014 Employee and Annuitant Mortality tables for males and females with the Scale MP-2014 backed out to 2006 and projected forward from 2006 generationally using Scale BB (male).
Other information	The benefit formula for participants hired after May 1, 2010 was changed. At May 1, 2011, the Plan was closed to employees hired or rehired after October 31, 2011.

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

Schedules of Plan Investment Returns—Unaudited

Last 10 fiscal years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return (loss), net of investment expense	7.7%	11.2%	3.8%	(3.1)%	28.7%	(1.3)%	7.7%	8.5%	10.7%	(2.0)%

Supplementary Information

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

Combining Statements of Net Position—System

April 30, 2025

(In Thousands)

	Memorial Regional Hospital and Affiliated Providers	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Hospital Manor	Other Non- Hospital Operations and Eliminations	Combined
Assets and Deferred Outflows of Resources							
Current assets:							
Cash and cash equivalents	\$ 749	\$ 812	\$ 801	\$ 323	\$ 131	\$ 424,936	\$ 427,752
Investments	-	-	-	-	-	2,366,530	2,366,530
Patient accounts receivable, net of estimated uncollectibles	219,408	96,312	20,415	14,373	1,343	7,715	359,566
Inventories	29,939	12,482	3,300	3,784	293	13,544	63,342
Other current assets	197,975	73,293	15,907	14,219	24	84,369	385,787
Restricted assets:							
Investments under indenture agreements for debt service	-	-	-	-	-	33,866	33,866
Investments under self-insurance agreements	-	-	-	-	-	13,752	13,752
Total current assets	448,071	182,899	40,423	32,699	1,791	2,944,712	3,650,595
Noncurrent assets:							
Designated investments for employee disability	-	-	-	-	-	21,542	21,542
Capital assets, net	566,480	327,528	125,517	83,987	6,856	275,080	1,385,448
Right-to-use lease assets, net	8,168	2,095	648	-	183	39,373	50,467
Right-to-use subscription assets, net	1,455	219	152	-	-	91,678	93,504
Other assets	409	1,150	9	3	-	45,146	46,717
Restricted assets, net of current portion:							
Investments under self-insurance agreements	-	-	-	-	-	52,958	52,958
Total assets	\$ 1,024,583	\$ 513,891	\$ 166,749	\$ 116,689	\$ 8,830	\$ 3,470,489	\$ 5,301,231
Deferred outflows of resources:							
Pension related items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,399	\$ 63,399
Loss on defeasance	-	-	-	-	-	13,478	13,478
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,877	\$ 76,877

(Continued)

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

Combining Statements of Net Position—System (Continued)

April 30, 2025

(In Thousands)

	Memorial Regional Hospital and Affiliated Providers	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Hospital Manor	Other Non- Hospital Operations and Eliminations	Combined
Liabilities, Deferred Inflows of Resources and Net Position							
Current liabilities:							
Accounts payable and accrued expenses	\$ 54,167	\$ 25,229	\$ 15,994	\$ 7,942	\$ 580	\$ 57,051	\$ 160,963
Accrued compensation and payroll taxes	19,368	8,854	2,686	3,154	356	219,700	254,118
Estimated third-party payor settlements	83,694	31,229	13,711	16,094	-	-	144,728
Current installments of long-term debt	-	-	-	-	-	18,280	18,280
Current portion of estimated claims liability	-	-	-	-	-	17,263	17,263
Current portion of lease payable	1,881	311	148	-	47	6,030	8,417
Current portion of subscription liability	417	30	40	-	-	23,933	24,420
Other current liabilities	26,095	14,245	4,123	5,147	132	7,128	56,870
Total current liabilities	185,622	79,898	36,702	32,337	1,115	349,385	685,059
Noncurrent liabilities:							
Long-term portion of estimated claims liability	-	-	-	-	-	27,923	27,923
Net pension liability	-	-	-	-	-	41,944	41,944
Other noncurrent liabilities	10,962	5,684	1,362	2,072	-	43,118	63,198
Lease payable	7,341	1,903	560	-	140	35,716	45,660
Subscription liability	1,026	56	83	-	-	37,271	38,436
Long-term debt	-	-	-	-	-	861,348	861,348
Total liabilities	204,951	87,541	38,707	34,409	1,255	1,396,705	1,763,568
Deferred inflows of resources:							
Pension related items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,925	\$ 37,925
Lease related items	375	1,652	-	-	-	12,095	14,122
Total deferred inflows of resources	\$ 375	\$ 1,652	\$ -	\$ -	\$ -	\$ 50,020	\$ 52,047
Net position:							
Net investment in capital assets	\$ 540,584	\$ 320,090	\$ 125,127	\$ 83,469	\$ 6,851	\$ (554,758)	\$ 521,363
Restricted	-	-	-	-	-	34,957	34,957
Unrestricted	278,673	104,608	2,915	(1,189)	724	2,620,442	3,006,173
Total net position	\$ 819,257	\$ 424,698	\$ 128,042	\$ 82,280	\$ 7,575	\$ 2,100,641	\$ 3,562,493

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

**Combining Statements of Net Position—System
April 30, 2024
(In Thousands)**

	Memorial Regional Hospital and Affiliated Providers	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Hospital Manor	Other Non- Hospital Operations and Eliminations	Combined
Assets and Deferred Outflows of Resources							
Current assets:							
Cash and cash equivalents	\$ 717	\$ 781	\$ 773	\$ 384	\$ 120	\$ 268,830	\$ 271,605
Investments	-	-	-	-	-	2,345,956	2,345,956
Patient accounts receivable, net of estimated uncollectibles	222,980	90,686	17,439	23,092	1,327	6,422	361,946
Inventories	28,411	11,053	3,035	3,452	-	12,058	58,009
Other current assets	94,136	55,258	13,368	10,084	10	92,178	265,034
Restricted assets:							
Investments under indenture agreements for debt service	-	-	-	-	-	28,785	28,785
Investments under self-insurance agreements	-	-	-	-	-	13,215	13,215
Total current assets	346,244	157,778	34,615	37,012	1,457	2,767,444	3,344,550
Noncurrent assets:							
Designated investments for employee disability	-	-	-	-	-	20,105	20,105
Capital assets, net	542,671	339,924	19,608	84,272	6,750	267,459	1,260,684
Right-to-use lease assets, net	10,993	2,461	7,082	531	232	35,355	56,654
Right-to-use subscription assets, net	941	345	-	-	-	110,657	111,943
Other assets	480	1,940	9	5	-	44,066	46,500
Restricted assets, net of current portion:							
Investments under self-insurance agreements	-	-	-	-	-	49,051	49,051
Total assets	\$ 901,329	\$ 502,448	\$ 61,314	\$ 121,820	\$ 8,439	\$ 3,294,137	\$ 4,889,487
Deferred outflows of resources:							
Pension related items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,455	\$ 102,455
Loss on defeasance	-	-	-	-	-	14,757	14,757
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,212	\$ 117,212

(Continued)

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

Combining Statements of Net Position—System (Continued)
April 30, 2024
(In Thousands)

	Memorial Regional Hospital and Affiliated Providers	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Hospital Manor	Other Non- Hospital Operations and Eliminations	Combined
Liabilities, Deferred Inflows of Resources and Net Position							
Current liabilities:							
Accounts payable and accrued expenses	\$ 57,530	\$ 29,517	\$ 6,489	\$ 8,228	\$ 547	\$ 68,103	\$ 170,414
Accrued compensation and payroll taxes	16,344	7,708	2,246	2,738	313	210,751	240,100
Estimated third-party payor settlements	70,280	29,130	8,465	10,722	-	33	118,630
Current installments of long-term debt	-	-	-	-	-	12,935	12,935
Current portion of estimated claims liability	-	-	-	-	-	15,443	15,443
Current portion of lease payable	2,856	1,100	5,869	568	45	4,117	14,555
Current portion of subscription liability	416	217	-	-	-	21,829	22,462
Other current liabilities	28,868	14,639	4,945	5,402	121	8,712	62,687
Total current liabilities	176,294	82,311	28,014	27,658	1,026	341,923	657,226
Noncurrent liabilities:							
Long-term portion of estimated claims liability	-	-	-	-	-	27,487	27,487
Net pension liability	-	-	-	-	-	128,128	128,128
Other noncurrent liabilities	10,306	5,539	1,355	2,009	-	41,672	60,881
Lease payable	9,045	1,486	1,533	-	187	31,991	44,242
Subscription liability	456	98	-	-	-	51,304	51,858
Long-term debt	-	-	-	-	-	881,813	881,813
Total liabilities	\$ 196,101	\$ 89,434	\$ 30,902	\$ 29,667	\$ 1,213	\$ 1,504,318	\$ 1,851,635
Deferred inflows of resources:							
Lease related items	\$ 456	\$ 2,476	\$ -	\$ -	\$ -	\$ 11,244	\$ 14,176
Total deferred inflows of resources	\$ 456	\$ 2,476	\$ -	\$ -	\$ -	\$ 11,244	\$ 14,176
Net position:							
Net investment in capital assets	\$ 516,979	\$ 332,377	\$ 18,929	\$ 83,717	\$ 6,749	\$ (568,422)	\$ 390,329
Restricted	-	-	-	-	-	29,659	29,659
Unrestricted	187,793	78,161	11,483	8,436	477	2,434,550	2,720,900
Total net position	\$ 704,772	\$ 410,538	\$ 30,412	\$ 92,153	\$ 7,226	\$ 1,895,787	\$ 3,140,888

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

**Combining Statements of Revenues, Expenses and Changes in Fund Net Position—System
Year Ended April 30, 2025
(In Thousands)**

	Memorial Regional Hospital and Affiliated Providers	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Hospital Manor	Other Non- Hospital Operations and Eliminations	Combined
Operating revenue:							
Net patient service revenue	\$ 1,630,020	\$ 890,068	\$ 213,029	\$ 324,927	\$ 14,338	\$ 143,931	\$ 3,216,313
Disproportionate share distributions	20,296	6,697	3,537	2,595	-	-	33,125
Other operating revenues	67,724	25,913	4,334	4,338	356	182,878	285,543
Total operating revenue	1,718,040	922,678	220,900	331,860	14,694	326,809	3,534,981
Operating expenses:							
Salaries and wages	789,792	378,545	108,261	130,161	13,143	250,926	1,670,828
Employee benefits	139,946	69,065	19,351	24,428	2,717	30,852	286,359
Professional fees	45,272	29,778	7,367	7,425	139	1,104	91,085
Supplies	342,210	194,035	29,615	36,936	1,849	134,373	739,018
Purchased services	109,288	66,968	19,124	27,059	1,526	8,465	232,430
Facilities	54,179	23,427	7,416	10,780	874	(352)	96,324
Depreciation and amortization	78,361	40,812	14,557	12,995	600	15,498	162,823
Other	54,092	29,085	11,672	10,143	677	12,841	118,510
Total operating expenses	1,613,140	831,715	217,363	259,927	21,525	453,707	3,397,377
Operating income (loss)	104,900	90,963	3,537	71,933	(6,831)	(126,898)	137,604
Nonoperating revenues, net	19,080	11,035	9,576	8,205	11	219,917	267,824
Excess (deficit) of revenues over (under) expenses	123,980	101,998	13,113	80,138	(6,820)	93,019	405,428
Other changes in net position:							
Capital contributions and grants	11,982	4,064	-	131	-	-	16,177
Equity transfers	(21,477)	(91,902)	84,517	(90,142)	7,169	111,835	-
Increase (decrease) in net position	114,485	14,160	97,630	(9,873)	349	204,854	421,605
Net position at the beginning of the year	704,772	410,538	30,412	92,153	7,226	1,895,787	3,140,888
Net position at the end of the year	\$ 819,257	\$ 424,698	\$ 128,042	\$ 82,280	\$ 7,575	\$ 2,100,641	\$ 3,562,493

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

**Combining Statements of Revenues, Expenses and Changes in Fund Net Position—System
Year Ended April 30, 2024
(In Thousands)**

	Memorial Regional Hospital and Affiliated Providers	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Hospital Manor	Other Non- Hospital Operations and Eliminations	Combined
Operating revenue:							
Net patient service revenue	\$ 1,512,965	\$ 845,984	\$ 210,853	\$ 304,045	\$ 12,947	\$ 116,980	\$ 3,003,774
Disproportionate share distributions	24,757	11,094	7,842	1,678	-	-	45,371
Other operating revenues	53,436	29,739	4,441	4,274	105	131,081	223,076
Total operating revenue	1,591,158	886,817	223,136	309,997	13,052	248,061	3,272,221
Operating expenses:							
Salaries and wages	738,966	356,688	103,649	121,253	12,448	224,792	1,557,796
Employee benefits	128,457	63,206	17,957	22,388	2,631	30,839	265,478
Professional fees	36,422	28,044	6,834	7,090	140	551	79,081
Supplies	302,383	173,708	28,832	33,108	2,637	96,685	637,353
Purchased services	112,058	70,124	20,190	27,421	1,613	8,812	240,218
Facilities	50,941	21,988	7,418	10,559	771	(316)	91,361
Depreciation and amortization	70,937	34,610	14,469	12,087	529	12,538	145,170
Other	50,703	25,833	7,551	8,581	629	15,702	108,999
Total operating expenses	1,490,867	774,201	206,900	242,487	21,398	389,603	3,125,456
Operating income (loss)	100,291	112,616	16,236	67,510	(8,346)	(141,542)	146,765
Nonoperating revenues (expenses), net	1,386	1,227	4,813	1,488	(10)	90,252	99,156
Excess (deficit) of revenues over (under) expenses	101,677	113,843	21,049	68,998	(8,356)	(51,290)	245,921
Other changes in net position:							
Capital contributions and grants	17,796	8,275	-	25	4,288	389	30,773
Equity transfers	(82,864)	(102,194)	(12,637)	(65,784)	7,812	255,667	-
Increase in net position	36,609	19,924	8,412	3,239	3,744	204,766	276,694
Net position at the beginning of the year	668,163	390,614	22,000	88,914	3,482	1,691,021	2,864,194
Net position at the end of the year	\$ 704,772	\$ 410,538	\$ 30,412	\$ 92,153	\$ 7,226	\$ 1,895,787	\$ 3,140,888

Independent Auditor's Report on the Schedules of Net Income Available for Debt Service and Long-Term Debt Service Coverage Ratio

Management and the Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System
Fort Lauderdale, Florida

Opinion

We have audited the accompanying schedules of Net Income Available for Debt Service and Long-Term Debt Service Coverage Ratio (the Schedules) for the year ended April 30, 2025, based on the consolidated financial statements of South Broward Hospital District d/b/a Memorial Healthcare System (the System) as of and for the year ended April 30, 2025.

In our opinion, the Schedules referred to above present fairly, in all material respects, the Net Income Available for Debt Service and Long-Term Debt Service Coverage Ratio for the year ended April 30, 2025, in accordance with Section 3.07 of the Master Trust Indenture between U.S. Bank Trust Company, National Association (USBTC) and the System, dated September 1, 2003.

Basis for Opinion

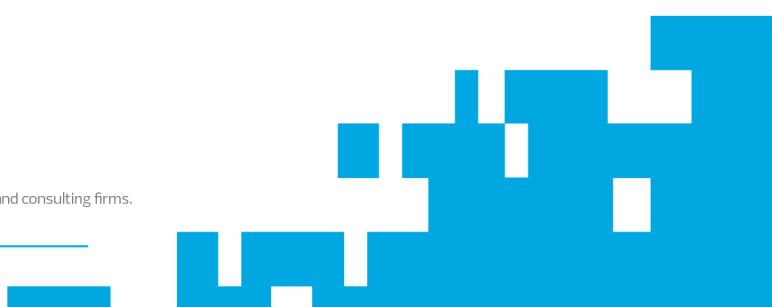
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Basis of Accounting

The Schedules were prepared by management of the System based on the provisions prescribed by Section 3.07 of the Master Trust Indenture between USBTC and the System, dated September 1, 2003. As a result, the Schedules may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of the Schedules in accordance with the financial reporting provisions of Section 3.07 of the Master Trust Indenture between USBTC and the System, dated September 1, 2003, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.



Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, 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 Schedules.
- 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 System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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.

Restriction on Use

Our report is intended solely for the information and use of management and the Board of Commissioners of the System and USBTC, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
July 14, 2025

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

Schedule of Net Income Available for Debt Service ⁽¹⁾

Year Ended April 30, 2025

(In Thousands)

Excess of revenues over expenses	\$ 405,428
Average of unrestricted contributions and grants for the prior three fiscal years	16,120
Unrealized gains on investments	(117,917)
Interest expense	31,312
Depreciation and amortization ⁽²⁾	130,082
Gain on disposal of assets	(35)
Net income available for debt service	<u>\$ 464,990</u>

(1) This schedule computes the System's Net Income Available for Debt Service
(as defined in the Master Trust Indenture) for the year ended April 30, 2025.

(2) Depreciation and amortization excludes amortization of right-to-use subscription assets.

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

Schedule of Long-Term Debt Service Coverage Ratio ⁽¹⁾

Year Ended April 30, 2025

(In Thousands)

Net Income Available for Debt Service	\$	464,990
Maximum Annual Debt Service ⁽²⁾	\$	61,042
Long-Term Debt Service Coverage Ratio ⁽³⁾		7.62

(1) This schedule computes the System's Long-Term Debt Service Coverage Ratio (as defined in the Master Trust Indenture) for the year ended April 30, 2025.

(2) Maximum Annual Debt Service (as defined in the Master Trust Indenture) is the highest annual Long-Term Debt Service Requirement (as defined in the Master Trust Indenture) for any succeeding Fiscal Year (as defined in the Master Trust Indenture).

(3) Per Section 3.07 of the Master Trust Indenture, the System is required to set rates and charges for its facilities, services and products, such that Net Income Available for Debt Service in each Fiscal Year shall be at least equal to the sum of: (i) 110% of the Maximum Annual Debt Service plus, (ii) the principal and interest accruing for such fiscal year on all other Indebtedness payable from Gross Revenues.

RSM US LLP

**Examination Report on Compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies*
Required By Chapter 10.550, Rules of the
Auditor General of the State of Florida**

Independent Accountant's Report

Management and Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System
Fort Lauderdale, Florida

We have examined South Broward Hospital District d/b/a Memorial Healthcare System's (the System) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* (the specified requirements) during the period May 1, 2024 to April 30, 2025. Management of the System is responsible for the System's compliance with the specified requirements. Our responsibility is to express an opinion on the System's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the System complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the System complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

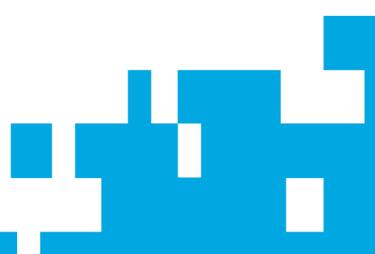
Our examination does not provide a legal determination on the System's compliance with specified requirements.

In our opinion, the System complied, in all material respects, with specified requirements during the period May 1, 2024 to April 30, 2025.

This report is intended solely for the information and use of the Florida Auditor General and the System's Board of Commissioners and applicable management, and is not intended to be, and should not be, used by anyone other than the specified parties.

RSM US LLP

Fort Lauderdale, Florida
July 14, 2025



**Management Letter Required By
Chapter 10.550, Rules of the
Auditor General of the State of Florida**

Management and Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the financial statements of the business-type activities and fiduciary activities of South Broward Hospital District d/b/a Memorial Healthcare System (the System), as of and for the fiscal year ended April 30, 2025, and have issued our report thereon dated July 14, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General (collectively, the Reports). Disclosures in those Reports, which are dated July 14, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations reported in the prior year management letter.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This is disclosed in Note 1 of the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the System met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the System did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the System. It is management's responsibility to monitor the System's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. In connection with our audit, we determined that the System did not meet any of the conditions described in Sections 10.554(1)(i)5.b. and 10.556(8).

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

The System has not established a PACE program authorized pursuant to Section 163.08(1) or (2), Florida Statutes.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the System reported:

- a. The total number of System employees compensated in the last pay period of the System's fiscal year as 17,639.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the System's fiscal year as 521.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as approximately \$1,670,828,000.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as approximately \$229,951,000.
- e. Each construction project with a total cost of at least \$65,000 approved by the System that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects. This information is disclosed in Appendix A.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the System amends a final adopted budget under Section 189.016(6), Florida Statutes. This information is disclosed in Appendix B.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8., Rules of the Auditor General, the System reported:

- a. The millage rate or rates imposed by the System as 0.0869 mills.
- b. The total amount of ad valorem taxes collected by or on behalf of the System as approximately \$7,492,000.
- c. The total amount of outstanding bonds issued by the System and the terms of such bonds. This is disclosed in Note 9 of the financial statements.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the System's Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida

July 14, 2025

Appendix A

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

**Schedule of Construction Projects (Unaudited)
Fiscal Year Ended April 30, 2025**

<u>Project Name</u>	<u>Cost Incurred to Date</u>	<u>Total Budgeted Cost</u>
MHW Elevator 1-2 Modernization	\$ 50,698	\$ 321,000
MPG Pediatric Cardiology IT Equipment	369,687	1,707,017
MHS Simulation Lab 9581 Premier Parkway	-	1,216,945
MRH Nuclear Med-Gamma Camera	-	700,000
MHS Fitness Ctr RTU	-	156,000

Appendix B

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

Schedule of Revenues and Expenses—Budget and Actual (Unaudited) Fiscal Year Ended April 30, 2025

	Original Budget		
	Original	Final	Actual
Revenues:			
Taxes:			
Ad Valorem Taxes (Millage 0.0869)	\$ 7,899,000	\$ 7,907,000	\$ 7,907,000
Less Discount on Taxes	(37,000)	(277,000)	(277,000)
Patient Charges	21,947,158,000	22,764,756,000	22,764,756,000
Less Deductions from Revenue:			
Contractual Allowances	(18,070,082,000)	(18,424,662,000)	(18,424,662,000)
Charity Care	(684,318,000)	(814,821,000)	(814,821,000)
Provision for Uncollectible Accounts	(91,941,000)	(309,105,000)	(309,105,000)
Other Operating Revenues	270,170,000	318,668,000	318,668,000
Investment Income	80,718,000	215,535,000	215,535,000
Other Non-Operating Revenue	-	87,464,000	87,464,000
Total Revenues	\$ 3,459,567,000	\$ 3,845,465,000	\$ 3,845,465,000
Expenditures:			
Salaries and Wages	\$ 1,617,241,000	\$ 1,670,828,000	\$ 1,670,828,000
Employee Benefits	287,305,000	286,359,000	286,359,000
Supplies and Services	973,469,000	1,062,533,000	1,062,533,000
Depreciation and Amortization	164,215,000	162,823,000	162,823,000
Interest	34,002,000	33,716,000	33,716,000
Other Operating Expenses	228,818,000	224,897,000	224,897,000
Total Operating Expenses	3,305,050,000	3,441,156,000	3,441,156,000
Contributions to Fund Balance and Reserves	154,517,000	404,309,000	404,309,000
Total Expenses and Contributions to Fund Balance	\$ 3,459,567,000	\$ 3,845,465,000	\$ 3,845,465,000

**South Broward Hospital District
d/b/a Memorial Healthcare System
Single Audit Report and Schedule of
Expenditures of Federal Awards, State Financial
Assistance, Local and Other Entities Awards, and
Supplementary Information and
Schedule of Findings and Questioned Costs
For the Year Ended
April 30, 2025**

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

Independent Auditor's Report	1 – 3
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	4 – 6
Schedule of Expenditures of Federal Awards, State Financial Assistance, Local and Other Entities Awards	7 – 9
Notes to the Schedule of Expenditures of Federal Awards, State Financial Assistance, Local and Other Entities Awards	10 – 12
Schedule of Findings and Questioned Costs	13 – 15
Supplementary Information	
Actual Expenses and Revenue Schedule	16
Schedule of Bed-Day Availability Payments	17
Schedule of State Earnings	18
Schedule of Related Party Transaction Adjustments	19

Independent Auditor's Report

To the Board of Commissioners of
South Broward Hospital District d/b/a Memorial Healthcare System

Report on Schedule of Expenditures of Federal Awards, State Financial Assistance, Local and Other Entities Awards

Opinion

We have audited the accompanying Schedule of Expenditures of Federal Awards, State Financial Assistance, Local and Other Entities Awards of South Broward Hospital District d/b/a Memorial Healthcare System (the System) for the year ended April 30, 2025, and the related notes (the Schedule).

In our opinion, the Schedule referred to above presents fairly, in all material respects, the expenditures of Federal Awards, State Financial Assistance, Local and Other Entities Awards of the System for the year ended April 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Title 45 CFR Part 74, Appendix E, *Principles for Determining Cost Applicable to Research and Development Under Grants and Contracts with Hospitals* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

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

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 Schedule.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, 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 Schedule.
- 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 System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the Schedule. The accompanying Actual Expenses and Revenue Schedule, Schedule of Bed-Day Availability Payments, Schedule of State Earnings, and Schedule of Related Party Transaction Adjustments are presented for purposes of additional analysis as required by the State of Florida Department of Children and Families Community Substance Abuse and Mental Health Services Grants and are not a required part of the Schedule. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Schedule. The information has been subjected to the auditing procedures applied in the audit of the Schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Schedule or to the Schedule itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the Schedule as a whole.

ZOMMA Group, LLP

Coral Gables, FL

July 14, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and State Project on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the Board of Commissioners of
South Broward Hospital District d/b/a Memorial Healthcare System

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited South Broward Hospital District d/b/a Memorial Healthcare System's (the System) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the System's major Federal programs and State projects for the year ended April 30, 2025. The System's major Federal programs and State projects are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Title 45 CFR Part 74, Appendix E, *Principles for Determining Cost Applicable to Research and Development Under Grants and Contracts with Hospitals* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the System's compliance with the requirements of each major Federal program and State project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

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

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



Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the type of compliance requirement of a Federal program or State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

ZOMMA Group, LLP

Coral Gables, FL
July 14, 2025

South Broward Hospital District d/b/a Memorial Healthcare System
 Schedule of Expenditures of Federal Awards, State Financial Assistance,
 Local and Other Entities Awards
 For the Year Ended April 30, 2025

Federal Agency / Passed Through Agency	Program Title	Assistance Listing/CSFA Number**	Contract Number	Expenditures		
				Direct Award	Indirect Award	Total
FEDERAL AWARDS						
Federal Communication Commission	COVID - 19 Telehealth Program	32.006	637	\$ 118,156	\$ 118,156	\$ 118,156
Total Federal Communication Commission						
U.S. Department of Health & Human Services						
Passed through North Broward Hospital District	Comprehensive Community Mental Health Services	93.104	34368-17		16,658	16,658
					16,658	16,658
Passed through North Broward Hospital District	Consolidated Health Centers	93.224	SS-27565		99,749	99,749
					99,749	99,749
Passed through OIC of Broward County, Inc.	Teenage Pregnancy Prevention Program (PAUSE)	93.297	1 TPI2023004095		188,589	188,589
					188,589	188,589
Passed through NIH, Alliance for Clinical Trials in Oncology Foundation & Partners	Cancer Treatment Research	93.395	1UG1CA189823-01		100,222	100,222
					100,222	100,222
Passed through NIH, Florida Association of Pediatric Tumor Programs, Inc.	Cancer Control	93.399	Unknown		88,837	88,837
					88,837	88,837
Passed through State of Florida Department of Health	Injury Prevention and Control Research and State and Community Based Programs	93.136	BW805		111,558	111,558
					111,558	111,558
Passed through DCF, Broward Behavioral Health Coalition, Inc.	Block Grants for Temporary Assistance for Needy Families	93.558	34368-17		372,430	372,430
					372,430	372,430
Substance Abuse and Mental Health Services Administration	Solutions and Opportunities for Uplifting Life	93.696	1H79SM086844-01		1,024,711	1,024,711
					1,024,711	1,024,711
Passed through Broward Healthy Start Coalition, Inc.	Medical Assistance Program	93.778	MHS22HS		205,571	205,571
Passed through Broward Healthy Start Coalition, Inc.	Medical Assistance Program	93.778	MHS23HS		1,075,241	1,075,241
					1,280,812	1,280,812
Passed through DCF, Broward Behavioral Health Coalition, Inc.	State Opioid Response Grants	93.788	34368-17		1,214,969	1,214,969
					1,214,969	1,214,969
Passed through Broward County Board of Commissioners	HIV Emergency Relief Project Grant	93.914	21-CP-HCS-8312-RW-01		743,851	743,851
					743,851	743,851
Passed through State of Florida Department of Health	HIV Prevention Activities - Health Dept. Based	93.940	CODPK		137,446	137,446
					137,446	137,446
Passed through DCF, Broward Behavioral Health Coalition, Inc.	Block Grants for Community Mental Health Services	93.958	34368-22		1,821,796	1,821,796
					1,821,796	1,821,796
Passed through DCF, United Way of Broward County, Inc.	Block Grant for Prevention and Treatment of Substance Abuse	93.959	65301		558,707	558,707
Passed through DCF, Broward Behavioral Health Coalition, Inc.	Block Grant for Prevention and Treatment of Substance Abuse	93.959	34368-17		2,043,196	2,043,196
					2,601,903	2,601,903
Passed through Broward Healthy Start Coalition, Inc.	Maternal and Child Health Services Block Grant	93.994	MHS22HS		32,080	32,080
Passed through Broward Healthy Start Coalition, Inc.	Maternal and Child Health Services Block Grant	93.994	MHS23HS		167,794	167,794
Passed through State of Florida Department of Health	Maternal and Child Health Services Block Grant	93.994	COQVO		254,512	254,512
					454,386	454,386
Total U.S. Department of Health & Human Services					1,142,867	9,233,206
						10,376,073
Federal Emergency Management Agency						
Passed through State of Florida Division of Emergency Management	COVID-19 Public Assistance Program	97.036	Z2024		78,692,313	78,692,313
					78,692,313	78,692,313
Total Federal Emergency Management Agency						78,692,313
					\$ 1,142,867	\$ 87,925,519
						\$ 89,068,386

** All programs are grouped and totaled by CFDA / CSFA.

Continued on next page

South Broward Hospital District d/b/a Memorial Healthcare System
 Schedule of Expenditures of Federal Awards, State Financial Assistance,
 Local and Other Entities Awards
 For the Year Ended April 30, 2025

Federal Agency / Passed Through Agency	Program Title	Assistance Listing/CSFA Number**	Contract Number	Expenditures		
				Direct Award	Indirect Award	Total
STATE PROJECTS						
<i>Passed through Broward Healthy Start Coalition, Inc.</i>	HSTART & Fatherhood	64.131	MHS23HS (R1)	\$ 22,293	\$ 117,263	\$ 139,556
	HSTART & Fatherhood	64.131	MHS23HS (R2)			
	Total Broward Healthy Start Coalition, Inc.			139,556	139,556	
<i>Florida Department of Children and Families</i>	State Opioid Settlement Trust Fund Services	60.355	34368-17			
	Substance Abuse and Mental Health Community Services	60.153	34368-17			
	Healthy Families Broward	N/A	BHSC HFB 24-25 MHS			
	Total Florida Department of Children and Families			295,178	295,178	
<i>State of Florida Department of Health</i>	Trauma Center Financial Support	64.075	MOU TRA11			
	Children's Specialty Health Care - Contracted	64.076	COQAF			
	Telehealth Minority Maternity Care Pilot Program	64.052	CM072			
	Sickle Cell Disease Research and Treatment	64.143	CMOAC			
	Screening for Human Immunodeficiency Virus (HIV), Hepatitis C (HCV), and Syphilis.	N/A	SOW23-477			
	Total State of Florida Department of Health			2,352,890	2,352,890	
	Total State Projects			2,648,068	910,050	3,558,118
LOCAL GOVERNMENT AWARDS						
<i>Broward County Commissioners</i>	Consumer Support Project	N/A	25-CP-HCS-0126-01	745,738		745,738
	Psychiatric Inpatient Services	N/A	25-CP-HCS-0126-01	933,941		933,941
	Adult Mental Health Program	N/A	25-CP-HCS-0126-01	317,147		317,147
	Primary Care Services	N/A	24-CP-HCS-0126-01	1,996,826		1,996,826
	Behavioral Health -Substance Abuse	N/A	22-CP-CSA-0126-01	4,987,957		4,987,957
	Total Broward County Commissioners			7,265,351	7,265,351	
<i>Children Services Council of Broward County</i>	CSC Youth Force Program	N/A	24-2170	825,269		825,269
	CSC Youth Force PYD	N/A	20-2172	55,726		55,726
	New DAY Program	N/A	22-2176	683,974		683,974
	Family TIES Program	N/A	23-2177	936,741		936,741
	Teen REACH Program	N/A	23-2178	680,502		680,502
	Supporting MOMS Program	N/A	23-2179	1,222,167		1,222,167
	CSC HEAL	N/A	21-2174	607,795		607,795
	Behavioral Respite & Engagement for At-Risk-Kids (BREAK)	N/A	21-2173	132,137		132,137
	Healthy Youth Transition	N/A	24-2171	687,936		687,936
	Maximizing Out-of-School Time	N/A	22-2175	93,838		93,838
	Total Children Services Council of Broward County			5,926,085	5,926,085	
	Total Local Government Awards			\$ 13,191,436	\$ 13,191,436	

** All programs are grouped and totaled by CFDA / CSFA.

Continued on next page

South Broward Hospital District d/b/a Memorial Healthcare System
 Schedule of Expenditures of Federal Awards, State Financial Assistance,
 Local and Other Entities Awards
 For the Year Ended April 30, 2025

Federal Agency / Passed Through Agency	Program Title	Assistance Listing/CSFA Number ^{**}	Contract Number	Expenditures		
				Direct Award	Indirect Award	Total
OTHER ENTITIES AWARDS						
<i>KID, Inc. Kinship Initiatives Support Services (KISS)</i>	Kids in Distress	N/A	KID-MHS-20-1	\$ 319,626	\$ 319,626	\$ 319,626
<i>Broward Healthy Start Coalition</i>	Project HOPE	N/A	HOPE2024MHS	56,236	56,236	56,236
<i>City of West Park</i>	Families Matter	N/A	Unknown	118,745	118,745	118,745
<i>Girls and Boys Club</i>	Case Management Services	N/A	Unknown	2,869	2,869	2,869
<i>Broward County Public School</i>	Childrens Mental Health	N/A	34368-BSC	34,221	34,221	34,221
<i>State of Florida Department of Health</i>	Primary Care Services	N/A	BW744	147,517	147,517	147,517
<i>Florida Alcohol & Drug Abuse Association (FADAA)</i>	MAT Program	N/A	Unknown	1,787	1,787	1,787
<i>Society for Academic Emergency Medicine Foundation (SAEMF)</i>	Sequential and simultaneous video laryngoscopy	N/A	Unknown	2,500	2,500	2,500
<i>Lily USA, LLC</i>	Patients with Solid Tumors	N/A	A-33710	62,629	62,629	62,629
Total Other Entities Awards				746,130	-	746,130
Total Award Expenditures Per Schedule FY 2025				\$ 17,728,501	\$ 88,835,569	\$ 106,564,070

*** All programs are grouped and totaled by CFDA / CSFA.*

South Broward Hospital District d/b/a Memorial Healthcare System
Notes to the Schedule of Expenditures of Federal Awards,
State Financial Assistance, Local and Other Entities Awards
For the Year Ended April 30, 2025

Note 1 Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards, State Financial Assistance Local, and Other Entities Awards, hereafter referred to as “the Schedule,” of South Broward Hospital District d/b/a Memorial Healthcare System (the System) is supplementary information and is an important part of the reporting package required by:

- Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Title 45 CFR Part 74, Appendix E, *Principles for Determining Cost Applicable to Research and Development Under Grants and Contracts with Hospitals* (Uniform Guidance).
- Chapter 10.550, Rules of the Auditor General for Local Government Entity Audits, State of Florida and Chapter 215.97, Florida Statutes and Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code.

As a result, some amounts presented in the Schedule may differ from amounts presented in, or used in the presentation of the Schedule of the System.

The Schedule includes the grant activities for the System for the year ended April 30, 2025. The auditor is required to determine and provide an opinion on whether the Schedule is presented fairly, in all material respects, in relation to the Schedule as a whole. Further, the information in the Schedule serves as the primary basis for the auditor’s major programs, which is a key component of performing a single audit. The Schedule also provides assurance to those agencies that award financial assistance, that their programs or grants are included in the audit.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The information in the Schedule is presented in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. The Schedule, at a minimum, entails the following:

1. Listing of individual Federal, State, Local, and Other Entities programs by awarding agency for which the System expended funds for the year ended April 30, 2025
2. Total Federal, State, Local, and Other Entities awards expended for the year ended April 30, 2025
3. Assistance Listing number and Catalog of State Financial Assistance (CSFA) number for each program that had expenditures for the year ended April 30, 2025
4. The name of the pass-through entity and the identifying number assigned by the pass-through entity for awards received as a subrecipient
5. The total amount provided to subrecipients from each Federal, State, and Local program, if any
6. Notes that describe the significant accounting policies used in preparing the Schedule and notes indicating the indirect cost rate applied

**South Broward Hospital District d/b/a Memorial Healthcare System
Notes to the Schedule of Expenditures of Federal Awards,
State Financial Assistance, Local and Other Entities Awards
For the Year Ended April 30, 2025**

Note 2 Summary of Significant Accounting Policies (continued)

Reporting Entity

The System's reporting entity is described in Note 1 of the Schedule. The Schedule includes all Federal and State assistance programs administered by the System during the year ended April 30, 2025, that are subject to a Uniform Guidance and State Single audit.

Basis of Accounting

The expenditures presented on the Schedule are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and following the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, wherein certain types of expenditures are unallowable or have conditions or limits as far as the reimbursement.

- Indirect Costs – The Schedule includes a portion of allocated costs from a federally approved indirect cost rate plan. The System did not elect to use the 10% de minimis cost rate.
- Matching Costs – All expenditures are recorded based on funded amounts, while additional costs, such as matching costs, are not included in the Schedule.
- Capital Costs – The System records grant funds restricted for the acquisition of capital assets as capital contributions and grants in the accounting period in which they are earned and become measurable. These amounts are reported separately from operating and non-operating revenues.

Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the financial position, changes in net assets or cash flows of the System.

Note 3 Pass-Through Federal and State Assistance

- The majority of the System's Federal assistance is received from pass-through entities and are identified as such on the Schedule. State funds are typically directly awarded from the State but can also be awarded through a pass-through entity.
- The System records expenditures of Federal programs and State awards when paid in cash to a pass-through entity (Subrecipients of the District). For the year ended April 30, 2025, the System did not pass-through any funds to sub-recipients as reflected on the Schedule.

**South Broward Hospital District d/b/a Memorial Healthcare System
Notes to the Schedule of Expenditures of Federal Awards,
State Financial Assistance, Local and Other Entities Awards
For the Year Ended April 30, 2025**

Note 4 Federal Programs and State Awards Not Subject to a Uniform Guidance Audit

Matching resources and maintenance of effort amounts for Federal programs and State projects as well as vendor-relationship specified contracts, are listed on the Schedule, but are not included when computing the threshold for single audit requirements totals.

State Contracts on the Schedule, not Subject to a Uniform Guidance Audit or Section 215.97, F.S:

- BW800 – State of Florida Department of Health – Vendor relationship

Note 5 Program Clusters

The U.S. Office of Management and Budget Compliance Supplement defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. There were programs that met this criterion for the current year.

Note 6 Contingencies

Grant monies received and disbursed by the System are for specific purposes subject to review by grantor agencies. Such reviews may result in requests for reimbursement due to unallowable expenditures. Based on prior experience, the System does not believe that such unallowances, if any, would have a material effect on the amounts reported in the Schedule. As of April 30, 2025, management is not aware of any material questioned or unallowable costs as a result of grant audits in process or completed.

Note 7 State of Florida Department of Children and Families

The State of Florida Department of Children and Families requires the accompanying Actual Expenses and Revenue Schedule, Schedule of Bed-Day Availability Payments, Schedule of State Earnings, and Schedule of Related Party Transaction Adjustments be presented for their contract year ending June 30, 2024.

Note 8 Subsequent Event

Subsequent events have been evaluated through July 14, 2025, which is the date the Schedule was available to be issued.

South Broward Hospital District d/b/a Memorial Healthcare System
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2025

Part I – Summary of Auditor's Results

Financial Statements Section

The auditor's report and opinion on the Schedule and report on compliance and internal control based on the audit of the Schedule were prepared by other auditors.

Type of auditor's report issued (unmodified, qualified, adverse, or disclaimer).

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes None reported

Noncompliance material to the schedule noted? _____ Yes No

Federal Awards and State Financial Assistance Section

Type of auditor's report issued on compliance for major programs unmodified, qualified, adverse, or disclaimer).

Unmodified

Internal control over major programs:

Material weakness(es) identified? _____ Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?

_____ Yes No

**South Broward Hospital District d/b/a Memorial Healthcare System
Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2025**

Part I – Summary of Auditor’s Results (continued)

Federal Awards and State Financial Assistance Section (continued)

Identification of major Federal programs / State projects:

Assistance Listing Number(s)	Name of Federal Program or Cluster
93.959	Block Grant for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants

CSFA Number(s)	Name of State Project
60.355	State Opioid Settlement Trust Fund Services
60.153	Substance Abuse and Mental Health Community Services
64.143	Sickle Cell Disease Research and Treatment

Dollar threshold used to distinguish between Type A and Type B programs:

- Federal Programs \$ 2,672,052
- State Financial Assistance \$ 300,000

Auditee qualified as low-risk auditee for Federal purposes? X Yes _____ No _____

- There were no items relating to State Financial Assistance required to be reported in a management letter.

Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violation of provisions of contracts and grant agreements, and abuse related to the Schedule that require reporting in a Uniform Guidance, Chapter 10.550, Rules of the Auditor General and *Government Auditing Standards* audit.

- **No matters were reported.**

South Broward Hospital District d/b/a Memorial Healthcare System
Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2025

Part III – Federal Awards Findings and Questioned Cost Section

This section identifies the audit findings required to be reported by the Uniform Guidance and Florida Statute Section 215.97(8)(i) and Chapter 10.554(1)(i)4, Rules of the Auditor General (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards or state financial assistance that are material to a major Federal program or State project.

- **No matters were reported.**

Part IV – Other Matters

Corrective Action Plan – Current Year Findings

This section is intended to address each audit finding included in the current year auditor's reports.

- No corrective plan per 2 CFR sections 200.511(a) and 200.511(c) of the Uniform Guidance, Section .315 of *Government Auditing Standards*, AG Rule 10.557(3)(e)6 and Section 215.97(8)(i), Florida Statutes, is required because there were no audit findings related to Federal programs or State projects.

Summary Schedule of Prior Audit Findings – Federal programs and State projects

This section reports the status of any audit findings included in the prior audit's Schedule of Findings and Questioned Costs related to Federal programs and State projects. It also includes audit findings reported in the prior audit's Summary Schedule of Prior Audit Findings except audit findings listed as corrected or no longer valid or not warranting further action.

- No Summary Schedule of Prior Audit Findings per Uniform Guidance Subpart F 200.516 and AG Rules 10.557(3)(e)5 is required because there were no prior audit findings related to Federal programs or State projects.

Supplementary Information

FUNDING SOURCES & REVENUES		STATE-FUNDED																		Total for Non-State-Funded Covered Services or Projects		Total for All Covered Services or Projects		Non-SAMH Covered Services or Projects		Total Funding								
		Crisis Support/ Emergency	Drop-In/Self Help Ctr.	Inpatient	Outreach	Outpatient Group	Care Coordination	CAT Team	Provider Proviso Projects	Mental Health Total	Crisis Support/ Emergency	Intervention (Indiv.)	Medical Services	Medication-Assisted Tx	Outpatient (Indiv.)	Outreach	Inpatient Detoxification	Incidental Expenses	Aftercare (Indiv.)	Outpatient Detoxification	Outpatient Group	Intervention (Group)	Aftercare (Group)	Recovery Support (Indiv.)	Federal Project Grant	Other Bundled Projects	Substance Abuse Total	(B+C)	D	E	(D+E)	F	G	(F+G)
A		64	67	69	15	35	A4	B4	B6	B	64	11	12	13	14	15	24	28	29	32	35	42	43	46	A7	C6	C	(B+C)	D	E	(D+E)	F	G	(F+G)
IA. STATE SAMH FUNDING																																		
Current Year Funding		Funding Source: F-Federal S-State F/S-Federal and State																																
Expenditure Report OCAF#	Provider Subcontract#	\$ 59,484.83	\$ 3,600.81	\$ 44,984.55	\$ 751.31	\$ 399,714.51	\$ 1,494,000.00	\$ 500,000.00	\$ 2,657,475.19	\$ 818,559.23	\$ 447,921.45	\$ 359,285.51	\$ 156,285.78	\$ 16,723.20	\$ 1,141,487.57	\$ 126,539.97	\$ 122,538.97	\$ 301.32	\$ 417,174.06	\$ 43,878.97	\$ 5,116.65	\$ 1,540.08	\$ 2,260.50	\$ 325,061.57	\$ 180,329.00	\$ 4,165,003.83	\$ 6,822,479.02	\$ 6,822,479.02	\$ 204,935.20	\$ 204,935.20				
MH009	34368-17 F/S	\$ 59,484.83	\$ 3,600.81	\$ 44,984.55	\$ 751.31	\$ 399,714.51	\$ 1,494,000.00	\$ 500,000.00	\$ 2,657,475.19	\$ 818,559.23	\$ 447,921.45	\$ 359,285.51	\$ 156,285.78	\$ 16,723.20	\$ 1,141,487.57	\$ 126,539.97	\$ 122,538.97	\$ 301.32	\$ 417,174.06	\$ 43,878.97	\$ 5,116.65	\$ 1,540.08	\$ 2,260.50	\$ 325,061.57	\$ 180,329.00	\$ 4,165,003.83	\$ 6,822,479.02	\$ 6,822,479.02	\$ 204,935.20	\$ 204,935.20				
MH018	34368-17 F/S	\$ 154,939.18	\$ 3,600.81	\$ 44,984.55	\$ 751.31	\$ 399,714.51	\$ 1,494,000.00	\$ 500,000.00	\$ 2,657,475.19	\$ 818,559.23	\$ 447,921.45	\$ 359,285.51	\$ 156,285.78	\$ 16,723.20	\$ 1,141,487.57	\$ 126,539.97	\$ 122,538.97	\$ 301.32	\$ 417,174.06	\$ 43,878.97	\$ 5,116.65	\$ 1,540.08	\$ 2,260.50	\$ 325,061.57	\$ 180,329.00	\$ 4,165,003.83	\$ 6,822,479.02	\$ 6,822,479.02	\$ 204,935.20	\$ 204,935.20				
MH019	34368-17 S																																	
MH0C0N	34368-17 S																																	
MH114	34368-17 S																																	
MHCAT	34368-17 S																																	
MS011	34368-17 F/S																																	
MS021	34368-17 F/S																																	
MS912	34368-17 S																																	
MS0B	34368-17 S																																	
MSSM4	34368-17 F																																	
MSSM5	34368-17 F																																	
MSSM6	34368-17 F																																	
MSTV2	34368-17 F																																	
Total Current Year Funding		\$ 154,939.18	\$ 59,484.83	\$ 3,600.81	\$ 44,984.55	\$ 751.31	\$ 399,714.51	\$ 1,494,000.00	\$ 500,000.00	\$ 2,657,475.19	\$ 818,559.23	\$ 447,921.45	\$ 359,285.51	\$ 156,285.78	\$ 16,723.20	\$ 1,141,487.57	\$ 126,539.97	\$ 122,538.97	\$ 301.32	\$ 417,174.06	\$ 43,878.97	\$ 5,116.65	\$ 1,540.08	\$ 2,260.50	\$ 325,061.57	\$ 180,329.00	\$ 4,165,003.83	\$ 6,822,479.02	\$ 6,822,479.02	\$ 204,935.20	\$ 204,935.20			
Carry Forward Funding																																		
Expenditure Report OCAF#	Provider Subcontract#																																	
MHCAT	34368-17 S																																	
Total Carry Forward Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL STATE SAMH FUNDING =		\$ 154,939.18	\$ 59,484.83	\$ 3,600.81	\$ 44,984.55	\$ 751.31	\$ 399,714.51	\$ 1,494,000.00	\$ 500,000.00	\$ 2,704,883.62	\$ 818,559.23	\$ 447,921.45	\$ 359,285.51	\$ 156,285.78	\$ 16,723.20	\$ 1,141,487.57	\$ 126,539.97	\$ 122,538.97	\$ 301.32	\$ 417,174.06	\$ 43,878.97	\$ 5,116.65	\$ 1,540.08	\$ 2,260.50	\$ 325,061.57	\$ 180,329.00	\$ 4,165,003.83	\$ 6,869,887.45	\$ 6,869,887.45	\$ 204,935.20	\$ 204,935.20			
IB. OTHER GOVERNMENT FUNDING																																		
(1) Other State Agency Funding																																		
(2) Medicaid																																		
(3) Local Government																																		

South Broward Hospital District d/b/a Memorial Healthcare System
Schedule of Bed-Day Availability Payments
For the Contract Year Ended June 30, 2024

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Paid for by 3rd Party		Maximum # of Units (D-E) F	Amount Paid for Services by the Department G	Maximum \$ Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$0, whichever is greater) I
			Total Units of Service Provided D	Contracts, Local Govt. or Other State Agencies E				
Children's Mental Health	Crisis Stabilization Unit		-	-	-	-	-	-
Adult Mental Health	Crisis Stabilization Unit		-	-	-	-	-	-
Children's Substance Abuse	Substance Abuse Detox	\$ 369.29	512	-	512	\$ 126,540	\$ 189,224	-
Adult Substance Abuse	Substance Abuse Detox		-	-	-	-	-	-
Adult Mental Health	Short-term Residential Treatment		-	-	-	-	-	-

Total Amount Owed to Department = \$

South Broward Hospital District d/b/a Memorial Healthcare System
Schedule of State Earnings
For the Contract Year Ended June 30, 2024

Total Expenditures (Line 1)	\$ 9,098,889
Less Other State and Federal Funds (Line 2)	-
Less Non-Match SAMH Funds (Line 3)	(4,018,799)
Less Unallowable Costs per 65E-14, F.A.C. (Line 4)	-
<hr/>	
Total Allowable Expenditures (Line 5: Sum of lines 1, 2, 3, and 4)	5,080,090
Maximum Available Earnings (Line 6: Line 5 times 75%)	3,810,068
Amount of State Funds Requiring Match (Line 7)	2,851,088
<hr/>	
Amount Due to Department (Line 6 - Line 7 or \$0, whichever is less)	\$ -

This computation determines whether local match requirements (as stated in the Department of Children and Families Substance Abuse and Mental Health Contract) have been satisfied. The computation of allowable matching is governed by Chapter 65E-14 Community Substance Abuse & Mental Health Services - Financial Rules.

South Broward Hospital District d/b/a Memorial Healthcare System
Schedule of Related Party Transaction Adjustments
For the Contract Year Ended June 30, 2024

Revenues From Grantee	Related Party	Allocation of Related Party Transactions Adjustment				
		State-Designated Cost Centers				
		1	2	3	Total
Rent		XXX				
Services		XXX				
Interest		XXX				
Other		XXX				
Total Revenue From Grantee		XXX				NOT APPLICABLE
 Expenses Associated with Grantee Transactions						
Personnel Services		YYY				
Depreciation		YYY				
Interest		YYY				
Other		YYY				
Total Associated Expenses		YYY				
 Related Party Transaction Adjustment		ZZZ	ZZZ	ZZZ	ZZZ	ZZZ

SOUTH BROWARD HOSPITAL DISTRICT BOARD OF COMMISSIONERS

POLICY STATEMENT

DATE: May 28, 1986

TITLE: Selection and Engagement of Auditing Firms~~an External Audit Firm~~

POLICY: The Hospital District will evaluate the performance of its ~~auditing~~external audit firm ~~not less than~~at least every seven (7) years. ~~The evaluation process will include the formal solicitation of proposals. The, or sooner as needed. If the~~ Hospital District ~~will~~ determines that a change ~~the engagement partner at least every five years. This policy does not prevent a more frequent evaluation, or a sooner change of auditing firms and/or engagement partner, when performance is deemed unsatisfactory for any reason~~in its external audit firm is necessary or appropriate, the Board of Commissioners shall follow the auditor selection procedures set forth in § 218.391 Fla. Stat., as amended. There is no requirement that the Hospital District change its external audit firm every seven (7) years, nor does this policy prevent the continued retention of an audit firm and/or engagement partner following formal solicitation of proposals~~the then current external audit firm~~.

The auditing

The Hospital District requires that the lead engagement partner assigned by the external audit firm to oversee the audit of the Hospital District's financial performance be changed at least every five (5) years, or sooner as needed. This change applies regardless of whether the external audit firm itself remains the same.

The external audit firm shall not perform services for the Hospital District which are not part of or related to the external audit engagement~~except, with the exception of~~ non-audit service engagements (referred to as "non-audit service engagements") that cost ~~\$2550,000 or less,~~ per engagement, and do not result in ~~more than~~ an aggregate cost of more than ~~\$50100,000~~ per fiscal year. ~~In the event that non~~Non-audit services are required by the Hospital District which service engagements that exceed this amount, the non-audit per engagement cost or aggregate cost per fiscal year must be approved, in advance, by the Chairman of the Audit and Compliance Committee~~and Board of Commissioners~~.

