

NORTH BROWARD HOSPITAL DISTRICT

Basic Financial Statements,
Required Supplementary Information,
Supplemental Combining Information,
Other Supplemental Schedules, and
Single Audit Report

June 30, 2025 and 2024

(With Report of Independent Auditors Thereon)



www.warrenaverett.com

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

**NORTH BROWARD HOSPITAL DISTRICT
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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
North Broward Hospital District

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the North Broward Hospital District (the District) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District as of June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

standards 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 generally accepted auditing standards 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, and the schedule of changes in net pension liability and related ratios – defined benefit pension plan, the schedule of employer contributions – defined benefit pension plan, the schedule of money-weighted rate of return – defined benefit pension plan and the schedule of changes in total OPEB liability and related ratios on pages 77 through 80, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining information on pages 81 through 83 and the other supplemental schedules on pages 84 through 93, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General of the State of Florida*, and is also not a required part of the basic financial statements.

The combining information, other supplemental schedules, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information, other supplemental schedules, and the schedule of expenditures of federal awards and state financial assistance 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 October 29, 2025, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Warren Averett, LLC

Birmingham, Alabama
October 29, 2025

NORTH BROWARD HOSPITAL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

This section of the North Broward Hospital District's (the District) annual financial report presents the District's analysis of its financial performance as of fiscal years ending June 30, 2025 and 2024. Please read this analysis in conjunction with the financial statements, which follows this section.

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

Overview of the Financial Statements

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

Required Financial Statements

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

The revenue and expenses for fiscal years 2025 and 2024 are accounted for in the statement of revenues, expenses, and changes in net position. The statement measures the annual financial performance of the District's operations and can be used to determine whether the District has recovered the entirety of its costs through net patient service revenue, ad valorem taxes, and other sources of revenue.

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

Financial Analysis of the North Broward Hospital District

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

NORTH BROWARD HOSPITAL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

financial factors, such as changes in economic conditions, population growth, taxable property values and tax rates, and new or changed governmental legislation, when analyzing the District's financial position.

A comparative summary of the District's statements of net position at June 30, 2025, 2024 and 2023, is presented below:

	2025	2024	2023
	(In thousands of dollars)		
Assets:			
Current assets	\$ 1,400,653	\$ 1,213,816	\$ 944,693
Assets whose use is limited, net of amount for current obligations	36,691	35,150	31,598
Investments	243,008	310,957	319,041
Capital assets, net	856,339	747,729	662,583
Other assets	90,788	91,147	87,646
Total assets	\$ 2,627,479	\$ 2,398,799	\$ 2,045,561
Deferred outflows of resources:			
Deferred amount on debt refundings	\$ 8,670	\$ 11,411	\$ 14,153
Pension	16,743	13,409	10,107
Deferred other postemployment benefits	5,922	9,907	13,892
Total deferred outflows of resources	\$ 31,335	\$ 34,727	\$ 38,152
Liabilities:			
Current liabilities	\$ 441,958	\$ 427,909	\$ 366,864
Long-term debt	293,126	301,226	309,011
Other liabilities	99,939	107,314	108,225
Total liabilities	\$ 835,023	\$ 836,449	\$ 784,100
Deferred inflows of resources:			
Pension	\$ 19,425	\$ 15,012	\$ 13,399
Other postemployment benefits	23,593	18,048	21,489
Leases	21,284	21,597	21,061
Total deferred inflows of resources	\$ 64,302	\$ 54,657	\$ 55,949
Net position:			
Net investment in capital assets	\$ 490,265	\$ 371,049	\$ 288,559
Restricted for donor restrictions	28,285	24,550	24,179
Restricted for pension	35,105	37,774	35,713
Unrestricted, as adjusted (Note 20)	1,205,834	1,109,047	895,213
Total net position	\$ 1,759,489	\$ 1,542,420	\$ 1,243,664

The net position of the District totaled \$1.759, \$1.542 and \$1.244 billion as of June 30, 2025, 2024 and 2023, respectively. The increase in net position of \$217 million in fiscal year 2025 was primarily due to \$142.9 million gain from operations net of tax revenues, and a gain on investments of \$91.7 million.

NORTH BROWARD HOSPITAL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Budgetary Highlights

Overall, the District performed ahead of budget by \$142.7 million in fiscal year 2025, including a favorable pension adjustment of \$8.9 million and a favorable OPEB adjustment of \$5.4 million. Total operating expenses were under budget by \$98.9 million, coupled with total operating revenue exceeding budgeted expectations by \$43.8 million. Nonoperating income exceeded budget by \$74.4 million, primarily due to a \$59.2 million gain on investments and \$6.8 million in dividend/interest income exceeding budgeted expectations. Total hospitalized patients (admissions plus observation cases) fell below budget by 5.75%. Outpatient volumes fell below budget by 5.2% primarily due to fewer low-acuity emergency room visits.

Capital Assets and Debt Administration

As of June 30, 2025, 2024 and 2023, the District had net capital assets of \$856.3 million, \$747.7 million and \$662.6 million, respectively, an increase of \$108.6 million from 2024 to 2025 and an increase of \$85.1 million from 2023 to 2024. The increase in 2025 was mainly composed of \$135.8 million in capital expenditures, \$62.0 million in depreciation, \$1.1 million loss from disposals, \$4.6 million net increase in intangible right-to-use leased assets, and \$29.7 million net increase in intangible right-to-use subscription-based information technology arrangements (SBITA). Significant capital expenditures were comprised mainly of \$33.8 million in Epic Implementation, \$18.2 million of land/building acquisitions, \$9.4 million in Broward Health Coral Springs 4th Floor Build-out, \$7.6 million for GME Renovation at Broward Health Medical Center, \$6.2 Million on a new Cath Lab Suite over at Broward Health North, \$5.8 million MRI/CT renovation at Broward Health Imperial Point, and \$4.3 million for the YMCA Free Standing Emergency Department.

Capital assets at June 30, 2025, 2024 and 2023, are as follows:

	2025	2024	2023
	(In thousands of dollars)		
Land and land improvements	\$ 125,120	\$ 110,293	\$ 96,870
Buildings and building improvements	930,583	904,563	868,297
Equipment	507,049	497,037	486,840
Finance purchase assets	16,251	15,544	13,697
Intangible right-to-use leased assets	47,896	42,178	49,908
Intangible right-to-use software subscription	224,035	152,589	93,729
	1,850,934	1,722,204	1,609,341
Less accumulated depreciation/amortization	(1,091,884)	(1,044,297)	(969,886)
	759,050	677,907	639,455
Construction-in-progress	97,289	69,822	23,128
	\$ 856,339	\$ 747,729	\$ 662,583

More detailed information about the District's capital assets is presented in Note 5 within the accompanying financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Management’s Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Revenues, Expenses, and Changes in Net Position

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

The following table presents the District’s condensed statements of revenues, expenses, and changes in net position for fiscal years 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	(In thousands of dollars)		
Operating revenues	\$ 1,617,696	\$ 1,549,815	\$ 1,319,415
Operating expenses, as adjusted (Note 20)	<u>1,723,102</u>	<u>1,554,931</u>	<u>1,434,764</u>
Operating loss	(105,406)	(5,116)	(115,349)
Unrestricted property tax revenue	248,267	246,870	250,350
Other nonoperating revenue (expense), net	73,493	56,966	35,090
Capital contributions	<u>715</u>	<u>36</u>	<u>2,023</u>
Increase / (decrease) in net position	217,069	298,756	172,114
Net position:			
Beginning of year, as adjusted (Note 20)	<u>1,542,420</u>	<u>1,243,664</u>	<u>1,071,550</u>
End of year	<u>\$ 1,759,489</u>	<u>\$ 1,542,420</u>	<u>\$ 1,243,664</u>

Management’s Discussion of Recent Financial Performance

Overview – Fiscal Year 2025 as Compared to Fiscal Year 2024 and 2023

In fiscal year 2025, the District experienced an increase in net position of \$217.1 million, as compared to an increase in net position of \$298.8 million in 2024, and an increase in net position in 2023 of \$172.1 million. Drivers include management’s continued focus on strategic plan execution, improvement in revenue cycle management and cost controls. It is noteworthy to mention that the District converted both its Electronic Health Record and its Revenue Cycle from Cerner to EPIC in November of 2024.

Patient Volumes

Inpatient volumes continue to grow as compared to fiscal year 2024. Inpatient admits increased by 2.2% or 1,208 while observation cases declined by 12.9% or 4,310 cases. While acuity increased as evidenced by the shift to inpatient admissions, total hospitalizations declined by 3.5% or 3,102 cases.

NORTH BROWARD HOSPITAL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Total hospitalized Medicare patients (admissions plus observation cases) increased over fiscal year 2024 by 1.0% or 112 cases. Medicare inpatient volume, as measured by admissions, increased over fiscal year 2024 by 3.0%, or 266 cases and Medicare observation cases fell below fiscal year 2024 by 6.7% or 154 cases. Correspondingly, total hospitalized Medicare Advantage patients (admissions plus observation cases) exceeded fiscal year 2024 by 2.1% or 489 cases. Medicare Advantage inpatient volumes as measured by admissions exceeded fiscal year 2024 by 11.8% or 1,425 cases. Medicare Advantage observation cases fell below fiscal year 2024 by 8.7% or 936 cases. There was a 0.6% decline in the Medicare case mix index from year to year, measured by the Medicare Severity Diagnostic Related Groups (MS-DRGs).

During the 2015 Florida Legislative session, measures were approved that have resulted in significant changes to the Medicaid program (Medicaid Reform). The plan results in all Medicaid beneficiaries being enrolled in a managed care Medicaid plan if they continue to utilize Medicaid. Overall Medicaid, including Managed Medicaid total hospitalizations decreased 23.7% or 3,695 cases as compared to the prior year. Admissions decreased from the prior year by 2,126 cases, or 19.9% and Observation cases decreased by 1,569 cases or 32.1%. The District continues its efforts of the Medicaid Eligibility Unit, the Financial Assistance department, and the Department of Children and Families (DCF), working to process applications in a timely fashion and providing additional access for patients to apply for Medicaid or the healthcare exchange marketplace.

Managed Care and Commercial Payors, the District's largest payer category, increased in total hospitalizations (admissions plus observation cases) 6.1% or 1,707 cases over the previous year. IP Admissions increased by 2,503 or 15.8%, while observation cases decreased from fiscal year 2024 by 6.6% or 796 cases.