~~All non-audit engagements by the Hospital District of the auditing firm shall be reported to the Director~~The Chief of Internal Audit and Compliance, ~~who shall report the types of~~ is responsible for reporting all

non-audit service engagements and costs by the external audit firm on a quarterly basis to the Audit and Compliance Committee. Such reports shall include the type of non-audit service engagements and associated costs.

Any individual person who was retained employed by or contracted with the auditing external audit firm within the previous twelve (12) month period shall not be employed by offered employment with the Hospital District unless such employment is was first approved by the Chairman of the Audit and Compliance Committee and Board of Commissioners.

RATIONALE:

To insure that the performance ensure independence, objectivity, and credibility of the Hospital District's auditing firm is critically examined external audit firm's performance, and to comply with the auditor selection process set forth in § 218.391 Fla. Stat., as amended. .

DATE REVISED:

July 22, 1992
July 28, 1999
June 25, 2003
June 24, 2009
2025

SOUTH BROWARD HOSPITAL DISTRICT BOARD OF COMMISSIONERS

POLICY STATEMENT

DATE: May 28, 1986

TITLE: Selection and Engagement of an External Audit Firm

POLICY: The Hospital District will evaluate the performance of its external audit firm at least every seven (7) years, or sooner as needed. If the Hospital District determines that a change in its external audit firm is necessary or appropriate, the Board of Commissioners shall follow the auditor selection procedures set forth in § 218.391 Fla. Stat., as amended. There is no requirement that the Hospital District change its external audit firm every seven (7) years, nor does this policy prevent the continued retention of the then current external audit firm.

The Hospital District requires that the lead engagement partner assigned by the external audit firm to oversee the audit of the Hospital District's financial performance be changed at least every five (5) years, or sooner as needed. This change applies regardless of whether the external audit firm itself remains the same.

The external audit firm shall not perform services for the Hospital District which are not part of or related to the external audit engagement, with the exception of tax compliance services and non-audit service engagements (referred to as "non-audit services engagements") that cost \$50,000 or less, per engagement, and do not result in an aggregate cost of more than \$100,000 per fiscal year. Non-budgeted, non-audit service engagements that exceed the aggregate cost per fiscal year must be approved in advance by the Audit and Compliance Committee and Board of Commissioners.

The Chief of Internal Audit and Compliance is responsible for reporting all non-audit service engagements by the external audit firm on a quarterly basis to the Audit and Compliance Committee. Such reports shall include the type of non-audit service engagements and associated costs.

Any person who was employed by or contracted with the external audit firm within the previous twelve (12) month period shall not be offered employment with the Hospital District unless such employment was first approved by the Audit and Compliance Committee and Board of Commissioners.

RATIONALE: To ensure independence, objectivity, and credibility of the Hospital District's external audit firm's performance, and to comply with the auditor selection process set forth in § 218.391 Fla. Stat., as amended.

DATE REVISED:

July 22, 1992
July 28, 1999
June 25, 2003
June 24, 2009
July 23, 2025



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

DATE: April 30, 2025

TO: Shane Strum, Interim President and Chief Executive Officer, MHS

SUBJECT: AUDIT AND COMPLIANCE – FOURTH QUARTERLY REPORT FISCAL YEAR 2025

Attached is a copy of the fourth quarterly report of fiscal year 2025 summarizing the activities of the Internal Audit and Compliance Department from February 1, 2025, through April 30, 2025, for your records.

Please let me know if you have any questions regarding this report.

A handwritten signature in black ink that reads "Denise (Denny) DiCesare".

Denise (Denny) DiCesare
Chief Compliance and Internal Audit Officer

cc: Alan Whaley, Interim Chief Operating Officer, MHS
Irfan Mirza, Interim Chief Financial Officer, MHS

I. WRITTEN STANDARDS AND PROCEDURES

The following policies and procedures were reviewed and/or revised during the quarter:

Reviewed:

- Cost Reports and Credit Balance Reports, and
- Hazardous and Medical Waste Disposal.

Revised:

- Reimbursement and Billing, and
- DEA Compliance.

II. COMPLIANCE OFFICER

The Compliance Officer attended the following meetings during the quarter:

- ISACA WOW! Conference IT Security,
- Where the New Administration Stands on Health Care and AI,
- Florida Compliance and Privacy Consortium: One Session, and
- HCCA 29th Annual Compliance Institute.

III. TRAINING AND EDUCATION

The following compliance training was provided during the quarter:

- New Employee Orientation: Twelve Sessions,
- Leadership Essentials: Two Sessions,
- Compliance Working Committee: One Session,
- Conflicts of Interest Subcommittee: One Session,
- Memorial Physician Leadership: Outside Activities Laws Training, and
- MPG Physician Business Meeting – Conflicts of Interest Training.

IV. OPEN LINES OF COMMUNICATION

A. Hotline Calls

During the quarter, 105 calls, of which 33 were callbacks, were placed to the System's Compliance Hotline covering 67 new topics and seven old topics. Four topics were compliance allegations (four calls). Two topics were HIPAA Privacy allegations (two calls). Two topics were Patient Safety allegations (two calls). Two topics were Quality of Care/Service allegation (two call). All of the calls were investigated and one of the compliance allegations was substantiated.

Finally, one new topic and two old topics were informational (one call, two callbacks), 22 topics were incomplete calls (22 calls), and 33 new topics and five old topics (38 calls, 31 callbacks) were employee-management relations issues. The employee-management relations issues have been forwarded to the Employee Relations and Human Resources Departments.

V. ENFORCEMENT & DISCIPLINE

A. Sanctions Checks

Sanction checks were conducted of employees, physicians, vendors, volunteers, and students. There were two referring physicians, one vendor, and one student sanctions during the quarter.

B. Conflicts of Interest

The Calendar Year (CY) 2025 Conflicts of Interest Questionnaire cumulative employee completion rate is 77%, in which 13,555 of the 17,462 employees completed their questionnaire.

There were 229 reports of possible or potential conflict of interest that were researched. responses made in error to questions.

VI. RISK ASSESSMENT, MONITORING & AUDITING

VII. RESPONSE & PREVENTION

A. Internal Audit Recurring Quarterly Reports

South Broward Hospital District Construction Projects

Thirty-two payment vouchers for twelve construction projects were audited during the quarter, as shown on Exhibit A. One exception was found during this audit.

South Broward Hospital District Requests for Proposal and Competitive Quotes

Twelve Requests for Proposal (RFP) and 30 Competitive Quotes were audited during the quarter, as shown on Exhibit B. One exception was found in the RFP and 10 exceptions were found in the competitive quotes during these audits.

Board and Government Relations Expenses

Board Expenses were audited during the quarter. The list of expenses audited for the quarter will be presented and discussed during the meeting.

Government Relations Expenses were audited during the quarter. The list of expenses audited for the quarter will be presented and discussed during the meeting.

Employee Travel Reimbursement Expense

Employee Travel Expenses were audited during the quarter. A summary of total reimbursement per cost center and a list of expenses audited for the quarter will be presented and discussed during the meeting.

B. Internal Audits

Internal Audit of the Privacy and Security of Voice Recognition Devices Available in Patient Rooms at MRHS

Background

Technological advancements have steadily increased the availability and scope of Artificial Intelligence (AI). AI is a wide-ranging tool that enables people to rethink how we integrate information, analyze data, and overall improve the human experience. Memorial Healthcare System (MHS) launched a pilot program to leverage the human speech interactive AI to improve the quality of life of MHS patients while admitted to a selection of rooms at Memorial Regional Hospital South (MRHS). All Alexa devices are in patient rooms in various rehabilitation units. These Alexa devices are intended to execute simple tasks, such as “Turn TV Volume Up/Down” for patients who have limited use of their limbs, as well as more need-based tasks, such as, “Please call my nurse.” While the Alexa device has been a patient satisfier in executing such tasks, concerns have been raised about how much is being captured by such devices when medical consultations are taking place, and whether patients are given the opportunity to decide if they would like to participate in this program. With this background, the purpose of this audit was to review Opt-In/Opt-Out procedures of voice recognition devices available in patient rooms and verify the privacy and security of the data retention/activation of conversations held within range of such devices.

Observations

The Florida Digital Bill of Rights (FDBR) exemptions including covered entities under the Health Insurance Portability and Accountability Act (HIPAA) from complying, however, like the state of Florida and federal requirements, grants customers the right to Opt-Out of Voice Recognition that collect data via voice recognition. We found no formal process of the patient being offered any Opt-Out option, and if the patient was presented with an ad-hoc Opt-Out decision point, there is no formal process to document the patient's choice. Our third-party vendor, Aiva Health, chose to Opt-Out of Amazon's Alexa Privacy Policy for data retention and storage of voice recordings, but as of March 28, 2025, Amazon removed the Opt-Out option.

Recommendations

We recommended a formal process is developed to provide the option to admitted patients, to opt-in or out of using the Alexa devices and that the patient's choice is documented in the patient's records. We also recommended medical staff receives reenforced training on muting or otherwise disabling Alexa devices during medical consultations.

Philoron Wright, Chief Executive Officer, MRHS and David Webb, Chief Financial Officer, MRHS agreed with our findings and recommendations. An action plan to address these findings has been attached to this report.

C. Compliance Audits

Compliance Audit of the 340B Program at Memorial Healthcare System Contract Pharmacies - FY 2025 Fourth Quarter

Background

The 340B Program is administered and overseen by the Health Resources and Services Administration (HRSA) which is within the Department of Health and Human Services (HHS). The 340B Drug Pricing Program requires drug manufacturers to provide outpatient drugs to eligible health care organizations/covered entities at significantly reduced prices. To participate in the 340B Program, eligible organizations must register and be enrolled with the 340B Program and comply with all the requirements, that include maintaining an up to date 340B database; recertifying eligibility every year; and preventing duplicate discounts by having mechanisms in place to prevent receiving a 340B price and a Medicaid drug rebate for the same drug. To prevent duplicate discounts, Memorial Healthcare System (MHS) bills Medicaid for 340B purchased medications, meaning it carves-in Medicaid which is approved by HRSA/ Office of Pharmacy Affairs (OPA). Covered entities are subject to audit by the manufacturers and/or the federal government. To be eligible, patients must have an established relationship and receive health care services from the covered entity, and the responsibility for the care remains with the covered entity. An individual is not a patient of the covered entity if the only health care service received from the entity is the dispensing of a drug for subsequent self-administration or administration in the home setting. The only exception is patients of state-operated or -funded acquired immunodeficiency syndrome (AIDS) drug purchasing assistance programs. The Ryan White Clinic provides Human Immunodeficiency Virus (HIV)/AIDS treatment and all prescriptions written in this location and prescriptions of continuum care for Ryan White patients are 340B eligible.

MHS does not fill with 340B-priced for prescriptions written by physicians in connection with services provided in clinics and other locations that are not on MHS's cost report unless the prescription meets an applicable exception such as a referral exception and physician administered drug exception. The 340B rules permit prescriptions written outside MHS to be filled with 340B

drugs if they are written pursuant to a referral and the referral and outcome of the referral are documented in the patient's medical record or the patient obtained subsequent services from MHS for the same condition after the referral. An individual may receive a 340B drug in connection with treatment rendered outside the covered entity if the treatment is proximate in type and time to prior services provided by the covered entity. A non-hospital prescription is proximate in type and time to hospital-based services if the prescription or refill is presented within an appropriate time frame of the MHS encounter and the prescriber's services are part of the same continuum of care as the prior hospital encounter. A continuum of care exists if MHS makes a referral to the outside provider for follow-up care and there is an established patient care relationship with MHS.

Observations

We examined 240 340B eligible contract pharmacy claims, 30 for each of the seven outpatient pharmacies and Ryan White clinic, of which 20 were specific targeted areas. A total of 227 contract pharmacy claims met the 340B eligibility requirements and 13 of 240 claims were prescribed by providers from ineligible locations who referred patients to the Memorial Regional Hospital (MRH) Pharmacy Medication Management (MM) program with a documented encounter as part of the care coordination that for this circumstance has been recognized to qualify the prescribed medication as eligible for 340B requirements pending Legal opinion. Of the 13 pharmacy claims, one prescribed medication was not on the list of selected medications that triggered a referral to the MM service. Of the 13 claims, there were two that did not have referrals to the MM service from the MHS providers. There were 11 referral orders noted with medical necessity documentation for MM services as an internal referral for continuity of care for patients with associated chronic medical conditions and were prescribed with high risk/high-cost medications. The associated CPT code used for Pharmacy MM services were for MTM services and is only reportable for Medicare Part D claims. There is no associated CPT code for MM services from American Medical Association (AMA). These services were not billed. The MM program is on the Corporate Compliance Audit Workplan under New Programs. A full audit will be conducted to evaluate the appropriateness of referrals, documentation of medical necessity and medication optimization, and the charges recorded on the cost report associated with the MM services as compared to Medication Therapy Management (MTM).

Recommendations

We recommended that the two claims without referral orders to MM services and the one claim with the prescribed medication not included on the list of medication that triggered a MM referral be reviewed by the 340B team for correction and refund, if necessary. We recommended the Legal Department opine on the level of risk involved in utilizing the Medication Management program to qualify prescriptions written by providers from ineligible locations.

Dorinda Segovia, Vice President & Chief Pharmacy Officer, MHS, Tina Hodges, Vice President, Reimbursement and Revenue Integrity agreed with the findings and have provided action plans.

Compliance Audit of Documentation and Billing of the Levels of Neonatal Care in the Neonatal Intensive Care Unit at JDCH

Background

The Memorial Healthcare System (MHS) Joe DiMaggio Children's Hospital (JDCH) Wasie Neonatal Intensive Care Unit (NICU) was awarded by the American Academy of Pediatrics (AAP) to be a Level IV facility with the capabilities of a regional NICU offering a full range of pediatric medical and surgical services including surgical treatment of complex congenital or acquired

malformations. AAP developed the “Standards for Levels of Neonatal Care: II, III, and IV” to promote high-quality and consistent neonatal care services throughout the nation. The MHS Corporate Compliance and Internal Audit Department was requested by leadership to perform an audit of the NICU particularly on the levels of care (LOC) including transfers to or coming from the other MHS facilities. The purpose of this audit was to determine if documentation supported the level of care provided in accordance with the AAP Standards for Levels of Neonatal care, and to determine the accuracy of coding, and billing levels of neonatal care in the NICU at JDCH.

Observations

We reviewed a total of 30 patient accounts with 41 claims (hospital accounts), 252 dates of service (DOS) with orders for LOC and 3,122 DOS billed. All 30 patient accounts had orders and diagnoses supporting medical necessity for admissions, transfers and changes of the LOC. Out of 252 DOS, there were four DOS where the assigned LOC should have been higher than what was ordered based on the documentation of treatment provided. The discrepancy on the assigned LOC and the LOC treatment provided was an opportunity for improvement in aligning MHS LOC with AAP’s standards. As a Level IV facility, the Wasie JDCH NICU may use revenue codes 0170 to 0174 depending on the intensity of treatment provided. We noted in three patient accounts that the orders placed in Epic, our electronic health records, a specific subspecialty triggered a discrepancy with the ordered LOC, revenue code used, and LOC accommodation codes. A review of the other subspecialties noted that this issue was isolated with the specific subspecialty. Prior to the audit, Accounts Receivable Management (ARM) corrected the affected accounts, and other measures were initiated to monitor NICU LOC charges. We noted in nine patient accounts, there were 12 DOS LOC assignment orders that were automatically cancelled instead of discontinued when a new order is placed. Normally, when a new LOC is assigned and ordered in Epic, the previous order should automatically discontinue. When orders were cancelled, the ordered LOC and revenue code were not reported on the claim in contrast to when orders were discontinued, the ordered LOC and revenue code were reported for the dates of service. In three patient accounts, we noted discrepancies occurred when NICU providers and staff changed the LOC on bed transfers and the NICU providers modified previous orders instead of placing a new order to change the LOC. Of the transfers between JDCH NICU and Memorial Hospital West (MHW) or Memorial Hospital Miramar (MHM) NICUs, we noted a billing error occurred in six patient accounts when the receiving MHS facility left the admission type as “newborn” instead of changing it to “urgent”. To correct the billing error, the nurse auditors changed the admission type to “urgent” and changed the revenue code from NICU to Pediatric Intensive Care Unit (PICU). The reimbursement on NICU accounts were based on (Diagnosis Related Group) DRG and reimbursement was not impacted. The assigned LOC orders, the revenue codes, and the LOC accommodation codes discrepancies resulted in an error rate of 15.50%.

Recommendations

We recommended that JDCH management monitor and verify with the NICU providers that the assigned LOC orders are appropriateness for the level of treatment provided and aligns with the AAPs standards. We recommended ARM review the claims with the incorrect LOC revenue code reported, correct and rebill, if appropriate. We recommended NICU management regularly monitor the NICU census with the assigned LOC and LOC accommodation charges for accuracy. We recommended NICU management collaborate with Epic Information Technology (IT) to develop processes to monitor for accuracy and report changes in the assigned LOC when new orders are placed and to prevent inappropriate changes to the assigned LOC. We recommended NICU management reeducate the NICU providers and staff when making changes to the LOC assignment in Epic. We recommended Epic IT work with Patient Financial Service (PFS) and ARM to develop a process to prevent errors made on

admission type for accounts with transfers.

Caitlin Stella, Chief Executive Officer, JDCH, Ananda Rampat, Chief Financial Officer, JDCH and Allysa Posen, Financial Director, JDCH agreed with the findings and recommendations of this audit and have provided an action plan.

Compliance Audit of Documentation and Billing of Current Procedural Terminology Code 96374 Intravenous Push in the Emergency Department at MHW

Background

Current Procedural Terminology (CPT) Code 96374 is reported for the initial intravenous (IV) push, in which the drug is given in 15 minutes or less. CPT codes 96375 and 96376 are add-on codes reported for each additional sequential IV push of a new and the same substance or drug provided in a facility. CPT code 96360 is reported for the initial IV infusion of fluids or hydration services for 31 minutes to one hour. Medicare pays for IV push, infusion and hydration services when documentation of diagnosis codes indicates the reason for which the service is performed, thus, meeting medical necessity. When reporting facility claims for medication administration, the codes for IV push, infusions and hydrations should follow a hierarchy wherein chemotherapy services are primary over therapeutic, prophylactic, or diagnostic services, which are primary over hydration with the infusion primary to IV push and intramuscular (IM)/subcutaneous (SC) administrations the last. The Memorial Healthcare System (MHS) Corporate Compliance and Internal Audit Department received a comparative billing analysis from First Coast Service Options, Inc. (FCSO), our Medicare Administrative Contractor (MAC), in January 2025 that an unusual pattern and potential data aberrance existed at Memorial Hospital West (MHW) for CPT code 96374 IV push. In response to this notice, the Compliance Office conducted an audit of the location at MHW with the highest frequency of charges for CPT code 96374, the Emergency Department (ED). Since facility reporting of IV push charges should follow the hierarchy for reporting claims, the Compliance Office decided to perform an audit of all the routes of medication administrations including infusions, hydrations and IM/SC administration. MHS ED uses the Assisted Infusion Charging (AIC) tool in Epic, our electronic health records (EHRs), to prompt nurses in posting IV charges by calculating the quantity in units of the administered IV medication charges. The purpose of this audit was to determine if documentation supported medical necessity for CPT code 96374 IV push services and determine the accuracy of coding, charging, and billing in the ED at MHW.

Observations

All 30 patient accounts with 80 medication administrations reviewed had provider orders and diagnoses supporting medical necessity for the IV push, infusion and hydration services. There was one IV push and one IM/SC administration that were missing the CPT codes and the billing on the claims. There was one hydration service that was not given for more than 30 minutes and should not have been coded and billed as per CMS guidelines. There were two IV push services where the medication administration should not have been reported because the medications were given when the patients were in observation status. Lastly, there was one IV infusion and one IV push administration that did not follow the hierarchy for reporting medication charges which resulted in incorrect coding. The coding and billing errors originated from the ED nurses not accepting the AIC prompts and from issues that occurred before the AIC tool was used, which resulted in an error rate of 8.75% with an underpayment of \$2,335.00. Subsequently, Account Receivable Management (ARM) reviewed, corrected and rebilled the accounts with the affected claims. We did not see any duplicated entries for the medication charges on all claims. The unusual pattern and data aberrancy

may have resulted from the high volume and acuity of patients seen at the ED and therefore, not substantiated.

Recommendations

We recommended ED leadership reeducate the nurses on the completeness of the Medication Administration Record (MAR) to include the stop times for IV infusions and hydration services. We recommended ED leadership reeducate the nurses on appropriate posting of IV charges in Epic using the AIC tool. We recommended ED leadership do regular audits to monitor IV documentation and charges for accuracy. We recommended Corporate Finance continue to review all IV charges whenever new Epic features are implemented to ensure charges are accurate.

Joseph Stuczynski, Chief Executive Officer, MHW, Katherine Wong, Chief Financial Officer, MHW and Judy Frum, Chief Operating Officer, MHW agreed with the findings and recommendations of this audit and have provided an action plan.

Compliance Audit of Documentation and Billing of the Comprehensive Outpatient Medical Nutrition Therapy Services at MHP

Background

Medical nutrition therapy (MNT) is a nutrition-based examination that includes nutritional diagnostic therapy, counseling and education services for the purpose of managing an acute or chronic condition or disease. MNT service includes an initial assessment and intervention followed by reassessment and intervention encounter(s) provided by a licensed or certified nutrition professional. A physician referral is required. Services are time-based and face-to-face so start and stop times or total times must be documented. Medicaid reimburses MNT services furnished under the direction of a physician, including telemedicine services using at a minimum audio and video equipment permitting two-way, real time, interactive communication between a recipient and a practitioner. Modifier 95 must be used to bill telemedicine and Centers for Medicare and Medicaid Services (CMS) requires a patient consent.

CMS's National Coverage Determination (NCD) for "MNT" provides coverage for beneficiaries diagnosed with renal disease or diabetes. On September 19, 2024, Memorial Hospital Pembroke (MHP) opened the Comprehensive Outpatient MNT Services for patients with a variety of diagnoses. Management notified the Compliance and Internal Audit Department of the new program and requested an audit. The purpose of the audit was to determine if services provided are medically necessary and supported by documentation and determine the accuracy of coding, charging, and billing of MNT at MHP.

Observations

All 30 dates of service had documentation to support reasonable and medically necessary for the services provided. Start and stop or total time was documented as required by Current Procedural Terminology (CPT). Of 30 dates of service, two visits were completed through telemedicine and included the required attestation documentation that contained telemedicine informed consent. Three of 30 dates of service had documentation that MNT was provided but the referrals were for Diabetes Self-Management Training (DSMT). Additionally, three dates of services had referrals from non-physician providers. These findings resulted in a 20% error rate. All 30 dates of services had the correct CPT codes for the initial assessment and reassessment. Charges for the two telemedicine visits were identified by the Registered Dietitian (RD); however, the appropriate modifier was not applied during billing due to the absence of hard-coded modifier settings in Epic. The CPT codes for MNT services are hard coded by the Reimbursement and Revenue Integrity

department to align with the services provided by staff. Once the service is completed, charges are selected and entered in Epic. Diagnosis codes for 10 of 30 dates of service entered by coders did not concur with the referral diagnosis or were not to the highest level of specificity as required by the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM diagnosis code(s)) guidelines. Health Information Management (HIM) reviewed and corrected the findings. Of the 30 dates of service, 16 were reimbursed, including three that had incorrect referral or referrals from non-physician providers. The remaining 14 dates of service were not reimbursed as per the payor's contractual agreement or denied for non-covered services. We noted two of the 14 dates of service were denied authorization as the services were deemed not medically necessary based on NCD. One was paid by the patient, and the other had modifier 'GZ' appended to indicate that service was expected to be denied as not reasonable or necessary. Memorial Healthcare System (MHS) does not refuse services to patients based on their ability to pay. However, MHS ensures that coverage is active at the time of service for patients who have insurance. These findings resulted in a 17% error rate.

Recommendations

We recommended the MNT program management ensure that order/referral comply with Medicare and Medicaid requirements. We recommended MNT management review Medicare and Medicaid accounts retrospectively to ensure order/referral comply with requirements and collaborate with Accounts Receivable Management (ARM) to rebill or refund if appropriate. We recommended the MNT management review telehealth visits retrospectively and collaborate with Reimbursement and Revenue Integrity management and ARM management to rebill with appropriate modifier. We recommended the Reimbursement and Revenue Integrity management collaborate with MNT management to develop a process to include the appropriate modifier for telemedicine charges. We recommended HIM reeducate coders to ensure referral diagnoses are included and to code to the highest level of specificity when supported by the medical record documentation as per coding guidelines. We recommended the ARM management rebill or refund the identified dates of services as appropriate.

Felicia Turnley, Executive Officer and Administrator, MHP and Patrick Connor, Chief Financial Officer, MHP agreed with the audit findings and recommendations and have provided the action plan.

Compliance Audit of Orthopedic Surgery Procedures for Memorial Physician Group Professional Coding and Billing

Background

Memorial Healthcare System (MHS) has a team of highly trained orthopedic surgeons that offer advanced diagnosis, minimally invasive procedures, and joint replacement surgery for various conditions related to bones, joints, and muscles care. Centers for Medicare and Medicaid Services (CMS) requires reasonable documentation of medical, surgical, and evaluation and management (E/M) services provided by the healthcare providers in all settings. The documentation validates medical necessity, place of service, and correct reporting of the services billed to the insurances for reimbursement. The physicians and the Advanced Practice Registered Nurses (APRNs) report health care services using code sets to identify medical procedures and professional services on the health care billing claims. The International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) diagnosis codes are used to indicate the reason for care. The Current Procedural Terminology (CPT) codes are used to report services and procedures. Modifiers are appended to the CPT codes to report services that are altered under certain circumstances. CMS has

established a global surgical package to ensure that Medicare Administrative Contractors (MACs) make payments for the same services consistently across all jurisdictions nationwide. CMS's Center for Program Integrity manages the Open Payments Program, a federally mandated program to increase the transparency of financial relationships between the drug and medical device companies and the healthcare providers. The purpose of this audit was to determine whether documentation and coding complied with the Medicare and payor requirements when billing for orthopedic surgery procedures services.

Observations

We reviewed 168 accounts for 21 physicians and two APRNs. Some of the findings may overlap. Of the 168 accounts reviewed, we noted that for 139 accounts the CPT codes were appropriate for the procedures documented. In the remaining 29 accounts, 17 accounts had documentation that supported a different CPT code and 12 accounts had documentation that was insufficient to support billing for the services. This resulted in an 18% error rate for the procedures with an estimated overpayment amount of \$577.73 and underpayment amount of \$155.76. There were 102 accounts that appropriately reported the modifiers. Reimbursement in the remaining 29 accounts was not affected, since the modifiers were informational. Seventy-four accounts had ICD-10-CM codes that were supported by documented medical necessity. In the remaining accounts, we noted that medical record documentation supported additional or different ICD-10-CM codes. However, reimbursement was not affected. Of the 168 accounts 16 were denied payment due to payor guidelines, one of which was billed to a program payor. The accounts were appealed and expected to be paid except for one account which was denied for being experimental service as per the patient insurance policy. In addition, there were 125 of the procedures accounts that had additional CPT codes reported for E/M services on the same date of service as the procedure services. We noted seven accounts supported a different E/M CPT code and three accounts had insufficient documentation for billing for the E/M services. We collected and analyzed the CMS Open Payments data for each of the physicians and APRNs in this audit and there were no significant findings.

Recommendations

We recommended that Memorial Physician Group (MPG) Business Office correct and rebill or refund accounts as appropriate. We recommended that the MPG Business Office reeducate providers on medical record documentation, coding, and billing of orthopedic surgery procedures. Mario Salceda-Cruz, Chief Operating Officer, MPG and Esther Surujon, Chief Financial Officer, MPG, agreed with the findings and recommendations and have provided an action plan, which is attached.

Follow Up Compliance Audit of Documentation and Billing of Nivolumab One MG Injection in the Memorial Cancer Institute at MRH

Background

The Memorial Cancer Institute (MCI) at Memorial Regional Hospital (MRH) provides services such as chemotherapy and immunotherapy to patients with different types and stages of cancer. Nivolumab is a programmed death receptor-1 (PD-1) blocking antibody called monoclonal antibodies that act as substitute that can restore, enhance or mimic the immune system's attack on cancer cells. It can be used alone or in combination with other therapeutic agents to interfere with the growth and spread of cancer cells in the body. It is approved by the U.S. Food and Drug Administration (FDA) for intravenous (IV) injection use for the treatment of specific types of cancers.

Nivolumab is a high-cost drug that Memorial Healthcare System (MHS) acquires at a reduced cost through the 340B Drug Pricing Program. The Centers for Medicare & Medicaid Services (CMS) require providers to use Healthcare Common Procedure Coding System (HCPCS) modifiers "JG" or "TB" on outpatient drug claims to indicate 340B program participation. As of January 1, 2025, the "JG" modifier has been discontinued, and all 340B covered entities must use the "TB" modifier. Correct payment depends on properly and accurately reporting the correct HCPCS codes and units of service. Based on the HCPCS J9299 code descriptor, one mg is equal to one unit billed. Medicare reimburses outpatient hospitals for both the administered and discarded amounts of single-use vials, as long as the documented total dose is within the vial's labeled amount and the discarded portion is reported with modifier JW. As of July 1, 2023, CMS also requires modifier JZ to indicate that no drug was discarded, and the full dose was administered.

Observations

A compliance audit of documentation and billing of Nivolumab in the MCI at MRH was completed in August 2023. The audit reviewed 11 accounts with 74 dates of service. All 74 were charged with the correct units of medication administered. Of seven encounters which had discarded waste documented, two had charging errors resulting in 29% error rate. With this background, the purpose of this follow-up audit was to determine if MRH implemented the action plan recommendations from the previous compliance audit for Clinical Pharmacy management to develop a process and reeducate the staff to correctly document and charge discarded medication for single-use vials and for the Pharmacy Patient Assistance Program (PAP) and Reimbursement management to identify PAP patients and their medications to ensure 340B compliance, educate staff on the JW and JG modifiers and ensure that administered and wasted doses are credited prior to billing Medicare and modify existing standard operating procedure.

All 28 dates of service reviewed had physician orders and appropriate documentation to support medical necessity for Nivolumab administration. The medical record documentation for all 28 dates of service had the patient's diagnosis with the ordered dosage and the frequency of administration. The start and stop time of medication administration was documented on the Medication Administration Record (MAR), for all 28 dates of service. There was no documentation of waste on our sample. However, subsequent to the previous audit, discarded/wasted medications are no longer documented manually and are now automatically recorded in Epic based on ordered dose and MAR documentation. Of 28 dates of service, 21 were billed with the correct units of medication administered and included the required modifiers. The remaining seven dates of service received Nivolumab at no cost through the PAP were appropriately credited prior to billing Medicare. All were billed for services provided appropriately.

Recommendations

None.

Aurelio Fernandez, Interim Chief Executive Officer, MRH, Walter Bussell Chief Financial Officer, MRH, agreed with this audit and since there were no recommendations, an action plan was not required.

C. Services Provided by Protiviti

A list of Services Provided by Protiviti for the quarter will be discussed during the meeting.

D. Other Reports

Investor Log

The Investor Contact Log for the quarter is attached for your review. See Exhibit C.

Non-Audit Engagements

A list of RSM and Zomma Group Non-Audit Engagements for the quarter is attached for your review. See Exhibit D.

Compliance Environment

A discussion of Nationwide Audit and Investigation Activities for the quarter will be held during the meeting.

	PO#6007559 Interventional Radiology Turner Construction Co. #401622 MHS	PO#10237956 Douglas Road Free Standing Emergency Department DPR Construction #PRJ0087	PO#10237778 Red Road Free Standing Emergency Department DPR Construction #PRJ00092	PO#10049832 MOB II Third Floor Sports Medicine Thornton Construction Co. Inc. #PRJ00148 MHM	Family Birthplace PO#6007570 Turner Construction Co., Inc. #400622/PRJ00037 MRH
	Amount	Amount	Amount	Amount	Amount
Original Contract Sum	\$ 1,826,577	\$ 38,225,376	\$ 23,259,123	\$ 2,321,339	\$ 43,850,159
Prior Change Orders				65,966	1,873,005
<i>Change in contract sum by Turner</i>					
Current Change Orders					
Prior Owner Purchase Orders	(401,108)				
Current Owner Purchase Orders	205,923	(6,947,517)	(4,304,099)		(7,196,957)
Current Contract Sum to Date	\$ 1,631,392	\$ 31,277,859	\$ 18,955,024	\$ 2,387,305	\$ 38,526,207
Previous Payments	1,538,316				29,896,783
		1 4,307,030	1 3,241,532	4 248,353 5 78,915 6 73,440	24 1,109,823 25 843,802 26 458,658 27 211,256
Total Payments	1,538,316	4,307,030	3,241,532	2,145,262	32,520,322
Balance	\$ 93,076	\$ 26,970,829	\$ 15,713,492	\$ 242,043	\$ 6,005,885
Owner Purchased Materials					
Retainage	20,034	248,816	216,329		2,039,407
Payments	1,538,316	4,307,030	3,241,532	2,145,262	32,520,322
Work completed	\$ 1,558,350	\$ 4,555,847	\$ 3,457,860	\$ 2,145,262	\$ 34,559,729
Status	Active	Active	Active	Active	Active

MV Morris, Valerie M17  ...
Contract sum increase by Turner should have been reflected as a change order. Represents budget movement between project line items. Turner to correct.

	PO#10114035 Dania Beach Primary Care Center Build Out Lee Construction Group Inc. #PRJ0016 Dania Beach Primary Care	PO#6007850 Operating Room Cysto Rooms 7 & 8 Renovation #PRJ00082 MHP	PO#10112910 Campus Signage #PRJ00103 MHM	PO#6007523 Emergency Department Trauma Center Turner Construction Company #400222/PRJ00030 MRH	PO#10216146 MCI Conversion to MCVI Lee Construction Group, Inc. #PRJ00075 MHW
	Amount				Amount
Original Contract Sum	\$ 1,857,646	\$ 1,395,842	\$ 1,293,615	\$ 16,401,716	\$ 5,879,430
Prior Change Orders				(663) - (1,858,812)	
<i>Change in contract sum by Turner</i>					
Current Change Orders		262,000	165,000		
Prior Owner Purchase Orders					
Current Owner Purchase Orders					
Current Contract Sum to Date	\$ 1,857,646	\$ 1,657,842	\$ 1,458,615	\$ 14,542,241	\$ 5,879,430
Previous Payments				9,879,795	
	1 304,746	1 79,176	1 100,875	25 184,711	1 436,263
	2 507,091	2 103,396	2 73,700	26 362,383	
	3 167,112	3 55,458	3 145,628	27 406,566	
	4 327,559	4 229,133			
Total Payments	1,306,508	467,163	320,203	10,833,454	436,263
Balance	\$ 551,138	\$ 1,190,679	\$ 1,138,412	\$ 3,708,787	\$ 5,443,168
Owner Purchased Materials					
Retainage	46,452	13,048	5,682	397,456	13,688
Payments	1,306,508	467,163	320,203	10,833,454	436,263
Work completed	\$ 1,352,961	\$ 480,211	\$ 325,885	\$ 11,230,910	\$ 449,950
Status	Active	Active	Active	Active	Active

 **Morris, Valerie** AF23  ...
Turner Construction invoice#24 for
\$309,170.12. Amount paid was
\$328,101.15. Overpaid \$18,931.03.

IA spoke with AP and an Internal Credit Memo was added to the vendor's account in the amount of \$18,931.03 to be offset on the next invoice for this project.

Morris, Valerie AF26 ...
#18K overpayment was recovered from another Turner project (400622- invoice number EG400622PA26TURNER). Check date 5/22/2025)

Memorial Healthcare System
RFP and Competitive Quote Audits

RFPs	Current Phase - 4th Quarter FY 2025	Audited Last Quarter	Audited Current Quarter	Exceptions
1 Tissue Tracking and Point of Use Technology Solution	Ranking & Selection	Receipt	Analysis	None
2 Janitorial Services RFP	Ranking & Selection	Analysis	Analysis	None
3 Rewards and Recognition RFP	On Hold	On Hold	On Hold	None
4 Contact Center Augmentation RFP	Ranking & Selection	Analysis	Analysis	None
5 Parking Management Service	Oral Presentation	Receipt	Analysis	None
6 Pre Employment Background and Drug Screening RFP	Oral Presentation	New	Advertising/Mailing	None
7 Mobile Cart Solution Workstation on Wheels RFQ	Analysis	New	Design	None
8 Pharmacy Central Distribution Software RFP	Selection	New	Receipt	None
9 Joint Replacement RFP	Analysis	Receipt	Receipt	None
10 Clinical Engineering Computerized Maintenance Management System	Selection	Oral Presentation	Oral Presentation	Awarded in 2023. IA unable to review award and non award letters sent to vendors.
11 Pest Control RFP	Selection	Oral Presentation	Receipt	None
12 EPIC On-Premise to Azure RFP	Selection	Analysis	Selection	None

Memorial Healthcare System
RFP and Competitive Quote Audits

Completed Competitive Quotes	Amount \$	Exceptions
1 MRI Magnetom Equipment for Infusion Services at MHM	2,814,665	None
2 Computed Tomography Scanner for MCVI Conversion Project at MHW	2,510,320	None
3 DAX Copilot for Epic User Licenses MHS	2,090,608	None
4 Computed Tomography Scanner for Outpatient MRI, CT, Laboratory and Infusion Services at MHM	1,799,659	None
5 Procuity LexW Isotour Beds for MHW	1,598,414	None
6 Digital Computed Tomography Scanner for Diagnostic Radiology at MHW	1,530,540	None
7 Three Year Clinical Decision Support Software Agreement for MHS	1,480,295	None
8 One Year Proofpoint Email Security Software Agreement Renewal for MHS	1,172,170	None
9 Generator and Automatic Transfer Switches for Douglas Road Free Standing Emergency Department	1,138,795	None
10 Chiller, Air Handlers and Components for Douglas Road Free Standing Emergency Department	1,137,550	None
11 Two Year Hosted Service Fee for Dictation Subscription Licenses	832,136	None
12 Six Month Rental Agreement for Mobile Magnetic Resonate Imaging Units at MHW	775,500	None
13 Years Two and Three Subscription to Physician Documentation Software	742,350	None
14 Three Air Handling Units, Condensers and Minisplits for Red Road Free Standing Emergency Department	661,500	None
15 Operating Room Internet Protocol Upgrade at JDCH	591,916	None
16 Single Photon Emission Computed Tomography and Computed Tomography Scanner for MCVI Conversion Project at MHW	585,000	None
17 Diesel Generator for Red Road Free Standing Emergency Department	505,241	None
18 Three Year Subscription for Service for Generator and Components for Cardiac Catherization Equipment at MRH	455,999	None
19 Pacemakers for MCVI at MRH	360,980	None
20 Three Year Pressure Washing Contract for MCI at MHW	340,126	None
21 Patient Drug for Infusion Specialty Pharmacy at MHW	555,310	Approval stopped with Mr. Whaley
22 Patient Drug for Infusion Specialty Pharmacy at MHW	555,310	Approval stopped with Mr. Whaley
23 Patient Drug for Infusion Specialty Pharmacy at MHW	503,580	Approval stopped with Mr. Whaley
24 Patient Drug for Infusion Specialty Pharmacy at MHW	503,580	Approval stopped with Mr. Whaley
25 Patient Drug for Infusion Specialty Pharmacy at MHW	503,580	Approval stopped with Mr. Whaley
26 Patient Drug for Infusion Specialty Pharmacy at MHW	503,580	Approval stopped at P. Brillantes, Supply Chain Management moved purchase order forward due to patient care.
27 Patient Drug for Infusion Specialty Pharmacy at MHW	503,580	Approval stopped at P. Brillantes, Supply Chain Management moved purchase order forward due to patient care.
28 Patient Drug for Infusion Specialty Pharmacy at MHW	503,580	Approval stopped with Mr. Whaley
29 Patient Drug for Infusion Specialty Pharmacy at MHW	462,000	Approval stopped with Mr. Whaley
30 Incubators and Bed Replacements for Neonatal Intensive Care Units at MHM, MHW and JDCH	2,049,042	Approval stopped with Mr. Whaley, IA was told the root cause was identified and a redesign of the Business Process for requisition approvals by IT, Finance and SCM is in progress to resolve this issue.

**Memorial Healthcare System
Investor Contact Log
Fiscal Year 2025**

Quarter: Ended	Contact:	Representing:	Discussion:
July 31,2024	Stephen Infranco	Standard & Poor's	Rating discusson
	Beth Wexler and Vanessa Chebli	Moody's	Rating discussion
October 31, 2024	Stephen Infranco	Standard & Poor's	Management change discussion.
	Beth Wexler	Moody's	Management change discussion.
January 31, 2025	None.		
April 30, 2025	None.		

Memorial Healthcare System
Non Audit Engagement Report
Q4 FY 2025

Quarter Ended	RSM US LLP Engagement:	
	For professional services rendered in connection with Independent Special District Performance Review.	\$ 50,000
Q4 FY2025	For professional services rendered and expenses incurred in connection with the preparation of Memorial Health Network (MHN) year end 4/30/2024 tax returns.	\$ 3,229
	For professional services rendered in connection with consultation services related to the analysis of 4960 excise tax for the fiscal year ending April 30, 2024.	\$ 4,500
	Total	\$ 57,729
Q4 FY2024	Total spend, provided for comparative purpose	\$ 64,513

Quarter Ended	Zomma Group LLP Engagement:	
Q4 FY2025	For professional services rendered and expenses incurred in connection with Non Audit Engagements.	\$ -
Q4 FY2024	Total spend, provided for comparative purpose	\$ -



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: June 2, 2025
From: Philoron Wright, Chief Executive Officer, MRHS
David Webb, Chief Financial Officer, MRHS
Subject: Action Plan: INTERNAL AUDIT OF THE PRIVACY AND SECURITY OF VOICE RECOGNITION DEVICES AVAILABLE IN PATIENT ROOMS

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend a formal process is developed to provide the option to admitted patients, to opt in or out of using the Alexa devices and that the patient's choice is documented in the patient's records.	Will determine location for documentation of the patient opt in-opt out and will work with appropriate documentation team to develop in the electronic medical record.	December, 2025
We recommend medical staff receives reenforced training on muting or otherwise disabling Alexa devices during medical consultations.	Develop training module and assign to all staff interacting with patient rooms with Alexa devices.	December, 2025

cc: Shane Strum, Interim Chief Executive Officer, MHS

A handwritten signature in black ink that reads "Philon Wright".

Philon A. Wright, II
Chief Executive Officer
Memorial Regional Hospital South

A handwritten signature in black ink that reads "David Webb".

David Webb
Chief Financial Officer
Memorial Regional Hospital South



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
 MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: June 27, 2025

From: Dorinda Segovia, Vice President & Chief Pharmacy Officer, MHS

Tina Hodges, Vice President, Reimbursement and Revenue Integrity, MHS

^{Initial}
DS

^{Initial}
TH

**Subject: Action Plan: COMPLIANCE AUDIT OF THE 340B PROGRAM AT
 MEMORIAL HEALTHCARE SYSTEM CONTRACT PHARMACIES - FY 2025 FOURTH
 QUARTER**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend that the two claims without referral orders to Medication Management (MM) services and the one claim with the prescribed medication not included on the list of medication that triggered a MM referral be reviewed by the 340B team for correction and refund, if necessary.	<p>No action plan necessary. The three claims have been reviewed by the 340B team.</p> <p>The two claims without referrals were found to have Medication Management (MM) referrals ordered for the patient at an earlier date. These referrals meet the program intent and requirements.</p> <p>The claim with the prescribed medication not listed was not 340B eligible. No further action needed.</p>	N/A
We recommend the Legal Department opine on the level of risk involved in utilizing the MM program to qualify prescriptions written by providers from ineligible locations.	Referred to MHS legal department for review, analysis, and advice.	August 15, 2025

cc: Shane Strum, Interim Chief Executive Officer, MHS



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: June 18, 2025
From: Caitlin Stella, Chief Executive Officer, JDCH
Allysa Posen, Finance Director, JDCH
Subject: Action Plan: COMPLIANCE AUDIT OF THE DOCUMENTATION AND
BILLING OF THE LEVELS OF NEONATAL CARE IN THE NEONATAL
INTENSIVE CARE UNIT (NICU) AT JOE DIMAGGIO CHILDREN'S
HOSPITAL (JDCH)

*Caitlin Stella
6-27-25*

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend that JDCH management regularly monitor assigned levels of care (LOC) LOC orders for appropriateness and if needed, verify with the NICU providers (Neonatologists, Advanced Practice Registered Nurses and Physician Assistants) that the assigned LOC is appropriate for the level of treatment provided and aligns with the American Academy of Pediatrics standards.	Level of care guidelines developed in 2023 and shared with all three NICUs. Working with Dr. Foster and Dr. Kahn to reeducate Physicians when fall outs are identified.	Ongoing

We recommend Accounts Receivable Management (ARM) review the claims with the incorrect LOC revenue code reported, correct and rebill, if appropriate.	ARM will correct and rebill any NICU accounts if appropriate for rebilling.	Ongoing
We recommend NICU management regularly monitor NICU census with the assigned LOC and LOC accommodation charges for accuracy of billing.	NICU Leaders (DON, Nurse Managers and CM/Charge) validate Levels of Care in EPIC are assigned correctly to each patient.	Ongoing
We recommend NICU management collaborate with Epic Information Technology (IT) to develop processes to monitor for accuracy and report changes in the assigned LOC when new orders are placed and to prevent inappropriate changes to the assigned LOC.	EPIC developed a dashboard that monitors assigned levels of care for each patient by Tiffany Cook. Changes can be checked manually in EPIC. Additionally, Epic IT opened Service Now request REQ0927404 and TASK1069042 to address preventing inappropriate changes to the assigned LOC.	Ongoing and built for IT on June 30, 2025
We recommend NICU management reeducate the NICU providers and staff when making changes to the LOC assignment in Epic.	NICU leadership to provide Level of Care education regarding eligibility criteria for each level to providers and Nursing leadership team. Plan to reeducate in the July Clinical Manager / Charge nurse and NICU Critical Care meeting.	July 31, 2025
We recommend Epic IT work with Patient Financial Service and ARM to develop a process to prevent errors made on admission type for accounts with transfers.	Epic IT opened Service Now request REQ0927406 and TASK1069044 to ARM Prelude team on developing a process to automate admission type for accounts with transfers.	July 15, 2025

cc: Shane Strum, Interim Chief Executive Officer, MHS



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: June 17, 2025
From: Joseph Stuczynski, Chief Executive Officer, MHW
Katherine Wong, Chief Financial Officer, MHW
Judy Frum, Chief Operating Officer, MHW 
Subject: Action Plan COMPLIANCE AUDIT OF THE DOCUMENTATION AND BILLING OF CURRENT PROCEDURAL TERMINOLOGY CODE 96374 INTRAVENOUS PUSH IN THE EMERGENCY DEPARTMENT AT MEMORIAL HOSPITAL WEST

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend Emergency Department (ED) leadership reeducate the nurses on the completeness of the Medication Administration Record to include the stop times for intravenous (IV) infusions and hydration services.	All ED RNs will be reeducated on medication administration documentation, to include intravenous infusion and hydration service stop times, in an effort to satisfy American Medical Association (AMA) CPT guidelines. Documentation of reeducation will be maintained in Department records.	8/1/25
We recommend ED leadership reeducate the nurses on appropriate posting of IV charges in Epic using the Assisted Infusion Charging tool.	All ED RNs will be reeducated on AMA CPT coding compliance hierarchy and EPIC Assisted Infusion Charging tool. Documentation of reeducation will be maintained in Department records.	8/1/25

<p>We recommend ED leadership do regular audits to monitor IV documentation and charges for accuracy.</p>	<p>ED Leadership will audit 30 patient charts per month, focusing on medication administration documentation and CPT charges, to achieve 100% compliance. These audits will be maintain/logged in Department records.</p>	<p>9/1/25</p>
<p>We recommend Corporate Finance continue to review all IV charges anytime new Epic features are implemented to ensure charges are accurate.</p>	<p>The Revenue Integrity Team, within Corporate Finance, will review charges, as a quality check, when informed of changes made to charge capture methodology.</p>	<p>Ongoing</p>

cc: Shane Strum, Interim Chief Executive Officer, MHS



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: June 25, 2025
From: Felicia Turnley, Chief Executive Officer, MHP *Felicia Turnley*
Patrick Connor, Chief Financial Officer, MHP *Patrick Connor*
Subject: Action Plan: COMPLIANCE AUDIT OF DOCUMENTATION AND BILLING
OF THE COMPREHENSIVE OUTPATIENT MEDICAL NUTRITION
THERAPY SERVICES AT MEMORIAL HOSPITAL PEMBROKE

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend the medical nutrition therapy (MNT) program management ensure that order/referral comply with Medicare and Medicaid requirements.	All patient accounts are now being reviewed at least two weeks prior to the scheduled appointment to ensure referral orders are signed by an MD or DO for patients with Medicaid and/or Medicare coverage.	Current and ongoing
We recommend MNT management review Medicare and Medicaid accounts retrospectively to ensure services comply with requirements and collaborate with Accounts Receivable Management (ARM) to rebill or refund if appropriate.	A retrospective compliance review of accounts is underway. Any accounts requiring rebilling or refunding will be coordinated with Accounts Receivable Management.	8/31/2025
We recommend the Reimbursement and Revenue Integrity management collaborate with outpatient nutrition management to develop a process to include the appropriate modifier for telemedicine charges.	Through consultation with Reimbursement and Revenue Integrity, we've agreed to hard code the recommended modifier to telehealth procedure charge codes. We will monitor going forward to validate the effectiveness of the added modifier.	7/31/2025

We recommend the MNT management review telehealth visits retrospectively and collaborate with Reimbursement and Revenue Integrity management and ARM management to rebill with appropriate modifier.	Previous telehealth procedures will be reviewed and where appropriate, will be re-billed with the recommended modifier.	8/31/2025
We recommend Health Information Management reeducate coders to ensure referral diagnoses are included and to code to the highest level of specificity when supported by the medical record documentation as per coding guidelines.	HIM will monitor during routine coding audits. Reeducation will be given to coders to code diagnoses from referral orders to the highest level of specificity documented as per official coding guidelines.	Routine audit will be ongoing and refresher education will be completed by 7/31/2025.
We recommend the ARM management to rebill or refund the identified dates of services as appropriate.	Health Information Management has submitted the identified accounts to ARM for rebilling.	7/31/2025

cc: Shane Strum, Interim Chief Executive Officer, MHS



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
 MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS
Date: June 23, 2025
From: Mario Salceda-Cruz, Chief Operating Officer, MPG
 Esther Surujon, Chief Financial Officer, MPG
Subject: Action Plan: COMPLIANCE AUDIT OF ORTHOPEDIC
 SURGERY PROCEDURES FOR MEMORIAL PHYSICIAN
 GROUP PROFESSIONAL CODING AND BILLING

DS
MS
ES

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend that Memorial Physician Group (MPG) Business Office correct and rebill or refund accounts as appropriate.	Memorial Physician Group Business Office will correct and rebill or refund accounts as appropriate.	07/15/2025
We recommend that the MPG Business Office reeducate providers on medical record documentation, coding, and billing of orthopedic surgery procedures.	Memorial Physician Group's Auditor Coding Compliance will reeducate providers on medical record documentation, coding, and billing of orthopedic surgery procedures.	08/15/2025

cc: Shane Strum, Interim Chief Executive Officer, MHS

South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, Chairwoman • **Steven Harvey**, Vice Chairman • **Douglas A. Harrison**, Secretary Treasurer
Brad Friedman • **Laura Raybin Miller**
Shane Strum, President and Chief Executive Officer

Group: S.B.H.D. Risk Management / Peer Review Committee **Date:** July 15, 2025
Time: 2:30 p.m.

Location: Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312

In Attendance: Ms. Elizabeth Justen, Chairwoman
Mr. Douglas Harrison, Vice Chairman
Mr. Steven Harvey, Commissioner
Ms. Laura Raybin Miller, Commissioner
Mr. Brad Friedman, Commissioner

Also present: Mr. Shane Strum Ms. Kimberly Almonte
Mr. Alan Whaley Ms. Jeanette Aleu
Ms. Linda Epstein Ms. Lesli Moquin
Holly Neville, M.D. Ms. Rachel Thomas
Paul Entler, D.O. Ms. Lisa Haham
Jose Perez Garcia, M.D. Ms. Jessica Jacques
Seyed Mohammad Reza Ghasemian, M.D. Ms. Rachel Guran
Paula Eckardt, M.D. Ms. Brooke Rasner
Mr. Anthony Stewart Mr. Brett Bauman
Ms. Sarah Griffith

1) CALL TO ORDER / PUBLIC MEETING NOTICE CERTIFICATION

Ms. Justen called the meeting to order at 2:30 p.m. Legal certification of compliance with Florida's Public Meetings Law was given by Ms. Linda Epstein, Interim General Counsel.

2) PUBLIC COMMENTS

Ms. Justen opened the floor for public comments, of which there were none.

3) Agenda item 5: Risk Management / Peer Review Meeting Structure, and Agenda item 5.1: Name change from “Risk Management / Peer Review Meeting” to “Risk Management Committee”

Ms. Epstein provided a brief overview outlining the purpose and rationale behind the recommended Committee name change.