Total system hospital OP visits reflected a decline of 2.1% as compared to the prior year. Drivers include a 6.9% decrease in Emergency Room Visits equating to 16,389 fewer visits, predominantly driven by a decline in low acuity patients and a decrease in hospital observation cases of 12.9% or 4,310. These decreases were offset by an increase in Physician/Primary Care visits of 60,077 or 16%.

Operating Revenues

Net patient revenue increased from \$1,373.1 billion in fiscal year 2024 to \$1,430 billion in fiscal year 2025.

Medicare net revenue increased by \$19.2 million, or 11%. Managed Care Medicare net revenue increased by \$15.5 million, or 5.3%. Medicaid net revenue (including Managed Care Medicaid net revenue) decreased from the prior fiscal year by \$5.5 million, or 5.5%. Patient revenue was complemented by additional revenue received from the LIP and DSH programs totaling \$20.3 million, a decrease from the prior fiscal year of \$30.9 million; funding for DPP/PHP and IME totaling an additional \$87.6 million as compared to a prior year of \$93.5 million and \$713.4 thousand in FQHC Medicaid Wrap payments.

During fiscal year 2025, charity care and other uncompensated funding costs increased by \$17.3 million or 3.32%, and all related government funding sources decreased by \$26.4 million or 5.54%. Overall community benefit costs in excess of government funding increased by \$43.7 million or 98.1%.

NORTH BROWARD HOSPITAL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Operating Expenses

Operating expenses increased by \$168.2 million, or 10.8% as compared to fiscal year 2024. Drivers include costs associated with the Electronic Health Record conversion from Cerner to EPIC in addition to increases in volume and acuity coupled with normal consumer price index increases. The District continued to emphasize cost-conscious initiatives without sacrificing the delivery of patient care.

Salary Wages & Benefits represent the most significant spending category for the District. Salaries and wages (inclusive of purchased service and temporary labor) increased from \$762.4 million in fiscal year 2024, to \$819.4 million in fiscal year 2025. The increase is directly correlated with incremental staffing to support the EPIC conversion, in addition to incremental volume and acuity. The District's focus on improving employee recruitment and retention helped to offset incremental cost by relying less on costly temporary labor and premium pay. Productive hours per adjusted patient day increased from 27.5 in fiscal year 2024 to 28.7 in fiscal year 2025. Benefit expense increased \$981 thousands year over year as compared to fiscal year 2024. Contributing factors include a shift from temporary labor to employed staff resulting in an increase in employer taxes, medical and prescription drug benefits coupled with an increase in healthcare utilization and cost of claims. Salaries, wages, and benefits as a percentage of net patient revenues increased from 56.7% in fiscal year 2024 to 58.8% for fiscal year 2025.

Supply expenses represent the next largest expense category for the District. Supply expenses increased from \$314.7 million in fiscal year 2024 to \$337.9 million in fiscal year 2025. The increase of 7.4% or \$23.2 million, was driven by increased volumes, acuity, and normal consumer price indexes. Supply expense as a percentage of net operating revenue increased from 20.3% in fiscal year 2024 to 20.9% in fiscal year 2025.

All other fees increased by \$87 million compared to fiscal year 2024. The primary driver of increased costs were associated with the EPIC Conversion coupled with an increase in depreciation and amortization specifically in subscription-based information technology arrangements (SBITA) amortization due to the Districts conversion of its Electronic Health Record (HER) system which went live on November 2nd.

Ad Valorem Tax Revenue

For fiscal years 2025 and 2024, ad valorem tax revenues totaled \$248.3 million and \$246.9 million, respectively. As described in Note 16 to the financial statements, the District annually levies and collects ad valorem taxes for the general support of its operations, as approved by the Board. The tax rates set by the Board for fiscal years 2025 and 2024 were 1.3261 mills and 1.4307 mills, respectively. The final taxable property values within the District's geopolitical boundaries increased from \$190.3 billion to \$206.7 billion, or 8.6%. In July 2025, the Broward County property appraiser released to the District the estimated taxable property valuations for 2025/2026. These values increased to \$221.8 billion, an increase of 7.3%.

Interest Expense

Interest expense in fiscal year 2025 was \$19 million, as compared to \$19.7 million in fiscal year 2024, a decrease of \$0.7 million, or 3.6%.

NORTH BROWARD HOSPITAL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Liquidity and Cash Position

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

Although Broward Health has maintained a strong statement of net position and cash reserves sufficient to withstand any unforeseen business disruption, management secured a line of credit in fiscal year 2020, with a bank for up to \$50 million which it maintains at fiscal year-end 2025.

Credit Ratings

The District's long term credit ratings at the end of fiscal year 2025 were 'A+ Stable' by S&P Global Ratings and 'A+ Positive' by Fitch Ratings.

Request for Information

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

BASIC FINANCIAL STATEMENTS

NORTH BROWARD HOSPITAL DISTRICT

Statements of Net Position

June 30, 2025 and 2024

(In thousands of dollars)

Assets	2025	2024
Current assets:		
Cash and cash equivalents	\$ 379,297	\$ 165,106
Cash and investments externally restricted by donors	21,354	22,200
Short-term investments	619,675	655,582
Assets whose use is limited required for current liabilities – investments	8,955	8,253
Due from patients and others, net of allowance for uncollectibles of \$413,692 (\$317,271 in 2024)	242,150	203,033
Inventories	42,224	41,037
Estimated third-party payor settlements	41,079	78,707
Other current assets	45,919	39,898
Total current assets	1,400,653	1,213,816
Assets whose use is limited – cash and investments:		
Amounts designated for self-insurance	45,646	43,403
	45,646	43,403
Less amount required to meet current obligations	(8,955)	(8,253)
Assets whose use is limited, net	36,691	35,150
Investments	243,008	310,957
Capital assets, net	856,339	747,729
Net pension asset	37,787	39,377
Other assets	53,001	51,770
Total noncurrent assets	1,190,135	1,149,833
Total assets	\$ 2,627,479	\$ 2,398,799
Deferred Outflows of Resources		
Loss on debt refundings	\$ 8,670	\$ 11,411
Deferred pension amounts	16,743	13,409
Deferred other postemployment benefits	5,922	9,907
Total deferred outflows of resources	\$ 31,335	\$ 34,727
Liabilities		
Current liabilities:		
Current maturities of revenue bonds payable	\$ 6,730	\$ 6,415
Accounts payable and accrued expenses, as adjusted (Note 20)	212,683	202,418
Accrued salaries, benefits, and payroll taxes	60,409	53,003
Accrued personal leave	38,205	34,827
Current portion of lease, SBITA, and finance purchase obligations	32,354	44,590
Estimated third-party payor settlements	81,612	77,656
Current portion of self-insurance program liability	8,955	8,253
Interest payable	1,010	747
Total current liabilities	441,958	427,909
Revenue bonds, net of current maturities	293,126	301,226
Lease, SBITA, and finance purchase obligations, net of current portion	42,534	35,860
Self-insurance program liability, net of current portion	17,382	19,630
Other postemployment benefit program liability	40,023	51,824
Total liabilities	\$ 835,023	\$ 836,449
Deferred Inflows of Resources		
Deferred pension amounts	\$ 19,425	\$ 15,012
Deferred other postemployment benefits	23,593	18,048
Leases	21,284	21,597
Total deferred inflows of resources	\$ 64,302	\$ 54,657
Net Position		
Net investment in capital assets	\$ 490,265	\$ 371,049
Restricted for donor restrictions	28,285	24,550
Restricted for pension	35,105	37,774
Unrestricted, as adjusted (Note 20)	1,205,834	1,109,047
Total net position	\$ 1,759,489	\$ 1,542,420

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2025 and 2024

(In thousands of dollars)

	2025	2024
Operating revenues:		
Net patient service revenue (net of provision for uncollectible accounts of \$376,623 in 2025 and \$205,239 in 2024)	\$ 1,429,969	\$ 1,373,081
Other operating revenue	187,727	176,734
Total operating revenues	1,617,696	1,549,815
Operating expenses:		
Salaries	748,860	696,573
Employee benefits	125,057	124,076
Professional fees	88,980	72,237
Purchased services and temporary labor	70,582	65,838
Outside services	45,829	40,021
Supplies	337,852	314,679
Insurance	2,906	4,642
Utilities	21,547	22,645
Repairs and maintenance	29,753	26,005
State assessments, as adjusted (Note 20)	18,447	18,329
Depreciation and amortization	120,040	104,168
Other	113,249	65,718
Total operating expenses	1,723,102	1,554,931
Operating loss	(105,406)	(5,116)
Nonoperating revenues (expenses):		
Ad valorem tax revenue	248,267	246,870
Investment income, net	91,726	76,795
Interest expense	(18,979)	(19,729)
Other	746	(100)
Total nonoperating revenues	321,760	303,836
Gain before capital contributions	216,354	298,720
Capital contributions	715	36
Increase in net position	217,069	298,756
Net position:		
Beginning of year, as adjusted (Note 20)	1,542,420	1,243,664
End of year	\$ 1,759,489	\$ 1,542,420

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Cash Flows

Years ended June 30, 2025 and 2024

(In thousands of dollars)

	2025	2024
Cash flows from operating activities:		
Receipts from third-party payors and patients	\$ 1,442,852	\$ 1,328,855
Payments to employees	(862,735)	(817,097)
Payments to suppliers and contractors	(627,266)	(528,050)
Other receipts and payments, net	62,272	107,768
Net cash provided by operating activities	15,123	91,476
Cash flows from noncapital financing activities:		
Medicaid county funding	(10,948)	(9,237)
Ad valorem property taxes, net	247,885	246,327
Net contributions receipts	4,715	3,390
Other	4,985	1,429
Net cash provided by noncapital financing activities	246,637	241,909
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(173,737)	(139,502)
Proceeds from disposal of capital assets	58	32
Payments of interest on revenue bonds, lease and SBITA obligations, and finance purchases	(17,346)	(18,313)
Principal paid on revenue bonds, lease and SBITA obligations, and finance purchases	(52,895)	(53,156)
Capital contributions	715	36
Net cash used in capital and related financing activities	(243,205)	(210,903)
Cash flows from investing activities:		
Interest and dividends on investments and assets whose use is limited	26,260	17,912
Purchases of investments	(308,635)	(446,154)
Proceeds from the sale and maturity of investments	464,909	360,257
Net cash provided by/(used in) investing activities	182,534	(67,985)
Net increase in cash and cash equivalents	201,089	54,497
Cash and cash equivalents:		
Beginning of year	193,131	138,634
End of year	\$ 394,220	\$ 193,131