MOTION: It was moved by Mr. Harvey and seconded by Ms. Miller, that;

The Risk Management / Peer Review Committee Recommends to the Board of Commissioners of the South Broward Hospital District to Change the Name of the “Risk Management / Peer Review Meeting” to “Risk Management Committee”, and to Make the Risk Management Committee a Standing Committee of the Board

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DiMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

The Motion carried unanimously.

4) Agenda item 5.1.1: Selection of Committee Officers for the Risk Management Committee

MOTION: It was moved by Mr. Friedman and seconded by Ms. Miller, that;

The Committee Recommends to the Board of Commissioners of the South Broward Hospital District that Ms. Elizabeth Justen be appointed as Chairwoman, and Mr. Steven Harvey, Vice Chairman of the Risk Management Committee

The Motion carried unanimously.

5) Agenda item 5.1.2: Risk Management Committee Meeting Times

MOTION: It was moved by Mr. Harvey and seconded by Ms. Miller, that;

The Committee Recommends to the Board of Commissioners of the South Broward Hospital District That the Risk Management Committee Meetings be Held at Least Twice a Year, or More Frequently as Needed

The Motion carried unanimously.

6) Agenda item 5.2: New Standing Committee Titled “Quality Assessment and Oversight Committee” (QAOC)

Ms. Epstein provided a brief overview outlining the purpose and rationale behind the recommended new standing Committee. Dr. Neville and Dr. Entler also contributed their insights to the discussion.

MOTION: It was moved by Mr. Harvey and seconded by Mr. Friedman, that;

The Committee Recommends to the Board of Commissioners of the South Broward Hospital District the Establishment of a New Standing Committee Titled “Quality Assessment and Oversight Committee” (QAOC)

The Motion carried unanimously.

7) Agenda item 5.2.1: Selection of Committee Officers for the Quality Assessment and Oversight Committee (QAOC)

MOTION: It was moved by Mr. Harvey and seconded by Mr. Friedman, that;

The Committee Recommends to the Board of Commissioners of the South Broward Hospital District that Ms. Elizabeth Justen be Appointed as Chairwoman, and Ms. Laura Raybin Miller, Vice Chairwoman of the Quality Assessment and Oversight Committee (QAOC)

The Motion carried unanimously.

8) Agenda item 5.2.2: Quality Assessment and Oversight Committee Meeting Times

MOTION: It was moved by Mr. Harvey and seconded by Mr. Harrison, that;

The Committee Recommends to the Board of Commissioners of the South Broward Hospital District That the Quality Assessment and Oversight Committee (QAOC) Meetings be Held Quarterly

The Motion carried unanimously.

9) Agenda item 6: Quarterly Reports for Q4 Y24 and Q1 Y25

Dr. Entler and Dr. Neville led a discussion on the following items and shared supporting data through PowerPoint Presentation.

- 6.1 Environment of Care
- 6.2 Antimicrobial Stewardship
- 6.3 Infection Prevention
- 6.4 National Patient Safety Goal (NPSG) - Hand Hygiene
- 6.5 Grievances
- 6.6 Medicare Readmissions
- 6.7 Medicare Mortalities
- 6.8 Patient Experiences
- 6.9 Risk Management Quality Reports
- 6.10 Transplant

Additionally, Dr. Ghasemian, Dr. Perez Garcia and Ms. Thomas contributed valuable insight into the innovative and positive developments within the Transplant Institute at Memorial, highlighting how their teams have collaborated to enhance the quality of patient care.

MOTION: It was moved by Mr. Harvey and seconded by Mr. Friedman, that;

The Committee Recommends to the Board of Commissioners of the South Broward Hospital District approval of the Quarterly Reports 6.1 through 6.10 for Q4 Y24 and Q1 Y25

The Motion carried unanimously.

10) Agenda item 7: Quality and Safety Presentation

The Quality and Safety Presentation was presented by Dr. Entler.

11) Agenda item 7.1: CMS Star Ratings Review

The CMS Star Ratings Reviews were presented by Dr. Entler.

12) Agenda item 7.2: Leapfrog Spring 2025 Update

Dr. Entler reported the District's ratings for Leapfrog Spring 2025 by location:

Memorial Regional Hospital (MRH)	= B
Memorial Hospital West (MHW)	= C
Memorial Hospital Pembroke (MHP)	= A
Memorial Hospital Miramar (MHM)	= A
Memorial Regional Hospital South (MRHS)	= C

13) OLD BUSINESS

There was no old business to report.

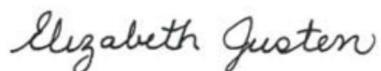
14) NEW BUSINESS

There was no new business to report.

15) ADJOURNMENT

There being no further business, the meeting was adjourned at 4:54 p.m.

Respectfully submitted,



Ms. Elizabeth Justen
Chairwoman
Risk Management / Peer Review Committee



SAFETY | QUALITY | SERVICE

RISK MANAGEMENT/BOARD PEER REVIEW

July 15, 2025



Overview and presentation format

1. Quarterly Reports

- Environment of Care
- Antimicrobial Stewardship
- Infection Prevention
- National Patient Safety Goal (NPSG)- Hand Hygiene
- Grievances
- Medicare Readmissions
- Medicare Mortalities
- Patient Experiences
- Risk Management Quality Reports
- Transplant

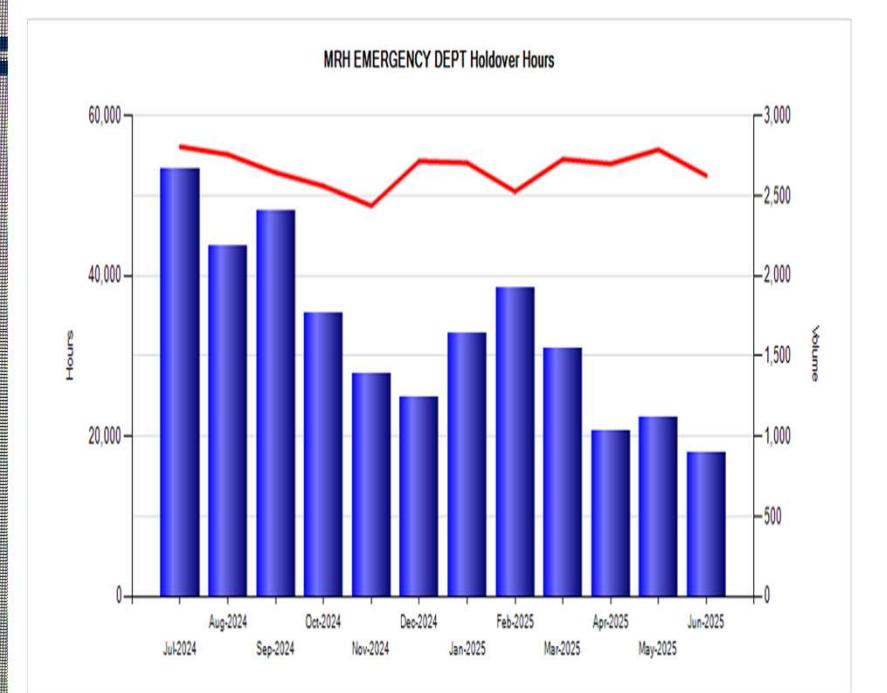
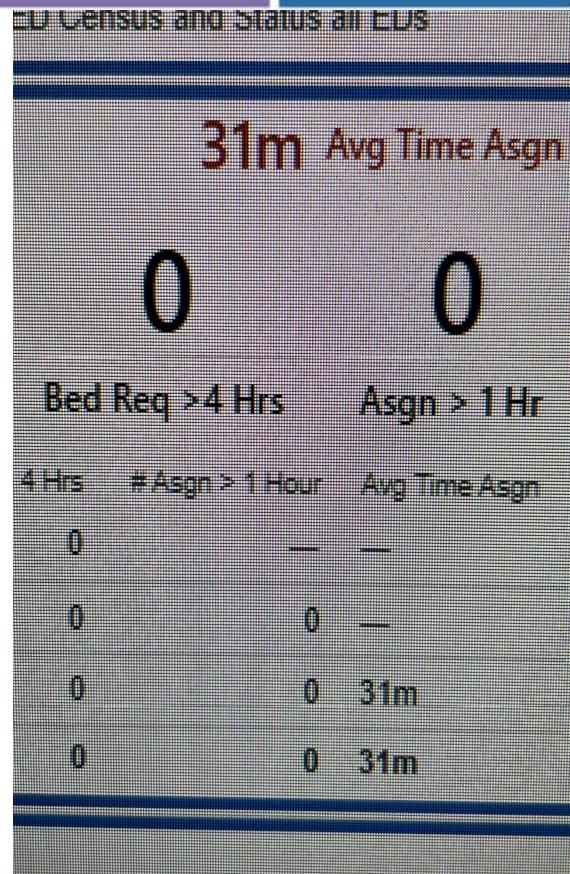
2. Quality and Safety Presentation (Dr. Paul Entler)

- 2025 CMS Star Ratings Review
- Leapfrog Spring 2025 Safety Grades



QUARTERLY REPORTS

Q4Y24, Q1Y25



DEPT NAME	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	
MRH EMERGENCY DEPT	Hours	53,412	43,803	48,088	35,318	27,696	24,810	32,827	38,415	30,850	20,767	22,329	17,881
	Volume	2,806	2,757	2,644	2,560	2,437	2,716	2,705	2,526	2,727	2,699	2,787	2,625

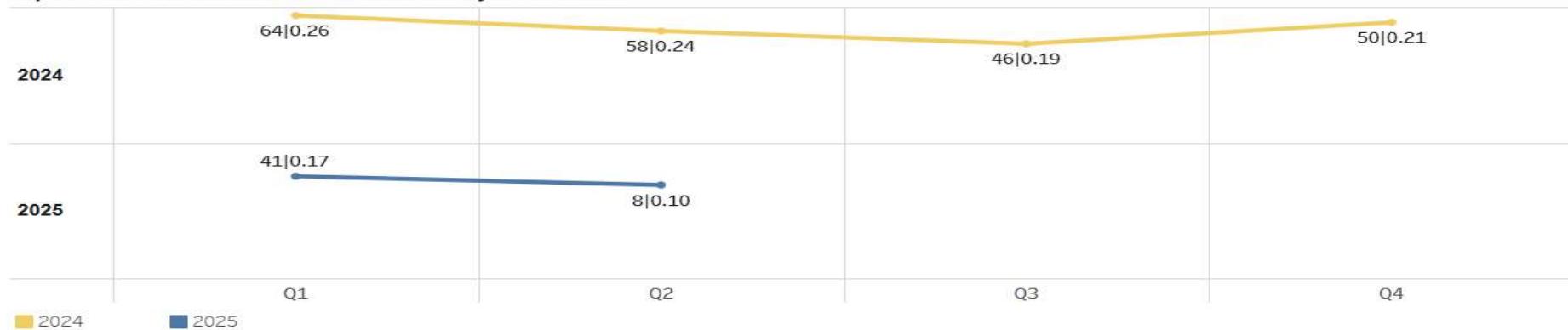


6.1 Environment of Care

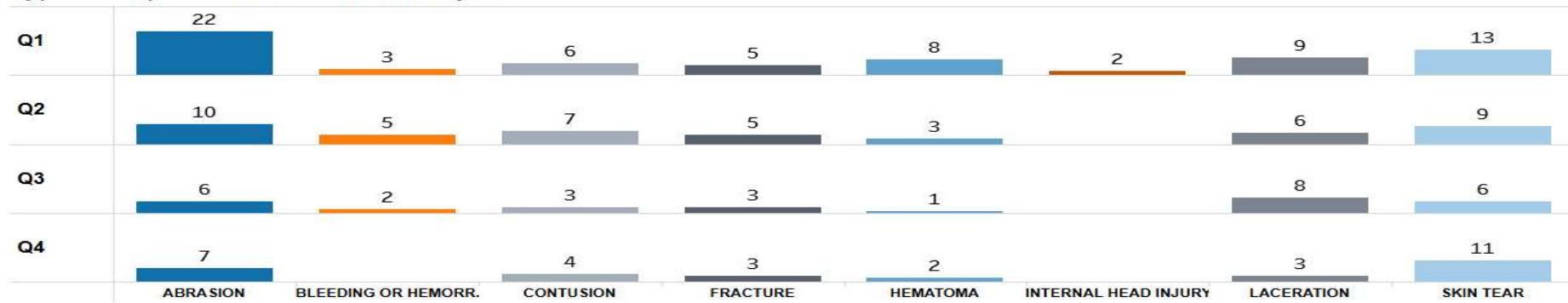


Environment of Care Performance Report- MHS

Inpatient & Observation Falls With Injuries Rate



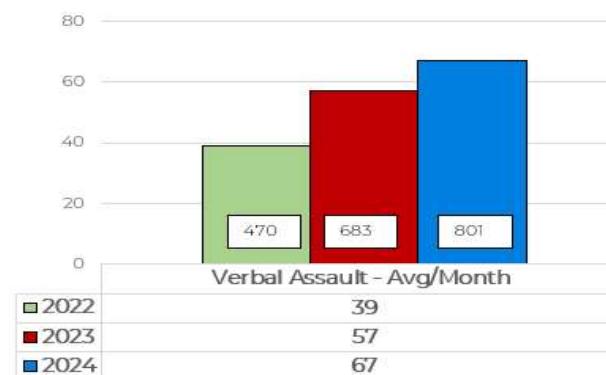
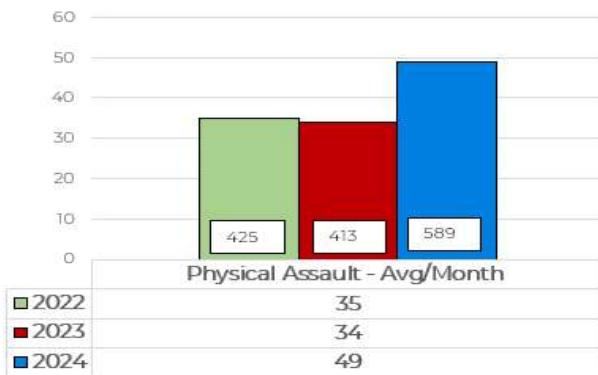
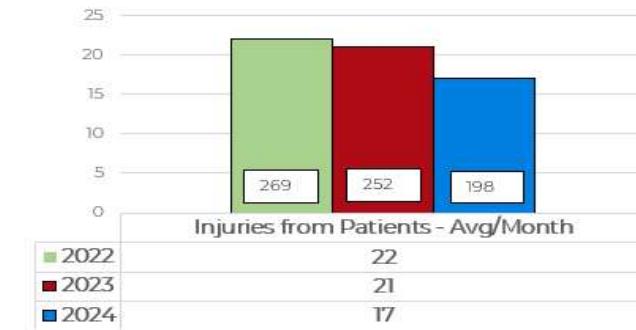
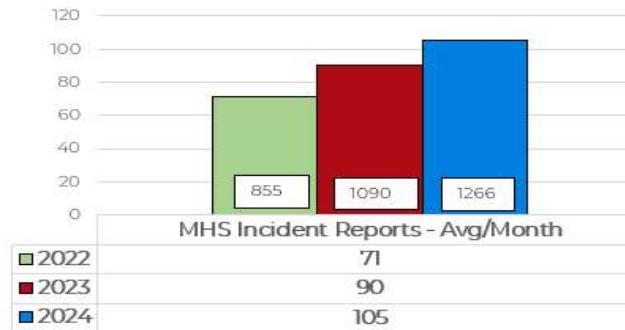
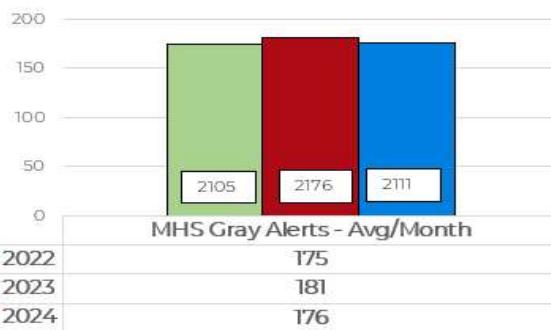
Types of Inpatient & Observation Injuries





Environment of Care Performance Report- MHS

MHS WORKPLACE VIOLENCE DATA*



Roles Most Assaulted	2024	Avg/Month 2024
RN	301	25
PCA/Medic	71	6
Psych Assistant	26	2
Safety Observer	11	1
Paramedic	10	1

* Includes 6 hospitals & Outpt BH beginning in 2024. White boxes = annual total



6.2 Antimicrobial Stewardship



Antimicrobial use per facility (Days of Therapy per 1,000 Patient Days)

Lower is Better

Antibiotic class	MHM	MHP	MRH	MRHS	MHW
Penicillins	107.99	136	112.11	65.3	95.43
Cephalosporins	153.87	227.29	161.96	103.14	195.28
Carbapenems	21.73	36.78	21.94	18.44	27.25
Quinolones	27.46	39.12	17.24	31.58	27.31
Macrolides	30.42	35.82	24.23	12.84	26.68
Anti-MRSA	72.62	179.02	105.20	101.08	110.82
Antifungals	7.82	29.99	26.49	36.87	42.34
Miscellaneous	58.01	84.01	44.04	31.67	60.03
Total	479.92	762.15	513.21	400.92	584.43



MHS Antimicrobial Expenditures

Lower is Better

Inpatient Purchased Antimicrobials per Adjusted Patient Days (Average)							
Facility	2018	2019	2020	2021	2022	2023	2024
MHS	\$7.40	\$5.48	\$6.61	\$7.08	\$5.83	\$5.62	\$5.97
MHS (total including remdesivir)			\$9.43	\$21.04			

Source: Wholesaler data for anti-infectives per adjusted patient days

Total Inpatient Antimicrobial Expenditures						
Facility	2019	2020*	2021*	2022	2023	2024
		\$4,996,578.56	\$6,606,585.83			
MHS (total)	\$4,095,701.57	\$7,132,218.56	\$18,029,610.83	\$5,770,550.66	\$5,885,088.05	\$7,062,531

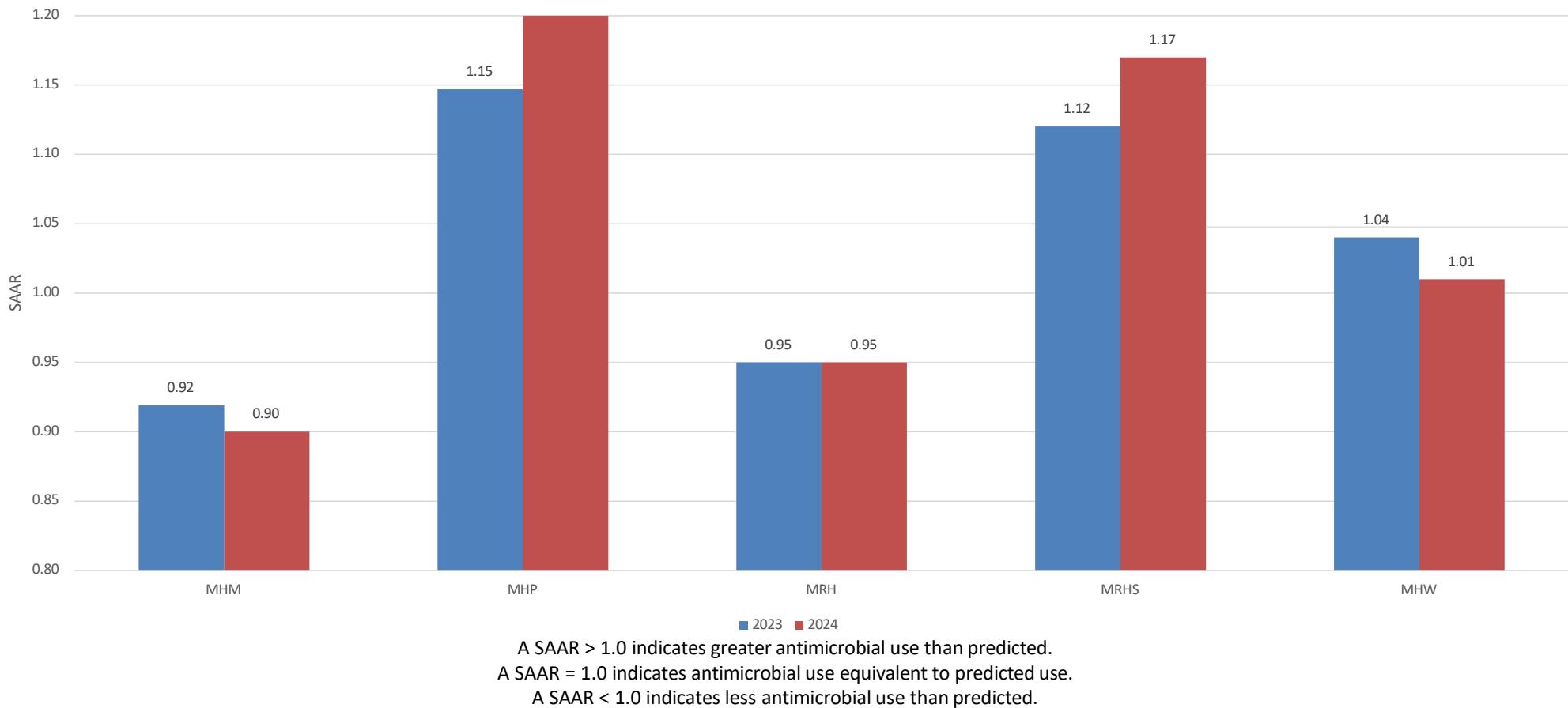
Includes remdesivir GPO expenditures for 2020 and 2021*



MHS Standardized Antimicrobial Administration Ratio (SAAR)

Lower is Better

Site-Specific Yearly Average





6.3 Infection Prevention



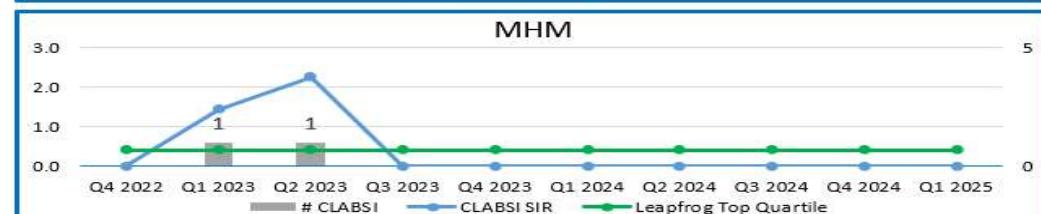
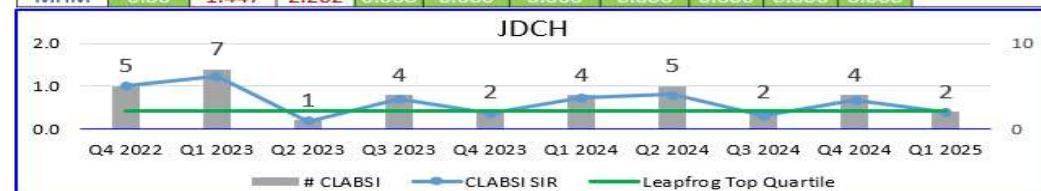
Central Line-Associated Bloodstream Infection (CLABSI)

Lower is Better



Facility	Q4 2022 SIR	Q1 2023 SIR	Q2 2023 SIR	Q3 2023 SIR	Q4 2023 SIR	Q1 2024 SIR	Q2 2024 SIR	Q3 2024 SIR	Q4 2024 SIR	Q1 2025 SIR
MHS	0.846	0.994	0.214	0.360	0.570	0.917	0.672	0.629	0.495	0.492
MRH	1.078	0.659	0.00	0.00	1.376	1.560	0.449	0.918	0.217	0.00
JDCH	1.015	1.227	0.175	0.702	0.370	0.734	0.804	0.311	0.688	0.406
MRHS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MHW	0.637	0.304	0.347	0.351	0.000	0.663	0.982	1.051	0.804	1.116
MHP	0.000	3.896	0.000	0.000	0.000	0.000	0.000	0.000	0.0	2.963
MHM	0.00	1.447	2.262	0.000	0.000	0.000	0.000	0.000	0.000	0.000

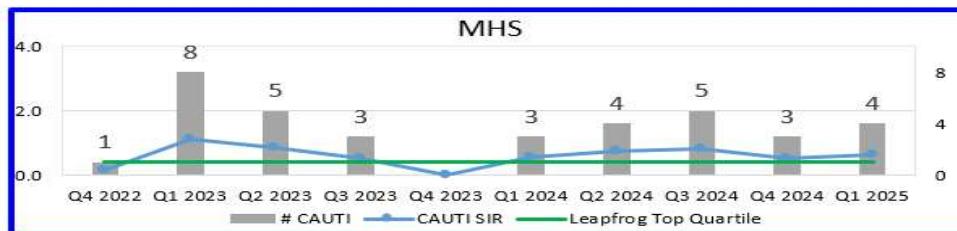
0.413



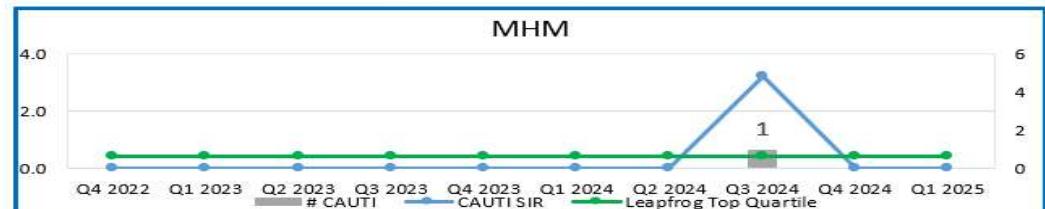
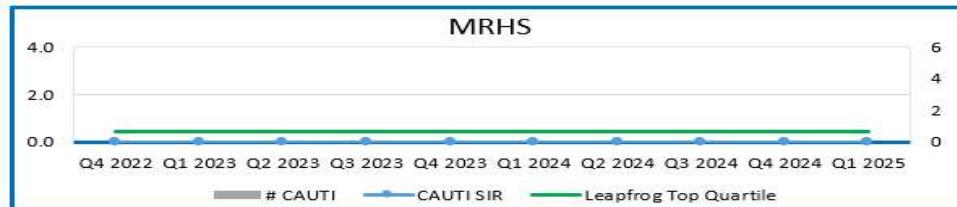
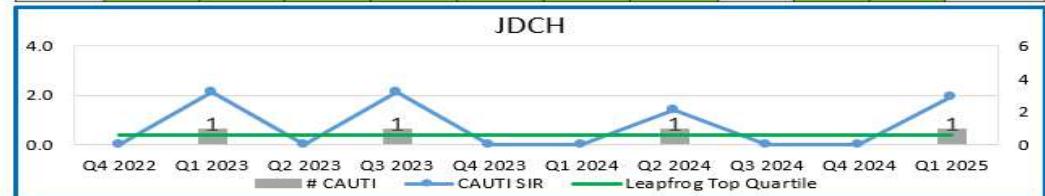


Catheter-Associated Urinary Tract Infection (CAUTI)

Lower is Better



Facility	Q4 2022 SIR	Q1 2023 SIR	Q2 2023 SIR	Q3 2023 SIR	Q4 2023 SIR	Q1 2024 SIR	Q2 2024 SIR	Q3 2024 SIR	Q4 2024 SIR	Q1 2025 SIR	Leapfrog Top Quartile
MHS	0.143	1.108	0.840	0.536	0.000	0.541	0.750	0.830	0.520	0.648	0.427
MRH	0.000	0.589	1.382	0.776	0.000	1.197	0.427	0.650	0.673	0.349	0.427
JDCH	0.000	2.141	0.000	2.141	0.000	0.000	1.399	0.000	0.000	1.969	0.427
MRHS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.427
MHW	0.000	1.754	0.592	0.000	0.000	0.000	1.304	1.30	0.677	0.639	0.427
MHP	1.792	1.664	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.385	0.427
MHM	0.000	0.000	0.000	0.000	0.000	0.000	3.195	0.000	0.000	0.000	0.427



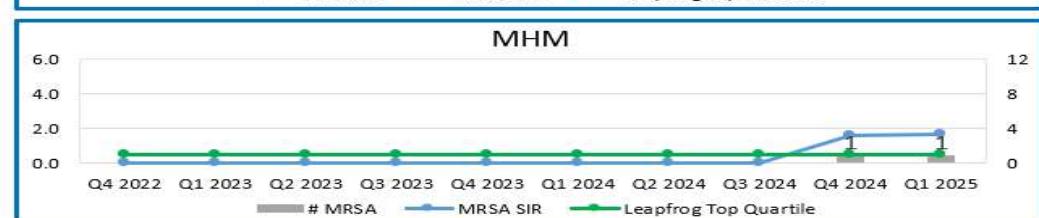
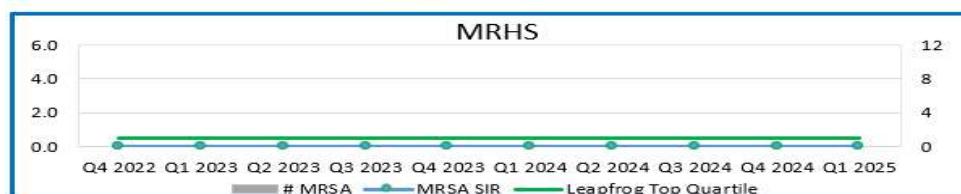


Methicillin-Resistant Staphylococcus Aureus (MRSA) Bacteremia

Lower is Better



Facility	Q4 2022 SIR	Q1 2023 SIR	Q2 2023 SIR	Q3 2023 SIR	Q4 2023 SIR	Q1 2024 SIR	Q2 2024 SIR	Q3 2024 SIR	Q4 2024 SIR	Q1 2025 SIR	Leapfrog Top Quartile
MHS	0.671	0.835	0.928	0.871	0.874	0.946	0.151	0.467	0.502	1.108	0.496
MRH	0.407	0.302	0.336	0.857	1.301	0.323	0.370	0.621	0.782	1.502	
JDCH	1.789	0.000	3.945	1.914	0.000	7.890	0.000	0.000	0.000	3.883	
MRHS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
MHW	1.031	1.525	1.024	0.514	1.025	0.388	0.000	0.491	0.000	0.000	
MHP	0.000	3.676	1.880	2.320	0.00	1.664	0.000	0.000	0.000	0.000	
MHM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.631	1.681	



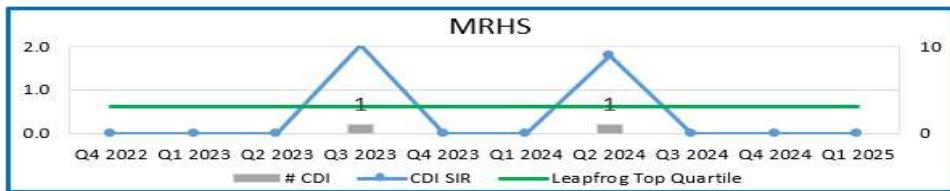


Clostridioides Difficile Infection (CDI)

Lower is Better



Facility	Q4 2022 SIR	Q1 2023 SIR	Q2 2023 SIR	Q3 2023 SIR	Q4 2023 SIR	Q1 2024 SIR	Q2 2024 SIR	Q3 2024 SIR	Q4 2024 SIR	Q1 2025 SIR	Leapfrog Top Quartile
MHS	0.721	0.358	0.399	0.525	0.561	0.365	0.371	0.264	0.505	0.416	
MRH	0.550	0.321	0.377	0.340	0.370	0.348	0.318	0.348	0.489	0.336	
JDCH	0.315	0.720	0.000	0.943	1.546	0.322	0.596	0.000	0.303	0.638	
MRHS	0.000	0.000	0.000	2.035	0.000	0.000	1.776	0.000	0.000	0.000	
MHW	0.901	0.501	0.484	0.507	0.524	0.343	0.403	0.224	0.602	0.537	
MHP	1.015	0.000	0.338	1.175	1.045	0.370	0.241	0.363	0.366	0.445	
MHM	0.362	0.259	0.475	0.335	0.411	0.547	0.402	0.119	0.485	0.243	



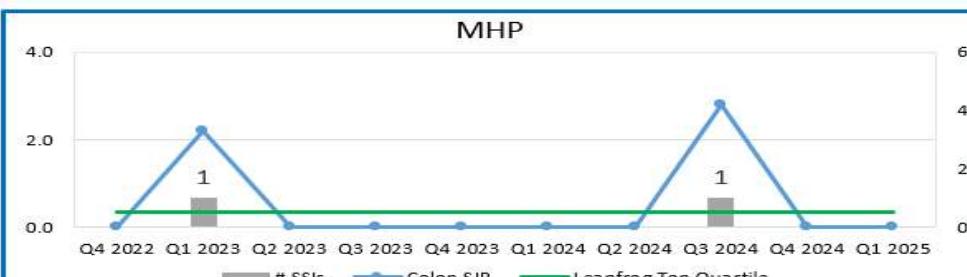
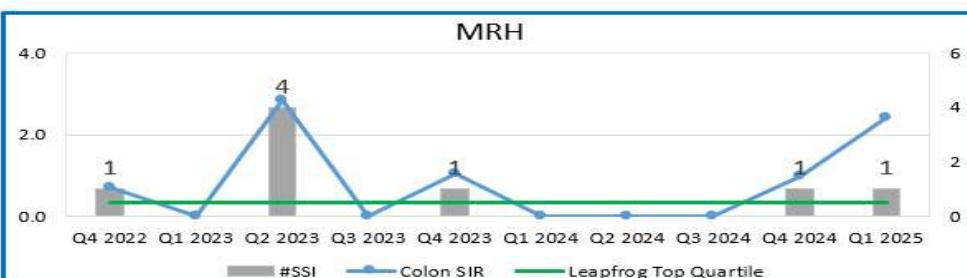


Lower is Better

Colectomy Surgical Site Infection (SSI)



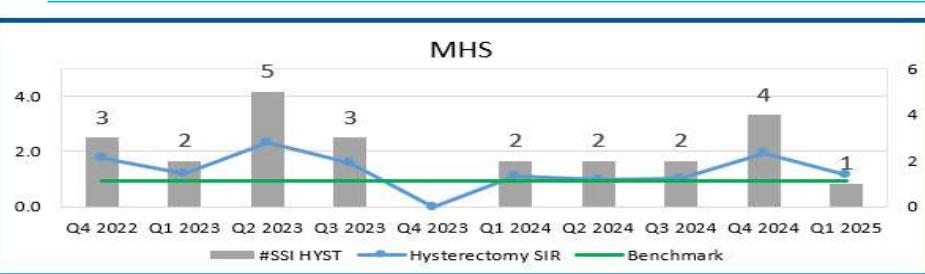
Facility	Q4 2022 SIR	Q1 2023 SIR	Q2 2023 SIR	Q3 2023 SIR	Q4 2023 SIR	Q1 2024 SIR	Q2 2024 SIR	Q3 2024 SIR	Q4 2024 SIR	Q1 2025 SIR	Leapfrog Top Quartile
MHS	0.273	0.225	1.203	0.914	0.252	0.000	0.214	0.498	1.252	0.621	
MRH	0.704	0.000	2.833	0.000	1.035	0.000	0.000	0.000	0.985	2.427	
MHW	0.000	0.000	0.566	1.692	0.000	0.000	0.434	0.383	1.021	0.417	
MHP	0.000	2.188	0.000	0.000	0.000	0.000	0.000	2.786	0.000	0.000	
MHM	0.000	0.000	0.000	1.508	0.000	0.000	0.000	1.706	2.967	0.000	
											0.349



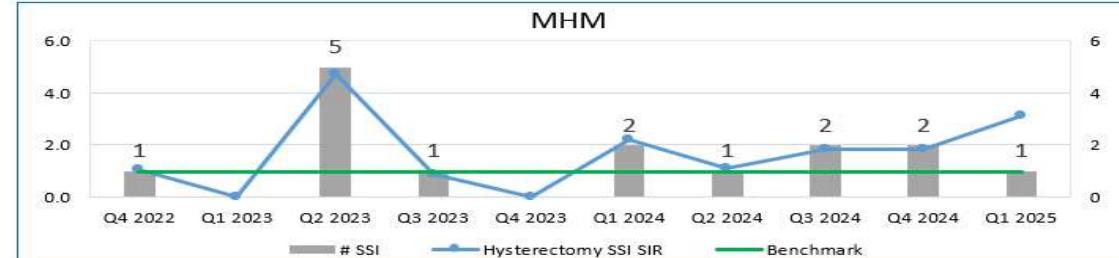
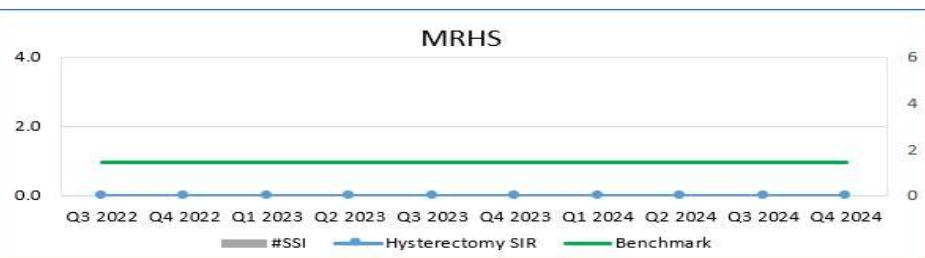
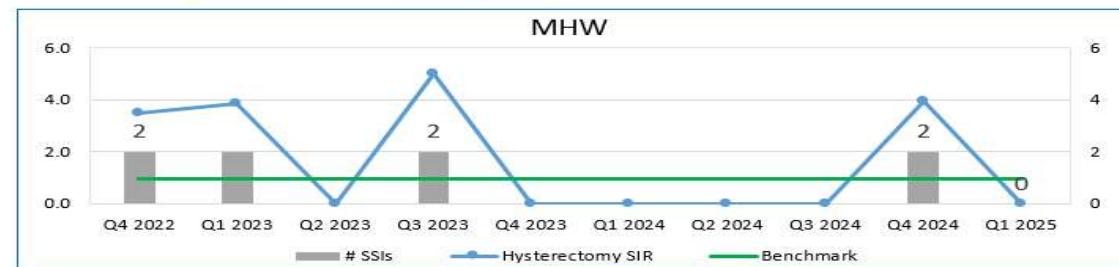


Lower is Better

Hysterectomy Surgical Site Infection (SSI)



Facility	Q4 2022 SIR	Q1 2023 SIR	Q2 2023 SIR	Q3 2023 SIR	Q4 2023 SIR	Q1 2024 SIR	Q2 2024 SIR	Q3 2024 SIR	Q4 2024 SIR	Q1 2025 SIR	Leapfrog Top Quartile
MHS	1.748	1.188	2.319	1.582	0.00	1.095	1.003	1.029	1.946	1.170	
MRH	0.000	0.000	0.000	0.000	0.000	0.000	2.294	0.000	0.000	0.000	0.944
MRHS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
MHW	3.466	3.831	0.00	4.975	0.00	0.00	0.00	0.00	3.960	0.000	
MHM	1.057	0.000	4.726	0.863	0.000	2.225	1.083	1.843	1.850	3.106	





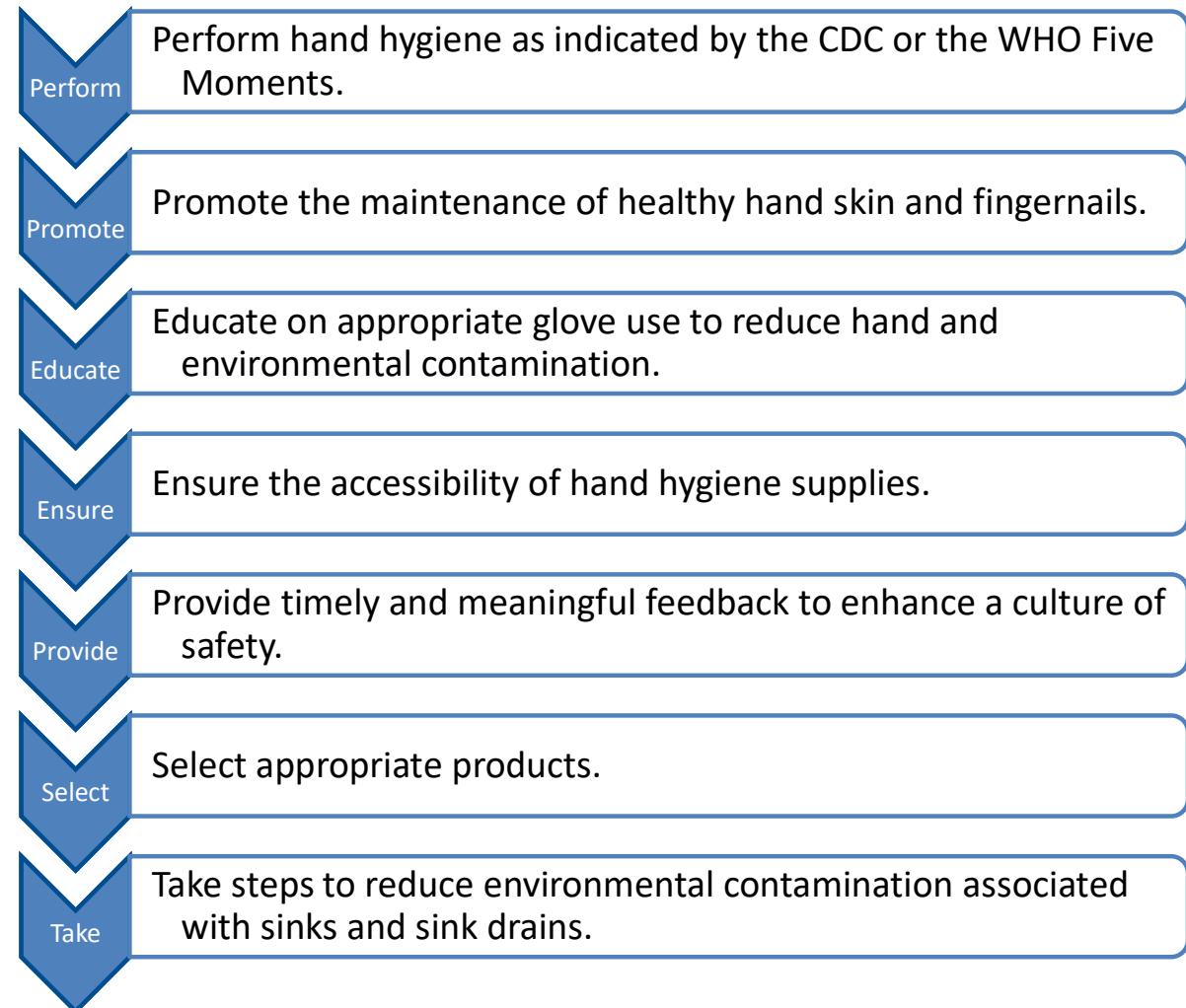
6.4 National Patient Safety Goal (NPSG)-Hand Hygiene



Hand Hygiene Program Overview

Manual observations currently being captured using electronic “iRound” form.

Upholding evidence-based multi-society guidelines “Strategies to prevent healthcare-associated infections through hand hygiene: 2022 update” – Essential Practices





2024 Hand Hygiene Highlights

Improved hand hygiene & standard precautions compliance by:



Re-training refreshers for observers & coaches



Supplemental training on ASPIRE



Annual Competency of HCW including residents



2025 Hand Hygiene Vision

Validating hand hygiene compliance at each hospital

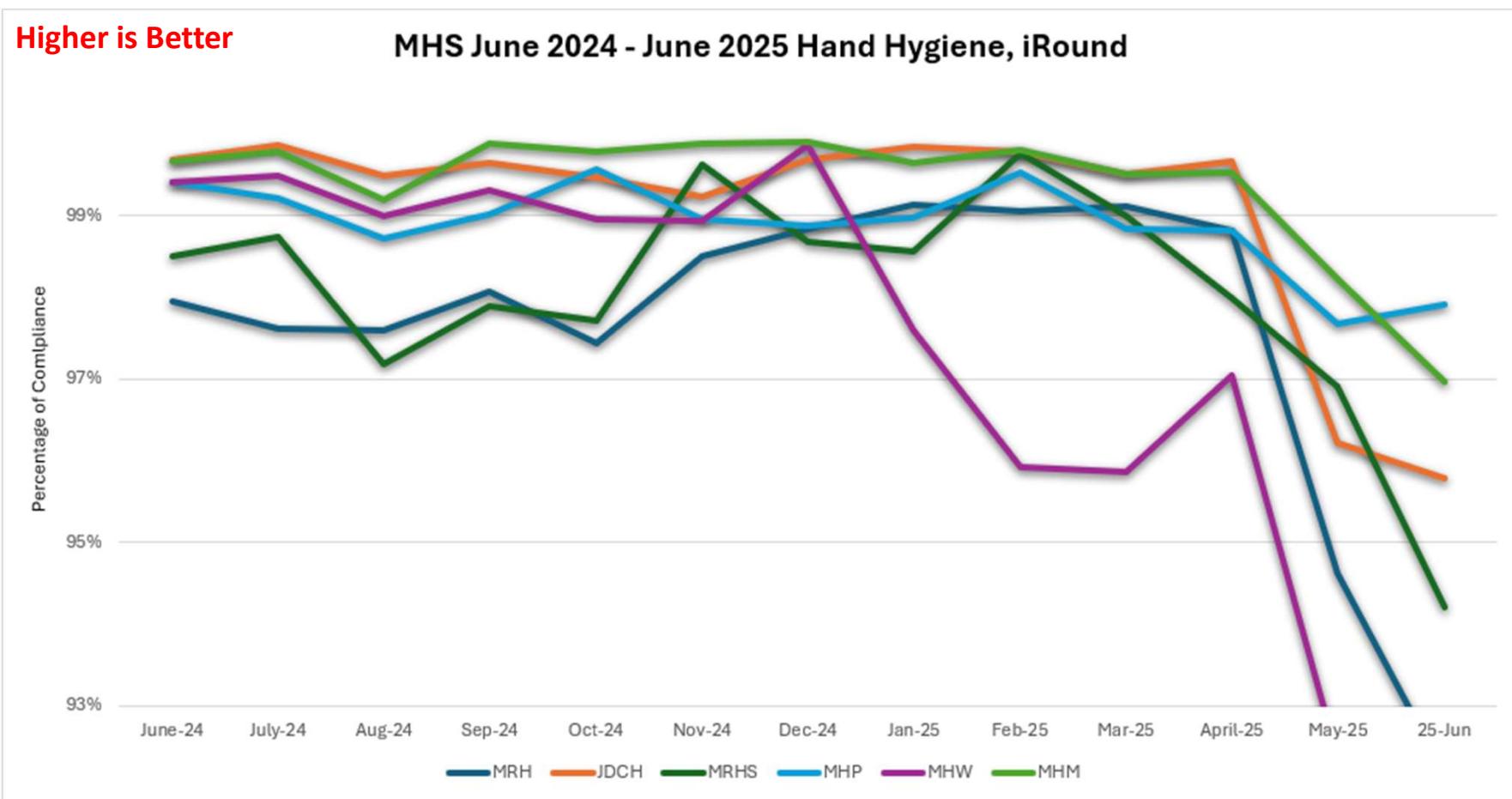
Hand Hygiene Dashboard

Address potential observer bias by rotating those reporting perfect scores



Higher is Better

MHS June 2024 - June 2025 Hand Hygiene, iRound





6.5 Grievances



MEMORIAL HEALTHCARE SYSTEM

Memorial Regional Hospital Complaints & Grievances Q4 CY 2024, Q1 CY 2025

Lower is Better

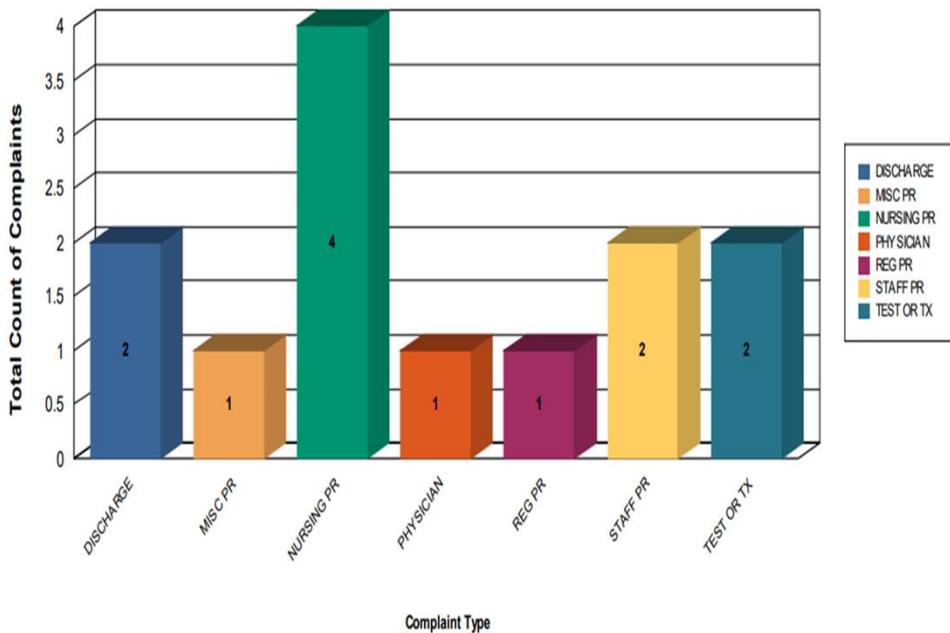
Submission Date Range Between: 10/1/2024 and 12/31/2024

2/3/2025 3:15:49PM

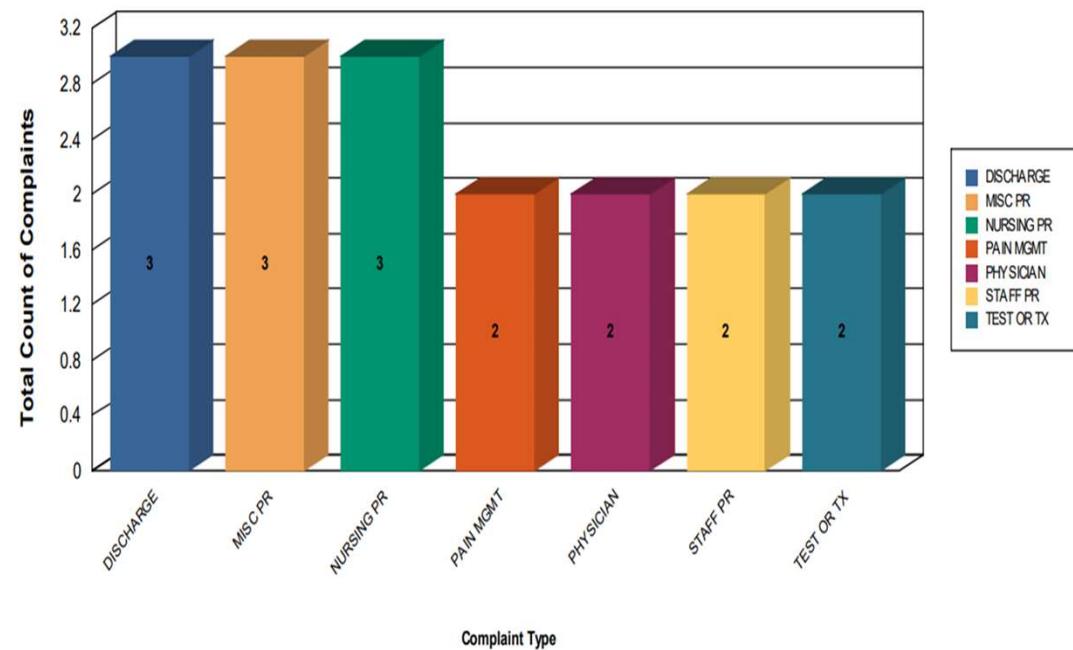
Submission Date Range Between: 1/1/2025 and 3/31/2025

3/31/2025 1:52:10PM

PATIENT COMPLAINTS/GRIEVANCES BY COMPLAINT TYPE



PATIENT COMPLAINTS/GRIEVANCES BY COMPLAINT TYPE





MEMORIAL HEALTHCARE SYSTEM

Memorial Regional Hospital South Complaints & Grievances

Q4 CY 2024, Q1 CY 2025

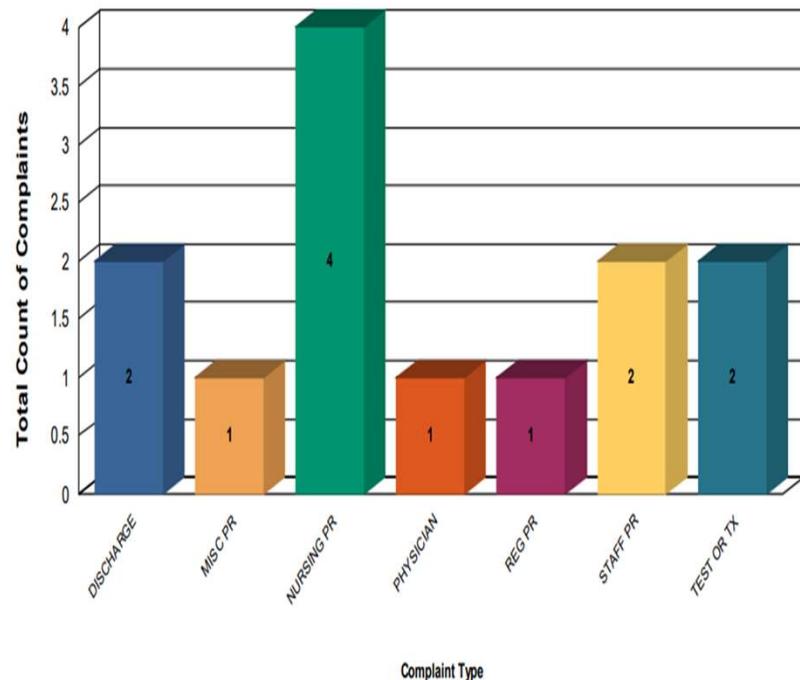
Lower is Better

Submission Date Range Between: 10/ 1/2024 and 12/31/2024

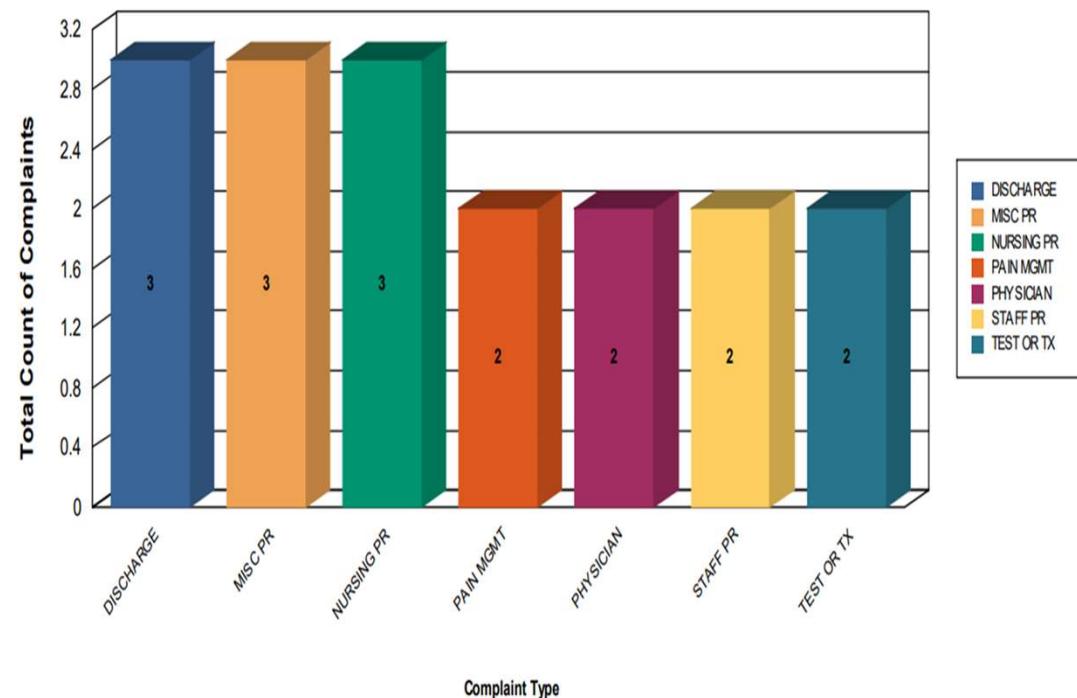
Submission Date Range Between: 1/ 1/2025 and 3/31/2025

3/31/2025 1:52:10PM

PATIENT COMPLAINTS/GRIEVANCES BY COMPLAINT TYPE



PATIENT COMPLAINTS/GRIEVANCES BY COMPLAINT TYPE





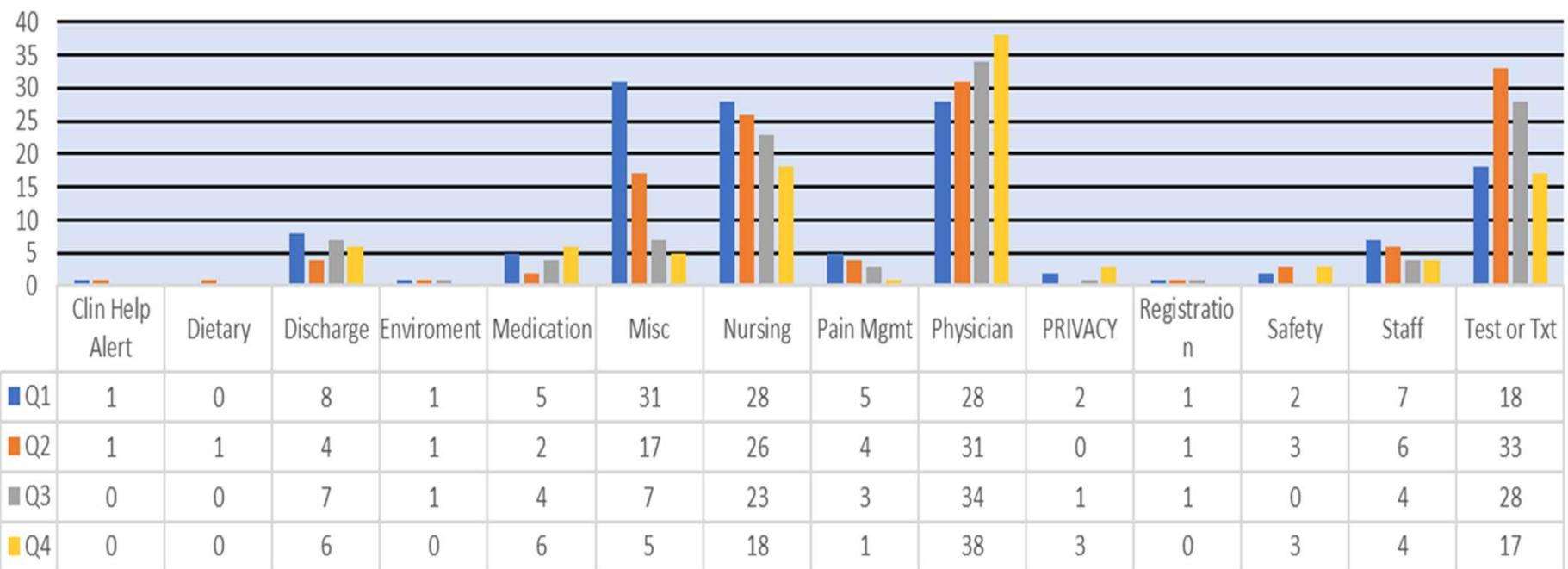
MEMORIAL HEALTHCARE SYSTEM

Memorial Hospital West Complaints & Grievances

CY 2024

Lower is Better

Type of Complaint - 2024



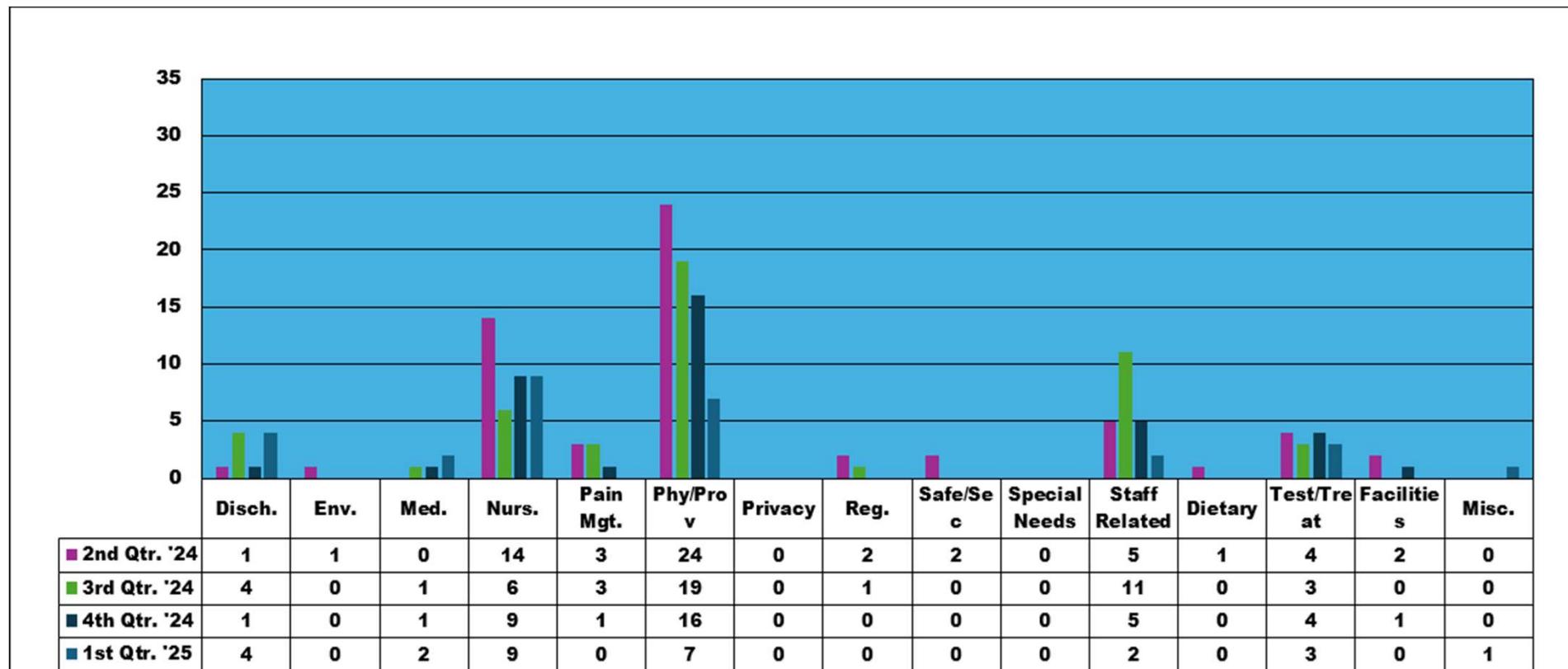


MEMORIAL HEALTHCARE SYSTEM

Memorial Regional Hospital Pembroke Complaints & Grievances

Lower is Better

Q4 CY 2024, Q1 CY 2025





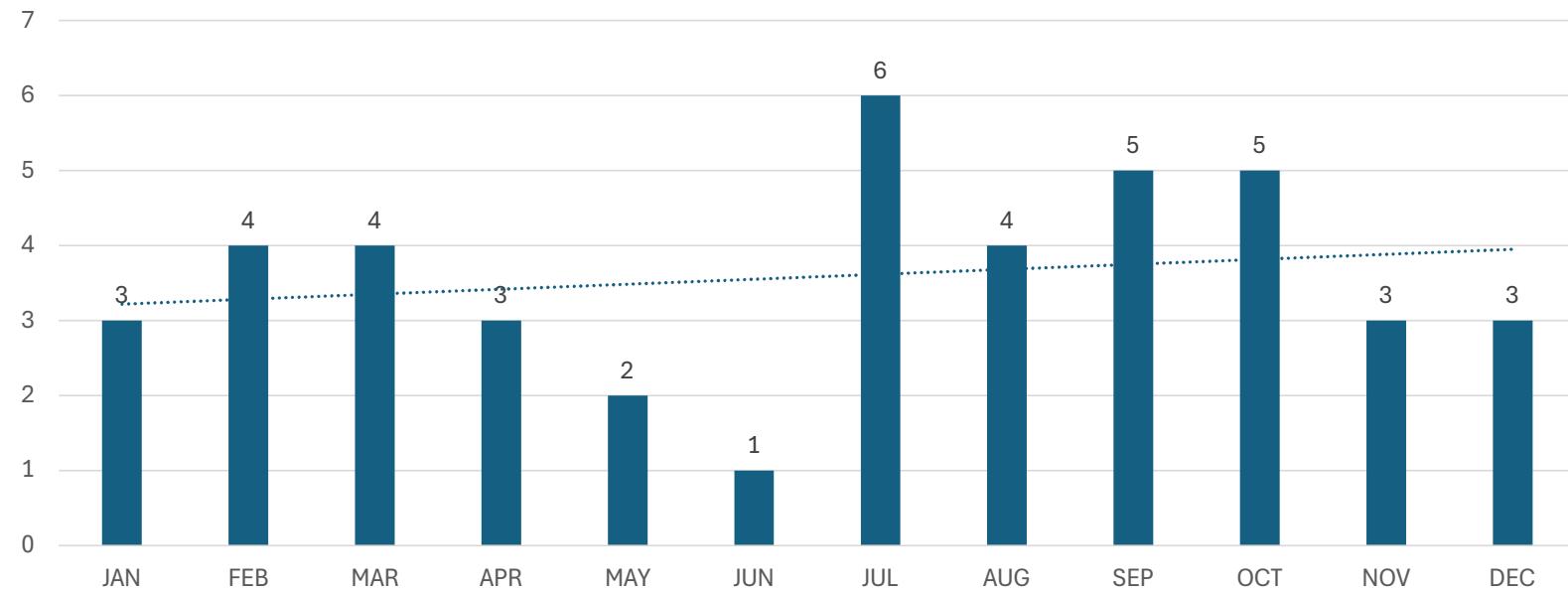
MEMORIAL HEALTHCARE SYSTEM

Memorial Regional Hospital Miramar Complaints & Grievances

CY 2024

Lower is Better

PATIENT GRIEVANCES





MEMORIAL HEALTHCARE SYSTEM

Joe DiMaggio Children's Hospital Complaints & Grievances

Lower is Better

Q4 CY 2024, Q1 CY 2025

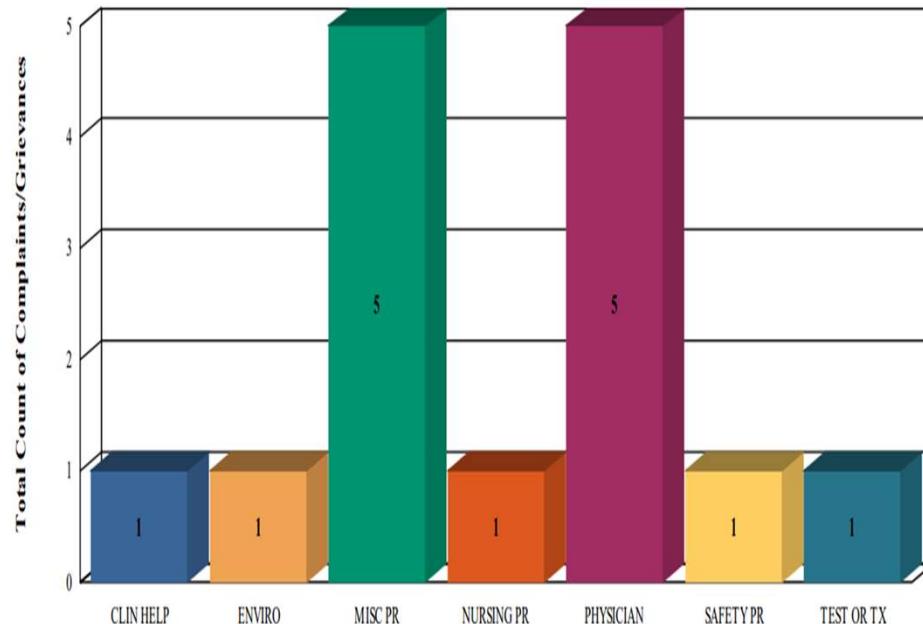
Submission Date Range Between: 10/1/2024 and 12/19/2024

12/19/2024 11:32:18AM

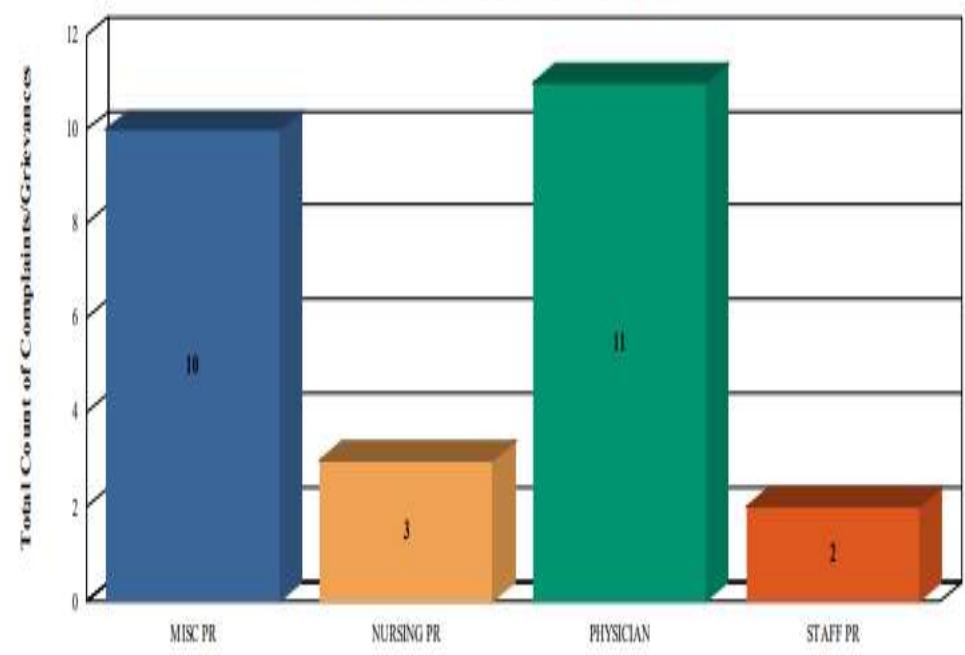
Submission Date Range Between: 1/1/2025 and 3/31/2025

4/1/2025 4:15:10PM

COMPLAINTS/GRIEVANCES BY GRIEVANCE TYPE



COMPLAINTS/GRIEVANCES BY GRIEVANCE TYPE





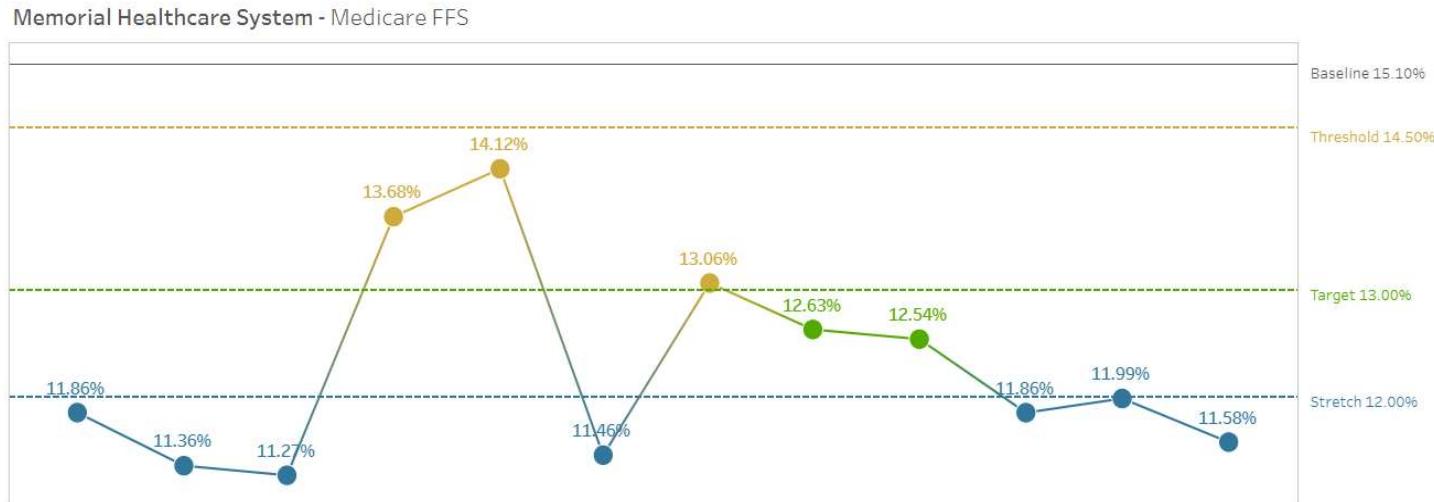
6.6 Medicare Readmissions



Medicare Readmissions- MHS

Lower is Better

<u>Goals/Color Legend</u>	
Black	Baseline 15.1%
For reference only.	
Does not affect color.	
Red	
Does not meet	
minimum goal	
Yellow	
Threshold 14.5%	
Green	
Target 13.0%	
Blue	
Stretch 12.0%	



	05/2024	06/2024	07/2024	08/2024	09/2024	10/2024	11/2024	12/2024	01/2025	02/2025	03/2025	04/2025	Total
MHS	11.86%	11.36%	11.27%	13.68%	14.12%	11.46%	13.06%	12.63%	12.54%	11.86%	11.99%	11.58%	12.25%
MRH	11.63%	12.61%	11.42%	15.47%	15.42%	10.86%	11.43%	13.00%	14.11%	11.57%	12.20%	10.76%	12.51%
MRHS	0.00%	0.00%	7.69%	0.00%	8.00%	4.55%	0.00%	0.00%	10.71%	14.29%	11.11%	6.25%	5.88%
MHW	14.78%	13.64%	12.75%	17.37%	14.41%	13.68%	16.67%	12.68%	12.97%	12.27%	11.89%	13.18%	13.76%
MHP	5.81%	8.62%	5.33%	9.09%	8.00%	10.71%	7.81%	18.64%	7.35%	12.12%	13.89%	7.94%	9.46%
MHM	13.73%	3.70%	15.09%	4.08%	15.52%	8.70%	16.13%	10.29%	11.27%	9.62%	9.86%	13.21%	10.97%



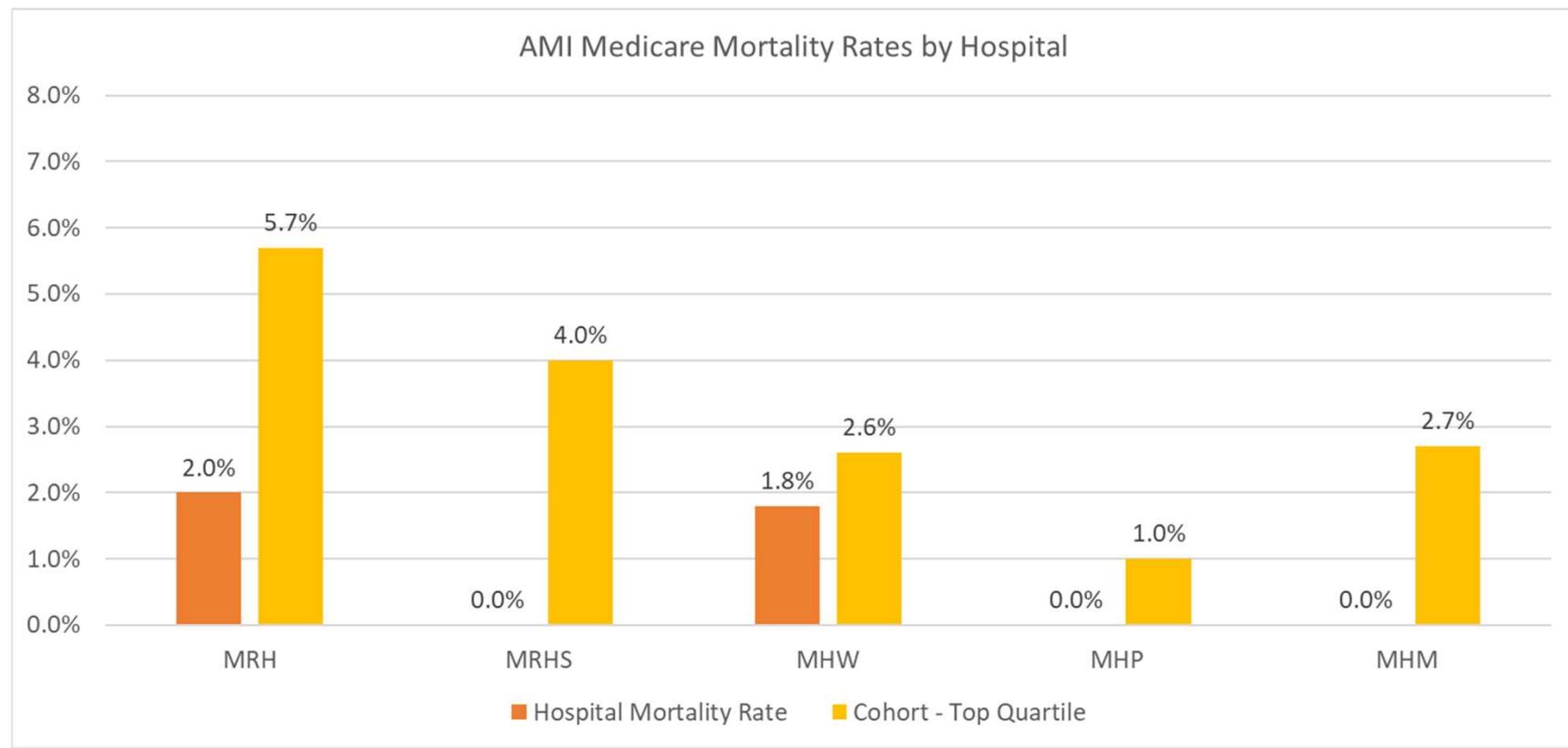
6.7 Medicare Mortalities



MEMORIAL HEALTHCARE SYSTEM

Acute Myocardial Infarction (AMI) Medicare Mortality Rate (May 2024-April 2025)

Lower is Better



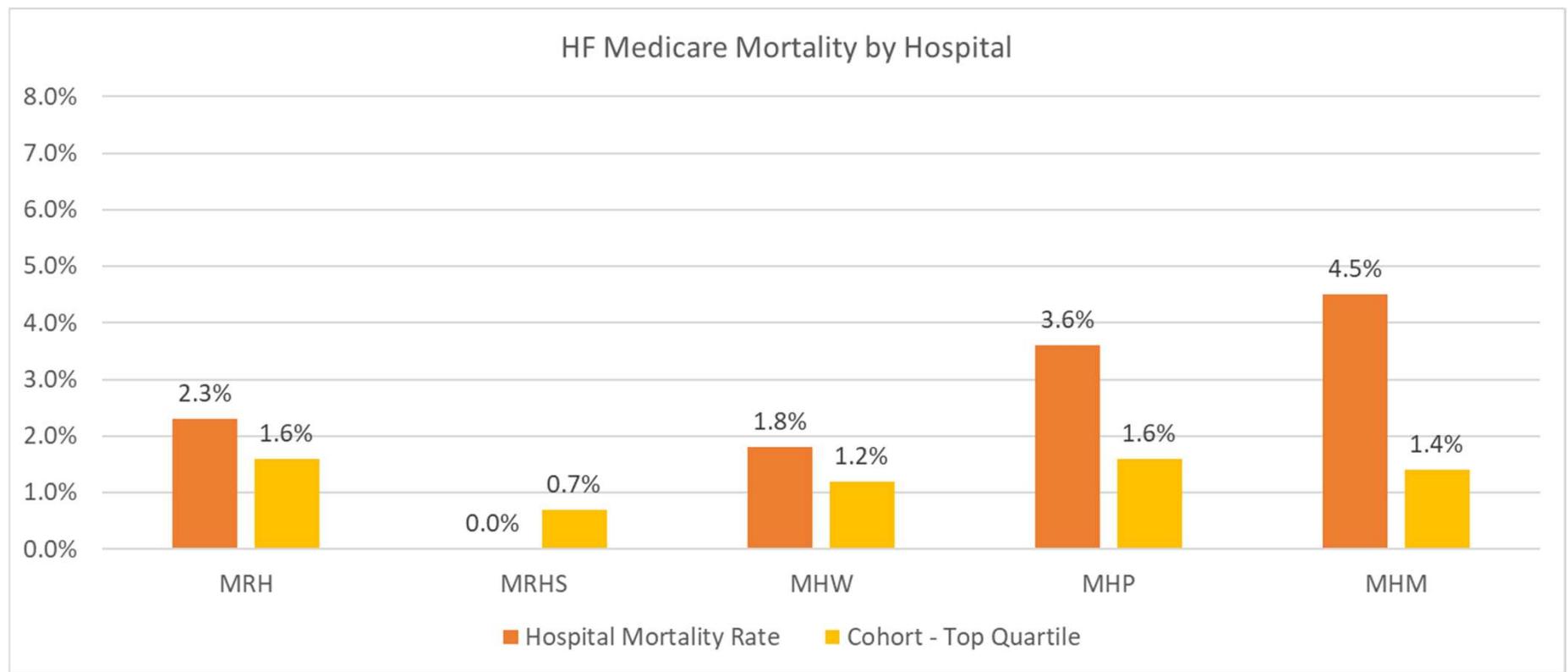


MEMORIAL HEALTHCARE SYSTEM

Heart Failure (HF) Medicare Mortality Rate

May 2024-April 2025

Lower is Better



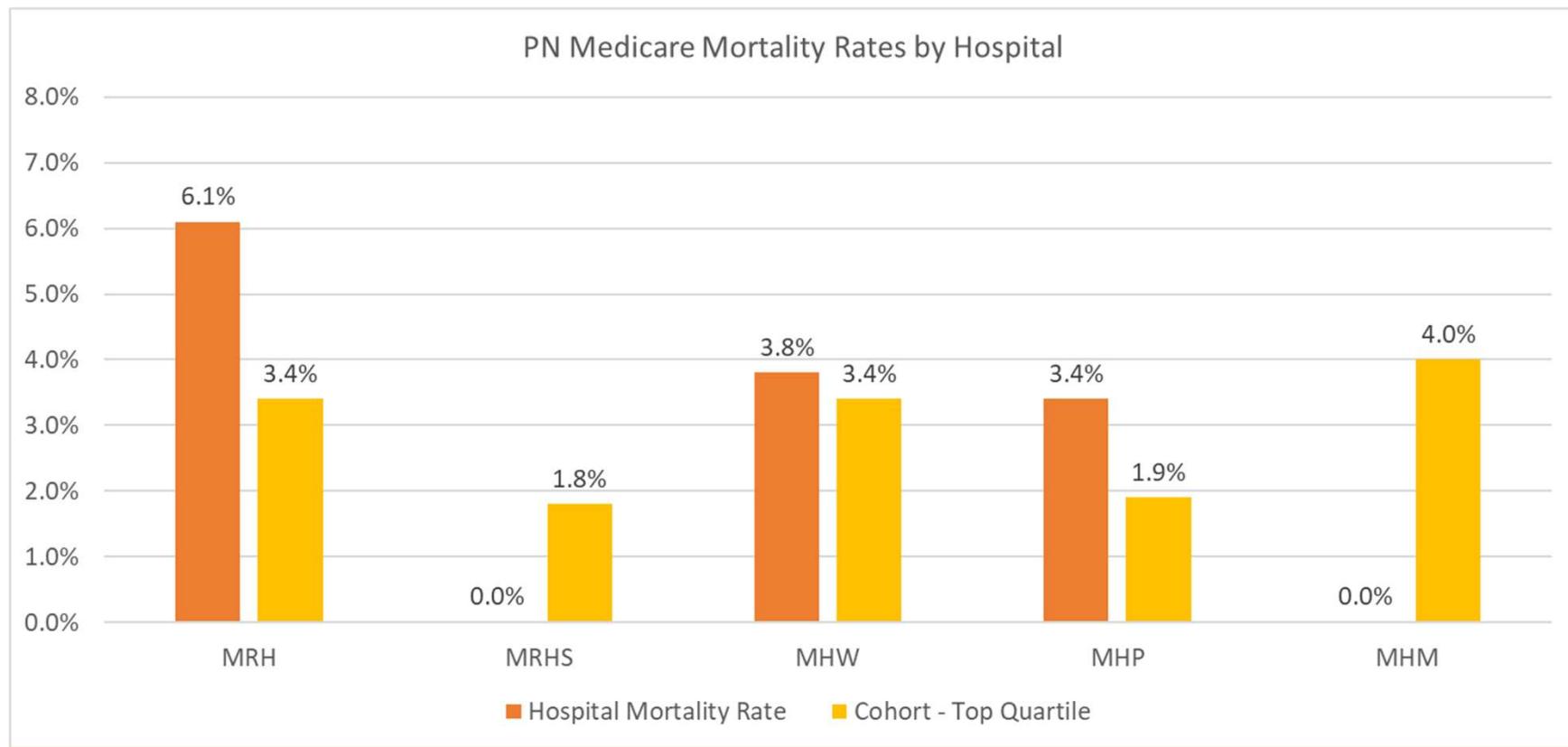


MEMORIAL HEALTHCARE SYSTEM

Pneumonia (PN) Medicare Mortality Rate

May 2024-April 2025

Lower is Better

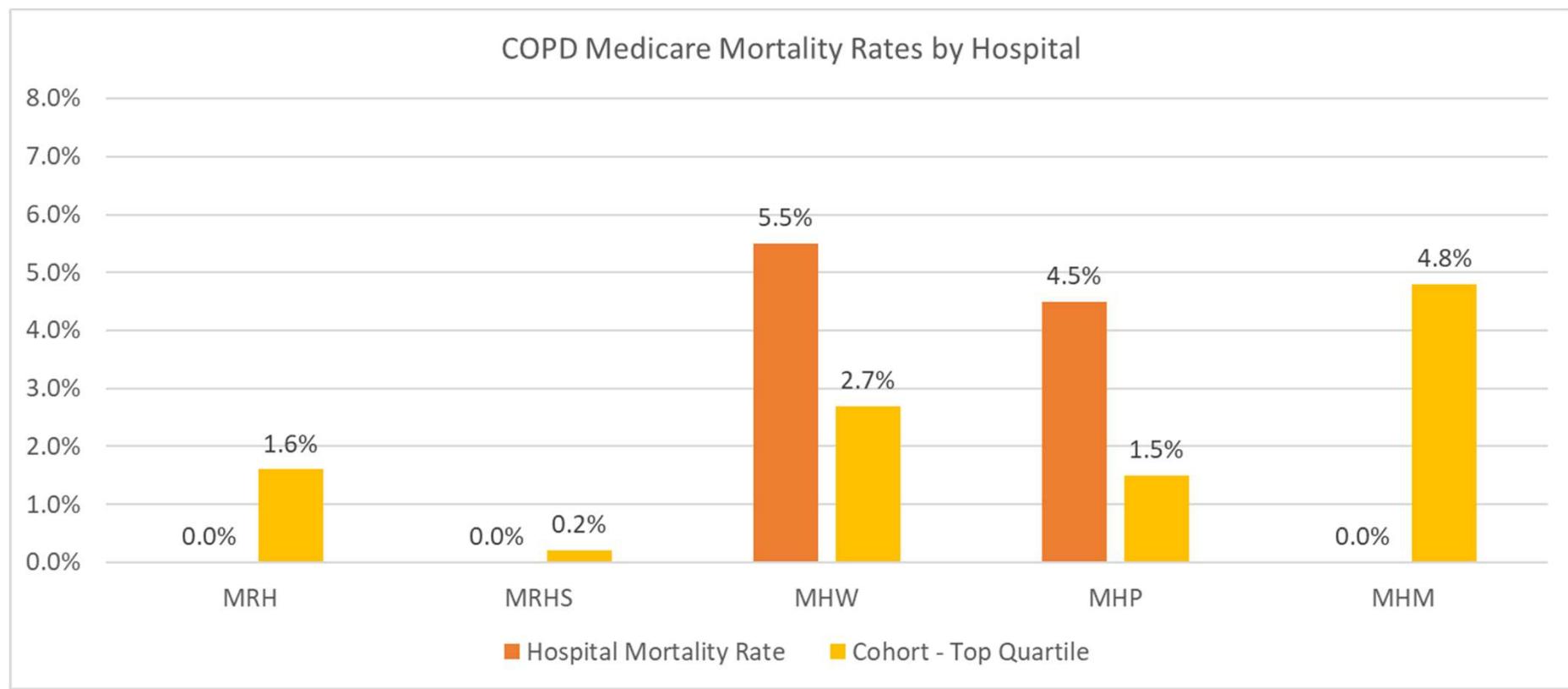




MEMORIAL HEALTHCARE SYSTEM

Chronic Obstructive Pulmonary Disease (COPD) Medicare Mortality Rate May 2024-April 2025

Lower is Better

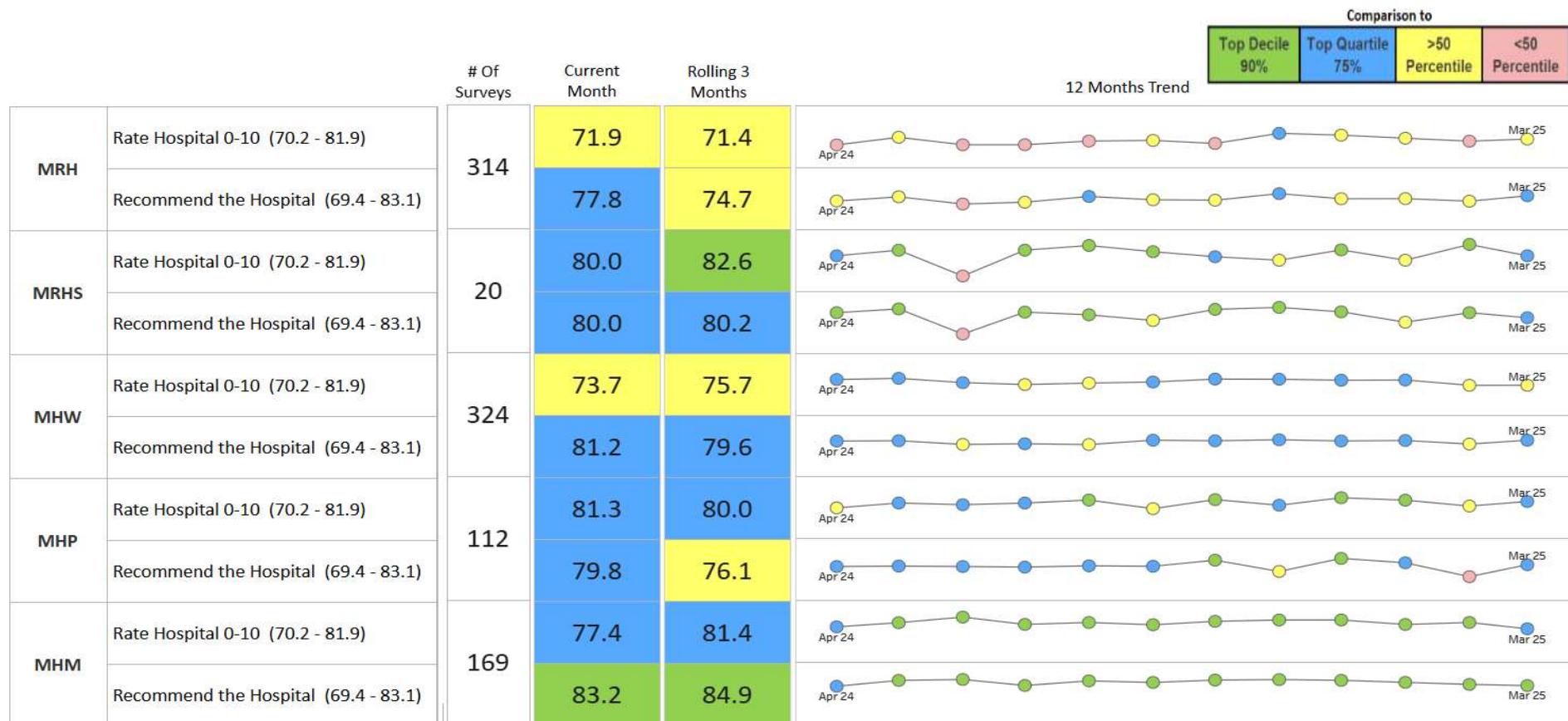




6.8 Patient Experiences



HCAHPS – RATE & RECOMMEND MARCH 2025



• Source: Press Ganey Reports • All Scores Represent Raw Official Scores Only • Rate/Recommend (9 or 10), All Other (Always) • All Scores Represent Percentages



6.9 Risk Management Quality Report



Memorial Regional Hospital – 4th Qtr 2024 - 1st Qtr 2025

Occurrence Category CY24	Q4
EQUIPMENT	30
FALL	82
IV COMPLICATIONS	74
LINES/TUBES/DRAINS	16
LAB	192
MATERNAL	153
MEDICATION	193
MISCELLANEOUS	80
NEONATAL	52
PATIENT CARE	298
PRESENT ON ADMISSION	62
PROCEDURAL VARIATION	230
SELF INDUCED	26
SAFETY	12
SKIN RELATED	54
SECURITY	126
SURGERY	63
WORKPLACE VIOLENCE	191
MRH	
Grand Total	1,934

Occurrence Category CY25	Q1
EQUIPMENT	58
FALL	70
IV COMPLICATIONS	75
LINES/TUBES/DRAINS	35
LAB	112
MATERNAL	130
MEDICATION	205
MISCELLANEOUS	120
NEONATAL	58
PATIENT CARE	298
PRESENT ON ADMISSION	73
PRIVACY	2
PROCEDURAL VARIATION	211
SELF INDUCED	16
SAFETY	132
SKIN RELATED	53
SECURITY	19
SURGERY	53
WORKPLACE VIOLENCE	122
MRH	
Grand Total	1,842



Memorial Regional Hosp South – 4th Qtr 2024 – 1st Qtr 2025

Occurrence Category CY24	Q4
EQUIPMENT	2
FALL	24
IV COMPLICATIONS	8
LAB	5
MEDICATION	7
MISCELLANEOUS	24
PATIENT CARE	41
PROCEDURAL VARIATION	22
SELF INDUCED	1
SAFETY	64
SKIN RELATED	9
SECURITY	4
SURGERY	1
WORKPLACE VIOLENCE	10
MRHS	
Grand Total	222

Occurrence Category CY25	Q1
EQUIPMENT	1
FALL	28
IV COMPLICATIONS	4
LINES/TUBE/DRAINS	4
LAB	3
MEDICATION	12
MISCELLANEOUS	24
PATIENT CARE	35
PRIVACY	1
PROCEDURAL VARIATION	30
SAFETY	31
SKIN RELATED	17
SECURITY	5
SURGERY	2
WORKPLACE VIOLENCE	16
MRHS	
Grand Total	213



Joe DiMaggio Children's Hospital – 4th Qtr 2024 – 1st Qtr 2025

Occurrence Category CY24	Q4
EQUIPMENT	22
FALL	11
IV COMPLICATIONS	102
LINES/TUBES/DRAINS	56
LAB	91
MEDICATION	76
MISCELLANEOUS	69
PATIENT CARE	12
PRESENT ON ADMISSION	7
PRIVACY	1
PROCEDURAL VARIATION	151
SELF INDUCED	7
SAFETY	23
SKIN RELATED	26
SECURITY	4
SURGERY	8
WORKPLACE VIOLENCE	10
JDCH	
Grand Total	685

Occurrence Category CY25	Q1
EQUIPMENT	18
FALL	19
IV COMPLICATIONS	84
LINES/TUBES/DRAINS	40
LAB	65
MEDICATION	60
MISCELLANEOUS	45
PATIENT CARE	27
PRESENT ON ADMISSION	1
PROCEDURAL VARIATION	178
SELF INDUCED	11
SAFETY	24
SKIN RELATED	34
SECURITY	2
SURGERY	5
WORKPLACE VIOLENCE	33
JDCH	
Grand Total	646



Memorial Hospital West – 4th Qtr 2024 – 1st Qtr 2025

Occurrence Category CY24	Q4
EQUIPMENT	7
FALL	76
IV COMPLICATIONS	74
LINES/TUBES/DRAINS	9
LAB	86
MATERNAL	28
MEDICATION	181
MISCELLANEOUS	100
NEONATAL	15
PATIENT CARE	357
PRVACY	8
PROCEDURAL VARIATION	230
REFUSAL OF CARE/TREATMENT/MEDICATION	9
SELF INDUCED	14
SAFETY	151
SKIN RELATED	12
SECURITY	17
SURGERY	16
WORKPLACE VIOLENCE	41
MHW	
Grand Total	1,934

Occurrence Category CY25	Q1
EQUIPMENT	15
FALL	96
IV COMPLICATIONS	95
LINES/TUBES/DRAINS	9
LAB	75
MATERNAL	26
MEDICATION	195
MISCELLANEOUS	122
NEONATAL	4
PATIENT CARE	300
PRVACY	15
PROCEDURAL VARIATION	309
REFUSAL OF CARE/TREATMENT/MEDICATION	28
SELF INDUCED	12
SAFETY	239
SKIN RELATED	16
SECURITY	16
SURGERY	16
WORKPLACE VIOLENCE	28
MHW	
Grand Total	1,616



Memorial Hospital Miramar – 4th Qtr 2024 – 1st Qtr 2025

Occurrence Category CY24	Q4
EQUIPMENT	2
FALL	15
IV COMPLICATIONS	24
LINES/TUBES/DRAINS	3
LAB	20
MATERNAL	33
MEDICATION	12
MISCELLANEOUS	29
NEONATAL	56
PATIENT CARE	192
PRESENT ON ADMISSION	18
PRIVACY	3
PROCEDURAL VARIATION	100
REFUSAL OF CARE/TREATMENT/MEDICATION	6
SELF INDUCED	5
SAFETY	146
SKIN RELATED	4
SECURITY	3
SURGERY	3
VISITOR FALLS	1
VISITOR EVENT	1
WORKPLACE VIOLENCE	23
MHM	
Grand Total	699

Occurrence Category CY25	Q1
EQUIPMENT	5
FALL	8
IV COMPLICATIONS	29
LINES/TUBES/DRAINS	3
LAB	27
MATERNAL	33
MEDICATION	20
MISCELLANEOUS	42
NEONATAL	65
PATIENT CARE	219
PRESENT ON ADMISSION	25
PRIVACY	4
PROCEDURAL VARIATION	103
REFUSAL OF CARE/TREATMENT/MEDICATION	122
SELF INDUCED	3
SAFETY	27
SKIN RELATED	7
SECURITY	2
SURGERY	2
VISITOR FALLS	2
VISITOR EVENT	1
WORKPLACE VIOLENCE	20
MHM	
Grand Total	769

PRIVILEGED AND CONFIDENTIAL UNDER TITLE 42 U.S.C. § 299 ET SEQ. THIS IS PATIENT SAFETY WORK PRODUCT PREPARED FOR THE PATIENT SAFETY EVALUATION SYSTEM TO IMPROVE PATIENT SAFETY, HEALTHCARE QUALITY & HEALTHCARE OUTCOMES. DO NOT PRINT, DISSEMINATE, DISTRIBUTE, OR DISCLOSE WITHOUT PRIOR AUTHORIZATION FROM THE GENERAL COUNSEL.



Memorial Hospital Pembroke – 4th Qtr 2024 – 1st Qtr 2025

Occurrence Category CY24	Q4
DELAY IN DIAGNOSIS	2
EQUIPMENT	3
FALL	28
IV COMPLICATIONS	22
LAB	12
MEDICATION	29
MISCELLANEOUS	47
PATIENT CARE	216
PRIVACY	1
PROCEDURAL VARIATION	60
REFUSAL OF CARE/TREATMENT/MEDICATION	5
SELF INDUCED	6
SAFETY	445
SKIN RELATED	8
SECURITY	7
SURGERY	6
WORKPLACE VIOLENCE	55
MHP	
Grand Total	953

Occurrence Category CY25	Q1
EQUIPMENT	3
FALL	25
IV COMPLICATIONS	24
Lines/Tube/Drain	3
LAB	9
MEDICATION	24
MISCELLANEOUS	48
PATIENT CARE	216
PRESENT ON ADMISSION	1
PROCEDURAL VARIATION	50
REFUSAL OF CARE/TREATMENT/MEDICATION	388
SELF INDUCED	3
SAFETY	30
SKIN RELATED	3
SECURITY	10
SURGERY	3
WORKPLACE VIOLENCE	71
MHP	
Grand Total	911



Memorial Manor – 4th Qtr 2024 – 1st Qtr 2025

Occurrence Category CY24	Q4
FALL	45
MISCELLANEOUS	1
SELF INDUCED	3
SKIN RELATED	6
MM	
Grand Total	55

Occurrence Category CY25	Q1
LINES/TUBE/DRAINS	1
FALL	24
MISCELLANEOUS	6
PROCEDURAL VARIATION	2
SELF INDUCED	3
SKIN RELATED	19
MM	
Grand Total	53



6.10 Transplant

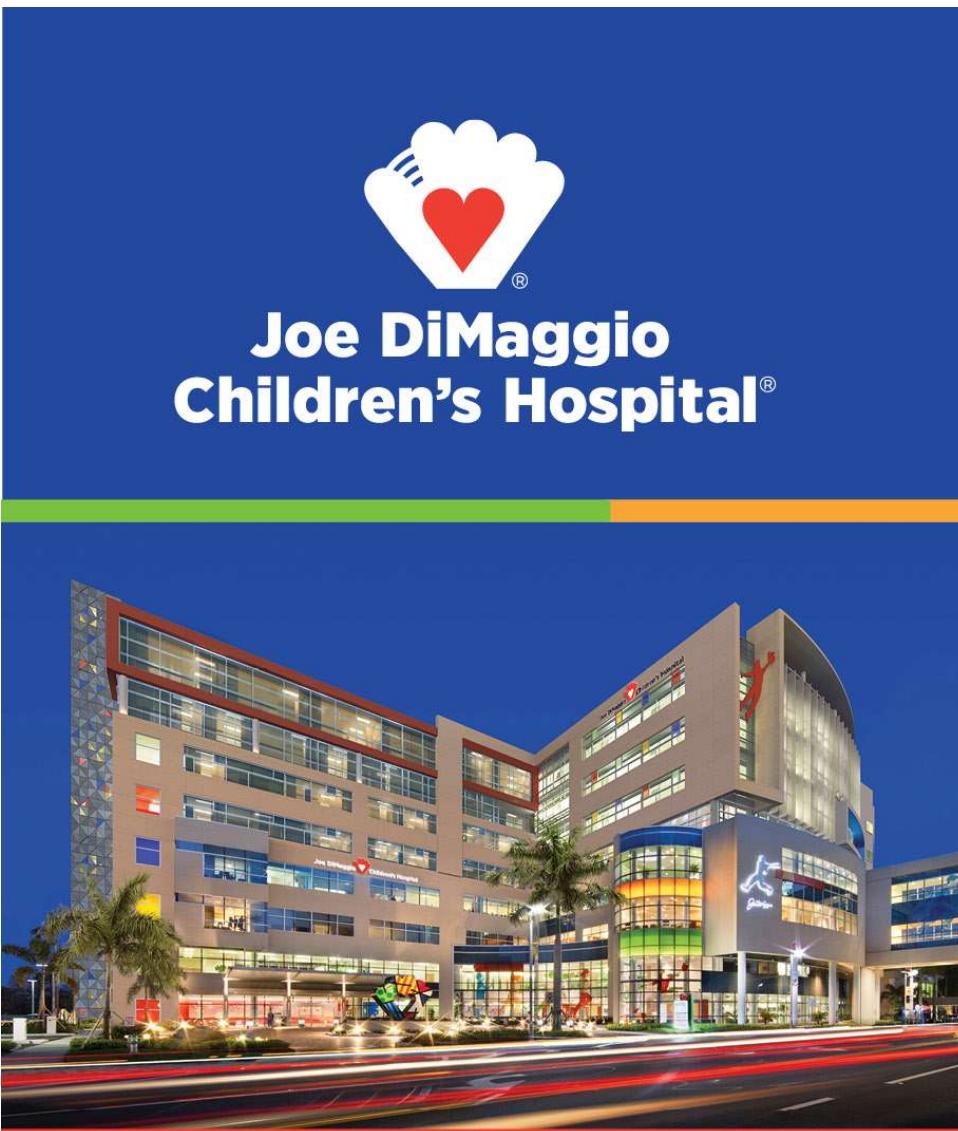


Presented by:

Seyed Ghasemian, MD – Chief of Abdominal Transplant Surgery

Jose Garcia, MD – Chief of Heart Transplant and MCS

Rachel Thomas, MBA, FACHE – Senior Director Memorial Transplant Institute



**Joe DiMaggio
Children's Hospital®**



JDCH Pediatric Heart Failure, Transplant, VAD, and Cardiomyopathy Programs

BOCA RATON | CORAL SPRINGS | HOLLYWOOD | MIRAMAR | PEMBROKE PINES | WELLINGTON | WESTON



Referral Base

JDCH Cardiomyopathy & Heart Failure Clinic

- Saw >190 patients in 2024
- Continues to be at capacity with 2-3 months appointment delay

Outreach Efforts (expanded in 2024)

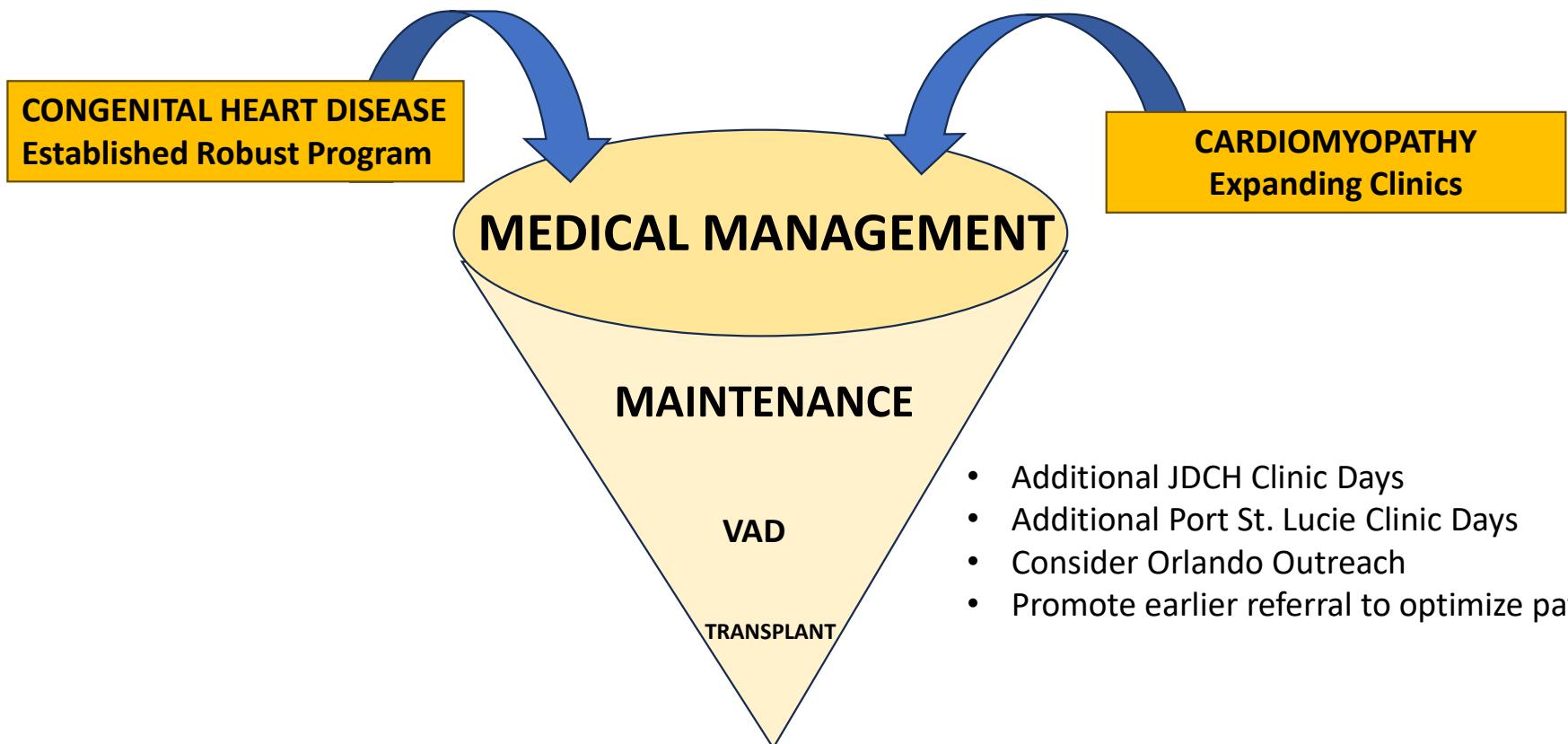
- Established monthly Port St. Lucie Outreach Clinic
 - Reaches underserved patients from St. Lucie, Okeechobee, and Martin Counties

Limited Referrals

- Orlando Area
- West Coast FL – Tampa(All Children's), Naples (Golisano)
- Nicklaus – late referrals, others rejected by Shands
- Jackson/UM



Access to Care





Neuromuscular Clinic with Cardiac Involvement

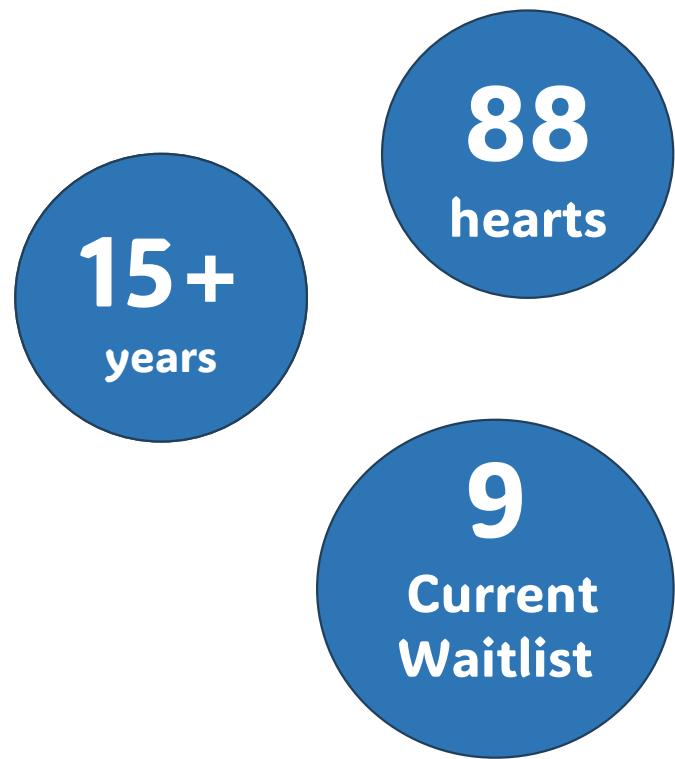
Opened in October 2022

- Cumulative total - 120
- New Patient Visits - 50

CROSSES 9 SPECIALTY LINES

Providers in NM Clinic		
Cardiology	Neurology	Pulmonology
Psychology	PM&R (rehab)	Physical Therapy
Palliative Care	Social Work	Nutrition

This specialty clinic can offer transplant opportunities for select patients who were previously managed with medical therapy alone (eg. Duchenne muscular dystrophy).