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Cash Flows (Continued)

Years ended June 30, 2025 and 2024

(In thousands of dollars)

	<u>2025</u>	<u>2024</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$ 379,297	\$ 165,106
Cash and cash equivalents included in cash and investments externally restricted by donors	6,332	17,201
Cash and cash equivalents included in assets whose use is limited - Cash and investments		
Amounts designated for self-insurance	8,591	10,824
Total cash and cash equivalents	<u>\$ 394,220</u>	<u>\$ 193,131</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss, as adjusted (Note 20)	\$ (105,406)	\$ (5,116)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	120,040	104,168
Provision for uncollectible accounts	376,623	205,235
Other	(831)	2,826
Changes in assets and liabilities:		
Due from patients and others	(405,323)	(228,493)
Inventories	(1,187)	(3,942)
Other assets	(6,637)	2,796
Accounts payable and accrued expenses, as adjusted (Note 20)	(13,376)	32,382
Accrued salaries, benefits, and payroll taxes	7,407	5,900
Accrued personal leave	3,378	636
Estimated third-party payor settlements	41,583	(20,968)
Self-insurance program liability	(1,546)	(964)
Net pension asset/liability and related deferred outflows and inflows	2,669	(2,061)
Other postemployment benefit program liability and related deferred outflows and inflows	(2,271)	(923)
Net cash provided by operating activities	<u>\$ 15,123</u>	<u>\$ 91,476</u>
Supplemental noncash investing, capital, and financing activities:		
Property and equipment acquired through accounts payable	\$ 13,424	\$ (5,397)
Property and equipment acquired through financed purchases	719	163
Property and equipment acquired through lease and SBITA obligations	40,199	54,277
Lease receivables and deferred inflows	10,866	10,089
Property and equipment acquired through donation	-	40
Change in fair value of investments	61,400	50,201

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Fiduciary Net Position – Pension Trust Fund

Years ended June 30, 2025 and 2024

(In thousands of dollars)

Assets	2025	2024
Current assets:		
Cash and cash equivalents	\$ 9,587	\$ 2,325
Accrued interest receivable	417	863
Investments:		
Fixed income	—	64,087
Stocks	11,097	10,089
Real estate	49,778	54,917
Infrastructure	28,980	27,144
Mutual funds	232,016	169,994
Alternative investments	84,961	76,386
Total investments	<u>406,832</u>	<u>402,617</u>
Total assets	<u>\$ 416,836</u>	<u>\$ 405,805</u>
Liabilities and Net Position Restricted for Pensions		
Payables:		
Accrued expenses	\$ <u>211</u>	\$ <u>222</u>
Total liabilities	<u>211</u>	<u>222</u>
Total net position	<u>\$ 416,625</u>	<u>\$ 405,583</u>

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Statements of Changes in Fiduciary Net Position – Pension Trust Fund

Years ended June 30, 2025 and 2024

(In thousands of dollars)

	2025	2024
Additions:		
Contributions:		
Employer contributions	\$ 4,000	\$ 7,000
Investment income:		
Interest and dividends	5,806	5,728
Net increase in fair value of investments	30,683	28,959
Net investment income	36,489	34,687
Total additions	40,489	41,687
Deductions:		
Benefit payments	27,792	26,295
Administrative expenses	1,655	2,067
Total deductions	29,447	28,362
Net increase in net position	11,042	13,325
Net position restricted for pension:		
Beginning of year	405,583	392,258
End of year	\$ 416,625	\$ 405,583

See accompanying notes to the financial statements.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(1) Organization and Description of Business

Reporting Entity

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

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

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

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

Hospital Division

The Hospital Division includes the operations of Broward Health Medical Center (BHMC), a 716-bed acute care facility; Broward Health North (BHN), a 409-bed acute care facility; Broward Health Imperial Point (BHIP), a 204-bed acute care facility; and Broward Health Coral Springs (BHCS), a 250-bed acute care facility. Included within hospital operations are a rehabilitation distinct part unit at BHN, a psychiatric distinct part unit at BHMC and BHIP, trauma services at BHMC and BHN, and an approved residency training program with multiple specialties through the Broward Health system.

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

Broward Health Point Division (formerly known as Community Health Services)

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

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

Physician Services Division

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

Other

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

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

Joint Venture

The District is an equal member (50% interest) of South Florida Community Care Network, LLC, d/b/a Community Care Plan (CCP), a managed care plan and third-party administrator governed by an agreement between two governmental entities: the District and the South Broward Hospital District d/b/a Memorial Healthcare System. CCP is a Provider Service Network (PSN) and third-party administrator that administers various programs, including Title XXI – Children's Health Insurance Program on behalf of the Florida Healthy Kids Corporation and Title XIX – Managed Medical Assistance on behalf of the Agency for Healthcare Administration as part of the Statewide Medicaid Managed Care program. The PSN is a provider-owned network of hospitals, physicians, and other ancillary care providers developed to provide integrated managed care services to covered enrollees in Florida Medicaid including serious

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

mental illness (SMI) across 19 counties, and CHIP enrollees in Broward, Miami Dade, Monroe, Indian River, Palm Beach, and Okeechobee counties.

The District has entered into an interlocal agreement with Florida Atlantic University (FAU) to establish an Academic Practice Plan with the purpose of providing academic medicine to the residents of Broward County. Areas of collaboration will include graduate medical education, professional clinical services, training and academic medical research at Broward Health North. The District and FAU are equal partners both with equal representation on a governing Board.

(2) Summary of Significant Accounting Policies

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

(a) Basis of Presentation

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

(b) Cash and Cash Equivalents

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

(c) Investments

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

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

As of June 30, 2025, the equity investments in private equity, real estate investments, infrastructure investments and hedge funds make up approximately 5.6%, 6.8%, 4.1%, and 2.1%, respectively, of total cash and cash equivalents and investments in the accompanying statements of net position. As of June 30, 2024, the equity investments in private equity, real estate investments, infrastructure investments and hedge funds make up approximately 6.4%, 7.5%, 4.1%, and 2.1%, respectively, of total cash and cash equivalents and investments in the accompanying statements of net position. Because private equity, real estate investments, infrastructure investments, and hedge funds are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such a difference could be material. Unrealized gains or losses on investments resulting from fair value fluctuations are

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

recorded in the statements of revenue, expenses, and changes in net position as investment income, net, in the period such fluctuations occur.

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

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

(e) *Net Patient Accounts Receivable*

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

(f) *Inventories*

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

(g) *Other Current Assets*

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

(h) *Capital Assets*

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

	Estimated Useful Lives
Land improvements	5–25 years
Buildings and building improvements	5–40 years
Equipment	3–20 years

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(i) Impairment

Capital assets are reviewed for impairment in accordance with the methodology prescribed in Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Asset impairment, as defined by this standard, is a significant, unexpected decline in the service utility of a capital asset and is not a function of the recoverability of the carrying amount of the asset. Service utility is the usable capacity of the asset that was expected to be used at the time of acquisition and is not related to the level of actual utilization, but the capacity for utilization. Indicators that the service utility of an asset has significantly declined include: (a) evidence of physical damage; (b) changes in legal or environmental circumstances; (c) technological development or evidence of obsolescence; (d) a change in the manner or expected duration of use of the asset; and (e) construction stoppage. The District has determined that no capital asset impairment exists at June 30, 2025 and 2024.

(j) Deferred Outflows and Inflows of Resources

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

(k) Accrued Personal Leave

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

(l) Pensions and Other Postemployment Benefits (OPEB)

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(m) Net Position

Net position is categorized as “net investment in capital assets,” “restricted for donor restrictions,” “restricted for pension,” and “unrestricted.” Net investment in capital assets is intended to reflect the portion of net position that is associated with capital assets, reduced by the outstanding balances due on borrowings that are attributable to the acquisition, construction, or improvement of those assets, as well as the deferred outflow of resources related to loss on refunding. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources, if any, related to those assets. Restricted for pension are net amounts related to the defined benefit pension plan. The restrictions placed on the use of these assets are through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, constitutional provisions, or enabling legislation. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

(n) Classifications of Revenues and Expenses

The District’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing healthcare services, the District’s principal activity. Non-exchange revenues, including property taxes, certain grants, and donations, are reported as nonoperating revenues. Grants and donations received for the purpose of acquiring or constructing capital assets are recorded below nonoperating revenues as capital contributions. Operating expenses include all expenses incurred to provide healthcare services, excluding financing costs.

(o) Net Patient Service Revenue

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

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

Medicare

The District’s healthcare facilities participate in the Federal Medicare program (Medicare) administered by CMS. Approximately 37.2% (35.6% in 2024) of the District’s net patient service revenue was derived from services to Medicare beneficiaries in fiscal year 2025 (inclusive of HMO products). Inpatient acute care services rendered to Medicare beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

Inpatient Acute, Inpatient Exempt, Outpatient, and Defined Capital Costs related to services provided to Medicare beneficiaries are reimbursed based upon a variety of prospective reimbursement methodology systems. The healthcare facilities' classification of patients under the Medicare program and the appropriateness of their admission and services are subject to an independent review based on detailed and specific criteria. As of June 30, 2025, the Medicare cost reports were final audited, pending final settlement, by the healthcare facilities' Medicare fiscal intermediary through June 30, 2020, for all facilities. In fiscal year 2025, the District recorded increases to net patient service revenue related to various prior year Medicare settlements of \$1.5 million (increases of \$12.4 million in fiscal year 2024).

Medicaid

Approximately 10.0% (11.7% in 2024) of the District's net patient service revenue was derived under the Medicaid program for fiscal year 2025, (inclusive of HMO products, Disproportionate Share Hospital, and Low-Income Pool). Inpatient and outpatient services rendered to Medicaid program beneficiaries are paid based upon prospectively determined rates. Inpatient per discharge services are paid using APR-DRG's effective July 1, 2013, while outpatient utilizes Enhanced Ambulatory Patient Groupings (EAPG's) effective July 1, 2017. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors.