PEDIATRIC HEART TRANSPLANT STATISTICS



CHALLENGES:

- >13,000 deceased donors annually in the US
- Only ~200-250 are pediatric (<2% of donor pool)
- Peninsula – Being water-bound limits access to inland offers



Aspirations

FLORIDA'S PEDIATRIC LEADER for COMPREHENSIVE ADVANCED CARDIAC CARE

- Strengthen referral relationships and co-management to ensure appropriate and timely referrals
- Development of Fontan clinic (single ventricle congenital heart defect)

REGIONAL LEADER IN CARE OF NEUROMUSCULAR PATIENTS WITH CARDIAC INVOLVEMENT

- Strive for "Certified Duchenne Care Center" designation, would be the 1st in FL and the Southeast US
- Expand access by increasing number of patients seen per clinic or increasing frequency of clinic
- Embark on development of gene therapy program (FDA approved therapy June 2024)

EXPAND COMPREHENSIVE PEDIATRIC EXERCISE PHYSIOLOGY LAB SERVICES

- >100 exercise tests have been performed since April 2024
- Evaluates cardiac fitness for wide spectrum of heart patients
- Also serves Pulmonary and ENT patients

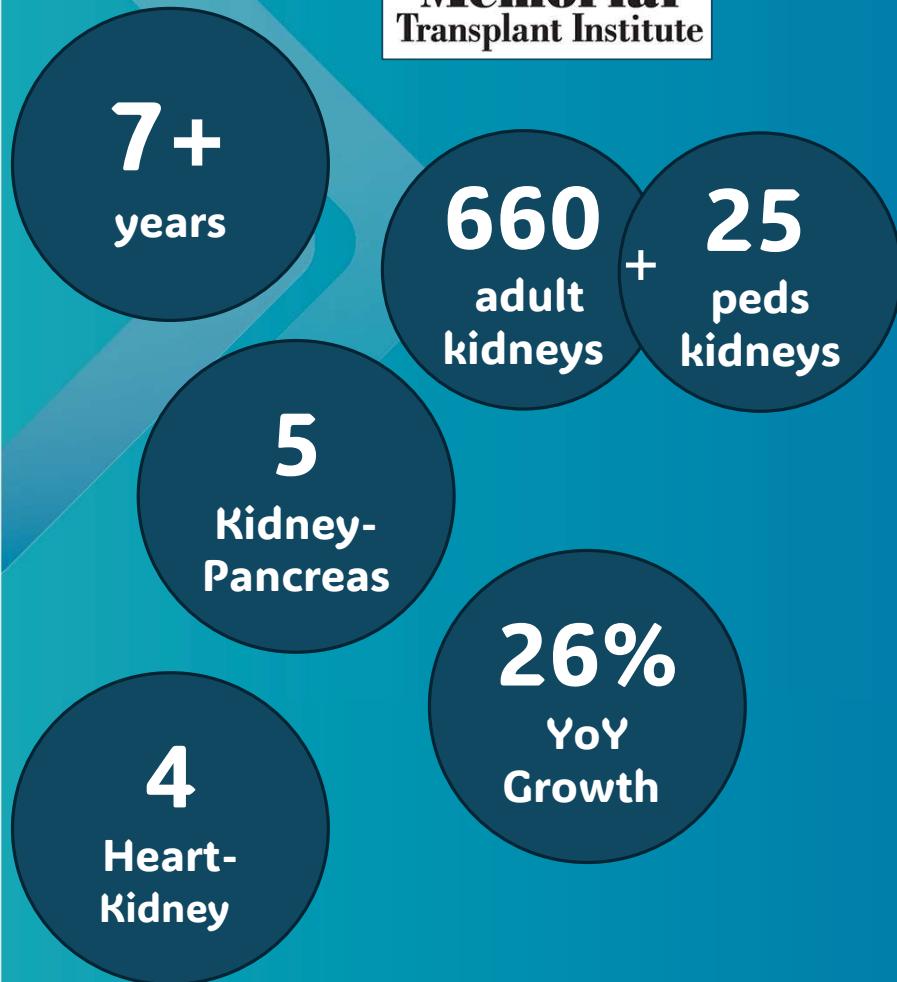


INCREASE MULTICENTER RESEARCH PARTICIPATION AND SITE FOR CLINICAL TRIALS

- Currently enrolled in 9 clinical trials/registries

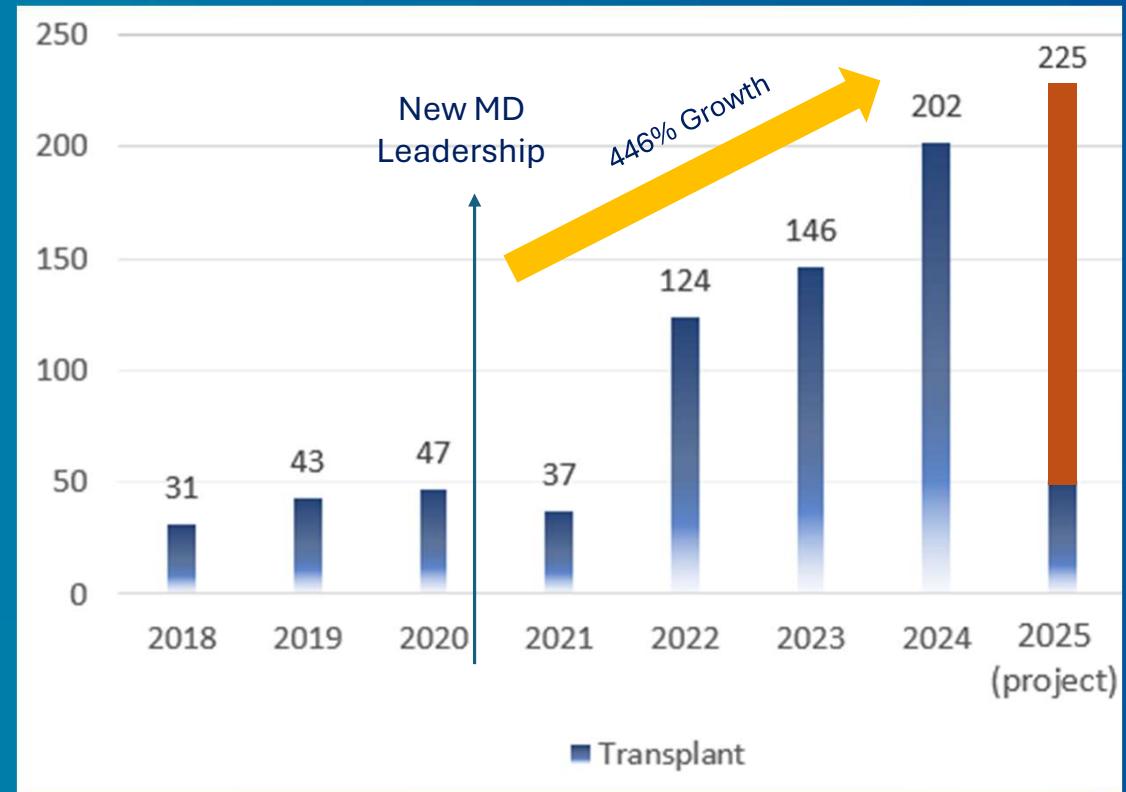


Kidney & Pancreas Transplant Programs



Kidney Transplant Statistics

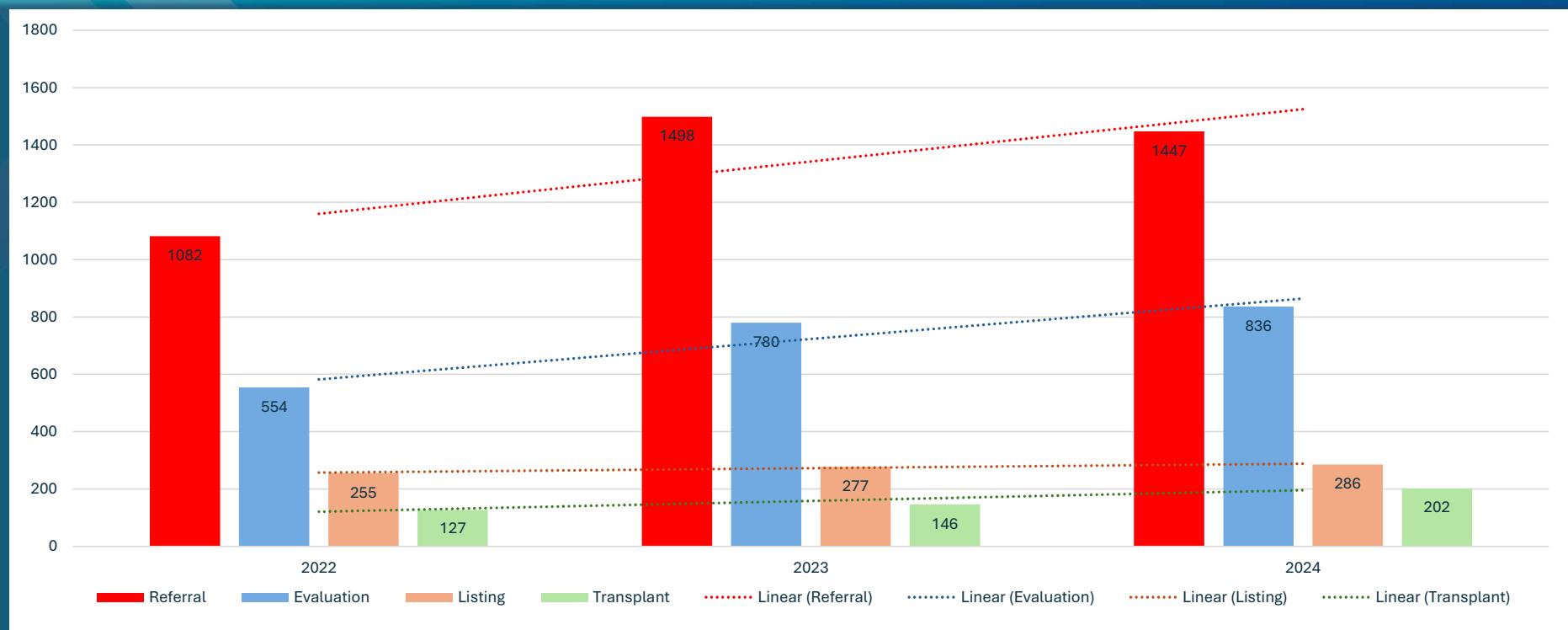
through March 31, 2025





Kidney Transplant Statistics

(through March 31, 2025)





SRTR Data

January 2025 Release

1-Year Kidney Survival

- Actual rate - remains excellent at 97.25%
- Expected rate for our challenging population - 93.89%

Median Time to Transplant = 11.2 Months

Figure C5. Adult (18+) 1-year graft failure HR estimate

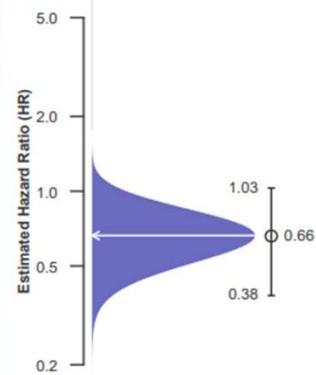
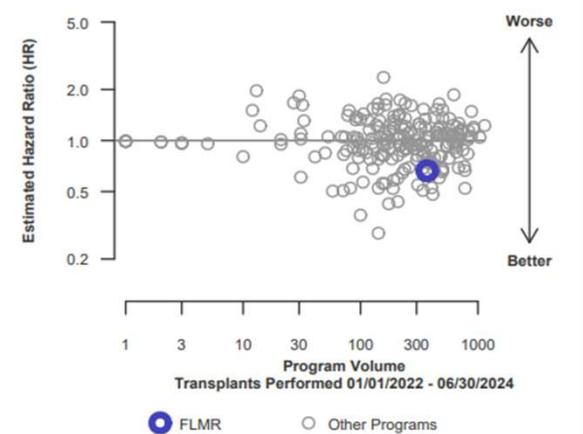


Figure C6. Adult (18+) 1-year graft failure HR program comparison



Adult

Figure C15. Pediatric (<18) 1-year graft failure HR estimate

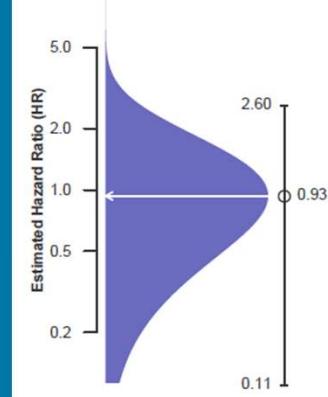
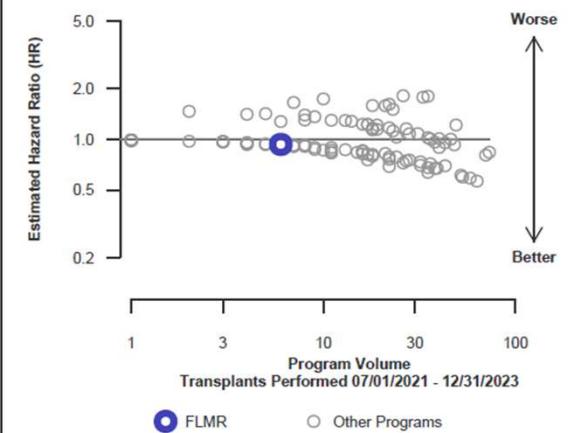


Figure C16. Pediatric (<18) 1-year graft failure HR program comparison



Pediatric



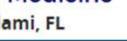
Program Initiatives

- State-of-the-art Robotic Surgery
 - Living Donor Transplant
 - Kidney Transplant
 - Hepatobiliary Program
- LifePort Kidney Transporter - Oxygenation Perfusion
- Remote evaluation clinics to remain competitive
- Ensuring staffing resources to accommodate rapid program growth
- Optimize patient safety and patient experience

SRTR Data

July 2025 Release



	DISTANCE	DECEASED DONOR TRANSPLANTS IN A YEAR	LIVING DONOR TRANSPLANTS IN A YEAR	GETTING A DECEASED DONOR TRANSPLANT FASTER	1-YEAR KIDNEY SURVIVAL
<small>For kidney transplant candidates, this measure has the largest impact on survival after listing. 1 year kidney survival includes only candidates who received a transplant among these three measures.</small>					
Memorial Regional Hospital Hollywood, FL Report: PDF Interactive	N/A	159 ADULTS	33 ADULTS		
UF Health Shands Hospital Gainesville, FL Report: PDF Interactive	N/A	109 ADULTS	22 ADULTS		
Tampa General Hospital Tampa, FL Report: PDF Interactive	N/A	373 ADULTS	106 ADULTS		
Jackson Memorial Hospital University of Miami School of Medicine Miami, FL Report: PDF Interactive	N/A	222 ADULTS	44 ADULTS		
Cleveland Clinic Florida Weston Weston, FL Report: PDF Interactive	N/A	117 ADULTS	15 ADULTS		
AdventHealth Orlando Orlando, FL Report: PDF Interactive	N/A	73 ADULTS	23 ADULTS		
Largo Medical Center Largo, FL Report: PDF Interactive	N/A	63 ADULTS	25 ADULTS		
Mayo Clinic Hospital Florida Jacksonville, FL Report: PDF Interactive	N/A	141 ADULTS	80 ADULTS		

DISTANCE	DECEASED DONOR TRANSPLANTS IN A YEAR	LIVING DONOR TRANSPLANTS IN A YEAR	GETTING A DECEASED DONOR TRANSPLANT FASTER	1-YEAR KIDNEY SURVIVAL
N/A	159 ADULTS	33 ADULTS		
N/A	222 ADULTS	44 ADULTS		
N/A	117 ADULTS	15 ADULTS		



Adult Heart Transplant and MCS Programs



Adult Heart Transplant Statistics

through March 31, 2025

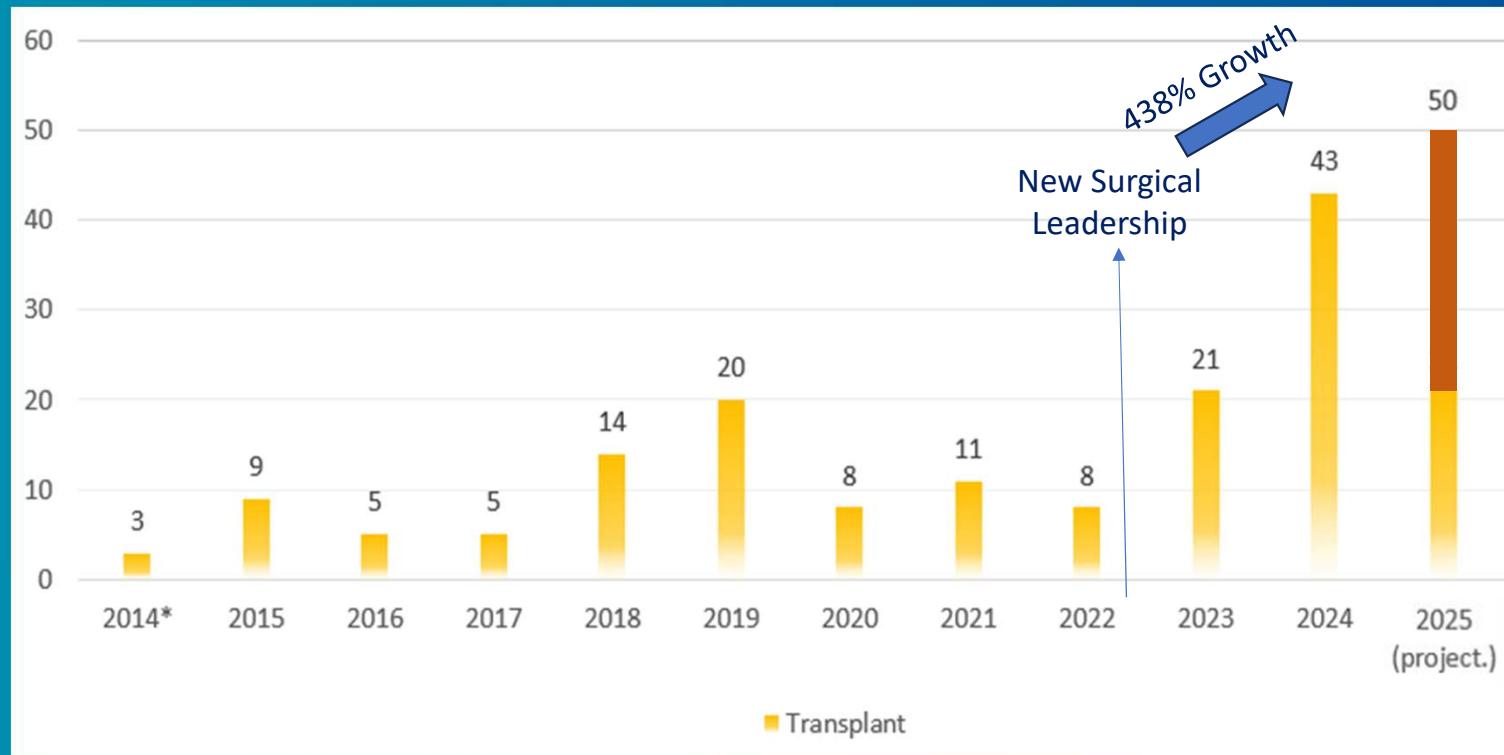
10
years

155
hearts

4

Kidney/Heart
transplants

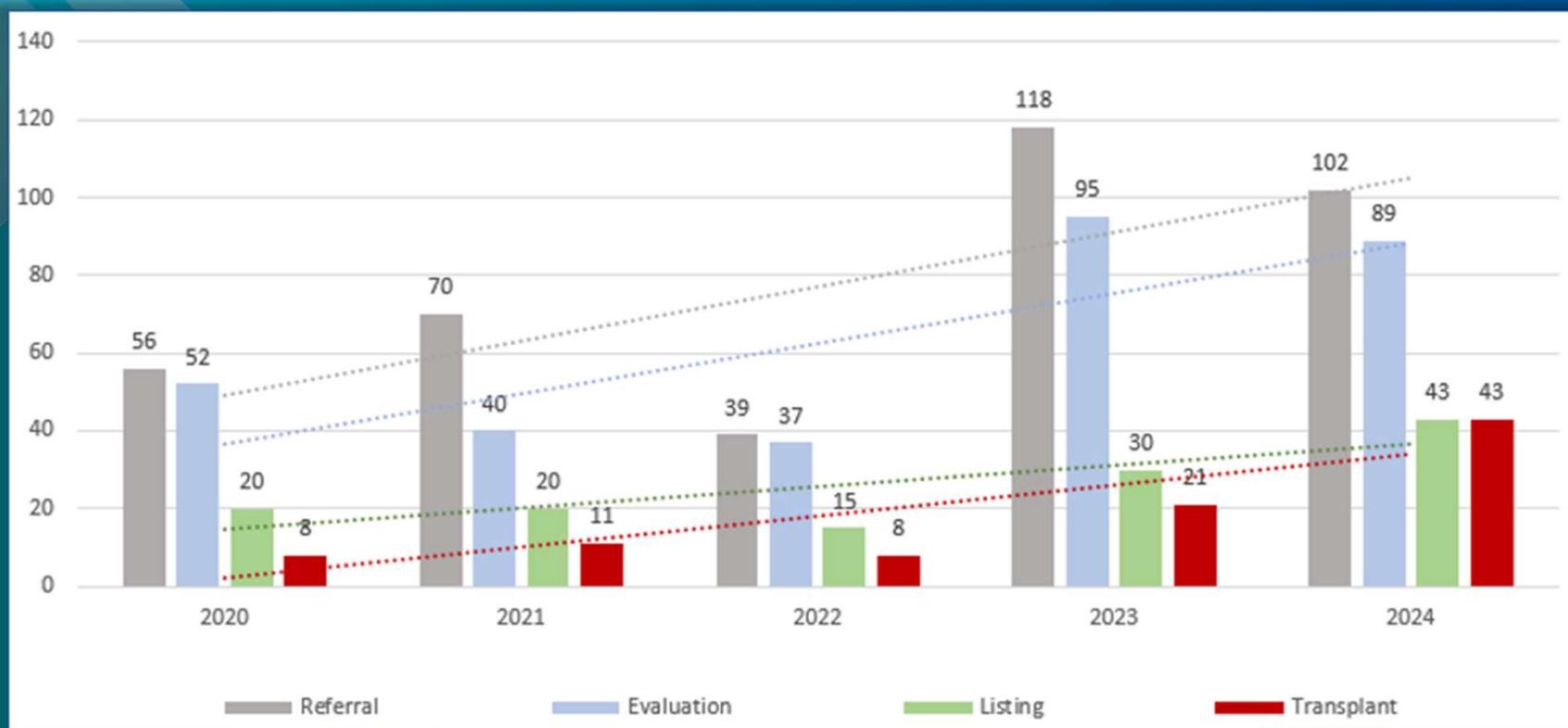
26%
YoY
Growth





Adult Heart Transplant Statistics

through December 31, 2024





Adult Heart Transplant Survival Statistics



SCIENTIFIC
REGISTRY OF
TRANSPLANT
RECIPIENTS

Memorial Regional Hospital

Center Code: FLMR
Transplant Program (Organ): Heart
Release Date: January 7, 2025
Based on Data Available: October 31, 2024

SRTR Program-Specific Report
Feedback?: SRTR@SRTR.org
1.877.970.SRTR (7787)
<http://www.srtr.org>

C. Transplant Information

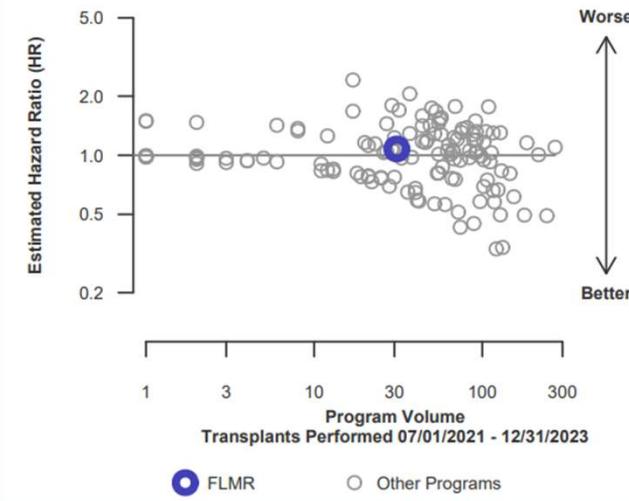
Table C8D. Adult (18+) 1-year Conditional survival with a functioning deceased donor graft

Single organ transplants performed between 07/01/2021 and 12/31/2023

Deaths and retransplants are considered graft failures

	FLMR	U.S.
Number of transplants evaluated	31	7,703
Estimated probability of surviving with a functioning graft at 1 year, among patients with a functioning graft at day 90 & [95% CI] (unadjusted for patient and donor characteristics)	96.77%  [95.03%-99.76%]	96.56% [96.39%-96.72%]
Expected probability of surviving with a functioning graft at 1 year, among patients with a functioning graft at day 90 (adjusted for patient and donor characteristics)	96.63%	--

Figure C8D. Adult (18+) 1-year Conditional deceased donor graft failure HR program comparison





Areas of Focus & Strategic Actions Program Initiatives

Increased Geographical
Reach and Growth of
Referral Base

Expansion of Dedicated
MCS Unit and
Specialized Stepdown
Unit

Intensive Training for
Specialty Nursing Staff

Investment in Physician
and Administrative
Leadership
Development

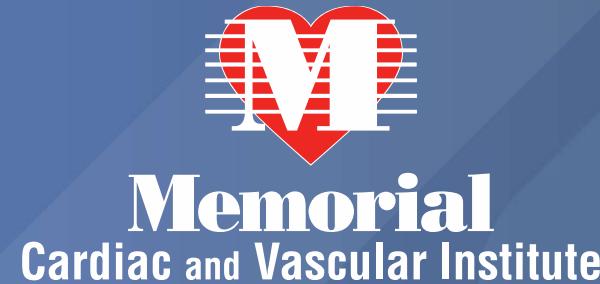
Utilization of the Heart
and Lung Transplant
National Recovery
Program.

Dramatic Improvement
in Organ Offer
Acceptance Rate

Use of Advanced and
Innovative Technologies
to Enhance Organ
Preservation for
Optimized Outcomes

Desensitization Protocol
to Transplant Patients
with High Antibody
Levels

Adult Mechanical Circulatory Support Program



Adult VAD Patients implanted at MHS

CY or FY

Calendar



20*



Number of LVAD Patients implanted at MHS

91

Number of BI-VAD Devices implanted at MHS

3

Number of VAD Patients implanted at MHS

94

	Q1	Q2	Q3	Q4	Grand Total
	Prior	11	8	12	48
2021	5	2	1	1	9
2022	4	1	4	2	11
2023	5	3	4	1	13
2024	2	4	3	4	13
2025	2	3			5

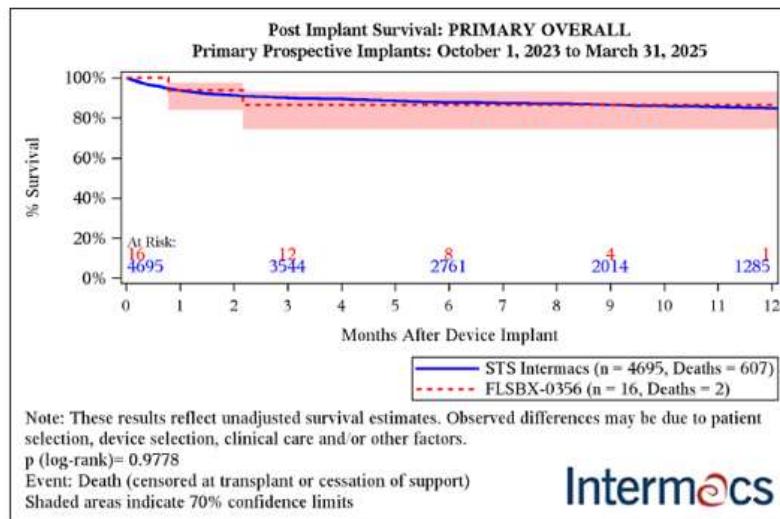
Q1 Survival Primary Overall 1 year

STS INTERMACS - QAR (2025 Q1) - Recent - Primary VAD Patients

COVERAGE: October 1, 2023 - March 31, 2025

SITE: South Broward Hospital District dba Memorial Healthcare System

Exhibit 34. Post Implant Survival - PRIMARY OVERALL



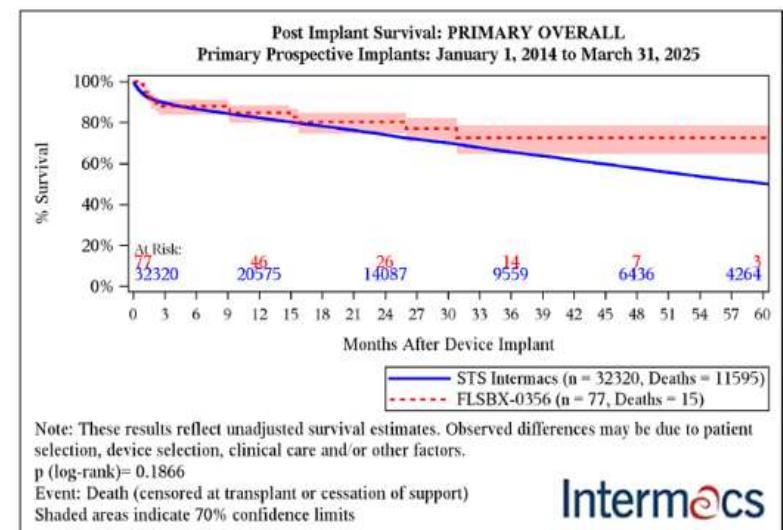
Q1 Survival Primary Overall 5 year

STS INTERMACS - QAR (2025 Q1) - Cumulative - Primary VAD Patients

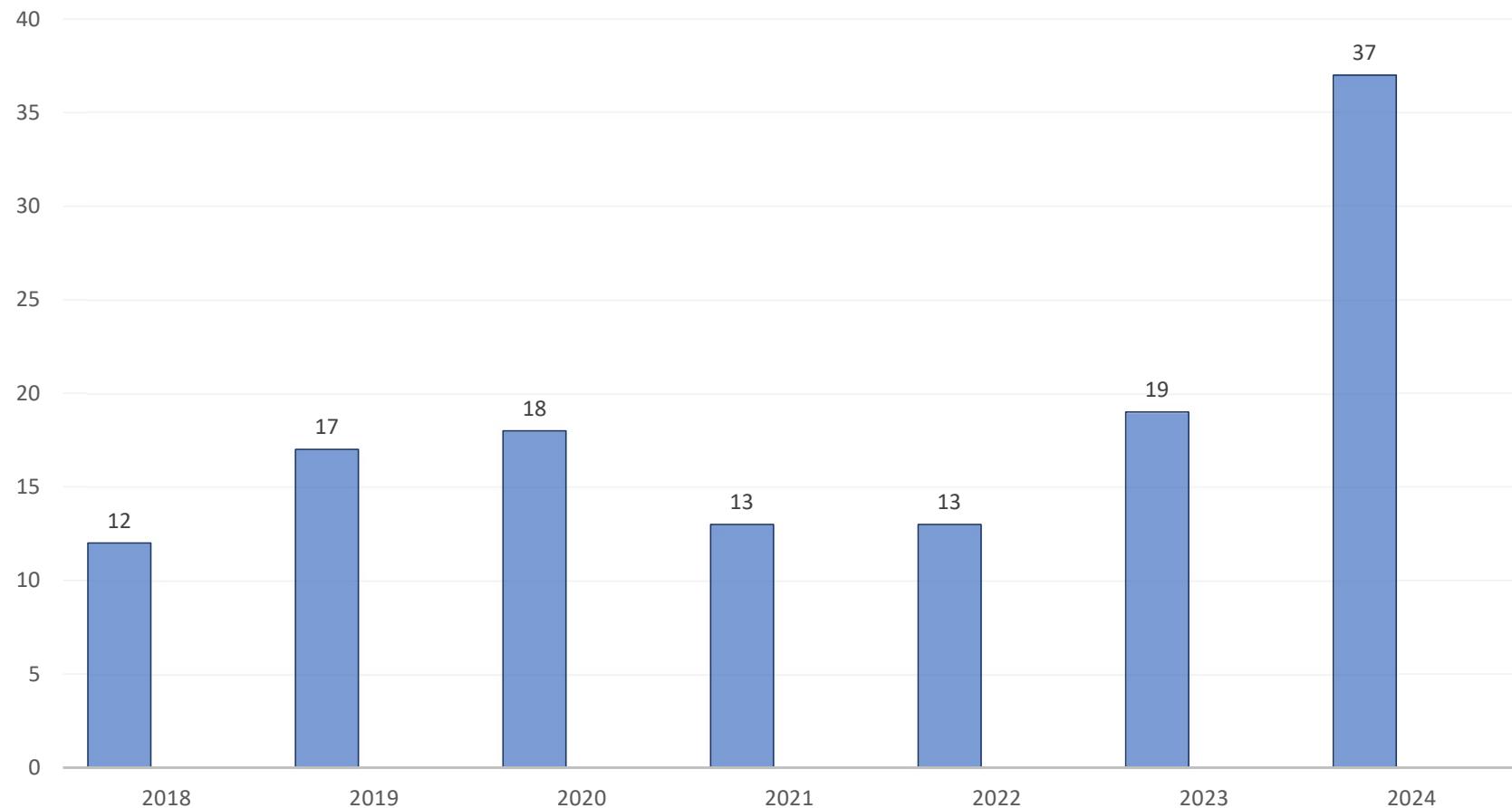
COVERAGE: January 1, 2014 - March 31, 2025

SITE: South Broward Hospital District dba Memorial Healthcare System

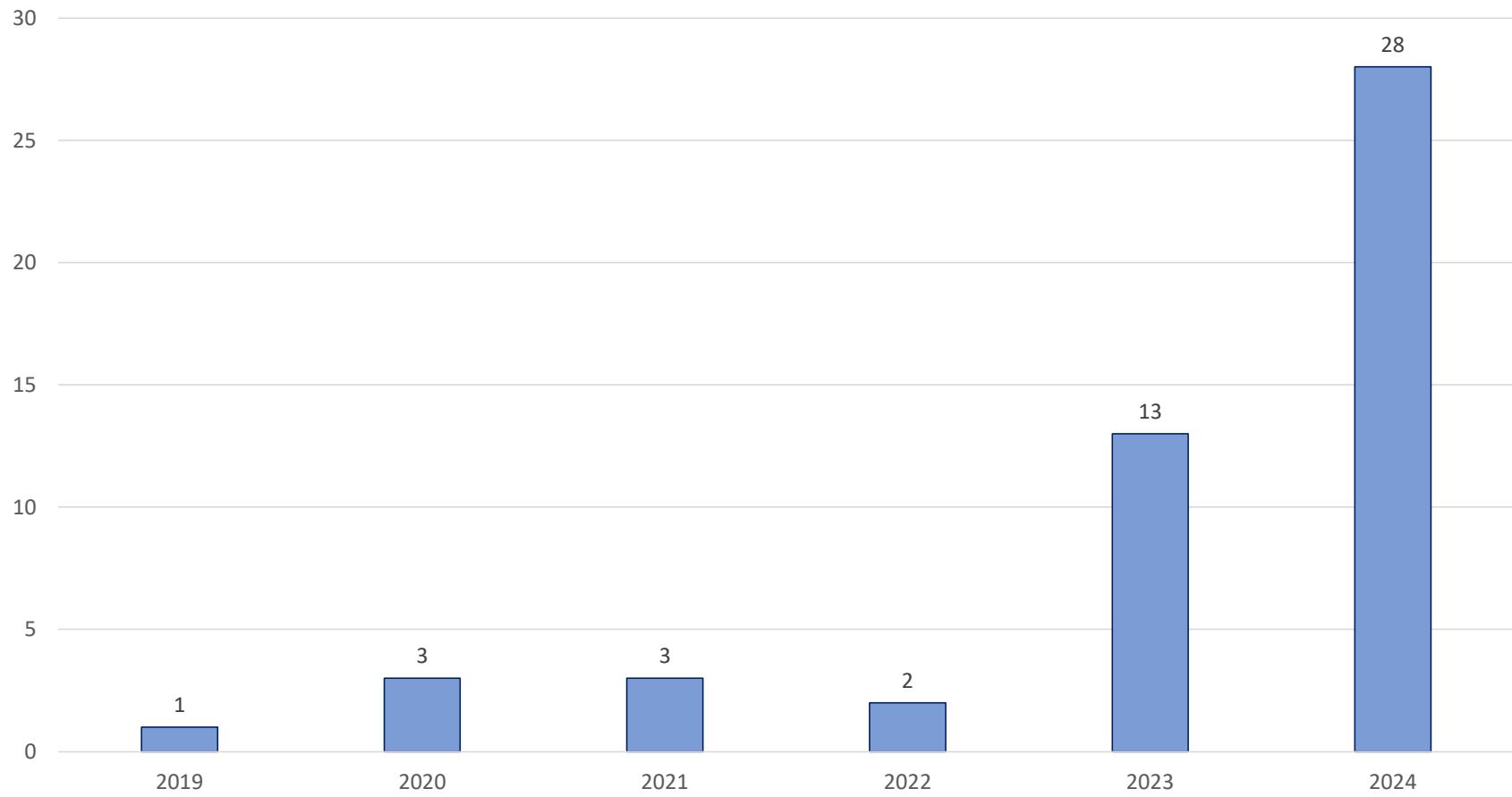
Exhibit 34. Post Implant Survival - PRIMARY OVERALL



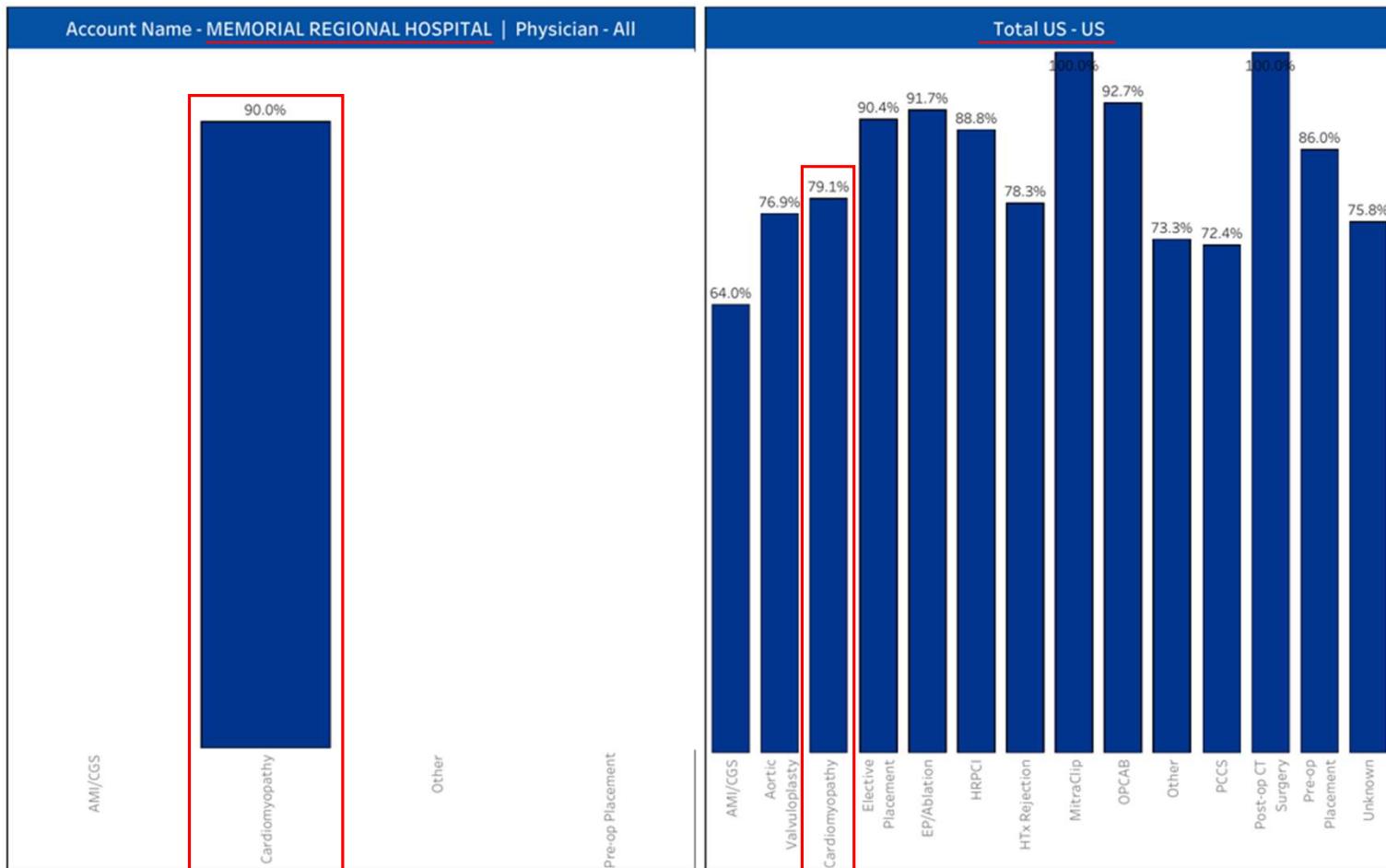
MCS Surgical Program (Impella 5.5)



Intra-Aortic Balloon Pumps (Axillary only)



Memorial Regional Hospital vs Total US – Survival by Indication





NRP: Increasing Donor Pool

What is NRP?

- Normothermic Regional Perfusion

Benefits for Our Program:

- Expands the Donor Pool
- Improves Organ Quality
- Enhances Recipient Outcomes

Strategic Impact:

- Positions our program as a leader in innovative transplant techniques
- Boosts program visibility and attracts top-tier medical talent
- Increases opportunities for partnerships and research funding





Memorial Transplant Institute: Unified Excellence Across Programs

- Seamless collaboration on complex cases including 9 heart-kidney transplants to date
- Unified approach across disciplines, age groups, and organ systems
- Engaged in forward-looking initiatives including NRP, clinical trials, and innovation
- Shared interest to exploring an in-house HLA Lab
- Adapt to evolving regulatory standards while delivering high-quality care
- Grateful for the ongoing resources that sustains our mission and fuels future success



Thank You!
Questions?



QUALITY & SAFETY PRESENTATION

CMS Star Ratings Review 2025

Leapfrog Spring 2025 Update



7.1 CMS Star Ratings Review



MEMORIAL HEALTHCARE SYSTEM

MRH – CMS Start Rating April 2025

MEMORIAL REGIONAL HOSPITAL (100038)

★★★★★ Overall Hospital Rating (July 2024)





MEMORIAL HEALTHCARE SYSTEM

MHW – CMS Start Rating April 2025

MEMORIAL HOSPITAL WEST (100281)

★★★★★ Overall Hospital Rating (July 2024)





MEMORIAL HEALTHCARE SYSTEM

MHM – CMS Start Rating April 2025

MEMORIAL HOSPITAL MIRAMAR (100285)

★★★★★ Overall Hospital Rating (July 2024)





MEMORIAL HEALTHCARE SYSTEM

MHP – CMS Start Rating April 2025

MEMORIAL HOSPITAL PEMBROKE (100230)

★★★★★ Overall Hospital Rating (July 2024)



0
PROJECTED OVERALL HOSPITAL RATING

3/5 ★★★★☆

1
MEASURES IMPROVED SINCE RATING

13 of 31 (41.94%)

2
MEASURES WORSENED SINCE RATING

8 of 31 (25.81%)

3
MEASURES UNCHANGED SINCE RATING

10 of 31 (32.26%)



7.2 Leapfrog Spring 2025 Safety Grades

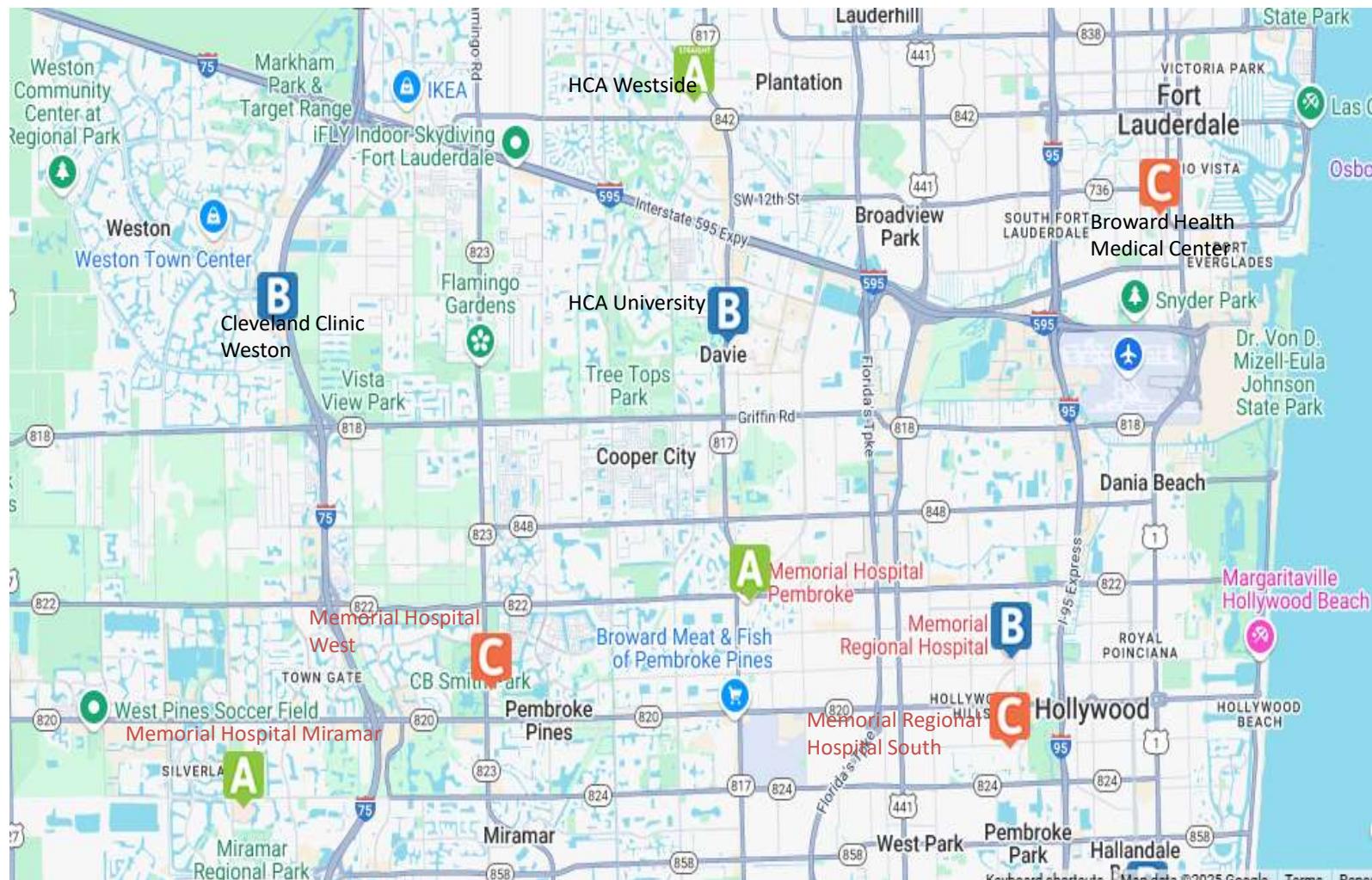


Spring 2025
Leapfrog Safety Grade Report

Hospital Safety Scores

Location	Fall 2018	Spring 2019	Fall 2019	Spring 2020	Fall 2020	Spring 2021	Fall 2021	Spring 2022	Fall 2022	Spring 2023	Fall 2023	Spring 2024	Fall 2024	Spring 2025
MRH	A	A	B	B	A	A	A	B	B	C	C	C	C	B
MHW	A	A	B	B	B	A	B	B	C	C	C	C	C	C
MHP	A	A	A	A	A	A	A	A	A	B	B	C	C	A
MHM	A	A	A	A	A	A	C	C	B	B	A	A	A	A
MRHS	A	B	B	B	B	B	A	B	B	C	C	C	C	C

Leapfrog Spring 2025 Safety Scores Dade, Broward and Palm Beach Counties



South Broward Hospital District

BOARD OF COMMISSIONERS

Elizabeth Justen, Chairwoman • **Steven Harvey**, Vice Chairman • **Douglas A. Harrison**, Secretary Treasurer
Brad Friedman • **Laura Raybin Miller**
Shane Strum, President and Chief Executive Officer

Group: S.B.H.D. Finance Committee **Date:** July 15, 2025
Chairwoman: Ms. Elizabeth Justen **Time:** 4:00 p.m.
Vice Chairman: Mr. Steven Harvey
Location Executive Conference Room, 3111 Stirling Road, Hollywood, Florida, 33312
In Attendance: Ms. Elizabeth Justen, Mr. Steven Harvey, Mr. Douglas Harrison, Ms. Laura Raybin Miller, Mr. Shane Strum, Mr. Alan Whaley, Ms. Linda Epstein, Mr. Irfan Mirza, Mr. Veda Rampat, Ms. Sarah Griffith, Mr. Richard Probert, Ms. Jeanette Aleu, Ms. Brooke Rasner, Mr. Brett Bauman, Mr. Gary Wyniemko (NEPC), Mr. David Moore (NEPC), Ms. Deirdre Robert (NEPC), Mr. Jacob Pollack (NEPC), and Ms. Stephanie Kinchla (NEPC)

SUBJECT: Public Meeting Notice Requirement

Ms. Justen called the meeting to order at 4:57 p.m. Ms. Epstein certified the meeting was properly noticed.