In addition to the prospectively determined rates received by the District for the provision of healthcare services to Medicaid beneficiaries, the State of Florida provided additional supplemental payments of \$108.6 million to Broward Health for Disproportionate Share, Low-Income Pool, Graduate Medical Education initiatives, Direct Payment Program, FQHC Wrap Payments and Physician Hospital Payment during fiscal year 2025 (\$124.6 million during fiscal year 2024). These payment adjustments are to help cover the additional costs associated with treating the Medicaid population in the District's service area and these amounts are reflected in net patient service revenues in the accompanying statements of revenue, expenses, and changes in net position.

Other Third-Party Payors

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

(p) Charity Care

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

(q) Ad Valorem Tax Revenue

Property taxes are levied by Broward County on the District's behalf annually. Amounts levied are based on assessed property values as of the preceding year. The District collects the ad valorem taxes for the general support of its operations, as approved by the Board. Property taxes are recognized under the accrual method of accounting, wherein the tax levy is recognized as unearned revenue at the date

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

of assessment, less a reserve for estimated discounts (Note 16), and amortized into income over the respective year.

(r) Restricted Donations

Donations received by the District for specific operating purposes or property and equipment acquisitions are reported as nonoperating revenue or capital contributions, as appropriate, in the period received, and all eligibility requirements have been met. Balances are reported as restricted for as long as the donor's restrictions remain in effect.

(s) Grant Funding

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

(t) Risk Management

The District's self-insurance program offers flexibility to meet healthcare challenges and allows the District to better manage costs. The District's self-insurance program covers first-party claims and risks from torts including allegations of personal injury, medical malpractice, property loss, destruction of assets, business interruption, errors and omissions, worker's compensation claims, employer's liability for alleged wrongful termination of employees or other wrongful acts, natural disasters, communicable diseases, employee healthcare, etc. As a subdivision of the State of Florida and pursuant to section §768.28, Florida Statutes, as amended, the District is entitled to sovereign immunity for liability for torts. In accordance with section §768.28, F.S., the District is authorized to be self-insured and to purchase commercial insurance. Commercial excess insurance coverage is purchased; however, most tort claims resolve below the State of Florida's sovereign immunity cap and well within the District's self-insurance retention. In the past three (3) years no settled claim involving professional liability or general liability has resulted in a claims bill being presented to the State's Legislature or penetrated or required the use of excess indemnity insurance.

(u) Use of Estimates

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(v) *Income Taxes*

The District is not subject to income tax.

(w) *Subsequent Events*

The District has evaluated the impact of subsequent events through October 29, 2025, the date on which the financial statements were issued.

(x) *New Accounting Pronouncements*

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged. The adoption of this statement for fiscal year ended June 30, 2025, had no impact on the District's financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The District has not elected to implement this statement early; however, management is still evaluating the impact, if any, of this statement in the year of adoption.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately by major class of underlying asset in the capital assets note disclosures. This statement also requires additional disclosures for capital assets held for sale such as the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The District has not elected to implement this statement early; however, management is still evaluating the impact, if any, of this statement in the year of adoption.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(3) Cash, Cash Equivalents, and Investments

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

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

The composition and credit ratings of the District's cash and cash equivalents, investments, and assets whose use is limited as of June 30, 2024, is as follows:

	Fair value	Investment Maturities			
		Less than 1 year	1–5 years	6–10 years	More than 10 years
U.S. government securities	\$ 205,268	115,807	63,004	10,233	16,224
Corporate bonds	76,882	18,167	30,524	17,189	11,002
Asset-backed securities	51,093	—	—	50,838	255
	<u>333,243</u>	<u>133,974</u>	<u>93,528</u>	<u>78,260</u>	<u>27,481</u>
Common stock	43,431				
Mutual funds	386,817				
Private equity	76,693				
Hedge funds	25,038				
Real estate	89,664				
Infrastructure	49,217				
Money markets	71,099				
Bank deposits	122,046				
	<u>\$ 1,197,248</u>				

	Fair value	Ratings					
		AAA	AA	A	BBB	<BBB	Not rated
U.S. government securities	\$ 205,268	187,843	—	—	—	—	17,425
Corporate bonds	76,882	3,596	3,620	31,193	32,195	1,613	4,665
Asset-backed securities	51,093	14,902	—	—	—	56	36,135
	<u>\$ 333,243</u>	<u>206,341</u>	<u>3,620</u>	<u>31,193</u>	<u>32,195</u>	<u>1,669</u>	<u>58,225</u>

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

	2025	2024
	(In thousands of dollars)	(In thousands of dollars)
Cash and cash equivalents	\$ 379,297	\$ 165,106
Cash and investments externally restricted by donors	21,354	22,200
Short-term investments	619,675	655,582
Amounts designated for self-insurance	45,646	43,403
Investments	243,008	310,957
Total	\$ 1,308,980	\$ 1,197,248

Investment Risk Factors

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

a) Credit Risk

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

b) Concentration of Credit Risk

Investments in any one issuer that represent 5% or more of the District's investment portfolio are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. As of June 30, 2025 and 2024, the District did not have any investments that equaled or exceeded this threshold. The investment policy includes an overall asset deployment policy which sets allowable ranges per asset class. During fiscal year 2025, the Board approved a change to the permissible target range for Private Equity. The asset allocation continues to be monitored and managed. The approved asset allocation includes an overall asset deployment target which sets allowable ranges per asset class. Asset allocation may include up to: Equity (30 - 50%), Core Fixed Income (5 - 20%), Global Unconstrained (0 - 15%), Private Equity (5 - 20%), Private Credit (0 - 15%), Real Estate (0 - 15%), and Infrastructure (0 - 12%).

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

c) Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Refer to the distribution of the District's investment in fixed-income securities by maturity as of June 30, 2025 and 2024, in the preceding investment composition table.

d) Foreign Currency Risk

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

e) Custodial Credit Risk

Investments

As of June 30, 2025, the District's investments were not exposed to custodial credit risk since the full amount of investments were insured or registered in the District's name.

Deposit Risk

In addition to insurance provided by the Federal Depository Insurance Corporation, all demand deposits are held in banking institutions approved by the State of Florida state treasurer to hold public funds. Under the Florida Statutes Chapter 280, *Florida Security for Public Deposits Act* (Chapter 280), the state treasurer requires all qualified public depositories to deposit with the treasurer, or another banking institution, eligible collateral equal to amounts ranging from 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses in excess of amounts insured and collateralized. At June 30, 2025, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the state treasurer pursuant to Chapter 280, *Florida Statutes*.

(4) Fair Value Measurements

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in an active market with daily pricing that a government can access at the measurement date. At June 30, 2025 and 2024, the type of investments included in Level 1 consists of money market accounts, bank deposits, and debt and equity securities.

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

Level 3 – Inputs are unobservable for an asset or liability. Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of discounted cash flow models or similar techniques. At June 30, 2025 and 2024, Level 3 securities include in limited partnerships in private equity funds, real estate and infrastructure.

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

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

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

Private Equity Funds: This type of investment includes investment in private equity limited partnerships that invest in a diversified portfolio of private companies. The District participates in these partnerships as a limited partner. These investments can never be redeemed with the funds. Instead, the nature of this investment is for distributions to be received through the liquidation of the underlying assets of the fund. If these investments were held, it is expected that the majority of the underlying assets of the funds would be liquidated over five to eight years. As of June 30, 2025, it is probable that all of the investments in this type will be sold at an amount different from the net asset value (NAV) per share (or its equivalent) of the District's ownership interest in the partners' capital. Therefore, the fair values of the investment in this type have been determined by the general partners using the recent observable transaction information for similar investments, valuation multiples of revenues and/or EBITDA, along with nonbinding bids received from potential buyers of investments.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

The following table presents financial instruments that are measured at fair value on a recurring basis as of June 30, 2024:

	<u>Fair Value Measurements Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets:				
Investments by fair value level:				
Money Markets	\$ 71,099	71,099	—	—
Bank Deposits	122,046	122,046	—	—
Debt Securities				
U.S. government securities	205,268	205,268	—	—
Corporate bonds	76,882	76,882	—	—
Asset-backed securities	51,093	51,093	—	—
Total Debt Securities	<u>333,243</u>	<u>333,243</u>	<u>—</u>	<u>—</u>
Equity Securities				
Common stock	43,431	43,431	—	—
Mutual funds	386,817	386,817	—	—
Total Equity Securities	<u>430,248</u>	<u>430,248</u>	<u>—</u>	<u>—</u>
Private Equity	76,693	—	—	76,693
Real Estate	89,664	—	—	89,664
Infrastructure	49,217	—	—	49,217
	<u>1,172,210</u>	<u>956,636</u>	<u>—</u>	<u>215,574</u>
Investments measured at net asset value (NAV):				
Hedge Funds	<u>25,038</u>			
	<u>\$ 1,197,248</u>			

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

The hedge funds that the District invests in include various limits on the redemption frequency of those investments, as well as redemption notice periods. The limits on redemption frequency generally range from being non-redeemable to a redemption frequency that is daily, monthly, quarterly, semi-annually, or annually. The redemption notice periods generally range from daily up to 90 days. The real estate, private equity, and infrastructure funds in which the District invests include unfunded commitments as of June 30, 2025, totaling approximately \$5 million, \$33.7 million, and \$1.2 million, respectively (\$1.6 million, \$24.2 million, and \$1.5 million, respectively in 2024).

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(5) Capital Assets

A summary of changes in capital assets during fiscal years 2025 and 2024 is as follows:

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	Balance at June 30, 2023	Additions	Deletions/ Transfers	Balance at June 30, 2024
Capital assets not being depreciated:				
Land	\$ 87,634	13,161	—	100,795
Construction-in-progress	23,128	126,712	(80,018)	69,822
Total capital assets not being depreciated	110,762	139,873	(80,018)	170,617
Capital assets being depreciated:				
Buildings and improvements	868,297	39,061	(2,795)	904,563
Land improvements	9,236	262	—	9,498
Equipment	486,840	26,934	(16,737)	497,037
Finance purchases	13,697	—	1,847	15,544
Intangible right-to-use leased buildings	13,855	4,002	(4,688)	13,169
Intangible right-to-use leased equipment	36,053	2,130	(9,174)	29,009
Intangible right-to-use software	93,729	60,142	(1,282)	152,589
Total capital assets being depreciated	1,521,707	132,531	(32,829)	1,621,409
Accumulated depreciation:				
Buildings and improvements	521,767	24,369	(2,709)	543,427
Land improvements	7,873	170	—	8,043
Equipment	363,671	29,245	(17,440)	375,476
Finance purchases	6,362	1,820	1,696	9,878
Intangible right-to-use leased buildings	6,513	4,301	(3,267)	7,547
Intangible right-to-use leased equipment	19,988	6,855	(5,795)	21,048
Intangible right-to-use software	43,712	37,408	(2,242)	78,878
Total accumulated depreciation/amortization	969,886	104,168	(29,757)	1,044,297
Total	\$ 662,583	168,236	(83,090)	747,729

The estimated cost to complete construction-in-progress at June 30, 2025, totaled approximately \$523 million.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(6) Long-Term Obligations

Changes in long-term liabilities for the years ended June 30, 2025 and 2024, were as follows:

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

	June 30, 2023	Additions	Deletions	June 30, 2024	Amount due in one year
Revenue bonds	\$ 291,565	—	(6,115)	285,450	6,415
Bond premium	23,561	—	(1,370)	22,191	—
Financed purchases	1,331	163	(547)	947	396
Lease obligations	25,317	5,667	(15,585)	15,399	10,098
SBITAs obligations	46,403	48,610	(30,909)	64,104	34,096
Self-insurance program	28,847	4,608	(5,572)	27,883	8,253
	<u>\$ 417,024</u>	<u>59,048</u>	<u>(60,098)</u>	<u>415,974</u>	<u>59,258</u>

(7) Revenue Bonds

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

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

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

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

The refunding of the bonds resulted in a loss of defeasance of approximately \$29.3 million. At June 30, 2025 and 2024, the unamortized deferred balance is approximately \$8.7 and \$11.4 million, respectively, and is reported as deferred outflows of resources.

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

	Principal on Serial Bonds due January 1, 2038	Principal on Term Bonds due January 1, 2042	Principal on Term Bonds due January 1, 2048	Total debt service Principal	Total debt service Interest
	(In thousands of dollars)				
Years ending June 30:					
2026	6,730	—	—	6,730	13,952
2027	7,070	—	—	7,070	13,615
2028	7,430	—	—	7,430	13,262
2029	7,795	—	—	7,795	12,890
2030	8,180	—	—	8,180	12,501
2031-2035	47,505	—	—	47,505	55,940
2036-2040	34,585	26,025	—	60,610	42,815
2041-2045	—	28,710	48,670	77,380	26,067
2046-2048	—	—	56,335	56,335	5,725
	\$ 119,295	54,735	105,005	279,035	196,767

(8) Line of Credit

The District renewed the June 30, 2022, line of credit for short-term borrowings with a bank under which up to \$50,000,000 may be borrowed on such terms as outlined by the Revolving Line of Credit Agreement (Agreement). The District has pledged collateral on the same terms as the Master Trust Indenture and issued the North Broward Hospital District Obligated Group – Series 2020A Related Debt Obligation pursuant to the Fourth Supplemental Master Trust Indenture dated June 30, 2022. The term of the agreement expires June 28, 2026. The District did not draw on the line of credit during fiscal year 2025 or 2024.

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

Leases

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

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

Amortization of the discount on the lease and finance purchase liability is reported as an outflow of resources and is included in interest expense in the statements of revenues, expenses, and changes in net position. Amortization of \$536 thousand and \$549 thousand was recognized for fiscal years 2025 and 2024, respectively, and is included with interest expense.

Leased assets that are not financed purchases are amortized over the shorter of the lease term or the useful life of the underlying asset. Amortization of leased assets is reported as an outflow of resources and is included in depreciation expense in the statements of revenues, expenses, and changes in net position. Amortization of \$9 million and \$11.2 million was recognized in fiscal years 2025 and 2024, respectively.

As a lessee, the District leases various equipment and medical office space. Equipment leases for fiscal year 2025 include seven medical equipment units, three surgical equipment units, two printer/copier equipment units, and one off-site server equipment contract with lease terms ranging from 1 to 5 years, payments ranging from \$185 to \$412,936 per month, and interest ranging from 2.5% to 4.85%. Building leases for fiscal year 2025 include 17 medical offices and one data warehouse with lease terms ranging from 1 to 10.3 years, payments ranging from \$1,060 to \$74,627 per month, and interest ranging from 2.5% to 4.85%. Equipment leases for fiscal year 2024 included five medical equipment units, four surgical equipment units, two printer/copier equipment units, and one off-site server equipment contract with lease terms ranging from 0.5 to 5 years, payments ranging from \$180 to \$412,936 per month, and interest ranging from 2.5% to 4.85%. Building leases for fiscal year 2024 included eight medical offices and one data warehouse with lease terms ranging from 3 to 7 years, payments ranging from \$3,189 to \$56,742 per month, and interest ranging from 2.5% to 4.85%.

As a lessor, the District leases medical offices, office and store spaces, radiology equipment and hospital beds. As of June 30, 2025, there are 51 leases for medical office and office space ranging from 1 to 10 years, receipts ranging from \$702 to \$72,699 per month, and interest ranging from 3% to 4.85%. There is one radiology equipment lease with a 1-year lease term, receipts of \$21,916 per month, and 4.85% interest. Lastly, the District has three leases for the use of hospice beds with 4 to 5 year lease terms, receipts ranging from \$78,480 to \$117,720 per month, and 3% interest. Rental income of \$9.7 million was recognized in fiscal year 2025 and is included with other operating revenues. Interest income of \$782 thousand was recognized in fiscal year 2025 and is included with other nonoperating revenues/expenses. As a lessor for fiscal year 2024, the District leases medical offices, office and store spaces, radiology equipment and hospital beds. There were 68 leases for medical office and office space ranging from 1 to 15 years, receipts ranging from \$613 to \$50,635 per month, and 4.85% interest. There was one radiology equipment lease with a 1.5-year lease term, receipts of \$35,496 per month, and 4.85% interest. Lastly, the District had three leases for the use of hospice beds with 4- to 5-year lease terms, receipts ranging from \$78,480 to \$117,720 per month, and 3% interest. Rental income of \$9.1 million was recognized in fiscal year 2024 and is included with other operating revenues. Interest income of \$780 thousand was recognized in fiscal year 2024 and was included with other nonoperating revenues/expenses.

In the absence of interest in lease contracts for which the District is a lessee, the District's incremental borrowing rate of 4.85% was used for leases initiated during fiscal years 2024 and 2025.

NORTH BROWARD HOSPITAL DISTRICT

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In the absence of interest in lease contracts for which the District is a lessor, the rate of 4.85%, as used in other contracts, was used for fiscal years 2024 and 2025.

Subscription-Based Information Technology Arrangements (SBITA)

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

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

Amortization of the discount on the SBITA liability is reported as an outflow of resources and is included in interest expense in the statements of revenues, expenses, and changes in net position. Amortization of \$3 million and \$3.4 million was recognized for fiscal years 2025 and 2024, respectively, and is included with interest expense. Amortization of SBITA asset is reported as an outflow of resources and is included in depreciation expense in the statements of revenues, expenses and changes in net position. Amortization of \$49 million and \$37.4 million was recognized in fiscal years 2025 and 2024, respectively.

The District has various SBITAs under the sole responsibility of the corporate IT department. During fiscal year 2025, the District had 51 corporate IT SBITAs with contract terms ranging from 1 to 10 years, payments ranging from \$0 to \$4,925,091 per year, and interest ranging from 2.75% to 5.26%. During fiscal year 2024, the District had 38 corporate IT software arrangements with contract terms ranging from 1 to 10 years, payments ranging from \$6,621 to \$8,430,470 per year, and interest ranging from 2.75% to 5.26%. Arrangements with \$0 annual outflow are multi-year contracts that had been paid in full at beginning of the contract prior to the implementation of GASB 96.

The District has various SBITAs under the responsibility of other corporate departments, i.e.: finance, procurement, contracts administration, revenue management, patient logistics center and clinical education. During fiscal year 2025, the District had 29 SBITAs for other corporate departments ranging from 2 to 6 years, payments ranging from \$10,600 to \$1,216,428 per year, and interest ranging from 2.75% to 4.85%. During fiscal year 2024, the District had 30 SBITAs for other corporate departments ranging from 1 to 5 years, payments ranging from \$12,800 to \$4,941,348 per year, and interest ranging from 2.75% to 4.85%.

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The District has various SBITAs under the responsibility of regional operating departments, i.e.: facilities, lab, health information management, pharmacy and processing services. During fiscal year 2025, the District had 18 SBITAs for regional departments ranging from 0.7 to 5 years, payments ranging from \$15,288 to \$850,000 per year, and interest ranging from 2.75% to 4.85%. During fiscal year 2024, the District had 17 SBITAs for regional departments ranging from 1 to 5 years, payments ranging from \$15,288 to \$849,999 per year, and interest ranging from 2.75% to 4.85%.

In the absence of interest in SBITAs for which the District is an end user, the District's incremental borrowing rate of 4.85% was used for arrangements initiated during fiscal years 2024 and 2025.

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

Principal and interest payments due on leases are as follows:

	Principal	Interest
	(In thousands of dollars)	
Years ending June 30:		
2026	\$ 9,139	607
2027	3,309	377
2028	1,483	282
2029	1,084	231
2030	794	190
2031-2035	3,579	440
Total due	19,388	2,127
Amount due within one year	(9,139)	
Amount due, excluding due within one year	\$ 10,249	

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Principal and interest payments due on SBITAs are as follows:

	<u>Principal</u>	<u>Interest</u>
	(in thousands of dollars)	
Years ending June 30:		
2026	\$ 22,129	2,864
2027	13,408	1,139
2028	9,408	622
2029	4,148	299
2030	1,244	219
2031-2035	<u>3,933</u>	<u>270</u>
Total due	<u>54,270</u>	<u>5,413</u>
Amount due within one year	<u>(22,129)</u>	
Amount due excluding due within one year	\$ <u>32,141</u>	

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

	<u>Principal</u>	<u>Interest</u>
	(In thousands of dollars)	
Years ending June 30:		
2026	\$ 1,086	17
2027	144	1
Total due	<u>1,230</u>	<u>18</u>
Amount due within one year	<u>(1,086)</u>	
Amount due, excluding due within one year	\$ <u>144</u>	

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

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(10) Defined Benefit Pension Plan

a) Plan Description

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

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

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

Number of employees covered:

	2025	2024
Active employees	6,496	6,092
Inactive employees currently receiving benefits	1,975	2,000
Inactive employees entitled to but not yet receiving benefit payments	1,350	1,355
Total Membership	9,821	9,447

b) Contributions

The annual contribution for each year was determined by management and the Board. While the District's independent actuary annually determines a range for the annual contributions, the District is not required to contribute an amount equal to the total funding contribution. The Plan's funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when due. All contributions to the Plan are made by the employer and are intended to fund both the actuarially determined costs, as well as the Plan's operating costs. The District's practice is to make sufficient annual contributions in accordance with the actuarial funding requirements of the Florida Statutes. The contributions to the Plan for fiscal years 2025 and 2024 totaled \$4 million and \$7 million, respectively. The contributions represent approximately 0.83% and 1.72% of current covered payroll for fiscal years 2025 and 2024, respectively. Maximum actuarial contributions are based upon the funding levels that would be required of an ERISA plan.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

c) Net Pension Liability (Asset)

The District’s net pension liability (asset) was measured as of June 30, 2025, based upon rolling forward the results of the actuarial valuation as of July 1, 2024. The District’s net pension liability (asset) was measured as of June 30, 2024, based upon rolling forward the results of the actuarial valuation as of July 1, 2023.