SUBJECT: Board Roll Call

Present: Ms. Elizabeth Justen
Mr. Steven Harvey
Mr. Douglas Harrison
Ms. Laura Raybin Miller

SUBJECT: Public Comments

Ms. Justen opened the floor for public comments. There were no comments from the public.

SUBJECT: Operating Fund – Global Multi-Sector Fixed Income Recommendation

Mr. Wyniemko recommended a 10% allocation to Multi-Sector Fixed Income, reducing Intermediate Fixed Income by 10%. This includes adding two new manager mandates: Loomis Multisector Full Discretion and Fidelity Tactical Bond. Formal Board approval will be requested following the Legal Department's approval of the required investment documents.

SUBJECT: Monthly Flash Market Update and Investment Performance Reports - June 30, 2025

Operating Funds Monthly Flash Report:

Ms. Wyniemko reviewed the Monthly Flash Performance Report for the Operating Funds. The portfolio returned 1.5% for the month and 1.8% for the fiscal year-to-date, compared to policy benchmark returns of 0.9% and 1.0%, respectively. Total assets were reported at \$2.86 billion.

MEMORIAL HEALTHCARE SYSTEM

MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE • MEMORIAL MANOR

Retirement Plan Monthly Flash Report:

Mr. Wyniemko reviewed the Monthly Flash Performance Report for the Retirement Plan. The plan returned 2.6% for the month and 6.0% for the fiscal year-to-date, compared to policy benchmark returns of 3.1% and 6.3%, respectively. Total assets were reported at \$1.10 billion.

Defined Contribution Plans Monthly Flash Report:

Ms. Robert reviewed the Monthly Flash Performance Report for the Defined Contribution Plans. Assets totaled \$1.85 billion, with the largest concentration in the JPMorgan blend target date funds, representing 62.3%.

The monthly flash report was presented for informational purposes only.

SUBJECT: Operating Fund Investment Policy Statement

Mr. Rampat shared a redlined version of the Operating Fund Investment Policy Statement (IPS) with minor edits, revising cash and intermediate fixed income allocations to 10% and 30%, respectively.

A Motion was made and seconded to recommend Board approval of the IPS revisions.

Request Board Approval of the Updated Operating Fund's Investment Policy to Reflect a Change to Cash and Intermediate Fixed Income Allocations to 10% and 30%, Respectively**SUBJECT: Financial Report**

Mr. Mirza presented an overview of the financial results for the month and year ending June 30, 2025. The Committee reviewed and discussed these operating results. The financial reports will be formally presented to the full Board at its Annual Meeting on July 23, 2025.

SUBJECT: Millage Rate Options for TRIM Notice

Mr. Mirza reviewed proposed FY 2026 tax millage rate options. Following discussion, the proposed rates will be presented at the July Annual Board Meeting to adopt a proposed rate and to schedule a preliminary public hearing. The Committee noted that the millage rate set in July may be lowered at the Preliminary Tax Hearing, but cannot be increased.

SUBJECT: Old Business:

Mr. Mirza presented updated contract pricing for a three-year renewal term for the RSM audit services contract, which will be presented at the July Annual Board Meeting.

A Motion was made and seconded to recommend Board approval of the RSM audit services contract.

Request Board Approval of a Three-Year Renewal Term for the RSM Audit Services Contract**SUBJECT: New Business:**

There was no new business.

There being no further business, the Finance Committee adjourned at 6:17 p.m.

Respectfully submitted,



Elizabeth Justen

Chairwoman

Finance Committee

INVESTMENT POLICY

for

OPERATING FUND INVESTMENTS

for the

SOUTH BROWARD HOSPITAL DISTRICT

d/b/a

MEMORIAL HEALTHCARE SYSTEM

Revised

July~~June~~ 2025

STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES FOR THE SOUTH BROWARD HOSPITAL DISTRICT

I. AUTHORIZATION AND SCOPE FOR THIS INVESTMENT POLICY

This investment policy reflects the 2016 amendment to Section 37 of section 3 chapter 2004-37, Laws of Florida relating to South Broward Hospital District (“District”) and its Charter (“Charter”) which revised the authority of the District’s Board of Commissioners (“Board”) to invest funds listed in an investment policy (“Policy”) adopted by the Board. Per the 2016 amendment to the District’s Charter, the investment policy shall be designed to maximize the financial return to the South Broward Hospital District consistent with the risks incumbent in each investment and shall be designed to preserve the appropriate diversification of the portfolio.

In addition to any investments authorized by general law, including Section 218.415, Florida Statues, and to the extent created by the State Constitution, the Board is authorized and empowered to invest any funds in its control or possession in accordance with an investment policy approved by the board which mandates prudent investment practices which shall include, among other items, the investment objectives and permitted securities described in the policy.

II. INVESTMENT OBJECTIVES

The foremost objective of this investment program is the safety of the principal of the Operating Fund Investments with secondary objectives being liquidity and return generation. These investment objectives are broadly labeled in three categories to which asset allocation targets are applied. The three categories are: Principal Protection (safety of principal), Liquidity (liquidity), and Return and Growth (return generation).

III. STRATEGIC ALLOCATION TARGETS

As a result of asset allocation studies, analyses and discussions involving the Investment Consultant, District Management and the Finance Committee the following asset allocation Policy Targets and implementation timeline were approved by the Board of Commissioners.

Implementation Plan for Operating Portfolios Asset Allocation – Policy Targets		
		<u>Long-term</u>
Principal Protection		<u>60</u> 55 .0%
Liquidity		<u>10</u> 15 .0%
Return and Growth		30.0%
<i>Total Portfolio</i>		<i>100%</i>

The Policy Targets represent midpoints within a +/-5% Policy Range. The Policy Range allows for fluctuations due to market conditions. District Management with input from the investment consultant may rebalance between and within the categories as market circumstances and/or

asset weightings dictate. Additionally, Policy Targets may be adjusted based on liquidity needs, strategy implementation and/or economic forecasts.

A. Principal Protection

General Description. The Principal Protection category of investments consists of assets that are exposed and/or are susceptible to changes in interest rates. Such investments typically contain relatively low levels of risk and exhibit lower volatility. Investments within the Principal Protection category are expected to produce relatively low levels of returns commensurate with their relatively lower risk profile. In addition, periodic income will be a material portion of this category's investment return.

Purpose. The Principal Protection assets provide the bulk of the total investment return for the Operating Funds due to the significant over-weighting relative to the Liquidity and Return and Growth categories. The Principal Protection category is expected to maintain its purchasing power and produce nominal returns that are near, or slightly exceed the rate of inflation.

Risk Factor Exposures. The major risk factor is interest rate risk. The minor risk factors are inflation risk and liquidity risk.

Components. There are three portfolio components, or pools, that comprise Principal Protection assets. The pools are: Short Term, Intermediate Term and Opportunistic pools.

Components and Weightings for Principal Protection Assets – Policy Targets		
		<u>Long-term</u>
Short Term Pool		10.0%
Intermediate Term Pool		<u>3025.0%</u>
Opportunistic Pool		20.0%
Category Total		6055.0%

The Policy Targets represent midpoints within a +/-5% Policy Range. The Policy Range allows for fluctuations due to market conditions. District Management with input from the investment consultant may rebalance between and within the sub-categories or pools as market circumstances and/or asset weightings dictate.

Principal Protection Return Benchmarks and Duration Objectives.

	Benchmark	Duration Objective
Short Term Pool	<i>Bloomberg 1-5 Yr Gov't/Credit</i>	+ / - 20% of Benchmark
Intermediate Term Pool	<i>Bloomberg US Intermediate Gov't/Credit</i>	+ / - 20% of Benchmark
Opportunistic Pool	<i>Bloomberg Intermediate Aggregate</i>	+ / - 20% of Benchmark

Specific investment mandates within the Principal Protection category components may utilize benchmarks that more accurately reflect the mandate, i.e. self-insurance and disability funds. Duration objectives for these category component mandates are the same as the Intermediate Term Pool.

B. Liquidity

General Description. The Liquidity category of investments consists of assets that are only minimally exposed or susceptible to changes in interest rates. Such investments contain very low levels of risk and exhibit minimal volatility. Investments within the Liquidity category are expected to produce returns and risk commensurate with investments in high quality cash equivalent securities.

Purpose. The Liquidity category assets are available to support immediate liquidity needs, i.e. natural disaster and/or support for self-liquidity bond financing programs. Return generation is a secondary objective to the ability to achieve 100% cash position within 7 days without incurring a material realized loss.

Risk Factor Exposures. The major risk factor is a systemic issue facing the short term capital markets which would impede the ability to liquidate these assets at par or without incurring material realized losses with a 7 day period.

Components. None.

Components and Weightings for Principal Protection Assets – Policy Targets		
		<u>Long-term</u>
Liquidity		<u>1045.0%</u>
Category Total		<u>1045.0%</u>

Liquidity Category Benchmark and Duration Objective.

	Benchmark	Duration Objective
Liquidity	<i>US Treasury 91-Day T Bill Return</i>	<i>+ / - 20% of Benchmark</i>

C. Return and Growth

General Description. The Return and Growth category of investments consists of assets that are largely exposed and/or are susceptible to changes in global economic growth and corporate profitability. Such investments typically contain relatively high degrees of risk and exhibit more volatility than other categories. Investments within the Return and Growth category utilize liquid structures to add returns and long-term growth potential and to diversify the overall risk profile of the Operating Fund Investments.

Purpose. Return and Growth assets provide enhanced return opportunity and risk diversification at the portfolio level for the Operating Funds. This return opportunity is due to the equity risk premium. While volatile, it is the reward associated with bearing economic and corporate risk. To mitigate some of this volatility, strategies employed will be within the portfolio's overall risk tolerance. Over longer term investment horizons, the equity risk premium is generally significantly positive after accounting for inflation.

All rebates or credits from commissions paid by the investment portfolio's Managers to the commission recapture brokers will be realized in cash and used exclusively to reduce the normal operating expenses of the investment portfolio

Transition Management. During periods of large scale asset movements as a result of manager terminations, manager hiring, or other significant liquidations, the Finance Committee may elect to use a transition manager to seek the lowest cost, best execution possible. Due to the time sensitive nature surrounding the transition of assets, the Finance Committee may delegate authority to District Management in consultation with the investment consultant to select the transition manager.

XV. POLICY AMENDMENTS

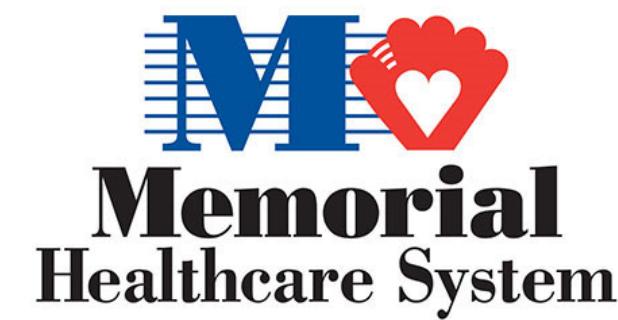
This investment policy may be amended by presentation of such amendments to the Finance Committee who will make its recommendations for amendment to the District's Board of Commissioners at its next regularly scheduled meeting. The current policy will remain in effect until the new or amended policy is approved by the Board.

XVI. POLICY ADOPTION

This Investment Policy was approved by the Board of Commissioners at its meeting held on
| July 23~~June 25~~, 2025.

Secretary/Treasurer, Board of Commissioners

Chair, Board of Commissioners



JULY 2025 MATERIALS

MEMORIAL HEALTHCARE SYSTEM

JULY 2025

Dave Moore, ARM, CEBS, CPCU, Partner
Gary Wyniemko, CFA, Partner
Deirdre Robert, CFA, CAIA, Partner

TABLE OF CONTENTS

- **Global Multisector Fixed Income Review**
- **June 2025 Capital Market Update**
- **June 2025 Flash Reports**
- **Appendix**



GLOBAL MULTISECTOR FIXED INCOME REVIEW



PROPRIETARY & CONFIDENTIAL

MHS GLOBAL MULTISECTOR FIXED INCOME - OPERATING

- **At the June 2025 meeting, NEPC introduced the topic of Global Multisector (GMS) fixed income**
 - Global Multi Sector fixed income offers benefits that can enhance diversification, risk management, and overall return potential
 - GMS funds invest in fixed income securities that span the globe – including treasuries, securitized assets, corporate bonds, and more
 - Managers often have flexibility with GMS to tactically shift the portfolio, taking advantage of market dislocations or relative value opportunities
 - GMS also mitigates risk of investments through duration management, analysis of credit, and hedging risk (i.e. currency, interest rate..)
- **NEPC, alongside its Research team, conducted a search to find Global Multisector investments that are complimentary to the MHS Operating Fixed Income portfolio**
 - Loomis Multisector Full Discretion is an opportunistic, actively managed fixed income approach that invests across bond sectors and the credit spectrum, using broad flexibility to pursue total return through tactical asset allocation, credit selection, and duration management
 - Fidelity Tactical Bond is a benchmark agnostic, multi-sector fixed income strategy that seeks a high level of current income (and capital growth) by investing assets across a wide range of fixed income instruments – including US government, IG, high yield bonds and more

MHS OPERATING ASSET ALLOCATION

	Current Policy	Proposed Mix
Cash	10.0%	10.0%
Total Cash	10.0%	10.0%
Global Equity	30.0%	30.0%
Total Equity	30.0%	30.0%
Global Multi-Sector Fixed Income	0.0%	12.0%
US Short-Term Treasury Bond (1-3 Year)	10.0%	10.0%
US Intermediate Fixed Income	50.0%	38.0%
Total Fixed Income	60.0%	60.0%

Expected Return 10 yrs	5.68%	5.78%
Expected Return 30 yrs	6.22%	6.31%
Standard Dev	6.7%	7.2%
Sharpe Ratio (10 years)	0.26	0.26

- **The Proposed Mix introduces Global Multi-Sector Fixed Income at the expense of Intermediate fixed income**
- **Global Multisector will incorporate broad fixed income sector exposure and will invest across global markets**
- **Global Multisector increases return potential while introducing a bit more risk through a global landscape, as well as moving across the credit spectrum**

PERFORMANCE COMPARISON (05/31/2025)

Trailing Allocation Returns

Fund/Benchmark	1 Month	3 Month	1 Year	3 Year	5 year	7 year	10 year
Current Mix	0.36%	2.50%	6.19%	2.74%	1.78%	2.65%	2.31%
Proposed Mix	0.26%	2.49%	6.23%	2.72%	2.22%	2.87%	2.60%
Bloomberg US Aggregate	-0.72%	-0.29%	5.46%	1.49%	-0.90%	1.53%	1.49%
Bloomberg US Intermediate Aggregate	-0.49%	0.53%	6.31%	2.30%	0.06%	1.84%	1.61%
Bloomberg US Intermediate Gov/Credit	-0.33%	1.04%	6.45%	2.82%	0.55%	2.26%	1.87%

Trailing GMS Manager Returns

Fund/Benchmark	1 Month	3 Month	1 Year	3 Year	5 year	7 year	10 year
Loomis Sayles Multisector Full Discretion	0.47%	0.76%	9.32%	4.57%	3.15%	4.12%	4.06%
Fidelity Tactical Bond	-0.34%	-0.11%	6.09%	3.17%	2.24%	3.57%	3.44%
Bloomberg US Aggregate	-0.72%	-0.29%	5.46%	1.49%	-0.90%	1.53%	1.49%
Bloomberg US Intermediate Aggregate	-0.49%	0.53%	6.31%	2.30%	0.06%	1.84%	1.61%
Bloomberg US Intermediate Gov/Credit	-0.33%	1.04%	6.45%	2.82%	0.55%	2.26%	1.87%

Performance data is as of May 31, 2025

Bloomberg US Aggregate Index is the primary benchmark for Fidelity Tactical Bond and Loomis Multisector Full Discretion.



Performance metrics for the Current Mix do not represent the full actual history of the Operating Portfolio, as several managers lack complete track records for this analysis. Evestment vehicle proxies were used for illustrative purposes.

MANAGER METRICS (AS OF 3/31/2025)

Global Multisector Mix Metrics

Metric	Current Mix	Proposed Mix (Fidelity/Loomis)	Bloomberg US Aggregate Index
Annualized Return	2.34%	2.61%	1.76%
Annualized Std Dev	3.33%	3.63%	5.04%
Annualized Sharpe	0.70	0.72	0.35
Alpha	0.12%	0.13%	0.00%
Beta	0.39	0.49	1.00
Tracking Error	5.10%	3.81%	0.00%
Information Ratio	0.06	0.18	N/A
Upside Capture	45.20%	56.30%	100.0%
Downside Capture	31.25%	39.17%	100.0%

Fidelity Tactical Bond Fee: 0.32% on investment

Loomis Multisector Fee: 0.39% on first \$50M,
0.30% above \$50M

Individual Manager Metrics

Metric	Loomis Sayles Multisector Full Discretion	Fidelity Tactical Bond	Bloomberg US Aggregate Index
Annualized Return	4.00%	3.42%	1.76%
Annualized Std Dev	6.03%	5.76%	5.04%
Annualized Sharpe	0.66	0.59	0.35
Alpha	0.22%	0.17%	0.00%
Beta	0.93	0.93	1.00
Tracking Error	3.82%	3.41%	0.00%
Information Ratio	0.67	0.58	N/A
Upside Capture	118.54%	115.90%	100.0%
Downside Capture	78.14%	85.09%	100.0%
Duration	5.2 years	6.5 years	6.1 Years
Yield to Maturity	5.94%	5.40%	4.61%
Average Credit Quality	BBB	A	AA

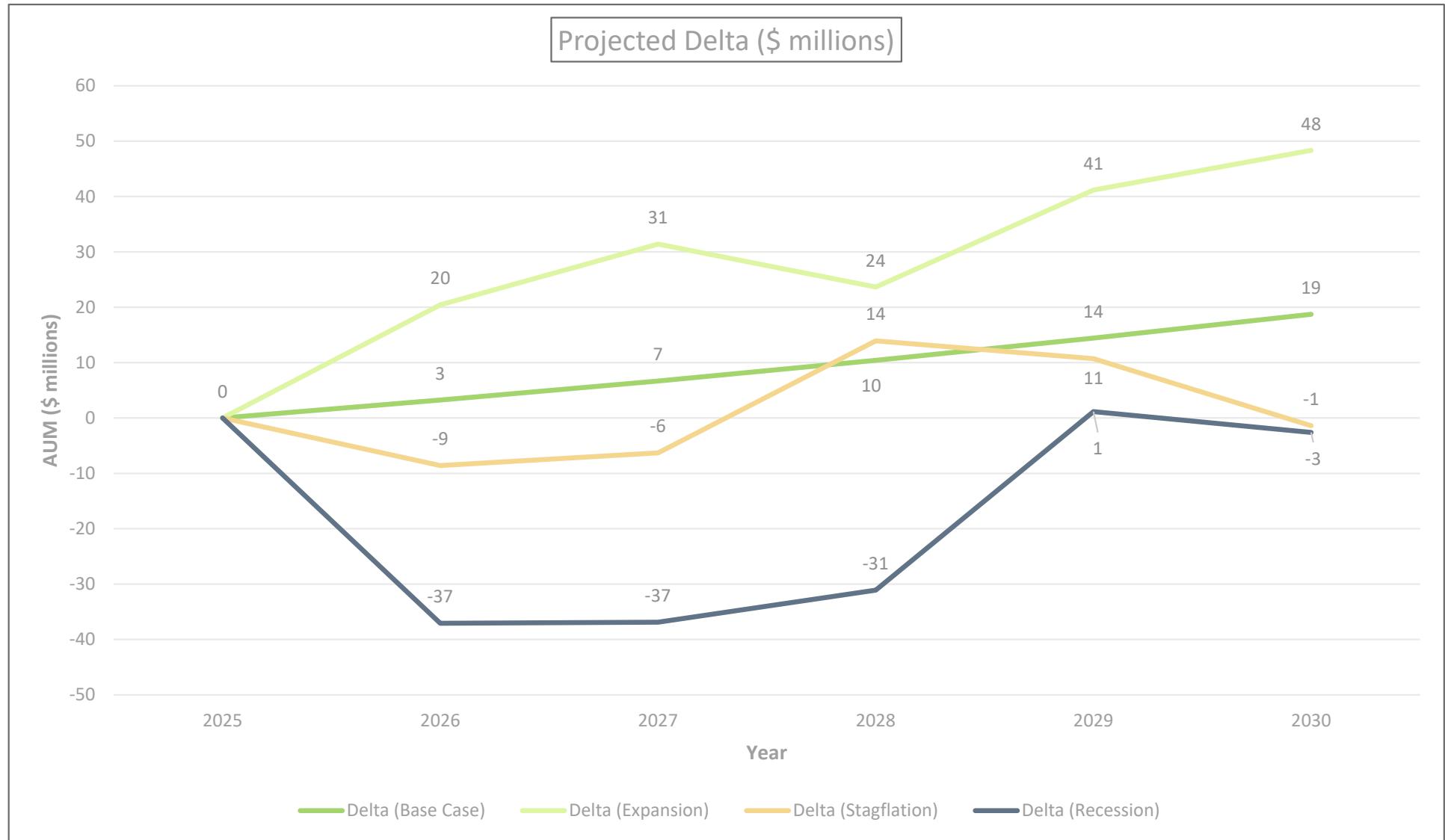
Metrics are calculated over a ten-year time horizon as of 3/31/2025



The Current Mix reflects actual dollar allocations, while the Proposed Mix represents a rebalanced version of the Current Mix with the addition of an equal allocation to Fidelity Tactical Bond and Loomis Multisector Fixed Income. Performance metrics for the Current Mix do not represent the full actual history of the Operating Portfolio, as several managers lack complete track records for this analysis. Evestment vehicle proxies were used for illustrative purposes.

SCENARIO ANALYSIS

DIFFERENCE IN \$ BETWEEN PROPOSED AND CURRENT MIX



MHS CREDIT QUALITY

AS OF 3/31/2025

Credit Distribution by Mix

Component	AAA/Gov	AA	A	BBB	BB	B	CCC	CC	C
Current Mix	51.3%	8.3%	16.8%	21.8%	1.3%	0.4%	0.1%	0.00%	0.0%
Proposed Mix	47.6%	6.7%	14.7%	24.8%	4.1%	1.7%	0.5%	0.00%	0.0%

Credit Distribution by Manager

Component	AAA/Gov	AA	A	BBB	BB	B	CCC	CC	C
Loomis Sayles Multisector Full Discretion	14.0%	2.6%	9.8%	46.1%	14.3%	5.4%	2.3%	0.0%	0.0%
Fidelity Tactical Bond	59.1%	0.6%	3.2%	14.3%	11.7%	6.9%	1.5%	0.0%	0.0%



Totals may not add to 100% due to securities that are not rated

CURRENT MANAGER RATINGS

Investment Strategy	NEPC DD Rating	Firm & Team	Investment Philosophy	Performance Expectations	Portfolio Positioning	NEPC Investment Thesis
Loomis Sayles Multisector Full Discretion	1	The Full Discretion portfolio management team consists of senior portfolio managers, Matt Eagan, Brian Kennedy and Todd Vandam. The FD team also has its own customized research group to further support the team on additional work.	Multisector Full Discretion is a best-ideas strategy across the Loomis fixed income research platform; product has a heavy tilt towards corporate bonds, both investment grade, and high yield, US and International	Strategy will lag during credit bear markets, but should perform strongly during periods of spread tightening.	High yielding, return seeking, credit-oriented strategy; will hold hybrid securities such as convertible bonds and preferred equity	The Full Discretion team benefits from two factors, credit research and long-term value driven top-down view. The long-tenured and broad credit research team provides fundamental bottom-up ideas. The Full Discretion portfolio management team combines the bottom-up credit ideas with the top down views on the credit cycle and valuation to drive the level of risk and specific areas of opportunity.
Fidelity Tactical Bond	1	Portfolio Managers Ford O'Neil, Celso Munoz, Jeff Moore, and Michael Plage are responsible for the management of FIAM's Broad Market Duration and Core Plus strategies.	Tactical Bond is a benchmark agnostic multi-sector fixed income strategy targeting 3-6% volatility over a market cycle	Fidelity has shown an ability to rotate the portfolio effectively, leading to high risk-adjusted returns. At times, strategy performance may be highly correlated with credit markets	Duration is not relative to a benchmark and will range from 3-6 years; currency will only be used to manage risk in this portfolio; manager will have less non-US exposure than most managers profiled	Tactical Bond, like many unconstrained fixed income efforts is an extension of core plus. Tactical Bond looks to generate income while maintaining volatility similar to the Aggregate (3%-5% range) and also continuing to provide diversification relative to equities. This takes the form of targeting overall volatility, not tracking error to the Bloomberg Aggregate Index. The Fidelity team believes in carrying some duration to help diversify spread risk, but are not looking for rate risk to be the primary risk factor as it is within the Aggregate index.

REVIEW

- **NEPC suggests hiring Fidelity Tactical Bond and Loomis Multisector Full Discretion Fixed Income to fulfill the Global Multisector mandate**
 - The Proposed Mix illustrates stronger investment metrics across the board, thus increasing risk; however, the total fixed income portfolio maintains a lower risk versus the Bloomberg US Aggregate Index
 - The Proposed Mix represents the current fixed income portfolio as well as allocations to Fidelity Tactical Bond and Loomis Multisector Fixed Income (each ~6% of the total Operating portfolio)
 - Proposed Mix Vs. Current Mix*
 - Higher annualized return (2.61% vs. 2.34%) – **over a 10-year period, the proposed mix would have outearned the current mix by ~\$41 million dollars**
 - Heightened Information Ratio (0.18 vs. 0.06)
 - Reduced Tracking Error (3.81% vs. 5.10%)
 - Fidelity and Loomis are preferred managers and pair favorably within the current construct of the Fixed Income portfolio
 - Fidelity Tactical Bond provides the portfolio an extension of Core-Plus, looking to generate income while maintaining volatility similar to the Bloomberg Aggregate
 - The Loomis Multisector Full Discretion investment philosophy combines deep credit cycle awareness with bottom-up research and a repeatable, equity-like approach to security selection across the capital structure
 - **This will be subject to Legal review of investments**



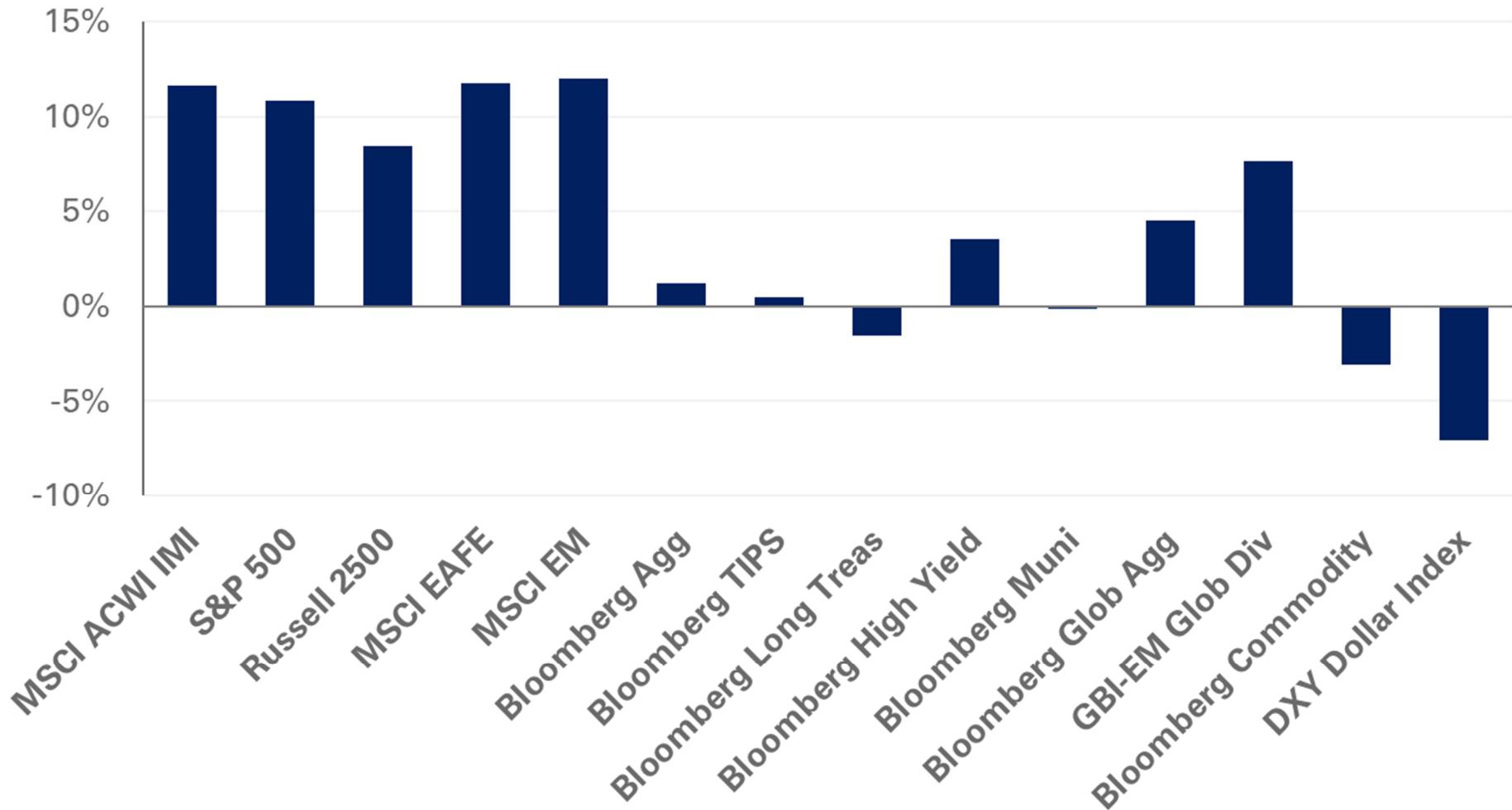


JUNE 2025 QUARTER IN REVIEW



EQUITIES POSTED OUTSIZED RETURNS IN Q2

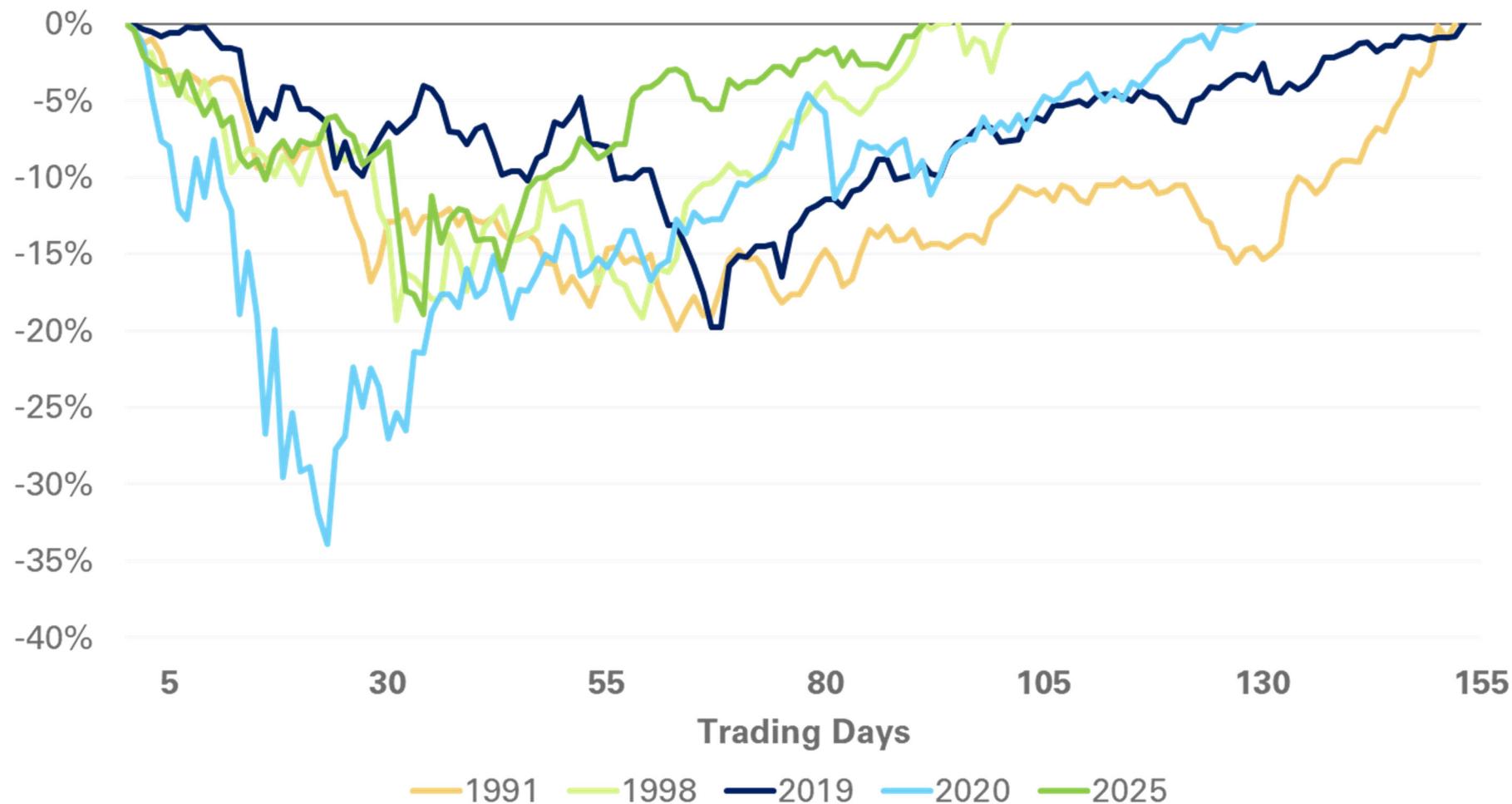
QUARTERLY TOTAL RETURNS



Sources: S&P, Russell, MSCI, JPM, Bloomberg, FactSet

MARKETS WERE QUICK TO RECOVER STEEP LOSSES

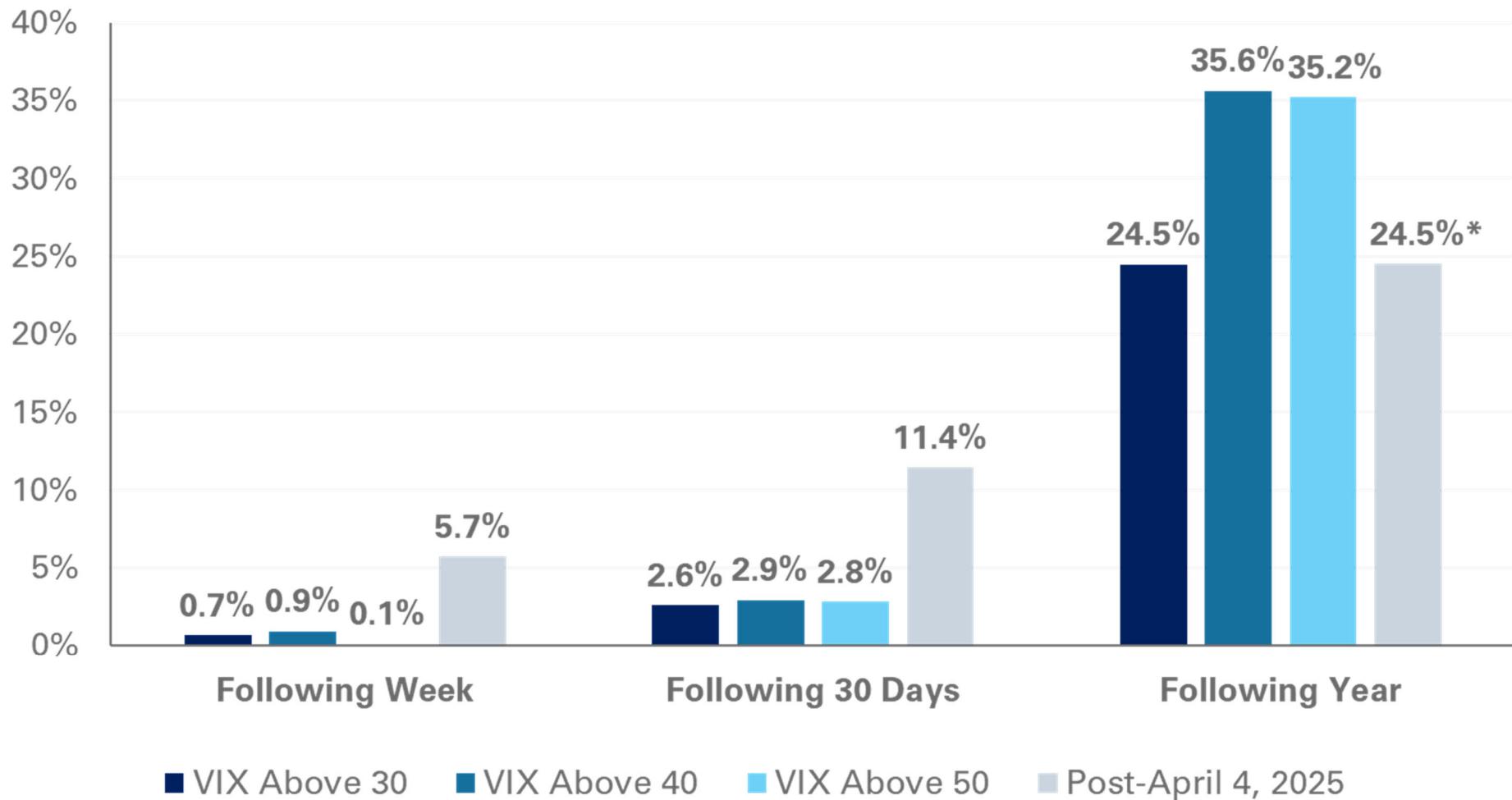
S&P 500 RECOVERIES TO RECORDS AFTER A DECLINE OF 15%+



Sources: S&P, FactSet, NEPC

EQUITY REBALANCING PROVED ITS VALUE (AGAIN)

AVERAGE S&P 500 RETURNS FOLLOWING SPIKES IN VIX

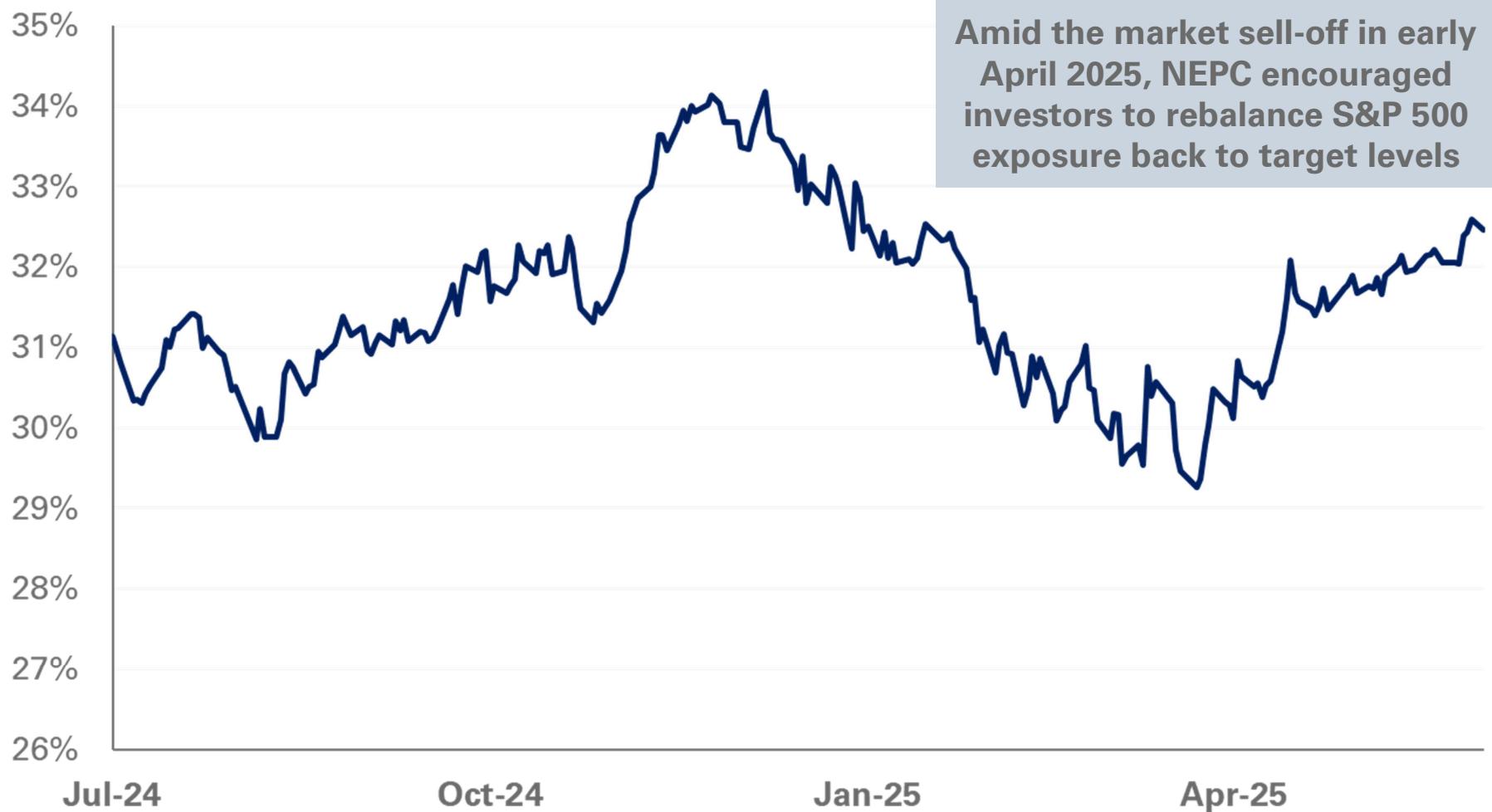


Note: VIX spiked above 45 on April 4, 2025. *Following year returns Post-April 4, 2025 reflects data through July 7, 2025.

Sources: S&P, CBOE, FactSet, NEPC

MARKET CONCENTRATION HAS CREPT BACK UP

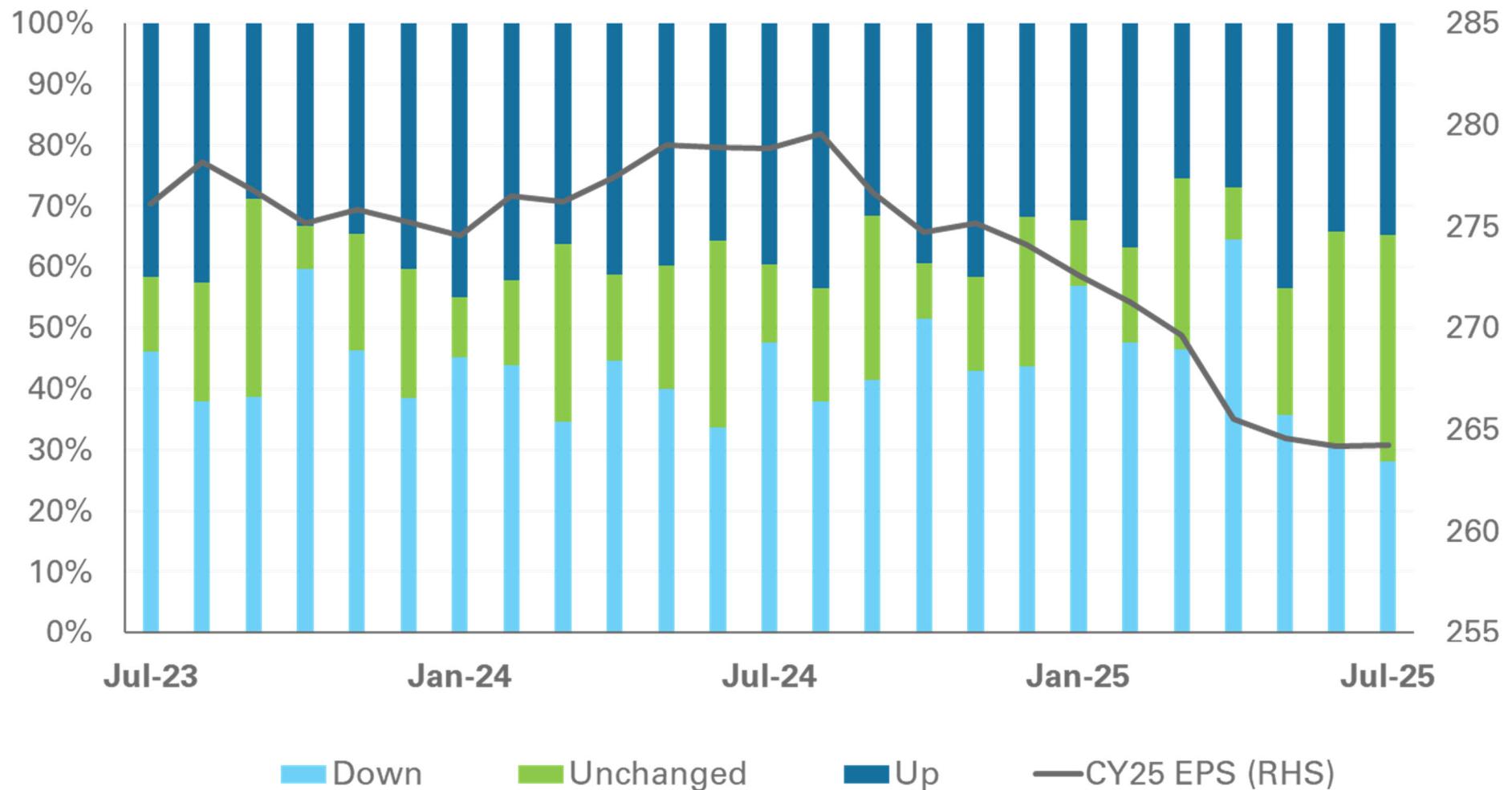
MAGNIFICENT 7 TOTAL WEIGHT IN THE S&P 500 INDEX



Sources: S&P, FactSet

UNCERTAINTY SLEEPING INTO U.S. EARNINGS EST.