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

	<u>2025</u>	<u>2024</u>
Inflation	2.30%	2.30%
Investment rate of return	6.25%	6.25%
Projected salary increases	4.50%	4.50%
Cost-of-living adjustment	None	None

For active members, inactive members, and retirees, the Pub-2016 with generational projection per MP-2021 and Pub-2010 with generational projection per MP-2021 tables are used for 2025 and 2024, respectively.

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

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Notes to the Financial Statements

June 30, 2025 and 2024

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

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

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

NORTH BROWARD HOSPITAL DISTRICT

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June 30, 2025 and 2024

The following is the Plan's adopted asset allocation policy and long-term expected rate of return as of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	28.00%	2.52%	2.36%
US TIPS	3.00%	2.00%	1.83%
US Large Caps	16.00%	5.39%	3.80%
US Small & Mid Caps	6.00%	6.38%	3.98%
Non-US Equity	11.00%	7.62%	5.75%
Emerging Markets Equity	3.00%	9.34%	6.21%
US REITs	10.00%	6.91%	4.72%
Private Equity	7.50%	10.45%	6.24%
Infrastructure	5.50%	5.78%	4.31%
Hedge FOF Diversified	5.00%	2.55%	2.26%
Hedge Funds-Multi Strategy	5.00%	4.18%	3.73%
Assumed Inflation - Mean		2.31%	2.30%
Assumed Inflation - Standard Deviation		1.45%	1.45%
Portfolio Real Mean Return		5.26%	4.51%
Portfolio Nominal Mean Return		7.56%	6.91%
Portfolio Standard Deviation			11.74%
Long-Term Expected Rate of Return			6.25%

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Discount Rate – The discount rate used to measure the total pension liability was 6.25% for fiscal years 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based upon those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan assets was applied to all periods of projected benefit payments to determine the total pension liability. The following section discusses the sensitivity of the net pension liability to changes in the discount rate.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

d) Changes in Net Pension Liability (Asset)

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	(In thousands of dollars)		
Balance as of June 30, 2023	\$ 352,793	392,258	(39,465)
Changes for the year:			
Service cost	12,919	—	12,919
Interest on total pension liability	22,048	—	22,048
Effect of economic/demographic gains or losses	(4,203)	0	(4,203)
Effect of assumptions, changes or inputs	8,485	—	8,485
Benefit payments	(26,295)	(26,295)	—
Employer contributions	—	7,000	(7,000)
Net investment income (loss)	—	34,687	(34,687)
Administrative expenses	—	(2,067)	2,067
Balance as of June 30, 2024	\$ <u>365,747</u>	<u>405,583</u>	<u>(39,836)</u>

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Sensitivity Analysis – The following presents the net pension liability (asset) of the District as of June 30, 2025, calculated using the discount rate of 6.25%, as well as what the District’s net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate.

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
	<u>(In thousands of dollars)</u>		
Net pension liability (asset)	\$ (16,600)	(38,187)	(57,572)

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

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

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The following tables present the composition and credit ratings of the defined benefit pension plan's cash and cash equivalents and investments as of June 30, 2024:

	Fair Value	Investment Maturities			
		Less than 1 year	1-5 years	6-10 years	More than 10 years
U.S. government securities	\$ 20,408	—	8,514	3,981	7,913
Corporate bonds	20,371	276	7,145	8,171	4,779
Asset-backed securities	23,308	—	989	1,264	21,055
	64,087	276	16,648	13,416	33,747
Common stock	10,089				
Mutual funds	169,994				
Private equity	56,873				
Hedge funds	19,513				
Real estate	54,917				
Infrastructure	27,144				
Money markets	2,966				
	<u>\$ 405,583</u>				

	Fair Value	Ratings					
		AAA	AA	A	BBB	<BBB	Not rated
U.S. government securities	\$ 20,408	17,934	—	—	—	—	2,474
Corporate bonds	20,371	—	816	6,295	11,604	766	890
Asset-backed securities	23,308	5,910	—	—	—	53	17,345
	<u>\$ 64,087</u>	23,844	816	6,295	11,604	819	20,709

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

The following table presents information about the fair value measurements of the Plan's fiduciary net position as of June 30, 2024:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Plan Investments by Fair Value Level				
Money markets	\$ 2,966	2,966	—	—
Debt securities:				
U.S. government securities	20,408	20,408	—	—
Corporate bonds	20,371	20,371	—	—
Asset-backed securities	23,308	23,308	—	—
Total debt securities	64,087	64,087	—	—
Equity securities:				
Common stock	10,089	10,089	—	—
Mutual funds	169,994	169,994	—	—
Total equity securities	180,083	180,083	—	—
Private equity	56,873	—	—	56,873
Real estate	54,917	—	—	54,917
Infrastructure	27,144	—	—	27,144
Total Plan investments by fair value level	386,070	247,136	—	138,934
Plan investments measured at net asset value (NAV):				
Hedge funds	19,513			
Total investments measured at fair value	\$ 405,583			

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

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

The hedge funds that the Plan invests in include various limits on the redemption frequency of those investments, as well as redemption notice periods. The limits on redemption frequency generally range from being non-redeemable to a redemption frequency that is daily, monthly, quarterly, semi-annually, or annually. The redemption notice periods generally range from daily up to 90 days. The real estate, private equity, and infrastructure funds that the Plan invests, include unfunded commitments as of June 30, 2025, totaling approximately \$3.3 million, \$8.4 million, and \$0.9 million, respectively (\$1.1 million, \$8.2 million, and \$1.1 million, respectively in 2024).

e) Pension Expense

The pension expense for the years ended June 30, 2025 and 2024, is \$6.8 million and \$5.1 million, respectively.

NORTH BROWARD HOSPITAL DISTRICT

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f) Deferred Inflows/Outflows of Resources

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

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

A summary of deferred outflows and deferred inflows of resources as of June 30, 2024, is as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	(In thousands of dollars)	
Differences between expected and actual experience	\$ 210	\$ (7,990)
Changes of assumptions	12,940	(601)
Net difference between projected and actual earnings	<u>—</u>	<u>(5,979)</u>
 Total	 <u>\$ 13,150</u>	 <u>\$ (14,570)</u>

The net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2025, will be recognized as a reduction in pension expense during the next five years as follows:

Year ending June 30:

2026	\$ 5,753
2027	(3,295)
2028	(3,349)
2029	(2,040)
2030	<u>344</u>
	 <u>\$ (2,587)</u>

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(11) Defined-Contribution Plans

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

The District's total payroll for fiscal years 2025 and 2024 was \$748.9 million and \$696.6 million, respectively. The total covered payroll for eligible employees during the same period is not determinable. For fiscal year June 30, 2025, the District's contribution was \$9.9 million, representing 1.3% of total payroll. The employees' contributions for fiscal year June 30, 2025, were \$36.9 million, representing 4.9% of total payroll. For fiscal year June 30, 2024, the District's contribution was \$10.3 million, representing 1.5% of total payroll. The employees' contributions for fiscal year June 30, 2024, were \$34.6 million, representing 5% of total payroll.

Effective July 1, 2021, the District implemented a supplemental retirement plan for certain employees. The District determines nonelective contribution based on participants' target benefit goals, assumed market performance rate, estimated value of social security, final average base salary, years of service and estimated retirement benefits under the District's Defined Benefit Pension Plan. Nonelective contributions have been executed on December 31 of each year since inception. Nonelective contributions for Level 1 employees vest on December 31, two years after the end of the calendar year which the employer contribution relates. Nonelective contributions for Level 2 employees vest on December 31, five years after the end of the calendar year, which the employer contribution relates. Nonelective contributions are fully vested upon reaching retirement age. Forfeited amounts are used to reduce the District's current period contribution requirements. The District recognized expenses of \$2.6 million and \$394 thousand related to this plan for fiscal years June 30, 2025 and 2024, respectively.

(12) Florida Retirement System

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

The following amounts have been recorded in the District’s financial statements as of and for the years ended June 30, 2025 and 2024, representing its proportionate share of the net pension liability and the related pension expense and deferred outflows/inflows of resources of the FRS Plan:

	<u>2025</u>	<u>2024</u>
	(In thousands of dollars)	(In thousands of dollars)
Net pension liability	400	459
Deferred outflows of resources	198	259
Deferred inflows of resources	(293)	(442)
Pension expense (credit)	(110)	(80)

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

(13) Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the District provides certain healthcare and life insurance benefits for approximately 1,221 and 1,238 eligible retired employees in fiscal year 2025 and 2024, respectively, which include those at the healthcare facilities. Many of the District’s employees may become eligible for those benefits if they reach retirement age while working for the District.

a) Plan Description

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

b) Benefits Provided

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

Eligible retirees are those grandfathered employees who attained age 55 with five years of service or attained Rule of 80 (age and service equal 80) as of June 30, 2012. Of the grandfathered employees, those who qualified for the Rule of 80 will contribute active employee rates for medical, dental and vision coverage if they or their spouses are not Medicare eligible (age 65). Those retirees and dependent spouses that meet the Rule of 80 and are Medicare eligible receive a subsidy of \$2,850 for retiree and \$2,150 for spouse to enroll in the Retiree Health Exchange. If they remain on the Broward Health Group Plan, they will pay the full premium rate. Those who did not meet the Rule of 80 will contribute the full premium rate for medical, dental, and vision coverage for themselves and for dependent spouses. The plan also provides eligible retirees with life insurance coverage based on age and pay prior to retirement. Retirees younger than age 65 receive coverage of 100% of annual pre-retirement pay (up to a maximum of \$50,000). Retirees age 65 and older receive coverage of 25% of annual pre-retirement pay (up to a maximum of \$10,000). Retirees younger than age 65 are required to contribute a portion of the premium for life insurance coverage at \$.05 per month per \$1,000 of coverage. All premiums are paid for retirees age 65 and older.