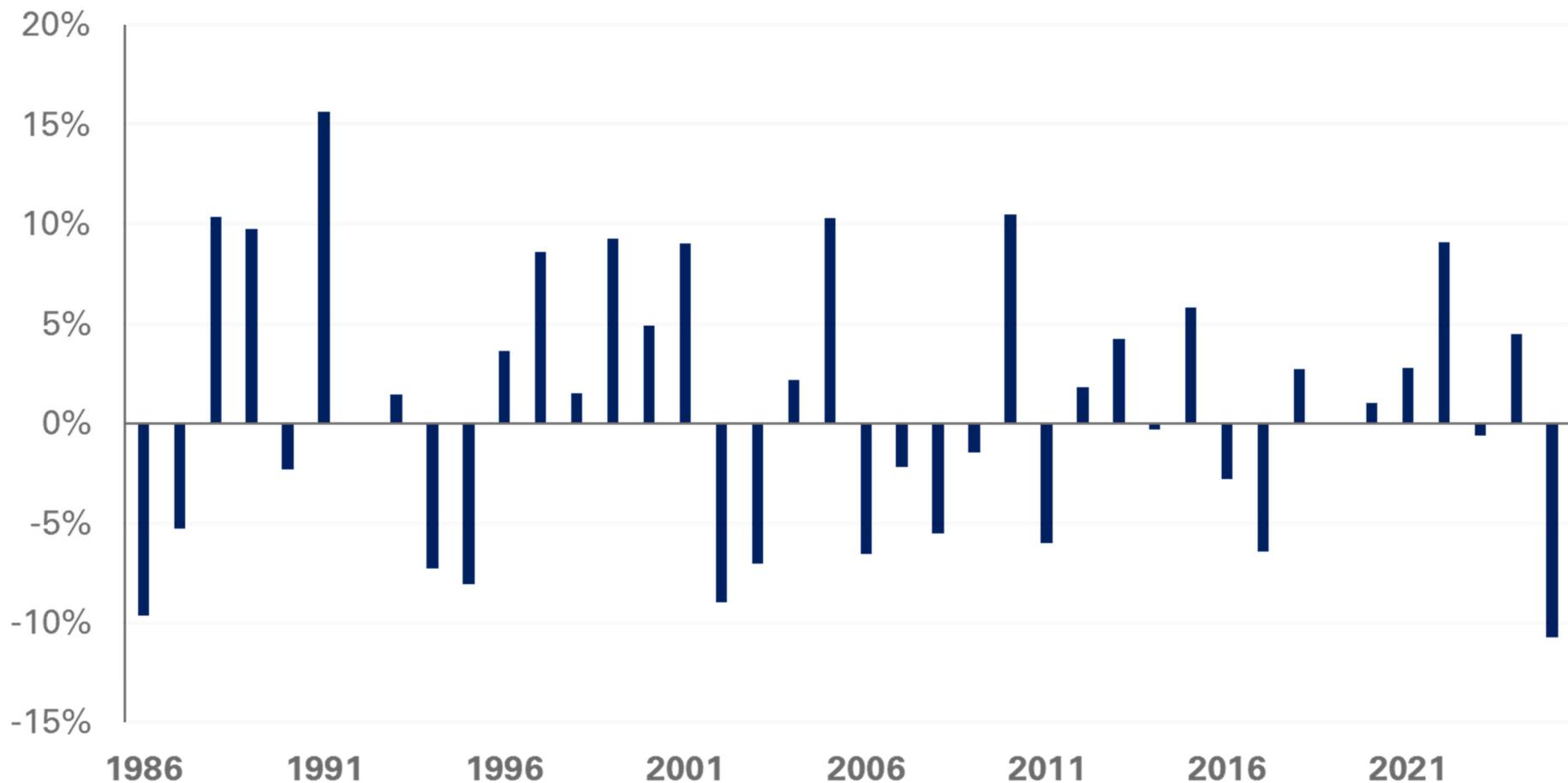
CHANGES IN S&P 500 2025 CALENDAR YEAR EARNINGS ESTIMATES



Sources: S&P, FactSet

WEAKNESS IN THE U.S. DOLLAR WAS PRONOUNCED

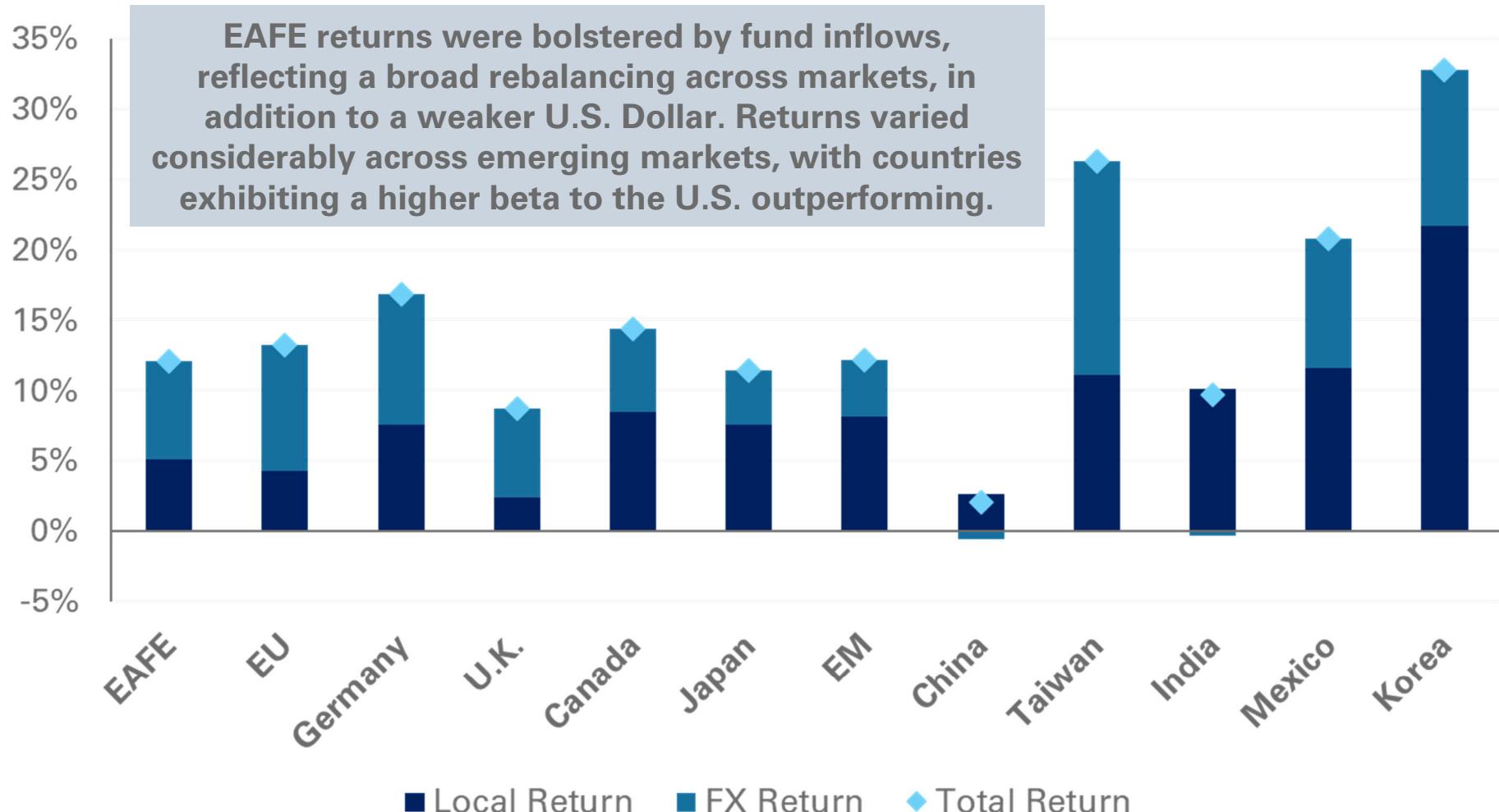
1H CALENDAR YEAR CHANGES IN THE DXY INDEX



Source: FactSet

NON-U.S. MARKETS SAW WIDE RETURN DISPERSION

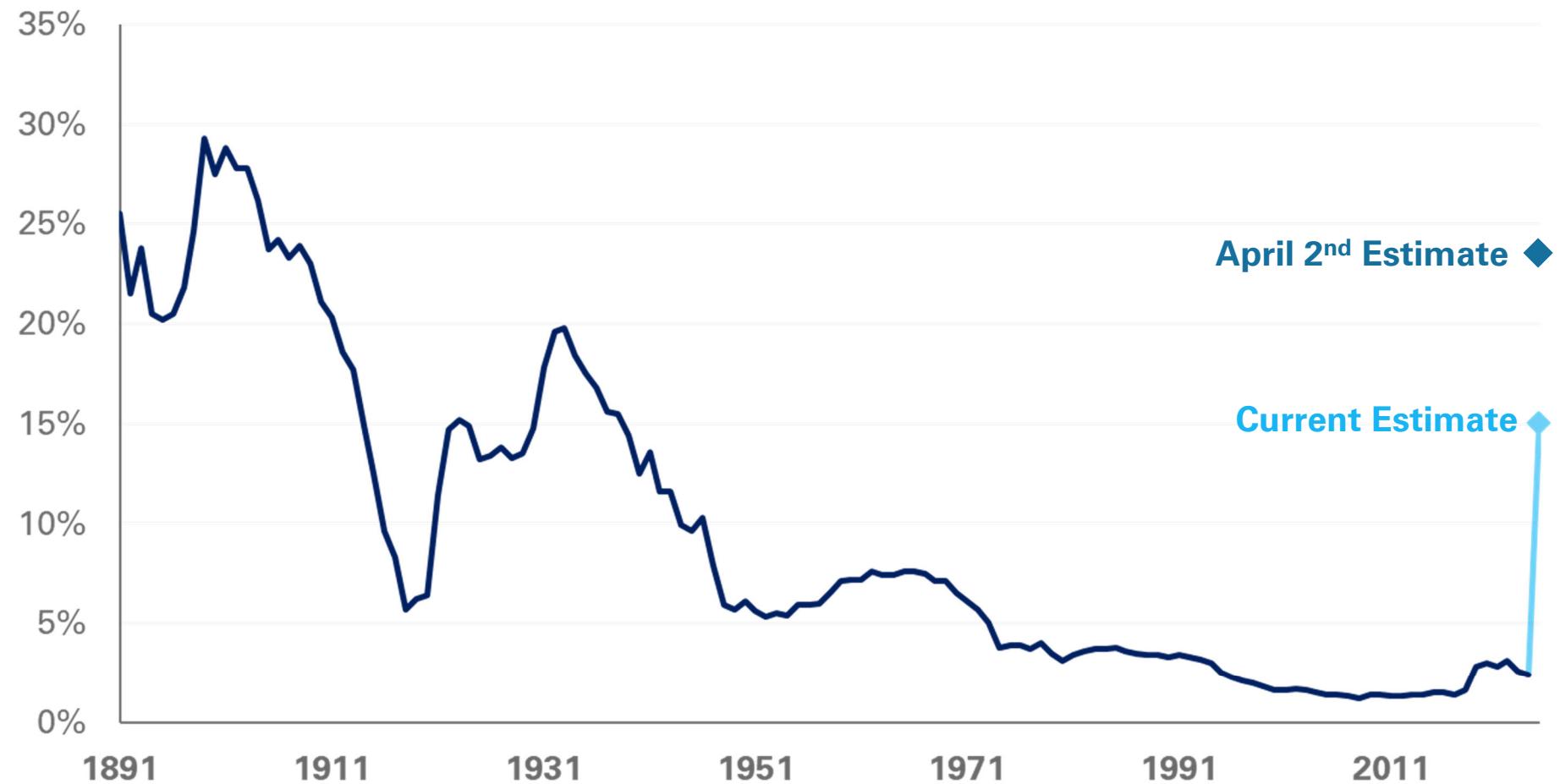
NON-U.S. LOCAL EQUITY VS. CURRENCY RETURNS



Sources: MSCI, FactSet

TARIFF CONCERNS MOVED TO THE BACK BURNER

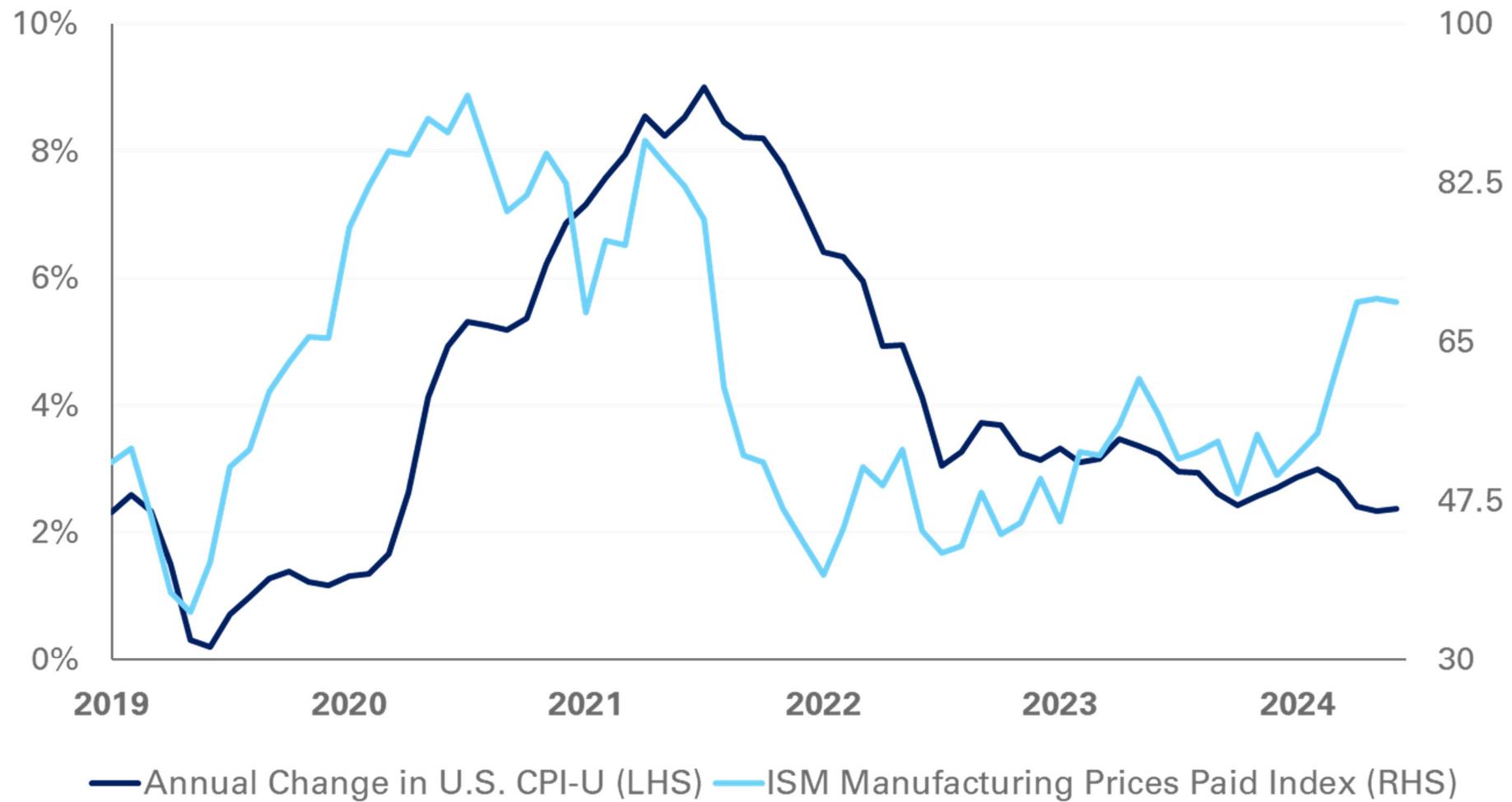
U.S. AVERAGE EFFECTIVE TARIFF RATE



Sources: US ITC, Fitch Ratings

INFLATION REMAINS CONTAINED... SO FAR

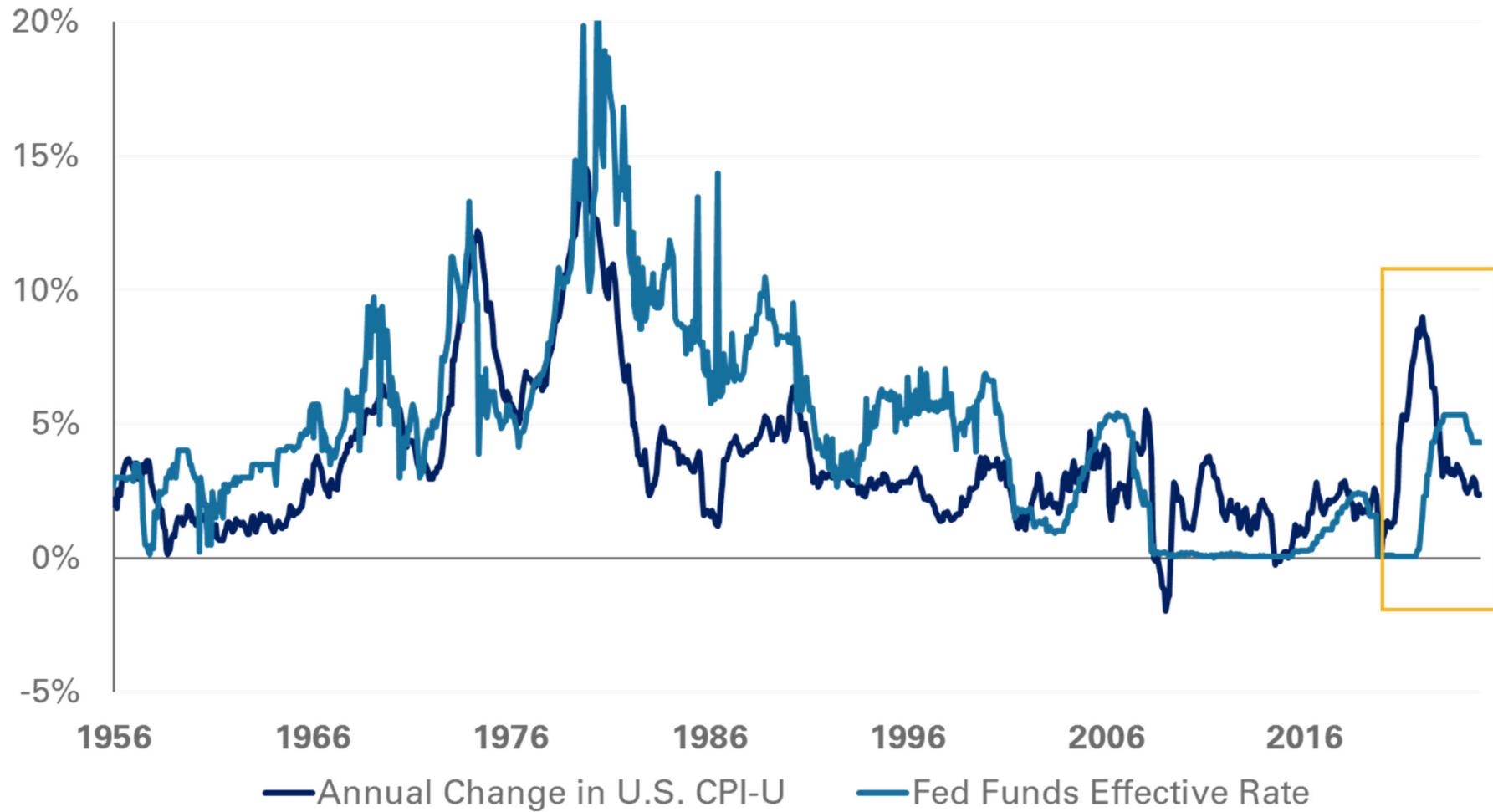
U.S. CPI VS. ISM MANUFACTURING PRICES PAID INDEX



Sources: U.S. Bureau of Labor Statistics, Institute for Supply Management, FactSet

RATES ARE DISCONNECTED FROM INFLATION

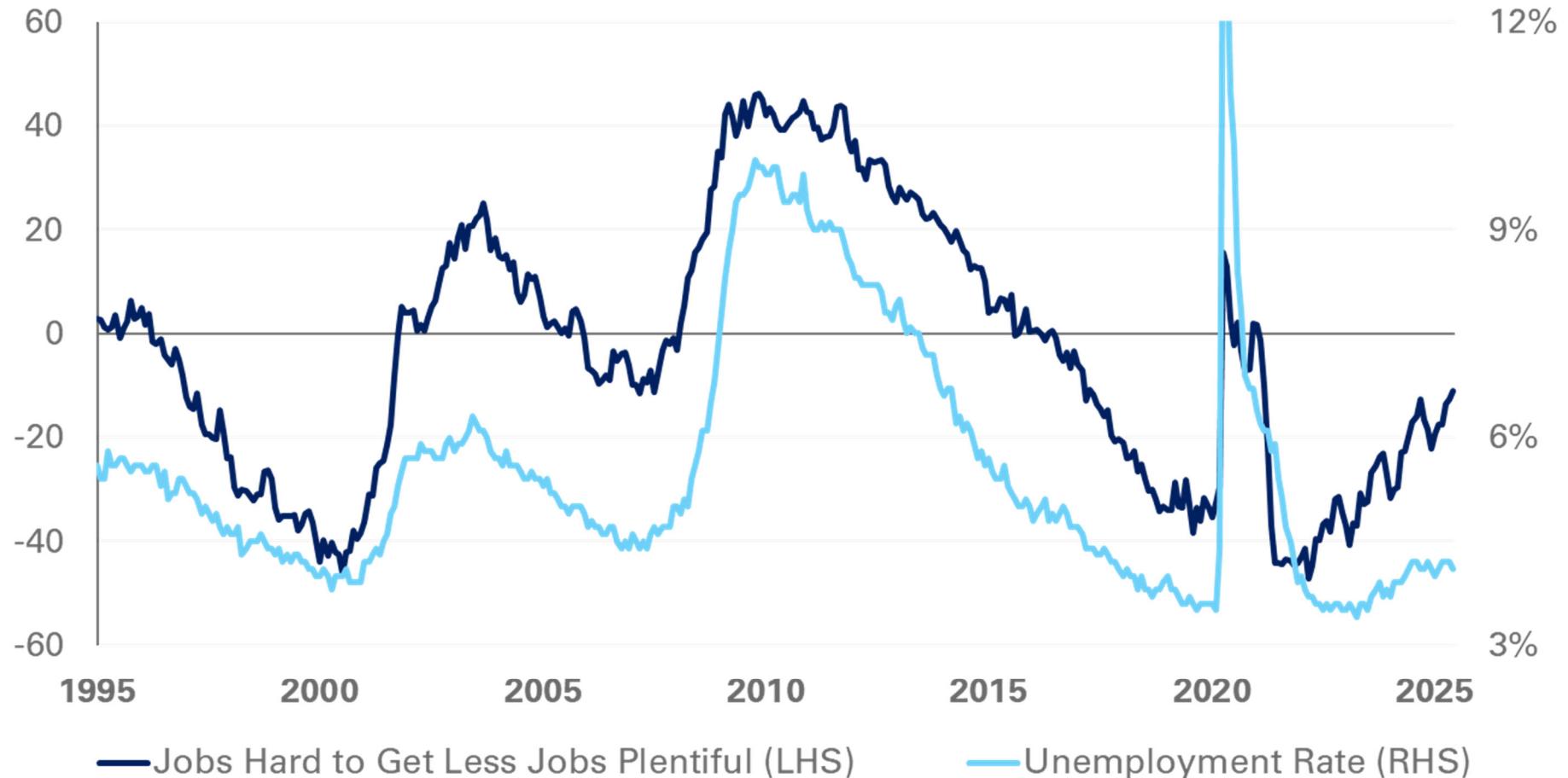
HISTORICAL RELATIONSHIP BETWEEN FED FUNDS AND INFLATION



Sources: U.S. Department of Labor, Federal Reserve, FactSet

JOBS DATA SHOWING SOME SIGNS OF SOFTNESS

U.S. UNEMPLOYMENT RATE VS. LABOR MARKET DIFFERENTIAL

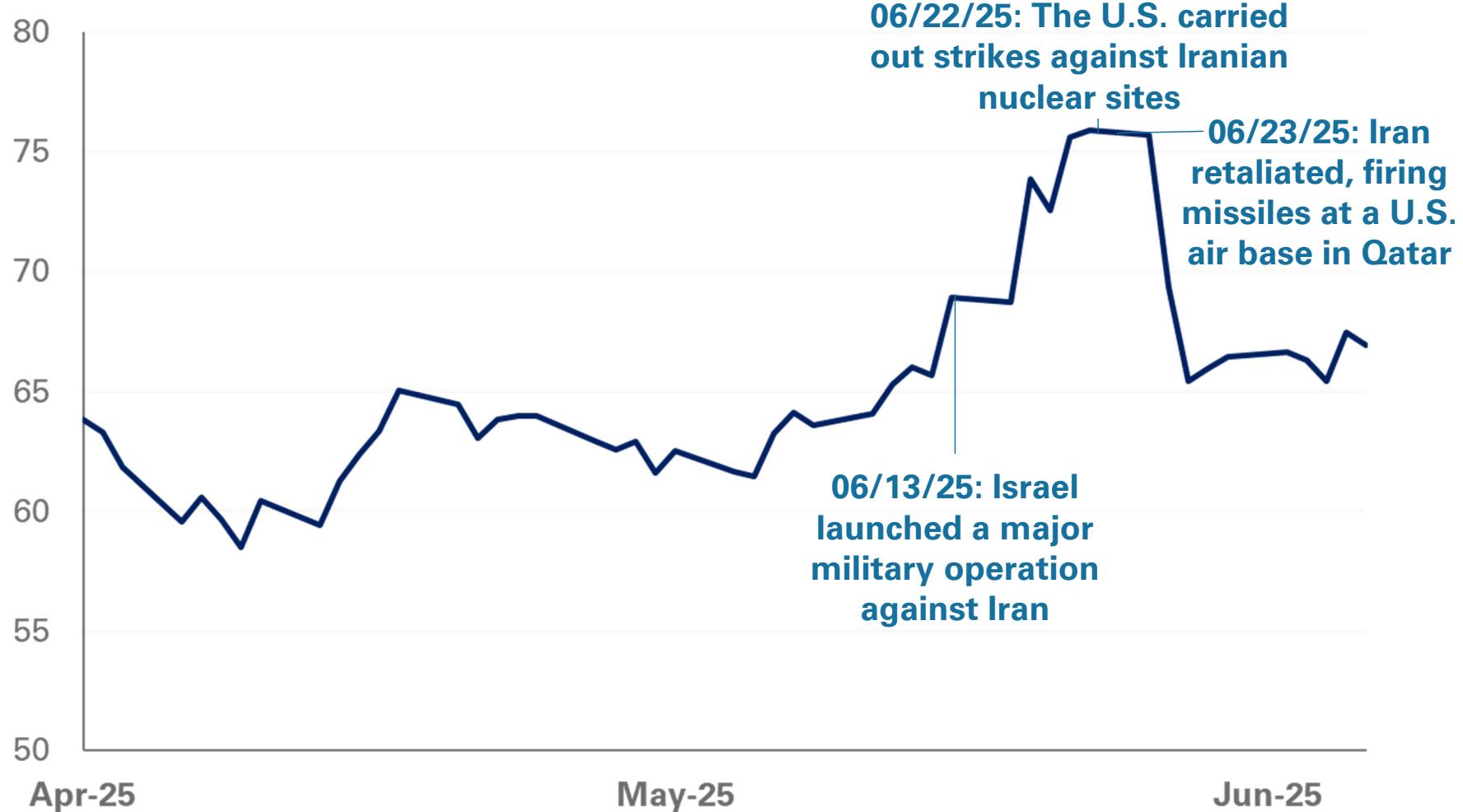


Note: "Jobs Hard to Get" less "Jobs Plentiful" reflects data from the Conference Board survey

Sources: U.S. Department of Labor, Conference Board U.S., FactSet

MARKETS HAD A LIMITED REACTION TO GEOPOLITICS

SPOT WTI CRUDE OIL PRICES





PERFORMANCE UPDATE

June 30, 2025



PROPRIETARY & CONFIDENTIAL

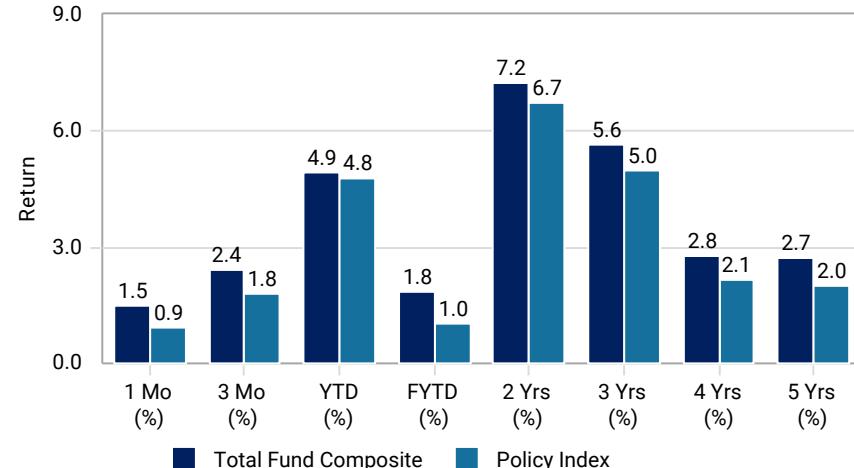


SOUTH BROWARD HOSPITAL DISTRICT – OPERATING FUNDS

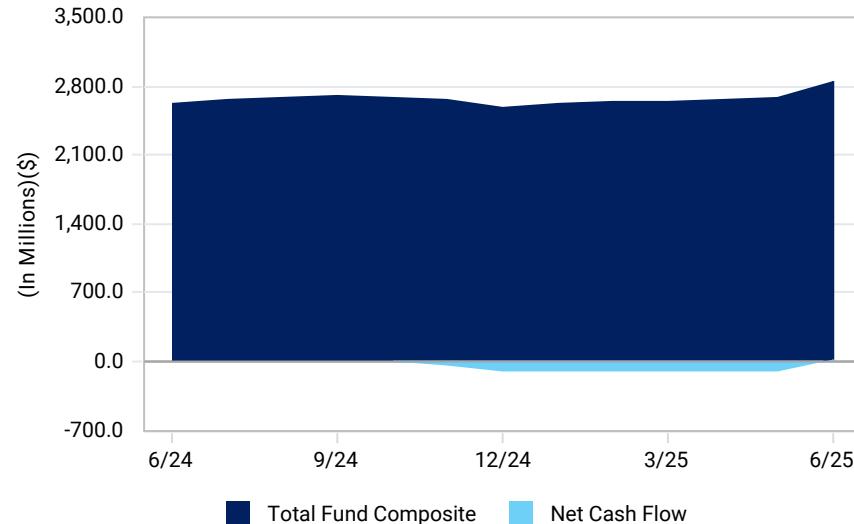
June 30, 2025

EXECUTIVE SUMMARY

Return Summary Ending June 30, 2025

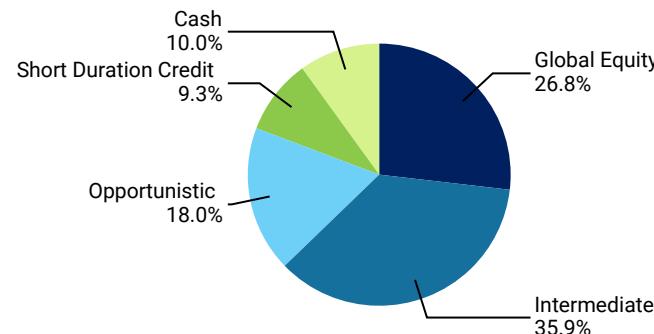


Market Value History 1 Year Ending June 30, 2025



	Current (\$)	Current (%)	Policy (%)	Differences (%)
Global Equity	767,827,617	26.8	20.0	6.8
Intermediate	1,027,679,407	35.9	35.0	0.9
Opportunistic	514,458,580	18.0	20.0	-2.0
Short Duration Credit	266,028,211	9.3	10.0	-0.7
Cash	284,685,257	10.0	15.0	-5.0
Total	2,860,679,072	100.0	100.0	0.0

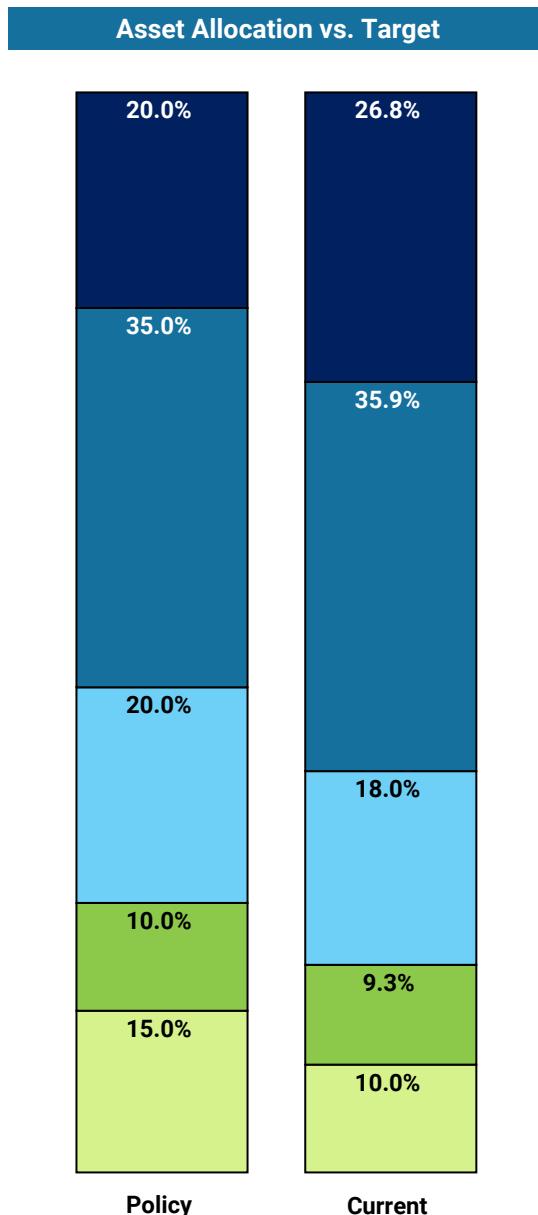
Current Allocation



Summary of Cash Flows

	1 Month	FYTD	5 Years
Beginning Market Value	2,692,636,416	2,682,633,577	2,434,833,511
Net Cash Flow	127,977,994	127,952,009	76,702,200
Net Investment Change	40,064,662	50,093,486	349,143,361
Ending Market Value	2,860,679,072	2,860,679,072	2,860,679,072

ASSET ALLOCATION VS. POLICY



	Current Balance (\$)	Policy (%)	Current Allocation (%)	Differences (%)	Policy Range (%)	Within Range
Global Equity	767,827,617	20.0	26.8	6.8	15.0 - 25.0	No
Vanguard Global Minimum Volatility Equity	198,336,918			6.9		
Parametric Global Defensive Equity	332,396,361			11.6		
SSgA MSCI ACWI Index Fund	237,094,338			8.3		
Intermediate	1,027,679,407	35.0	35.9	0.9	30.0 - 40.0	Yes
Galliard Intermediate Government	249,805,157			8.7		
Merganser Intermediate Bond	242,202,214			8.5		
Fort Washington Intermediate Bond	207,322,012			7.2		
Lord Abbett Intermediate Bond	238,690,358			8.3		
PFM - Self Insurance Fund	49,756,717			1.7		
PFM - Disability Fund	22,026,210			0.8		
PFM - Workmen's Compensation Fund	11,990,608			0.4		
PFM - Health & Dental Fund	5,886,131			0.2		
Opportunistic	514,458,580	20.0	18.0	-2.0	15.0 - 25.0	Yes
Galliard Opportunistic	158,882,001			5.6		
Merganser Opportunistic	159,017,496			5.6		
Fort Washington Active Fixed Income	196,559,083			6.9		
Short Duration Credit	266,028,211	10.0	9.3	-0.7	5.0 - 15.0	Yes
Lord Abbett Short Duration	133,837,878			4.7		
Loop Capital Asset Management	132,190,332			4.6		
Cash	284,685,257	15.0	10.0	-5.0	15.0 - 20.0	No
PNC Treasury Management	284,680,927			10.0		
U.S. Bank Cash	4,330			0.0		
Total	2,860,679,072	100.0	100.0	0.0		

*Difference between Policy and Current Allocation

TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	FYTD (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	
Total Fund Composite	2,860,679,072	100.0	1.5	2.4	4.9	1.8	7.2	5.6	2.8	2.7	
Policy Index			0.9	1.8	4.8	1.0	6.7	5.0	2.1	2.0	
Fixed Income Composite	1,808,166,197	63.2	1.1	1.7	4.2	0.8	5.7	3.9	1.1	0.9	
Short Term Composite	266,028,211	9.3	0.9	1.6	3.7	0.7	5.9	4.0	1.6	1.3	
Blmbg. 1-5 Year Gov/Credit			0.8	1.5	3.6	0.6	5.5	3.7	1.4	1.2	
Lord Abbett Short Duration	133,837,878	4.7	0.8	1.6	3.7	0.6	5.8	4.0			
Blmbg. 1-5 Year Gov/Credit			0.8	1.5	3.6	0.6	5.5	3.7			
Loop Capital Asset Management	132,190,332	4.6	0.9	1.6	3.7	0.8	6.0	4.0	1.6	1.3	
Blmbg. 1-5 Year Gov/Credit			0.8	1.5	3.6	0.6	5.5	3.7	1.4	1.2	
Intermediate Term Composite	1,027,679,407	35.9	1.1	1.7	4.2	0.8	5.8	3.9	1.1	1.0	
Blmbg. Intermed. U.S. Government/Credit			1.1	1.7	4.1	0.7	5.5	3.6	0.7	0.6	
Galliard Intermediate Government	249,805,157	8.7	1.1	1.7	4.2	0.8	6.1	4.1	1.2	1.1	
Blmbg. Intermed. U.S. Government/Credit			1.1	1.7	4.1	0.7	5.5	3.6	0.7	0.6	
Merganser Intermediate Bond	242,202,214	8.5	1.1	1.7	4.3	0.8	5.7	3.9	1.1	1.0	
Blmbg. Intermed. U.S. Government/Credit			1.1	1.7	4.1	0.7	5.5	3.6	0.7	0.6	
Fort Washington Intermediate Bond	207,322,012	7.2	1.2	1.8	4.2	0.9	5.5	3.9			
Blmbg. Intermed. U.S. Government/Credit			1.1	1.7	4.1	0.7	5.5	3.6			
Lord Abbett Intermediate Bond	238,690,358	8.3	1.1	1.8	4.3	0.9	5.7	3.7			
Blmbg. Intermed. U.S. Government/Credit			1.1	1.7	4.1	0.7	5.5	3.6			
PFM - Self Insurance Fund	49,756,717	1.7	0.8	1.6	3.6	0.6	5.7	3.9	1.6	1.4	
ICE BofA 1-5 Yr Treasury & Agency			0.7	1.4	3.4	0.4	5.1	3.2	1.2	0.9	
PFM - Disability Fund	22,026,210	0.8	0.8	1.6	3.6	0.6	5.7	3.9	1.6	1.4	
ICE BofA 1-5 Yr Treasury & Agency			0.7	1.4	3.4	0.4	5.1	3.2	1.2	0.9	
PFM - Workmen's Compensation Fund	11,990,608	0.4	0.6	1.2	2.7	0.5	5.4	3.9	2.2	1.8	
ICE BofA U.S. Agencies, 1-3yr			0.5	1.1	2.6	0.4	5.2	3.5	1.8	1.5	
PFM - Health & Dental Fund	5,886,131	0.2	0.6	1.2	2.7	0.5	5.4	3.9	2.1	1.8	
ICE BofA U.S. Agencies, 1-3yr			0.5	1.1	2.6	0.4	5.2	3.5	1.8	1.5	

TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio		1 Mo (%)	3 Mo (%)	YTD (%)	FYTD (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)
Opportunistic Composite	514,458,580	18.0		1.3	1.6	4.4	0.8	5.7	3.8	0.9	0.7
Blmbg. U.S. Intermediate Aggregate				1.3	1.5	4.2	0.8	5.1	3.2	0.3	0.2
Galliard Opportunistic	158,882,001	5.6		1.2	1.5	4.4	0.7	5.8	3.7	0.8	0.7
Blmbg. U.S. Intermediate Aggregate				1.3	1.5	4.2	0.8	5.1	3.2	0.3	0.2
Merganser Opportunistic	159,017,496	5.6		1.2	1.7	4.5	0.8	5.7	3.8	0.9	0.7
Blmbg. U.S. Intermediate Aggregate				1.3	1.5	4.2	0.8	5.1	3.2	0.3	0.2
Fort Washington Active Fixed Income	196,559,083	6.9		1.3	1.7	4.4	0.9	5.6	3.8		
Blmbg. U.S. Intermediate Aggregate				1.3	1.5	4.2	0.8	5.1	3.2		
Global Equity Composite	767,827,617	26.8		3.0	5.2	8.4	5.3	13.0	11.8	7.5	10.0
MSCI AC World Minimum Volatility Index (Net)				0.9	3.0	9.3	2.2	12.4	10.2	5.8	8.4
Vanguard Global Minimum Volatility Equity	198,336,918	6.9		0.6	2.3	8.5	2.5	13.3	11.3	7.3	9.2
MSCI AC World Minimum Volatility Index (Net)				0.9	3.0	9.3	2.2	12.4	10.2	5.8	8.4
Parametric Global Defensive Equity	332,396,361	11.6		2.8	5.4	5.8	5.5	11.6	11.6	7.2	10.1
50% MSCI ACWI / 50% 90 Day T-Bill				2.4	6.2	6.1	5.5	11.4	11.1	6.0	8.4
SSgA MSCI ACWI Index Fund	237,094,338	8.3		7.3							
MSCI AC World Index				4.5							
Cash Composite	284,685,257	10.0		0.4	1.1	2.2	0.7	5.1	4.7	3.5	2.8
90 Day U.S. Treasury Bill				0.3	1.0	2.1	0.7	5.0	4.6	3.4	2.8
PNC Treasury Management	284,680,927	10.0		0.4	1.1	2.2	0.7	5.1	4.7	3.5	2.8
90 Day U.S. Treasury Bill				0.3	1.0	2.1	0.7	5.0	4.6	3.4	2.8
U.S. Bank Cash	4,330	0.0									
90 Day U.S. Treasury Bill				0.3	1.0	2.1	0.7	5.0	4.6	3.4	2.8

* All data prior to 5/2023 was received from Marquette Associates.

* Policy Index consist of 35% Bloomberg Intermediate U.S. Gov/Credit, 20% Bloomberg U.S. Intermediate Aggregate, 10% Bloomberg 1-5 Year Gov/Credit, 20% MSCI AC World Minimum Volatility Index (Net), and 15% 90 Day U.S. T-Bills.

TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)								
	Market Value (\$)	% of Portfolio		2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Fund Composite	2,860,679,072	100.0		5.7	6.7	-5.9	1.1	3.9	5.3	1.2	1.3	1.1
Policy Index				5.0	5.7	-7.1	1.0	3.9	5.7	1.2	0.8	0.9
Short Term Composite	266,028,211	9.3		4.2	5.1	-5.2	-1.0	3.2	3.5	1.6	0.7	0.8
Blmbg. 1-5 Year Gov/Credit				3.8	4.9	-5.5	-1.0	4.7	5.0	1.4	1.3	1.6
Lord Abbett Short Duration	133,837,878	4.7		4.1	5.1	-4.9						
Blmbg. 1-5 Year Gov/Credit				3.8	4.9	-5.5						
Loop Capital Asset Management	132,190,332	4.6		4.2	5.1	-5.6	-0.9	3.2	3.5	1.6	0.7	1.0
Blmbg. 1-5 Year Gov/Credit				3.8	4.9	-5.5	-1.0	4.7	5.0	1.4	1.3	1.6
Intermediate Term Composite	1,027,679,407	35.9		3.6	5.5	-7.5	-1.0	4.8	4.6	1.5	1.3	1.2
Blmbg. Intermed. U.S. Government/Credit				3.0	5.2	-8.2	-1.4	6.4	6.8	0.9	2.1	2.1
Galliard Intermediate Government	249,805,157	8.7		3.9	5.8	-8.1	-0.6	5.1	4.6	1.5	1.4	1.3
Blmbg. Intermed. U.S. Government/Credit				3.0	5.2	-8.2	-1.4	6.4	6.8	0.9	2.1	2.1
Merganser Intermediate Bond	242,202,214	8.5		3.5	5.5	-7.6	-1.0	4.6	4.6	1.5	1.3	1.2
Blmbg. Intermed. U.S. Government/Credit				3.0	5.2	-8.2	-1.4	6.4	6.8	0.9	2.1	2.1
Fort Washington Intermediate Bond	207,322,012	7.2		3.2	5.6	-7.9						
Blmbg. Intermed. U.S. Government/Credit				3.0	5.2	-8.2						
Lord Abbett Intermediate Bond	238,690,358	8.3		3.3	5.5	-7.7						
Blmbg. Intermed. U.S. Government/Credit				3.0	5.2	-8.2						
PFM - Self Insurance Fund	49,756,717	1.7		4.1	5.0	-5.0	-0.9	4.6	4.6	1.4	1.1	1.3
ICE BofA 1-5 Yr Treasury & Agency				3.4	4.3	-5.2	-1.1	4.2	4.2	1.5	0.7	1.1
PFM - Disability Fund	22,026,210	0.8		4.0	5.0	-5.1	-0.9	4.6	4.6	1.3	1.1	1.3
ICE BofA 1-5 Yr Treasury & Agency				3.4	4.3	-5.2	-1.1	4.2	4.2	1.5	0.7	1.1
PFM - Workmen's Compensation Fund	11,990,608	0.4		4.5	5.1	-3.0	-0.5	2.8	3.5	1.6	0.7	1.0
ICE BofA U.S. Agencies, 1-3yr				4.3	4.7	-3.7	-0.4	2.7	3.5	1.8	0.7	1.0
PFM - Health & Dental Fund	5,886,131	0.2		4.6	5.0	-3.1	-0.5	2.8	3.5	1.7	0.7	1.0
ICE BofA U.S. Agencies, 1-3yr				4.3	4.7	-3.7	-0.4	2.7	3.5	1.8	0.7	1.0

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Opportunistic Composite	514,458,580	18.0	3.1	5.7	-8.5	-1.4	6.3	5.9	1.3	2.0	1.6	
Blmbg. U.S. Intermediate Aggregate			2.5	5.2	-9.5	-1.3	5.6	6.7	0.9	2.3	2.0	
Galliard Opportunistic	158,882,001	5.6	3.3	5.7	-9.2	-1.1	6.6	5.9	1.3	2.2	1.6	
Blmbg. U.S. Intermediate Aggregate			2.5	5.2	-9.5	-1.3	5.6	6.7	0.9	2.3	2.0	
Merganser Opportunistic	159,017,496	5.6	3.1	5.6	-8.3	-1.4	5.9	5.8	1.4	1.7	1.6	
Blmbg. U.S. Intermediate Aggregate			2.5	5.2	-9.5	-1.3	5.6	6.7	0.9	2.3	2.0	
Fort Washington Active Fixed Income	196,559,083	6.9	3.0	5.8	-8.2							
Blmbg. U.S. Intermediate Aggregate			2.5	5.2	-9.5							
Global Equity Composite	767,827,617	26.8	13.0	11.2	-6.0	12.7	1.4	17.0				
MSCI AC World Minimum Volatility Index (Net)			11.4	7.7	-10.3	13.9	2.7	21.1				
Vanguard Global Minimum Volatility Equity	198,336,918	6.9	13.5	8.0	-4.5	12.0	-3.9	22.7				
MSCI AC World Minimum Volatility Index (Net)			11.4	7.7	-10.3	13.9	2.7	21.1				
Parametric Global Defensive Equity	332,396,361	11.6	12.7	14.6	-7.5	13.1	2.6	14.1				
50% MSCI ACWI / 50% 90 Day T-Bill			11.3	13.6	-8.5	9.0	9.1	14.1				
SSgA MSCI ACWI Index Fund	237,094,338	8.3										
MSCI AC World Index												
Cash Composite	284,685,257	10.0	5.3	5.1	1.3	0.1	0.8	2.4	1.9	0.9	0.5	
PNC Treasury Management	284,680,927	10.0	5.3	5.1	1.3	0.1	0.8	2.4	1.9	0.9	0.5	
90 Day U.S. Treasury Bill			5.3	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	
U.S. Bank Cash	4,330	0.0										
90 Day U.S. Treasury Bill			5.3	5.0	1.5	0.0	0.7	2.3				

* All data prior to 5/2023 was received from Marquette Associates.

* Policy Index consist of 35% Bloomberg Intermediate U.S. Gov/Credit, 20% Bloomberg U.S. Intermediate Aggregate, 10% Bloomberg 1-5 Year Gov/Credit, 20% MSCI AC World Minimum Volatility Index (Net), and 15% 90 Day U.S. T-Bills.

CASH FLOW SUMMARY BY MANAGER

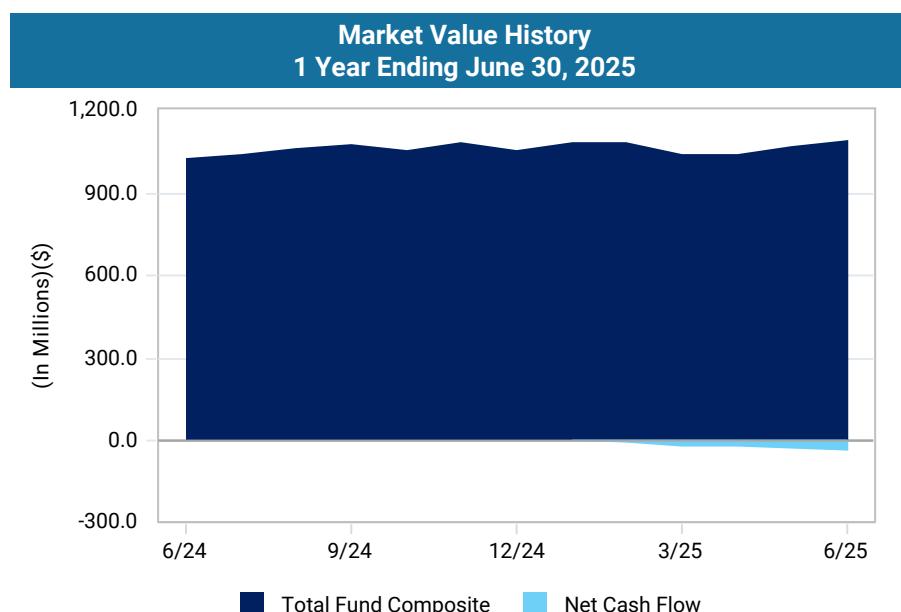
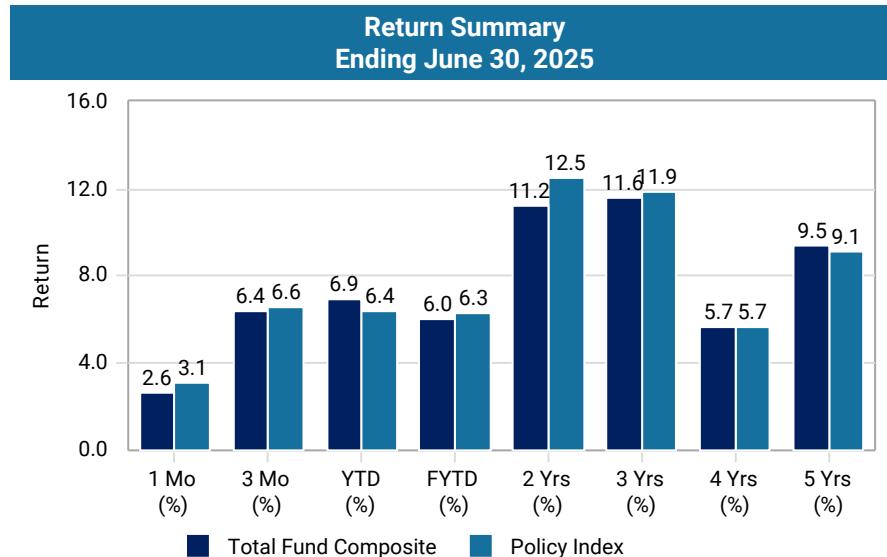
	1 Month Ending June 30, 2025					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flows	Gain/Loss	Ending Market Value
Lord Abbett Short Duration	\$132,747,467	-	-	-	\$1,090,411	\$133,837,878
Loop Capital Asset Management	\$131,032,546	-	-	-	\$1,157,786	\$132,190,332
Galliard Intermediate Government	\$247,012,962	-	-	-	\$2,792,195	\$249,805,157
Merganser Intermediate Bond	\$239,607,217	-	-	-	\$2,594,997	\$242,202,214
Fort Washington Intermediate Bond	\$204,931,727	-	-	-	\$2,390,285	\$207,322,012
Lord Abbett Intermediate Bond	\$236,101,505	-	-	-	\$2,588,854	\$238,690,358
PFM - Self Insurance Fund	\$49,364,433	-	-	-	\$392,284	\$49,756,717
PFM - Disability Fund	\$21,852,544	-	-	-	\$173,666	\$22,026,210
PFM - Workmen's Compensation Fund	\$11,923,680	-	-	-	\$66,927	\$11,990,608
PFM - Health & Dental Fund	\$5,853,241	-	-	-	\$32,890	\$5,886,131
Galliard Opportunistic	\$156,925,287	-	-	-	\$1,956,714	\$158,882,001
Merganser Opportunistic	\$157,116,003	-	-	-	\$1,901,493	\$159,017,496
Fort Washington Active Fixed Income	\$193,968,984	-	-	-	\$2,590,099	\$196,559,083
Vanguard Global Minimum Volatility Equity	\$197,208,655	-	-	-	\$1,128,264	\$198,336,918
Parametric Global Defensive Equity	\$323,384,417	-	-	-	\$9,011,944	\$332,396,361
SSgA MSCI ACWI Index Fund	\$99,907,778	\$128,000,000	-	\$128,000,000	\$9,186,560	\$237,094,338
PNC Treasury Management	\$283,693,654	-	-\$22,006	-\$22,006	\$1,009,279	\$284,680,927
U.S. Bank Cash	\$4,315	-	-	-	\$15	\$4,330
Total	\$2,692,636,416	\$128,000,000	-\$22,006	\$127,977,994	\$40,064,662	\$2,860,679,072



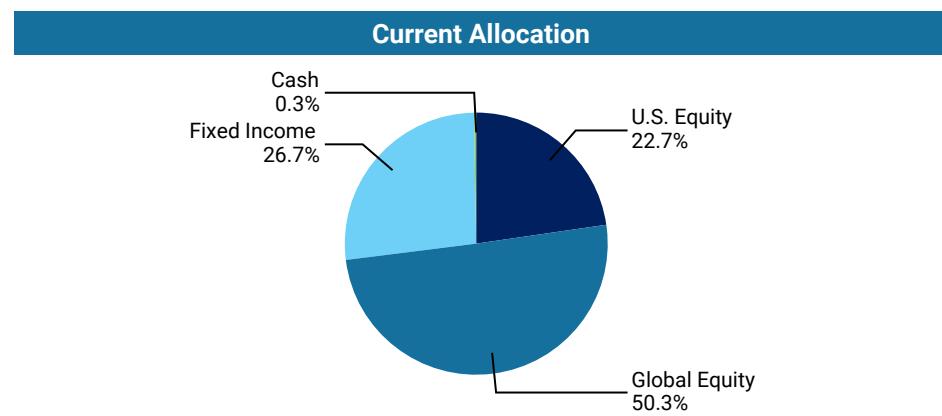
SOUTH BROWARD HOSPITAL DISTRICT – RETIREMENT PLAN

June 30, 2025

EXECUTIVE SUMMARY

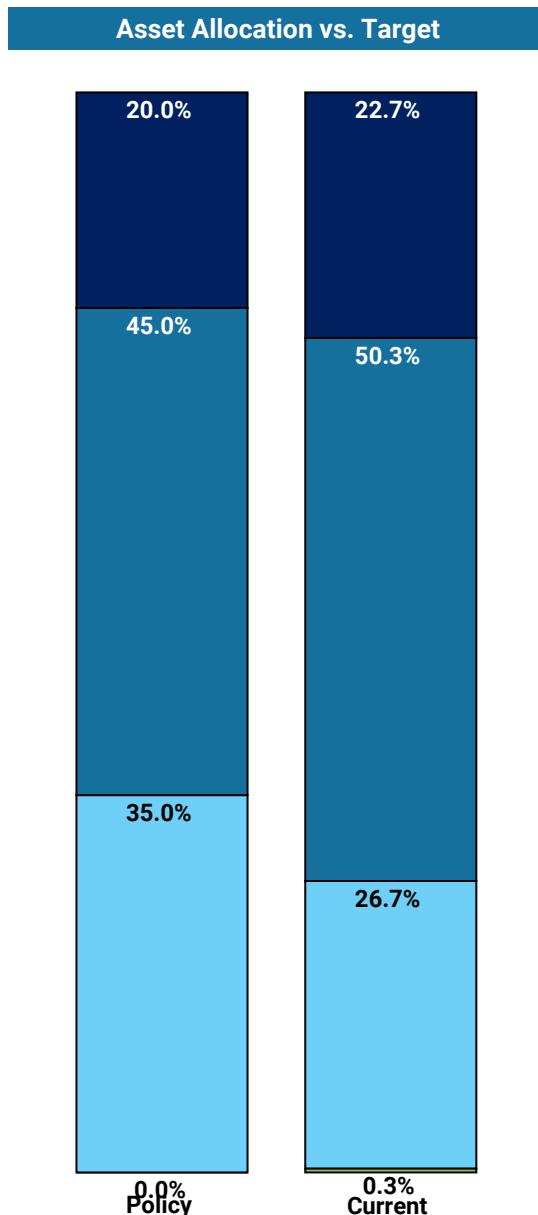


	Current (\$)	Current (%)	Policy (%)	Differences (%)
U.S. Equity	248,796,522	22.7	20.0	2.7
Global Equity	551,537,118	50.3	45.0	5.3
Fixed Income	292,826,856	26.7	35.0	-8.3
Cash	3,044,276	0.3	0.0	0.3
Total	1,096,204,771	100.0	100.0	0.0



	1 Month	FYTD	5 Years
Beginning Market Value	1,074,767,164	1,043,241,102	722,419,743
Net Cash Flow	-6,528,444	-9,353,882	-42,455,462
Net Investment Change	27,966,051	62,317,552	416,240,490
Ending Market Value	1,096,204,771	1,096,204,771	1,096,204,771

ASSET ALLOCATION VS. POLICY



	Current Balance (\$)	Policy (%)	Current Allocation (%)	Differences (%)	Policy Range (%)	Within Range
U.S. Equity	248,796,522	20.0	22.7	2.7	15.0 - 25.0	Yes
Vanguard Total Stock Market Fund	130,033,715		11.9			
Parametric Defensive Equity	118,762,807		10.8			
Global Equity	551,537,118	45.0	50.3	5.3	40.0 - 50.0	No
Dodge & Cox	231,394,980		21.1			
Walter Scott & Partners	259,807,062		23.7			
Vanguard Global Minimum Volatility	60,335,076		5.5			
Fixed Income	292,826,856	35.0	26.7	-8.3	30.0 - 40.0	No
C.S. McKee Aggregate Fixed Income	191,704,704		17.5			
Chartwell High Yield	43,474,458		4.0			
Aristotle Floating Rate Income	57,644,307		5.3			
Wellington LCP Legacy Portfolio	3,387		0.0			
Cash	3,044,276	0.0	0.3	0.3	0.0 - 0.0	No
Money Market	1,264,611		0.1			
Vanguard Treasury Money Market	1,779,665		0.2			
Total	1,096,204,771	100.0	100.0	0.0		

*Difference between Policy and Current Allocation

TOTAL FUND PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	FYTD (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	
Total Fund Composite	1,096,204,771	100.0	2.6	6.4	6.9	6.0	11.2	11.6	5.7	9.5	
Policy Index			3.1	6.6	6.4	6.3	12.5	11.9	5.7	9.1	
Fixed Income Composite	292,826,856	26.7	1.2	1.5	3.6	1.1	5.8	4.7	1.2	1.4	
Custom Index			1.4	1.6	3.9	1.2	5.6	4.3	0.9	1.3	
C.S. McKee Aggregate Fixed Income	191,704,704	17.5	1.5	1.2	4.0	0.8	4.6	2.9	-0.6	-0.5	
Blmbg. U.S. Aggregate Index			1.5	1.2	4.0	0.8	4.3	2.5	-0.8	-0.7	
Chartwell High Yield	43,474,458	4.0	0.0	1.5	3.0	1.0	7.2	7.0	3.6	4.3	
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year			1.0	2.5	3.9	2.2	8.0	7.7	4.2	5.2	
Aristotle Floating Rate Income	57,644,307	5.3	1.0	2.4	2.8	2.4	9.0	9.8	6.4	6.9	
S&P UBS Leveraged Loan Index			0.8	2.3	3.0	2.4	9.3	9.5	6.3	7.4	
Wellington LCP Legacy Portfolio	3,387	0.0									
U.S. Equity Composite	248,796,522	22.7	4.2	8.3	4.8	9.0	15.7	16.2	9.1	13.9	
CRSP U.S. Total Market TR Index			5.1	11.0	5.6	11.7	19.1	19.0	9.7	15.9	
Vanguard Total Stock Market Fund	130,033,715	11.9	5.2	10.9	5.6	11.7	19.1	19.0	9.7	15.9	
CRSP U.S. Total Market TR Index			5.1	11.0	5.6	11.7	19.1	19.0	9.7	15.9	
Parametric Defensive Equity	118,762,807	10.8	3.1	5.6	4.0	6.2	12.4	13.5	8.6	11.5	
50% S&P 500/50% 90 Day T-Bill			2.7	5.9	4.2	6.1	12.4	12.2	7.7	9.9	
Global Equity Composite	551,537,118	50.3	2.7	8.3	9.8	7.5	12.5	14.0	7.0	12.9	
MSCI AC World Index (Net)			4.5	11.5	10.0	10.5	17.8	17.3	8.0	13.7	
Dodge & Cox	231,394,980	21.1	3.8	8.1	14.7	8.8	14.3	14.0	8.1	16.1	
MSCI AC World Index Value (Net)			3.8	5.8	10.9	7.1	14.8	13.1	7.4	13.0	
Walter Scott & Partners	259,807,062	23.7	2.3	10.0	6.2	7.5	10.8	14.7	6.0	11.1	
MSCI World Growth (Net)			4.9	17.7	8.6	14.0	21.4	23.0	9.6	15.1	
Vanguard Global Minimum Volatility	60,335,076	5.5	0.6	2.3	8.5	2.5	13.2	11.3	7.3	9.2	
MSCI AC World Minimum Volatility Index (Net)			0.9	3.0	9.3	2.2	12.4	10.2	5.8	8.4	
Cash Composite	3,044,276	0.3	0.3	1.0	2.1	0.7	5.0	4.0	3.0	2.4	
90 Day U.S. Treasury Bill			0.3	1.0	2.1	0.7	5.0	4.6	3.4	2.8	

- All data is preliminary. Chartwell May value is rolled, June statement not available yet.
- Memorial Health Systems' Fiscal Year ends in April.
- All data prior to 5/2023 was received from Marquette Associates.
- Policy Index consist of 40% MSCI ACWI, 5% MSCI ACWI Minimum Volatility, 25% Bloomberg U.S. Aggregate, 10% CRSP US Total Market Index, 10% CBOE Put Write Index, 5% BofAML 1-3 Year High Yield BB, and 5% Credit Suisse Leveraged Loan Index.
- Custom Index consist of 71.4% Bloomberg U.S. Aggregate, 14.3% BofA Merrill Lynch 1-3 Yrs High Yield BB, and 14.3% Credit Suisse Leveraged Loan Index.