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

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

c) Employees Covered by Benefit Terms.

At June 30, 2025 and 2024, the following employees were covered by the benefit terms:

Number of employees covered	2025	2024
Inactive employees receiving benefits through Broward Health Group Plan	375	371
Inactive employees receiving benefits through Retiree Health Exchange	846	867
Inactive employees entitled to but not yet receiving benefit payments	—	—
Active employees	6,529	6,893
Total Membership	7,750	8,131

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

d) Contribution Requirements

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

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

The table below shows the monthly rates for the retiree of the optional plans for medical and dental for the 2024 calendar year.

	Rule of 80	Not Rule of 80
Aetna Best Choice Medical		
Retiree younger than age 65	\$ 130.15	\$ 725.82
Retiree older than age 65	573.40	573.40
Retiree and spouse younger than 65	315.08	1,524.22
Retiree and spouse older than 65	1,204.14	1,204.14
Retiree and spouse (mixed)	1,204.14	1,204.14
Retiree and children (pre 65)	217.36	1,088.73
Retiree and children (post 65)	860.09	860.09
Retiree and family (both pre 65)	454.27	2,250.03
Retiree and family (both post 65)	1,777.53	1,777.53
Retiree and family (mixed)	1,777.53	1,777.53
Aetna Select EPO Medical		
Retiree younger than age 65	\$ 204.96	\$ 714.51
Retiree older than age 65	564.46	564.46
Retiree and spouse younger than 65	479.40	1,500.48
Retiree and spouse older than 65	1,185.38	1,185.38
Retiree and spouse (mixed)	1,185.38	1,185.38
Retiree and children (pre 65)	335.46	1,071.77
Retiree and children (post 65)	846.70	846.70
Retiree and family (both pre 65)	683.12	2,214.99
Retiree and family (both post 65)	1,749.84	1,749.84
Retiree and family (mixed)	1,749.84	1,749.84

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	Rule of 80 (Pre-65)	All Other Retirees
Reliance Dental		
Retiree	\$ 13.70	\$ 27.39
Retiree and spouse	28.48	56.95
Retiree and children	26.65	53.30
Family	45.23	90.45
Aetna Dental		
Retiree	\$ 8.33	\$ 16.65
Retiree and spouse	15.82	31.63
Retiree and children	14.97	29.94
Family	18.44	36.86
Aetna Vision		
Retiree	\$ 2.09	\$ 4.18
Retiree and spouse	4.11	8.22
Retiree and children	3.75	7.50
Family	5.77	11.54

Rule of 80 retirees under age 65 pay the same rates as active employees. Other retirees pay the premium equivalent funding rate. For fiscal years June 30, 2025 and 2024, the District contributed \$3.2 million and \$3.1 million, respectively, to the healthcare plan, which is net of the retiree contributions.

e) Actuarial Methods and Assumptions

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

In the actuarial valuations, the entry age normal actuarial cost method was used. Benefit liabilities were reported as of June 30, 2025 and 2024, and were valued as of June 30, 2025 and 2024. The actuarial valuation as of June 2025 and 2024 includes participant census data as of January 1, 2025, and January 1, 2023, respectively. The actuarial assumptions included a 5.2% and a 3.93% discount rate for 2025 and 2024, respectively. The selected discount rate at June 30, 2025 and 2024, reflects a snapshot as of the Measurement Date of the 20-year Governmental Obligation Index published by Bond Buyer.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

	<u>2025</u>	<u>2024</u>
Salary increases including inflation	4.50%	4.50%
Mortality trend rates	Pub-2016 General Headcount-Weighted Mortality Table with generational projections using Scale MP-2021	Pub-2010 General Headcount-Weighted Mortality Table with generational projections using Scale MP-2021
Inflation	2.30%	2.30%
Healthcare cost trend rates	The trend rates of incurred claims represent the rate of increase in employer claims payments	The trend rates of incurred claims represent the rate of increase in employer claims payments

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

For June 30, 2025, the trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums. The short-term trend rate for Pre-65 retirees starts off at 6.3%, and at 6.6% for Post-65 retirees and reflects the repeal of the ACA Excise Tax effective 2021.

For June 30, 2024, the trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums. The short-term trend rate for Pre-65 retirees starts off at 6.7%, and at 6% for Post-65 retirees, and reflects the repeal of the ACA Excise Tax effective 2021. Trend rates assume that over time, deductibles and out-of-pocket maximums will be periodically increased as trends increase.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Medical annual rates of increase:		
Initial trend rate pre-65	6.30%	6.70%
Initial trend rate post-65	6.60%	6.00%
Ultimate trend rate pre-65	3.70%	3.70%
Ultimate trend rate post-65	3.70%	3.70%
Year that the rate reaches the ultimate trend rate pre-65	2074	2074
Year that the rate reaches the ultimate trend rate post-65	2074	2074
Dental annual rates of increase:		
Initial trend rate	4.00%	4.00%
Ultimate trend rate	3.70%	3.70%
Year that the rate reaches the ultimate trend rate	2074	2074

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

f) Discount Rate

A single discount rate of 5.2% and 3.93% was used to measure the total OPEB liability for June 30, 2025 and 2024, respectively. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate.

g) OPEB Liability

At June 30, 2025 and 2024, the District reported a total OPEB liability of \$40 million and \$51.8 million, respectively. The total OPEB liability as of June 30, 2025, was determined by an actuarial valuation as of the valuation date of January 1, 2025, which was then projected forward to the measurement date of June 30, 2025, calculated based on the discount rate of 5.20%, and various key actuarial assumptions. The total OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of the valuation date of January 1, 2023, which was then projected forward to the measurement date of June 30, 2024, calculated based on the discount rate of 3.93%, and various key actuarial assumptions. There were no significant changes between the valuation date and the fiscal year end.

h) Changes in the Total OPEB Liability

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	Increase (Decrease) Total OPEB Liability	
	<u>(In thousands of dollars)</u>	
Balance as of June 30, 2023	\$	53,290
Changes for the year:		
Service cost		1,278
Interest on total OPEB liability		1,936
Effect of plan changes		—
Effect of economic/demographic gains or losses		—
Effect of assumptions changes or inputs		(1,612)
Benefit payments		<u>(3,068)</u>
Balance as of June 30, 2024	\$	<u>51,824</u>

i) Plan Changes and Changes in Assumptions

There were no plan changes during 2025 or 2024.

j) Sensitivity Analysis

The following presents the total OPEB liability of the District as of June 30, 2025, calculated using the discount rate of 5.20%, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one percent point lower (4.20%) or one percent higher (6.20%) than the current rate.

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
	<u>(In thousands of dollars)</u>		
Total OPEB liability	\$ 44,116	40,023	36,612

The following presents the total OPEB liability of the District as of June 30, 2025, calculated using the current healthcare cost trend rates, as well as what the District’s total OPEB liability would be if it were calculated using trend rates that are one percent point lower or one percent point higher than the current trend rates. The current trend rates for 2025 were 6.30% for costs prior to age 65 and 6.60% for costs after age 65.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	<u>1% Decrease</u>	Healthcare Current Cost Trend Rates	<u>1% Increase</u>
	(In thousands of dollars)		
Total OPEB liability	\$ 39,125	40,023	41,073

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

For the year ended June 30, 2025, the District recognized expenses of \$942 thousand. For the year ended June 30, 2024, the District recognized expenses of \$2.15 million.

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

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	(In thousands of dollars)	
Differences between expected and actual experience	\$ —	\$ (8,727)
Changes of assumptions	<u>9,907</u>	<u>(9,321)</u>
Total	<u>\$ 9,907</u>	<u>\$ (18,048)</u>

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2025, will be recognized in OPEB expense as follows:

Year ending June 30:	(In thousands of dollars)
2026	\$ (2,092)
2027	(3,900)
2028	(5,361)
2029	(3,503)
2030	(1,972)
Thereafter	<u>(843)</u>
	<u>\$ (17,671)</u>

(14) Charity Care

The District adopted a revised charity care policy effective July 1, 2023, which allows for a propensity to pay determination in addition to traditional financial application. In fiscal year 2025, the District provided \$330.4 million in cost for uncompensated care to the community specifically related to the cost to care for uninsured and underinsured patients. Included in these dollars is the provision of charity care to patients that meet the eligibility criteria under the District’s Financial Assistance Program (FAP) Policy. Eligibility into the FAP includes income requirements and final approval. The District charges eligible charity patients for services and supplies rendered. The total gross charges of charity care provided during fiscal year 2025 was \$84.9 million comprised of \$51.1 million in inpatient services and \$33.8 million in outpatient services, with an estimated cost of \$23.8 million, comprised of \$11.1 million for inpatient services and \$12.7 million for outpatient services. In addition to the above, during fiscal year 2025, the District finalized the retrospective review for services provided during the Public Health Emergency (March 2020 to May 2023) and provisioned an additional \$252.8 million in charity write offs at an estimated cost of \$73.4 million. The estimated costs were derived using the Enterprise Decision Support (EDS) system, which included indirect and direct costs.