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	2024	2023	2022	2021	2020
Total Fund Composite	1,096,204,771	100.0	9.5	16.3	-11.9	13.4	11.0
Policy Index			12.7	15.7	-13.9	12.6	11.7
Fixed Income Composite	292,826,856	26.7	3.8	7.6	-9.5	-0.2	6.3
Custom Index			3.1	7.1	-10.0	0.1	6.7
C.S. McKee Aggregate Fixed Income	191,704,704	17.5	1.9	5.9	-12.9	-1.8	7.6
Blmbg. U.S. Aggregate Index			1.3	5.5	-13.0	-1.5	7.5
Chartwell High Yield	43,474,458	4.0	6.2	8.1	-3.0	2.3	4.2
ICE BofA U.S. High Yield Cash Pay BB 1-3 Year			6.7	8.9	-3.1	3.2	5.4
Aristotle Floating Rate Income	57,644,307	5.3	8.4	13.9	-0.8	4.6	1.6
S&P UBS Leveraged Loan Index			9.1	13.0	-1.1	5.4	2.8
Wellington LCP Legacy Portfolio	3,387	0.0					
U.S. Equity Composite	248,796,522	22.7	19.8	21.2	-13.8	21.8	13.6
CRSP U.S. Total Market TR Index			23.8	26.0	-19.5	25.7	21.0
Vanguard Total Stock Market Fund	130,033,715	11.9	23.8	26.0	-19.5	25.7	21.0
CRSP U.S. Total Market TR Index			23.8	26.0	-19.5	25.7	21.0
Parametric Defensive Equity	118,762,807	10.8	16.0	16.9	-7.7	17.2	5.0
50% S&P 500/50% 90 Day T-Bill			14.9	15.5	-8.2	13.7	10.1
Global Equity Composite	551,537,118	50.3	8.4	20.2	-12.8	19.0	12.4
MSCI AC World Index (Net)			17.5	22.2	-18.4	18.5	16.3
Dodge & Cox	231,394,980	21.1	5.1	20.3	-5.8	20.8	6.0
MSCI AC World Index Value (Net)			10.8	11.8	-7.5	19.6	-0.3
Walter Scott & Partners	259,807,062	23.7	10.1	23.1	-19.6	18.7	18.9
MSCI World Growth (Net)			25.9	37.0	-29.2	21.2	33.8
Vanguard Global Minimum Volatility	60,335,076	5.5	13.5	8.0	-4.5	12.0	-3.9
MSCI AC World Minimum Volatility Index (Net)			11.4	7.7	-10.3	13.9	2.7
Cash Composite	3,044,276	0.3	5.1	4.2	0.7	0.0	0.4
90 Day U.S. Treasury Bill			5.3	5.0	1.5	0.0	0.7

- All data is preliminary. Chartwell May value is rolled, June statement not available yet.
- Memorial Health Systems' Fiscal Year ends in April.
- All data prior to 5/2023 was received from Marquette Associates.
- Policy Index consist of 40% MSCI ACWI, 5% MSCI ACWI Minimum Volatility, 25% Bloomberg U.S. Aggregate, 10% CRSP US Total Market Index, 10% CBOE Put Write Index, 5% BofAML 1 -3 Year High Yield BB, and 5% Credit Suisse Leveraged Loan Index.
- Custom Index consist of 71.4% Bloomberg U.S. Aggregate, 14.3% BofA Merrill Lynch 1-3 Yrs High Yield BB, and 14.3% Credit Suisse Leveraged Loan Index.

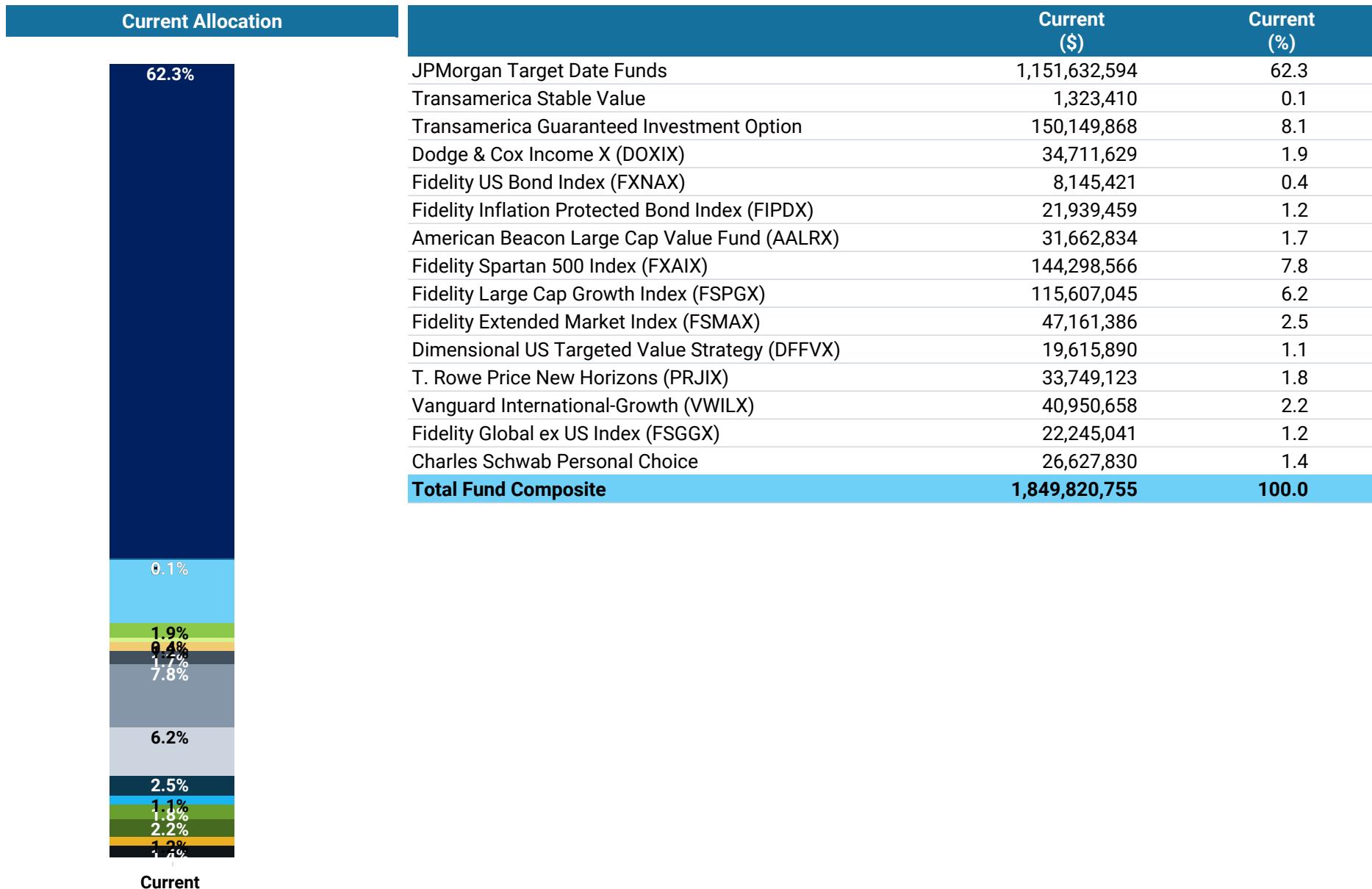


MEMORIAL HEALTHCARE SYSTEM DEFINED CONTRIBUTION PLANS

June 30, 2025



ASSET ALLOCATION VS. POLICY



MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	%
	\$	%
Total Fund Composite	1,522,470,507	100.0
JP Morgan Target Date Funds	934,035,635	61.3
JPMorgan SmartRetirement Blend Income (JIYBX)	98,372,031	6.5
JPMorgan SmartRetirement Blend 2025 (JBYSX)	134,047,997	8.8
JPMorgan SmartRetirement Blend 2030 (JRBYX)	159,301,955	10.5
JPMorgan SmartRetirement Blend 2035 (JPYRX)	144,711,563	9.5
JPMorgan SmartRetirement Blend 2040 (JOBYX)	115,916,984	7.6
JPMorgan SmartRetirement Blend 2045 (JMYAX)	101,147,899	6.6
JPMorgan SmartRetirement Blend 2050 (JNYAX)	92,919,761	6.1
JPMorgan SmartRetirement Blend 2055 (JTYBX)	51,365,973	3.4
JPMorgan SmartRetirement Blend 2060 (JAAYX)	30,114,964	2.0
JPMorgan SmartRetirement Blend 2065 (JSBYX)	6,136,507	0.4
Core Funds	566,952,564	37.2
Transamerica Stable Value	1,069,731	0.1
Transamerica Guaranteed Investment Option	138,017,944	9.1
Dodge & Cox Income X (DOXIX)	28,916,695	1.9
Fidelity US Bond Index (FXNAX)	7,155,336	0.5
Fidelity Inflation Protected Bond Index (FIPDX)	17,574,414	1.2
American Beacon Large Cap Value Fund (AALRX)	27,461,583	1.8
Fidelity Spartan 500 Index (FXAIX)	117,010,066	7.7
Fidelity Large Cap Growth Index (FSPGX)	92,038,674	6.0
Fidelity Extended Market Index (FSMAX)	39,384,436	2.6
Dimensional US Targeted Value Strategy (DFFVX)	16,587,848	1.1
T. Rowe Price New Horizons (PRJIX)	28,166,205	1.9
Vanguard International-Growth (VWILX)	34,366,409	2.3
Fidelity Global ex US Index (FSGGX)	19,203,221	1.3
Brokerage	21,482,308	1.4
Charles Schwab Personal Choice	21,482,308	1.4

MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	%
	\$	%
Total Fund Composite	139,494,589	100.0
JPMorgan Target Date Funds	116,820,355	83.7
JPMorgan SmartRetirement Blend Income (JIYBX)	3,790,159	2.7
JPMorgan SmartRetirement Blend 2025 (JBYSX)	7,659,586	5.5
JPMorgan SmartRetirement Blend 2030 (JRBYX)	10,606,360	7.6
JPMorgan SmartRetirement Blend 2035 (JPYRX)	14,632,527	10.5
JPMorgan SmartRetirement Blend 2040 (JOBYX)	15,254,752	10.9
JPMorgan SmartRetirement Blend 2045 (JMYAX)	18,502,571	13.3
JPMorgan SmartRetirement Blend 2050 (JNYAX)	20,231,176	14.5
JPMorgan SmartRetirement Blend 2055 (JTYBX)	15,405,981	11.0
JPMorgan SmartRetirement Blend 2060 (JAAYX)	8,762,424	6.3
JPMorgan SmartRetirement Blend 2065 (JSBYX)	1,974,820	1.4
Core Funds	22,346,641	16.0
Transamerica Stable Value	251,346	0.2
Transamerica Guaranteed Investment Option	1,677,132	1.2
Dodge & Cox Income X (DOXIX)	576,650	0.4
Fidelity US Bond Index (FXNAX)	661,973	0.5
Fidelity Inflation Protected Bond Index (FIPDX)	805,694	0.6
American Beacon Large Cap Value Fund (AALRX)	1,528,256	1.1
Fidelity Spartan 500 Index (FXAIX)	5,486,033	3.9
Fidelity Large Cap Growth Index (FSPGX)	4,837,474	3.5
Fidelity Extended Market Index (FSMAX)	1,415,041	1.0
Dimensional US Targeted Value Strategy (DFFVX)	973,880	0.7
T. Rowe Price New Horizons (PRJIX)	899,969	0.6
Vanguard International-Growth (VWILX)	1,175,870	0.8
Fidelity Global ex US Index (FSGGX)	2,057,324	1.5
Brokerage	327,592	0.2
Charles Schwab Personal Choice	327,592	0.2

MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	<i>\$</i>	<i>%</i>
Total Fund Composite		165,437,390	100.0
JPMorgan Target Date Funds		81,686,515	49.4
JPMorgan SmartRetirement Blend Income (JIYBX)		8,829,248	5.3
JPMorgan SmartRetirement Blend 2025 (JBYSX)		12,994,796	7.9
JPMorgan SmartRetirement Blend 2030 (JRBYX)		14,396,157	8.7
JPMorgan SmartRetirement Blend 2035 (JPYRX)		12,028,238	7.3
JPMorgan SmartRetirement Blend 2040 (JOBYX)		10,781,474	6.5
JPMorgan SmartRetirement Blend 2045 (JMYAX)		10,249,004	6.2
JPMorgan SmartRetirement Blend 2050 (JNYAX)		8,305,933	5.0
JPMorgan SmartRetirement Blend 2055 (JTYBX)		2,692,862	1.6
JPMorgan SmartRetirement Blend 2060 (JAAYX)		1,166,696	0.7
JPMorgan SmartRetirement Blend 2065 (JSBYX)		242,107	0.1
Core Funds		78,932,946	47.7
Transamerica Stable Value		385	0.0
Transamerica Guaranteed Investment Option		10,348,415	6.3
Dodge & Cox Income X (DOXIX) - 457(b) Retirement Plan		5,217,225	3.2
Fidelity US Bond Index (FXNAX) - 457(b) Plan		310,452	0.2
Fidelity Inflation Protected Bond Index (FIPDX)		2,517,634	1.5
American Beacon Large Cap Value Fund (AALRX)		2,446,865	1.5
Fidelity Spartan 500 Index (FXAIX)		21,677,070	13.1
Fidelity Large Cap Growth Index (FSPGX)		17,595,984	10.6
Fidelity Extended Market Index (FSMAX)		6,226,769	3.8
Dimensional US Targeted Value Strategy (DFFVX)		2,054,163	1.2
T. Rowe Price New Horizons (PRJIX)		4,465,297	2.7
Vanguard International-Growth (VWILX)		5,317,725	3.2
Fidelity Global ex US Index (FSGGX)		754,964	0.5
Brokerage		4,817,929	2.9
Charles Schwab Personal Choice		4,817,929	2.9

MULTI PERIOD ASSET ALLOCATION

	<i>Total Fund</i>	%
	\$	%
Total Fund Composite	22,418,269	100.0
JPMorgan Target Date Funds	19,090,088	85.2
JPMorgan SmartRetirement Blend Income (JIYBX)	1,434,195	6.4
JPMorgan SmartRetirement Blend 2025 (JBYSX)	2,356,249	10.5
JPMorgan SmartRetirement Blend 2030 (JRBYX)	9,011,313	40.2
JPMorgan SmartRetirement Blend 2035 (JPYRX)	4,689,368	20.9
JPMorgan SmartRetirement Blend 2040 (JOBYX)	1,270,505	5.7
JPMorgan SmartRetirement Blend 2045 (JMYAX)	294,050	1.3
JPMorgan SmartRetirement Blend 2050 (JNYAX)	34,409	0.2
JPMorgan SmartRetirement Blend 2055 (JTYBX)	0.0	0.0
JPMorgan SmartRetirement Blend 2060 (JAAYX)	0.0	0.0
JPMorgan SmartRetirement Blend 2065 (JSBYX)	0.0	0.0
Core Funds	3,328,181	14.8
Transamerica Stable Value	1,949	0.0
Transamerica Guaranteed Investment Option	106,378	0.5
Dodge & Cox Income X (DOXIX)	1,059	0.0
Fidelity US Bond Index (FXNAX)	17,660	0.1
Fidelity Inflation Protected Bond Index (FIPDX)	1,041,718	4.6
American Beacon Large Cap Value Fund (AALRX)	226,130	1.0
Fidelity Spartan 500 Index (FXAIX)	125,397	0.6
Fidelity Large Cap Growth Index (FSPGX)	1,134,913	5.1
Fidelity Extended Market Index (FSMAX)	135,140	0.6
Dimensional US Targeted Value Strategy (DFFVX)	0.0	0.0
T. Rowe Price New Horizons (PRJIX)	217,652	1.0
Vanguard International-Growth (VWILX)	90,654	0.4
Fidelity Global ex US Index (FSGGX)	229,532	1.0
Brokerage	0.0	0.0
Charles Schwab Personal Choice	0.0	0.0

PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio		1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Total Fund Composite	1,849,820,755	100.0									
JPMorgan Target Date Funds	1,151,632,594	62.3									
JPMorgan SmartRetirement Blend Income (JIYBX)	112,425,634	6.1	2.7	5.1	6.4	10.5	8.9	5.6	5.3	5.1	
S&P Target Date Retirement Income Index			2.2	4.3	6.0	9.1	7.7	4.6	4.9	4.7	
JPMorgan SmartRetirement Blend 2025 (JBYSX)	157,058,628	8.5	2.8	5.4	6.6	10.7	9.8	6.9	6.2	6.3	
S&P Target Date 2025 Index			2.7	5.8	6.8	10.5	9.9	7.4	6.6	6.6	
JPMorgan SmartRetirement Blend 2030 (JRBYX)	193,315,785	10.5	3.3	6.7	7.4	11.9	11.4	8.4	7.2	7.2	
S&P Target Date 2030 Index			2.9	6.6	7.2	11.4	11.3	8.7	7.4	7.4	
JPMorgan SmartRetirement Blend 2035 (JPYRX)	176,061,696	9.5	3.6	7.8	8.1	12.9	12.9	10.0	8.1	8.0	
S&P Target Date 2035 Index			3.3	7.7	7.9	12.4	12.8	10.2	8.3	8.2	
JPMorgan SmartRetirement Blend 2040 (JOBYX)	143,223,715	7.7	3.9	8.7	8.6	13.6	14.1	11.1	8.8	8.6	
S&P Target Date 2040 Index			3.6	8.6	8.3	13.3	14.1	11.3	9.0	8.8	
JPMorgan SmartRetirement Blend 2045 (JMYAX)	130,193,524	7.0	4.1	9.3	8.9	14.2	15.0	12.1	9.4	9.0	
S&P Target Date 2045 Index			3.7	9.4	8.9	14.0	15.0	12.1	9.5	9.2	
JPMorgan SmartRetirement Blend 2050 (JNYAX)	121,491,278	6.6	4.2	9.7	9.2	14.6	15.3	12.3	9.5	9.2	
S&P Target Date 2050 Index			3.9	9.5	8.7	14.1	15.4	12.4	9.6	9.4	
JPMorgan SmartRetirement Blend 2055 (JTYBX)	69,464,815	3.8	4.2	9.7	9.1	14.5	15.3	12.3	9.5	9.2	
S&P Target Date 2055 Index			3.9	9.8	9.0	14.4	15.5	12.6	9.7	9.5	
JPMorgan SmartRetirement Blend 2060 (JAAYX)	40,044,084	2.2	4.2	9.8	9.2	14.6	15.4				
S&P Target Date 2060 Index			4.0	9.8	8.9	14.4	15.5				
JPMorgan SmartRetirement Blend 2065 (JSBYX)	8,353,434	0.5	4.2	9.5	9.0	14.1					
S&P Target Date 2065+ Index			4.0	10.0	9.0	14.6					

PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	
Core Funds	649,315,291	35.1									
Transamerica Stable Value	1,323,410	0.1	0.2	0.6	1.3	2.6	2.5	1.9	1.8	1.6	
90 Day U.S. Treasury Bill			0.3	1.0	2.1	4.7	4.6	2.8	2.5	2.0	
Transamerica Guaranteed Investment Option	150,149,868	8.1	0.2	0.6	1.3	2.6	2.5	2.4	2.1	1.8	
90 Day U.S. Treasury Bill			0.3	1.0	2.1	4.7	4.6	2.8	2.5	2.0	
Dodge & Cox Income X (DOXIX)	34,711,629	1.9	1.8	1.4	4.4	6.6	4.4	1.1	3.0	2.9	
Blmbg. U.S. Aggregate Index			1.5	1.2	4.0	6.1	2.5	-0.7	1.8	1.8	
Fidelity US Bond Index (FXNAX)	8,145,421	0.4	1.6	1.2	4.0	6.0	2.5	-0.8	1.8	1.7	
Blmbg. U.S. Aggregate Index			1.5	1.2	4.0	6.1	2.5	-0.7	1.8	1.8	
Fidelity Inflation Protected Bond Index (FIPDX)	21,939,459	1.2	1.0	0.6	4.7	5.8	2.4	1.5	2.9	2.6	
Blmbg. U.S. TIPS			1.0	0.5	4.7	5.8	2.3	1.6	3.0	2.7	
American Beacon Large Cap Value Fund (AALRX)	31,662,834	1.7	3.8	4.0	5.5	12.3	14.3	16.0	10.3	9.5	
Russell 1000 Value Index			3.4	3.8	6.0	13.7	12.8	13.9	9.6	9.2	
Fidelity Spartan 500 Index (FXAIX)	144,298,566	7.8	5.1	10.9	6.2	15.1	19.7	16.6	14.4	13.6	
S&P 500 Index			5.1	10.9	6.2	15.2	19.7	16.6	14.4	13.6	
Fidelity Large Cap Growth Index (FSPGX)	115,607,045	6.2	6.4	17.8	6.1	17.2	25.7	18.1	17.9		
Russell 1000 Growth Index			6.4	17.8	6.1	17.2	25.8	18.1	17.9		
Fidelity Extended Market Index (FSMAX)	47,161,386	2.5	5.4	12.2	2.1	15.7	15.3	11.6	8.7	9.2	
Dow Jones U.S. Completion Total Stock Market Indx			5.4	12.2	2.1	15.6	15.1	11.5	8.5	9.0	
Dimensional US Targeted Value Strategy (DFFVX)	19,615,890	1.1	4.5	5.4	-2.0	6.6	11.9	18.5	8.2	8.5	
Russell 2000 Value Index			4.9	5.0	-3.2	5.5	7.5	12.5	4.8	6.7	
T. Rowe Price New Horizons (PRJIX)	33,749,123	1.8	3.5	6.4	-5.4	1.3	6.6	1.6	7.2	10.0	
Russell 2000 Growth Index			5.9	12.0	-0.5	9.7	12.4	7.4	5.7	7.1	
Vanguard International-Growth (VWILX)	40,950,658	2.2	4.1	14.5	16.1	17.9	13.9	7.3	8.5	9.6	
MSCI AC World ex USA (Net)			3.4	12.0	17.9	17.7	14.0	10.1	6.6	6.1	
Fidelity Global ex US Index (FSGGX)	22,245,041	1.2	3.8	12.0	18.9	18.4	14.1	10.2	6.7	6.2	
MSCI AC World ex USA (Net)			3.4	12.0	17.9	17.7	14.0	10.1	6.6	6.1	
Brokerage	26,627,830	1.4									
Charles Schwab Personal Choice	26,627,830	1.4									

- All data prior to 5/2023 was received from Marquette Associates

- Transamerica Stable Value Fund is not an open option for plan participants

- Assets include: Memorial Healthcare System RSP Gold 403(b) Plan, Memorial Healthcare System 401(a) Plan, Memorial Healthcare System 457(b) Plan, Memorial Healthcare System SERP 457(f) Plan

- Performance is net of fees and is annualized for periods longer than one year. Performance is ranked within PARis's style-specific universes, where "1" refers to the top percentile and "100" the bottom percentile.

TOTAL FUND PERFORMANCE DETAIL

	Allocation	Performance (%)										
		Market Value (\$)	% of Portfolio	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Fund Composite	1,849,820,755											
JPMorgan SmartRetirement Blend Income (JIYBX)	112,425,634			8.4	11.8	-13.7	6.3	9.6	14.1	-3.8	10.7	5.8
S&P Target Date Retirement Income Index				6.5	10.3	-11.2	5.1	8.8	13.3	-2.5	8.5	5.0
JPMorgan SmartRetirement Blend 2025 (JBYSX)	157,058,628			9.0	13.4	-15.2	9.1	11.3	18.3	-5.7	15.6	7.2
S&P Target Date 2025 Index				8.4	13.0	-13.1	10.7	11.2	18.4	-5.0	14.6	7.8
JPMorgan SmartRetirement Blend 2030 (JRBYX)	193,315,785			10.5	15.3	-16.1	11.3	12.2	20.4	-6.6	17.4	7.9
S&P Target Date 2030 Index				9.9	14.8	-14.0	12.6	11.9	20.4	-6.0	16.2	8.3
JPMorgan SmartRetirement Blend 2035 (JPYRX)	176,061,696			12.1	17.1	-16.7	14.1	12.6	22.3	-7.4	18.9	8.3
S&P Target Date 2035 Index				11.4	16.6	-15.0	14.9	12.8	22.2	-6.9	17.8	8.9
JPMorgan SmartRetirement Blend 2040 (JOBYX)	143,223,715			13.3	18.4	-17.2	15.9	13.0	23.8	-8.0	20.3	8.8
S&P Target Date 2040 Index				12.9	18.2	-15.6	16.5	13.4	23.4	-7.4	18.9	9.2
JPMorgan SmartRetirement Blend 2045 (JMYAX)	130,193,524			14.2	19.5	-17.6	17.7	13.1	24.6	-8.3	20.5	8.8
S&P Target Date 2045 Index				13.6	19.1	-15.8	17.5	13.7	24.0	-7.7	19.6	9.5
JPMorgan SmartRetirement Blend 2050 (JNYAX)	121,491,278			14.7	19.8	-17.6	17.8	13.4	24.6	-8.3	20.5	8.8
S&P Target Date 2050 Index				14.3	19.6	-16.0	18.0	13.9	24.4	-7.9	20.2	9.7
JPMorgan SmartRetirement Blend 2055 (JTYBX)	69,464,815			14.7	19.7	-17.6	17.8	13.2	24.7	-8.4	20.4	8.8
S&P Target Date 2055 Index				14.3	19.6	-16.0	18.2	13.9	24.5	-8.0	20.5	9.9
JPMorgan SmartRetirement Blend 2060 (JAAYX)	40,044,084			14.7	19.7	-17.4	17.8					
S&P Target Date 2060 Index				14.4	19.7	-16.0	18.0					
JPMorgan SmartRetirement Blend 2065 (JSBYX)	8,353,434			14.6	19.1							
S&P Target Date 2065+ Index				14.8	19.8							
Transamerica Stable Value	1,323,410			2.6	2.5	1.6	1.0	1.2	1.8	1.3	1.0	1.0
90 Day U.S. Treasury Bill				5.3	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3
Transamerica Guaranteed Investment Option	150,149,868			2.6	2.5	2.2	2.3	1.6	1.8	1.3	1.0	1.0
90 Day U.S. Treasury Bill				5.3	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Dodge & Cox Income X (DOXIX)	34,711,629		2.3	7.8	-10.8	-0.9	9.5	9.7	-0.3	4.4	5.6	
<i>Blmbg. U.S. Aggregate Index</i>			1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	
Fidelity US Bond Index (FXNAX)	8,145,421		1.3	5.5	-13.0	-1.8	7.8	8.5	0.0	3.5	2.5	
<i>Blmbg. U.S. Aggregate Index</i>			1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	
Fidelity Inflation Protected Bond Index (FIPDX)	21,939,459		2.0	3.8	-12.0	5.9	10.9	8.3	-1.4	3.0	4.9	
<i>Blmbg. U.S. TIPS</i>			1.8	3.9	-11.8	6.0	11.0	8.4	-1.3	3.0	4.7	
American Beacon Large Cap Value Fund (AALRX)	31,662,834		15.2	13.5	-5.2	28.0	3.4	29.7	-12.0	17.1	16.0	
<i>Russell 1000 Value Index</i>			14.4	11.5	-7.5	25.2	2.8	26.5	-8.3	13.7	17.3	
Fidelity Spartan 500 Index (FXAIX)	144,298,566		25.0	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	
<i>S&P 500 Index</i>			25.0	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	
Fidelity Large Cap Growth Index (FSPGX)	115,607,045		33.3	42.8	-29.2	27.6	38.4	36.4	-1.6	30.1		
<i>Russell 1000 Growth Index</i>			33.4	42.7	-29.1	27.6	38.5	36.4	-1.5	30.2		
Fidelity Extended Market Index (FSMAX)	47,161,386		17.0	25.4	-26.4	12.4	32.2	28.0	-9.4	18.2	16.1	
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>			16.9	25.0	-26.5	12.4	32.2	27.9	-9.6	18.1	15.7	
Dimensional US Targeted Value Strategy (DFFVX)	19,615,890		9.3	19.3	-4.6	38.8	3.8	21.5	-15.8	9.6	26.9	
<i>Russell 2000 Value Index</i>			8.1	14.6	-14.5	28.3	4.6	22.4	-12.9	7.8	31.7	
T. Rowe Price New Horizons (PRJIX)	33,749,123		4.0	21.5	-36.9	9.8	57.9	37.8	4.2	31.7	7.9	
<i>Russell 2000 Growth Index</i>			15.2	18.7	-26.4	2.8	34.6	28.5	-9.3	22.2	11.3	
Vanguard International-Growth (VWILX)	40,950,658		9.5	14.8	-30.8	-0.7	59.7	31.5	-12.6	43.2	1.8	
<i>MSCI AC World ex USA (Net)</i>			5.5	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	
Fidelity Global ex US Index (FSGGX)	22,245,041		5.3	15.6	-15.7	7.8	10.7	21.3	-13.9	27.4	4.6	
<i>MSCI AC World ex USA (Net)</i>			5.5	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	
Charles Schwab Personal Choice	26,627,830											

- All data prior to 5/2023 was received from Marquette Associates

- Transamerica Stable Value Fund is not an open option for plan participants

- Assets include: Memorial Healthcare System RSP Gold 403(b) Plan, Memorial Healthcare System 401(a) Plan, Memorial Healthcare System 457(b) Plan, Memorial Healthcare System SERP 457(f) Plan

- Performance is net of fees and is annualized for periods longer than one year. Performance is ranked within PARis's style-specific universes, where "1" refers to the top percentile and "100" the bottom percentile.

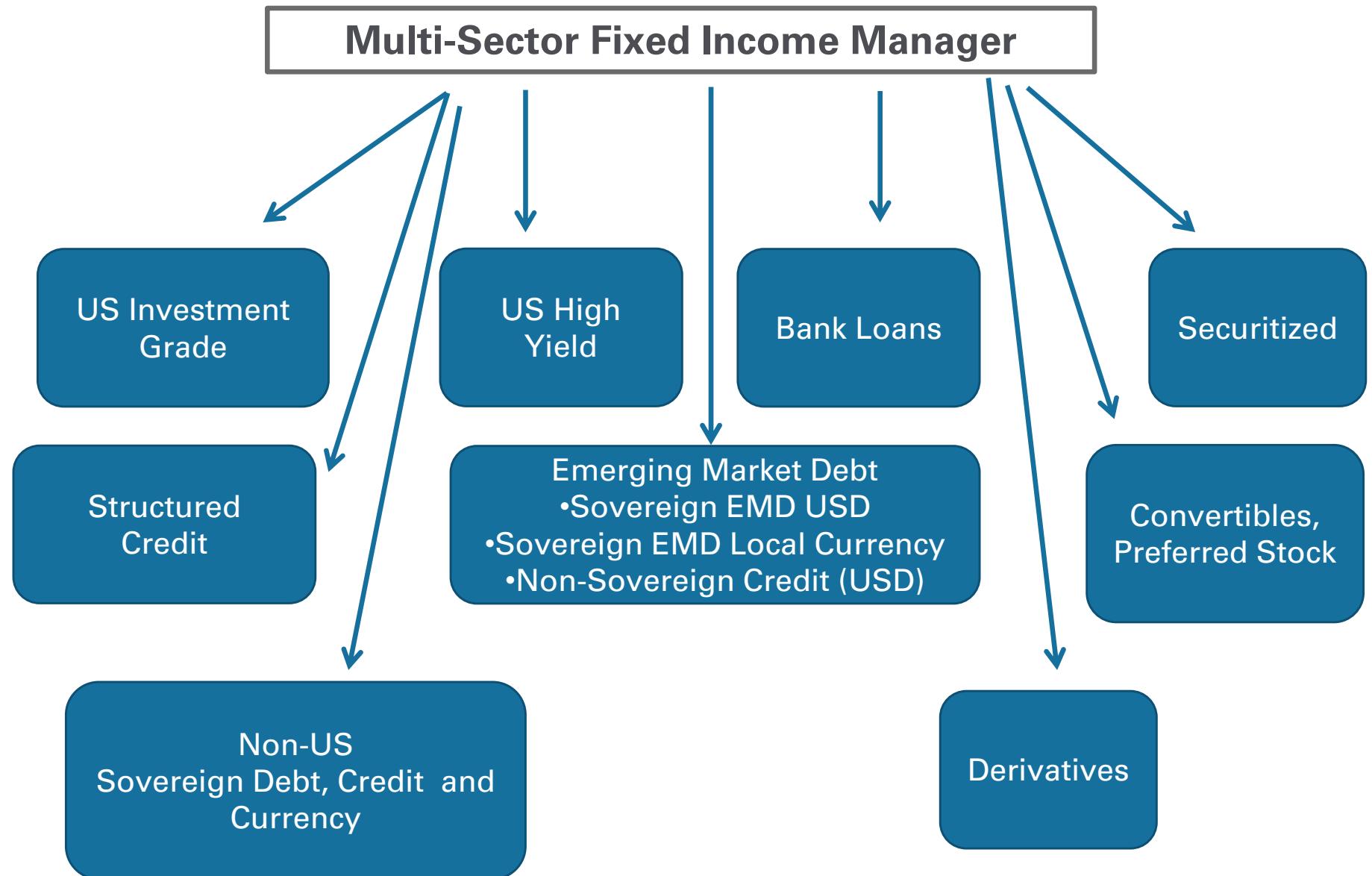


APPENDIX

WHAT IS MULTI-SECTOR FIXED INCOME?

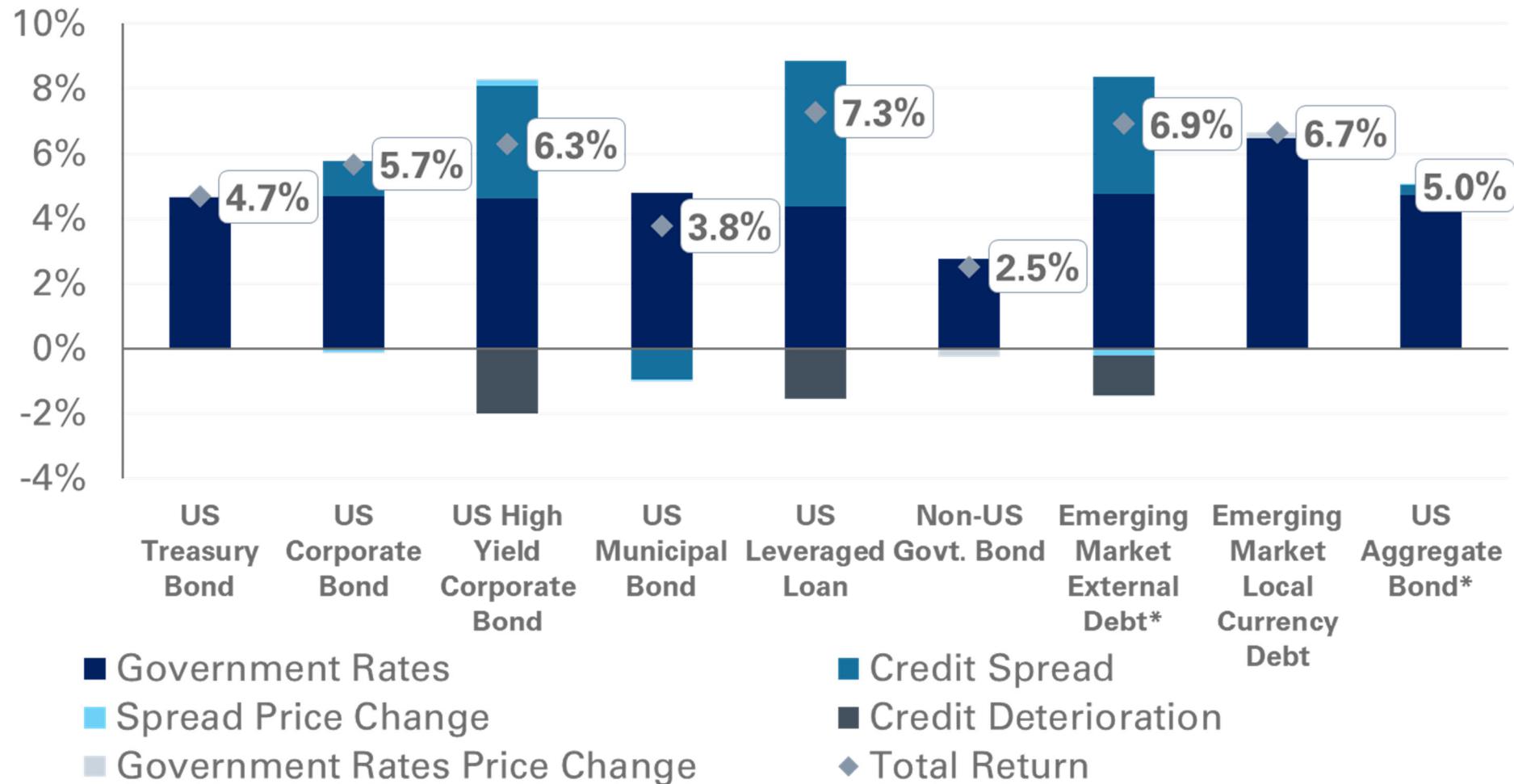
- **Multi-Sector Fixed Income (MSFI):**
 - Global opportunity set – rates, credit, securitized, currencies
 - Strategies range from benchmark-aware to benchmark-unconstrained
 - Primarily long-only with limited use of credit hedging
 - Generally have moderate duration range (i.e. 1-5 years or +/- index)
- **Gives investors greater access to “plus” sectors of the market**
 - Advantage for those investors without scale
 - Strategies will have high allocations to spread product
 - Over time, high yielding sectors such as high yield bonds, structured credit and EMD should outperform core fixed income to compensate for the higher levels of risk
- **Most managers have broad resources across global fixed income markets**
 - Expect higher levels of dispersion across managers based on differing approaches and allocations to fixed sectors
 - While managers will shift sector allocations, the common thread will be exposure to spread sensitive areas of the fixed income markets.

MULTI-SECTOR OPPORTUNITY SET



FIXED INCOME

BUILDING BLOCKS: 10-YEAR EXPECTED RETURN



Note: NEPC's capital market assumptions reflect proprietary forecasts for expected returns, volatility, and correlations. Return expectations may differ from an investor's realized returns after accounting for fees, taxes, or other aspects that can influence actual returns. Return forecasts and methodology are reviewed on an ongoing basis and are subject to change over time.

Source: NEPC

FIXED INCOME: ACTIVE VS PASSIVE

Strategy	Dispersion	Performance	Passive Options?	NEPC View
Definition	Wide range of strategy returns	Median strategy outperforms benchmark net of fees	Efficient passive options available	Active / Passive Recommendation
Short Duration	No	Mixed	Yes	Active
TIPS	No	No	Yes	Passive
US Core	No	Mixed	Yes	Neutral
US Core Plus	Mixed	Yes	Mixed	Active
Municipals	No	Mixed	Mixed	Active
Non-Traditional	Yes	NA	No	Active
Global Multi-Sector	Yes	NA	No	Active
Multi-Sector Credit	Yes	NA	No	Active
Bank Loans	Yes	Mixed	No	Active
High Yield Corporate	Yes	Mixed	Mixed	Active
High Yield Municipal	Yes	Mixed	No	Active
Emerging Markets Debt	Yes	Mixed	No	Active
Structured Credit/CLO	Yes	NA	No	Active

Yes

Mixed

No

SECTOR ROTATION

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
IG Corporate Bonds 7.5%	Securitized 1.5%	HY Corporate Bonds 17.1%	EMD Local 15.2%	Securitized 1.0%	EMD Hard 15.0%	IG Corporate Bonds 9.9%	HY Corporate Bonds 5.3%	Leveraged Loans -0.6%	EMD Local 14.0%	Leveraged Loans 9.0%
EMD Hard 7.4%	EMD Hard 1.2%	Leveraged Loans 10.9%	EMD Hard 10.3%	Leveraged Loans -.6%	IG Corporate Bonds 14.5%	HY Corporate Bonds 7.1%	Leveraged Loans 3.5%	HY Corporate Bonds -11.2%	HY Corporate Bonds 13.5%	HY Corporate Bonds 8.2%
Securitized 5.9%	IG Corporate Bonds -.7%	EMD Hard 10.2%	HY Corporate Bonds 7.5%	HY Corporate Bonds -2.1%	HY Corporate Bonds 14.3%	EMD Hard 5.3%	IG Corporate Bonds -1.0%	Securitized -11.7%	Leveraged Loans 13.3%	EMD Hard 6.5%
HY Corporate Bonds 2.5%	Leveraged Loans -2.8%	EMD Local 9.9%	IG Corporate Bonds 6.4%	IG Corporate Bonds -2.5%	EMD Local 13.5%	Securitized 4.2%	Securitized -1.0%	EMD Local -11.7%	EMD Hard 11.1%	IG Corporate Bonds 2.1%
Leveraged Loans 1.0%	HY Corporate Bonds -4.5%	IG Corporate Bonds 6.1%	Leveraged Loans 3.3%	EMD Hard -4.3%	Leveraged Loans 10.7%	Leveraged Loans 2.8%	EMD Hard -1.8%	IG Corporate Bonds -15.8%	IG Corporate Bonds 8.5%	Securitized 1.5%
EMD Local -5.7%	EMD Local -14.9%	Securitized 1.8%	Securitized 2.5%	EMD Local -6.2%	Securitized 6.4%	EMD Local 2.7%	EMD Local -8.7%	EMD Hard -17.8%	Securitized 5.1%	EMD Local -3.0%

- **Fixed income sector returns vary widely from period to period, highlighting potential for active multisector managers to add value**

UNDERSTANDING RISK IN FIXED INCOME

Strategy	Credit Risk	Spread Risk	Duration Risk	Liquidity Risk
Definition	Risk of default restructuring, etc.	Market risk of wider credit spreads	Exposure to changes in interest rates	Risk of inability to sell into an orderly market
Treasury				
TIPS				
US Aggregate				
Municipals				
Non-Traditional FI				
Multi-Sector Fixed				
Multi-Asset Credit				
Bank Loans				
HY Credit				
HY Municipal				
EMD				
Private Debt				

LOW

MODERATE

ELEVATED

HIGH

10-YEAR RETURNS AND STANDARD DEVIATION



Over the longer term, Multi-Sector Fixed Income should lend to more return opportunity with an incremental amount of added risk relative to Core Fixed Income (Bloomberg US Aggregate)

As of 03/31/2025
Source: eVestment

CORE PLUS VS. MULTI-SECTOR FI

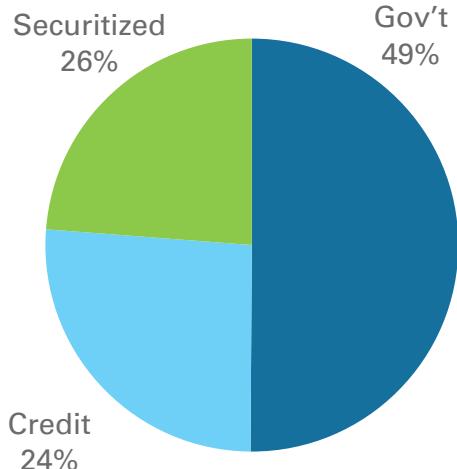
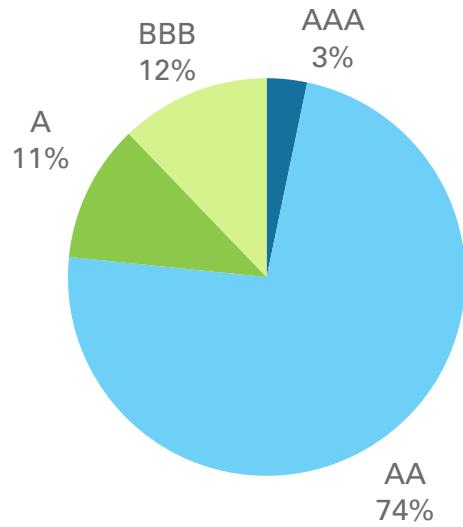
	Core Plus	Conservative Multi-Sector FI	Aggressive Multi-Sector FI
Government	20%	10%	0%
Securitized	25%	15%	10%
IG Corporate	25%	25%	25%
Structured Credit	5%	10%	15%
Emerging Debt	5%	10%	20%
High Yield	5%	20%	20%
Leveraged Loans	5%	10%	10%

- **Core Plus:** mostly invested in core bond sectors, with 15% to 25% in below investment grade
- **Conservative MS FI:** Lower core bond allocation, greater diversification across sectors
- **Aggressive MS FI:** Very little core bonds, higher amounts of below investment grade

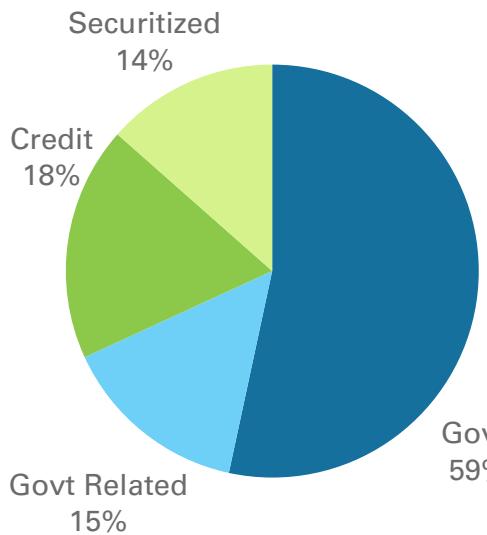
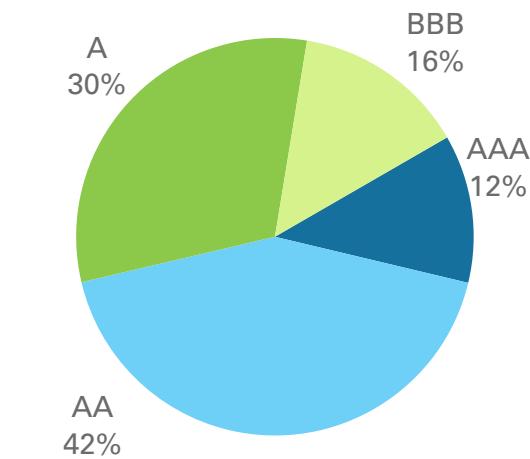
FIXED INCOME

BENCHMARKS

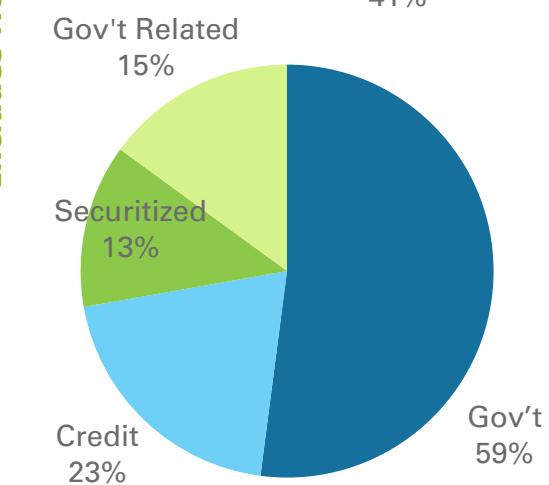
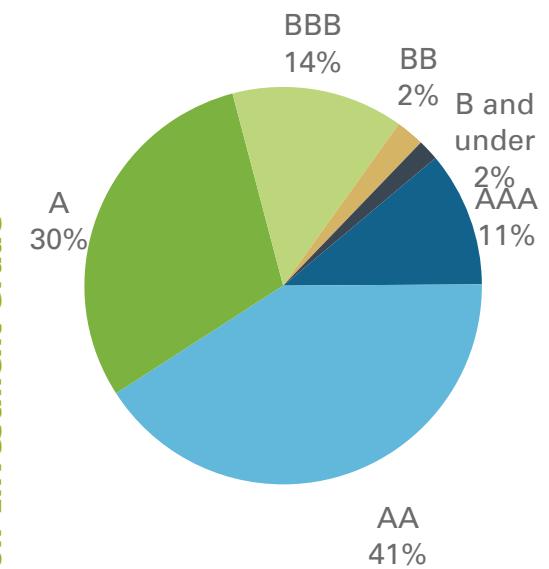
**Bloomberg U.S.
Aggregate Bond Index**



**Bloomberg Global Aggregate
Bond Index**



Bloomberg Multiverse Index



Investment Grade Only
Includes Non-Investment Grade

GLOSSARY OF TERMS

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:

(Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return - Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:

*Calculation Average (X-Y)/Downside Deviation (X-Y) * 2
Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)*

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:

(Annualized Return of Portfolio - Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:

*Tracking Error = Standard Deviation (X-Y) * $\sqrt{(\# \text{ of periods per year})}$*

Where X = periods portfolio return and Y = the period's benchmark return

For monthly returns, the periods per year = 12

For quarterly returns, the periods per year = 4

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:

(Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0

DownsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Benchmark < 0

INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.