In fiscal year 2024, the District provided \$339.3 million in cost for uncompensated care to the community specifically related to the cost to care for uninsured and underinsured patients. The total gross charges of charity care provided during fiscal year 2024 was \$86.1 million. Total gross charges of charity provided reflects inpatient services of \$46.2 million and outpatient services of \$39.9 million for fiscal year 2024. The estimated cost of charity care was \$19.1 million for fiscal year 2024, comprised of \$8.6 million for inpatient services and \$10.5 million for outpatient services. In addition to the above, during fiscal year 2024, the District performed a retrospective review for services provided during the Public Health Emergency (March 2020 to May 2023) and provisioned an additional \$484.3 million in charity write offs at an estimated cost of \$107.5 million. The estimated costs were derived using the Enterprise Decision Support (EDS) system, which included indirect and direct costs.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(15) Net Patient Service Revenue

Net patient service revenue for fiscal years 2025 and 2024 consisted of the following:

	2025	2024
(In thousands of dollars)		
Gross patient service revenue:		
Medicare	\$ 2,865,127	\$ 2,574,567
Medicaid	958,092	1,127,243
Commercial and Managed Care	2,595,713	2,350,187
Self-pay and all other	705,621	629,693
Total gross patient service revenue	7,124,553	6,681,690
Allowances:		
Medicare	2,332,685	2,086,061
Medicaid	789,916	935,544
Commercial and Managed Care	1,681,156	1,543,493
Self-pay and all other	514,204	538,272
Total allowances	5,317,961	5,103,370
Provision for uncollectible amounts	376,623	205,239
Total deductions from patient service revenue	5,694,584	5,308,609
Net patient service revenue	\$ 1,429,969	\$ 1,373,081

(16) Ad Valorem Tax Revenue

The Board of the District is empowered and directed to annually levy upon all real and personal taxable property within the boundaries of the District a sufficient tax, not to exceed 2.5 mills, to accomplish the purposes of the District, as determined by the Board. For fiscal years 2025 and 2024, the levies were 1.3261 mills and 1.4307 mills, respectively. The total assessed value for which fiscal years 2025 and 2024 levies were based was approximately \$206.7 billion and \$190.3 billion, respectively, with total taxes, net of associated fees, levied at the District level aggregating \$248.3 million and \$246.9 million for fiscal years 2025 and 2024, respectively. The Broward County Property Appraiser assesses, and the Broward County Tax Collector collects all ad valorem taxes within Broward County.

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

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

(17) Concentrations of Credit Risk

The District grants credit without collateral to its patients, most of whom are local residents and are covered under third-party payor agreements. The mix of receivables, net of contractual allowance reserves and provision for uncollectible accounts from patients and third-party payors at June 30, 2024 and 2025, is detailed below. The District establishes reserves against these receivables based upon estimated collectability and credit risk. Self-pay receivables are by nature high risk, and estimated collectability is low.

	<u>2025</u>	<u>2024</u>
Medicare	31.5%	30.3%
Medicaid	6.8	10.6
Commercial and Managed Care	58.1	51.6
Self-pay and all other	3.6	7.5
	<u>100.0%</u>	<u>100.0%</u>

(18) Risk Management

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

Public Liability, Medical Malpractice, and Workers’ Compensation

In 1975, the District developed a self-insurance program to provide coverage for professional liability and general liability. In September 1979, the District added workers’ compensation to its self-insurance program. The District operates a comprehensive quality assurance program in collaboration with its risk management department and in compliance with F.S. §395.0197, which enables its

NORTH BROWARD HOSPITAL DISTRICT

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June 30, 2025 and 2024

healthcare facilities to closely monitor adverse incidents, potential claims at the point of occurrence and to enhance its procedures for estimating accruals for such claims.

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

The District established a current and noncurrent liability in the total amount of \$26.3 million and \$27.9 million at June 30, 2025 and 2024, respectively, to cover losses resulting from asserted and unasserted claims. The liability includes estimates of the ultimate costs of both reported claims and claims incurred but not reported. Management believes these reserves are adequate to cover losses from such claims after considering the limits provided by Florida Statutes as set forth above. The current year claims expense is included within insurance expenses in the respective statements of revenues, expenses, and changes in net position.

Changes in the District's self-insurance program claims liability during fiscal years 2025 and 2024 was as follows:

	2025	2024
	(In thousands of dollars)	(In thousands of dollars)
Liability at beginning of year	\$ 27,883	\$ 28,847
Current year claims expense	4,921	4,608
Current year claims payments	(6,467)	(5,572)
Liability at end of year	\$ 26,337	\$ 27,883

Medical Health Benefits

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

The estimated reserve for the District's health benefits as of June 30, 2025 and 2024, for non-retirees is \$6.9 million and \$7.8 million, respectively, and is included in accrued salaries, benefits, and payroll taxes in the accompanying statements of net position. The District considered the need for a margin for adverse deviation from the best estimate of reserve based on the variability of claims and has included a 10% explicit margin. The liability includes estimates of the ultimate costs of both reported claims and claims incurred but not reported. Management believes these reserves are adequate to cover such claims.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

Changes in the District’s health plan liability during fiscal years 2025 and 2024 was as follows:

	2025	2024
	(In thousands of dollars)	(In thousands of dollars)
Liability at beginning of year	\$ 7,824	\$ 9,031
Current year claims expense	83,839	91,260
Current year claims payments	(84,723)	(92,467)
Liability at end of year	\$ 6,940	\$ 7,824

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

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

(19) Related Parties

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

CCP is a Provider Service Network (PSN) and third-party administrator that administers various programs, including Title XXI – Children’s Health Insurance Program on behalf of the Florida Healthy Kids Corporation and Title XIX – Managed Medical Assistance on behalf of the Agency for Healthcare Administration as part of the Statewide Medicaid Managed Care program. The PSN is a provider-owned network of hospitals, physicians, and other ancillary care providers developed to provide integrated managed care services to a population of Medicaid covered enrollees in Broward County and CHIP enrollees in Broward, Miami Dade, Monroe, Indian River, Palm Beach, and Okeechobee Counties.

As of June 30, 2025 and 2024, the District’s investment in CCP was approximately \$31 million and \$34 million, respectively, and is included in other assets. For June 30, 2025 and 2024, the District recorded a loss of \$3 million and earnings of \$5.12 million, respectively.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

Summarized financial information taken from the audited financial statements of CCP as of December 31, 2024 and 2023, was as follows:

	<u>2024</u>	<u>2023</u>
	(In thousands of dollars)	(In thousands of dollars)
Assets		
Current assets	\$ 83,654	\$ 90,479
Capital assets, net	1,772	486
Other assets	<u>36,555</u>	<u>21,386</u>
Total assets	<u>\$ 121,981</u>	<u>\$ 112,351</u>
Liabilities and Net Position		
Current liabilities	\$ 55,397	\$ 47,478
Long-term liabilities	<u>65</u>	<u>676</u>
Total liabilities	<u>55,462</u>	<u>48,154</u>
Net position	<u>66,519</u>	<u>64,197</u>
Total liabilities and net position	<u>\$ 121,981</u>	<u>\$ 112,351</u>

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	2024	2023
	(In thousands of dollars)	(In thousands of dollars)
Revenue	\$ 193,209	\$ 205,685
Expenses:		
Medical services expenses	147,642	158,001
General administrative expenses	49,155	41,421
Total expenses	196,797	199,422
Operating income (loss)	(3,588)	6,263
Other income	5,910	4,702
Increase in net position	2,322	10,965
Net position:		
Beginning of year	64,197	53,232
End of year	\$ 66,519	\$ 64,197

(20) Public Medical Assistance Trust Fund

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

In fiscal year 2025 the District changed its method for accounting for these assessments after revisiting the Section 395.701 of Florida Statutes and determined that 18 months of accruals should be recorded. The effect of this change resulted in the following adjustments:

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	2024	2023
	(In thousands of dollars)	(In thousands of dollars)
State assessments, as previously reported	\$ 15,920	\$ 13,178
Increase in state assessments	2,409	1,352
State assessments, as adjusted	\$ 18,329	\$ 14,530
Accounts payables and accrued expenses, as previously reported	\$ 177,895	\$ 155,399
Increase for state assessment accrual	24,523	22,114
Accounts payables and accrued expenses, as adjusted	\$ 202,418	\$ 177,513
Net position, as previously reported	\$ 1,566,943	\$ 1,265,778
Decrease for state assessments accrual	(24,523)	(22,114)
Net position, as adjusted	\$ 1,542,420	\$ 1,243,664

During fiscal years 2025 and 2024, approximately \$18.4 million and \$18.3 million, respectively, was recorded as an operating expense in the accompanying statements of revenues, expenses, and changes in net position. During fiscal years 2025 and 2024, approximately \$26.8 million and \$24.5 million, respectively was recorded as a liability in the accompanying statement of net position.

(21) Commitments and Contingencies

a) Litigation

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

The District has been named as a defendant in a number of malpractice lawsuits. In the event that a claimant obtains a tort judgment in excess of the statutory cap the claimant must petition the Florida Legislature to seek an appropriation to pay the judgment. The District may incur charges more than its established reserves that could have an adverse impact on the District’s net income and net cash flows in the period in which it is recorded or paid. The existing sovereign immunity cap under Florida Statute §768.28 imposes a \$200,000 limit per person and a \$300,000 limit per incident for claims filed since July 1, 2011. For the District to incur liability in excess of the sovereign immunity cap, a claimant must first obtain a judgment in excess of sovereign immunity limits, and after exhausting all available remedies the claimant must petition the Legislature. The claims bill must be presented and sponsored by a senator or representative of the State of Florida. The claims bill is then typically referred to a Special Master, whereby the claimant has the burden to prove elements of negligence by preponderance of the evidence. If the claims bill passes both houses of the Florida Legislature, the Governor may sign it or allow it to become law without signature. The deadline to file a new bill for the January 13, 2026, session is November 21, 2025. Currently, the District has no new claims bills filed for the upcoming 2026 legislative session.

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

b) Other Industry Risks

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

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

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

(22) Significant Business Risk

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

(23) Condensed Financial Information – Component Units

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

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

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	Childrens Diagnostic & Treatment Center	Broward Health Foundation	Broward Health ACO	Total of Blended Component Units
Operating revenues	<u>\$ 13,987</u>	<u>\$ -</u>	<u>\$ 663</u>	<u>\$ 14,650</u>
Operating expenses	<u>17,135</u>	<u>1,757</u>	<u>939</u>	<u>19,831</u>
Operating income (loss)	<u>(3,148)</u>	<u>(1,757)</u>	<u>(276)</u>	<u>(5,181)</u>
Nonoperating revenues (expenses)	<u>676</u>	<u>5,789</u>	<u>6</u>	<u>6,471</u>
Increase(decrease) in net position	<u>(2,472)</u>	<u>4,032</u>	<u>(270)</u>	<u>1,290</u>
Net position				
Beginning of year,	<u>(6,082)</u>	<u>25,740</u>	<u>(2,650)</u>	<u>17,008</u>
End of year	<u><u>\$ (8,554)</u></u>	<u><u>\$ 29,772</u></u>	<u><u>\$ (2,920)</u></u>	<u><u>\$ 18,298</u></u>

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

The following tables represent the condensed financial information of the District's component units at June 30, 2024 (in thousands of dollars):

	Childrens Diagnostic & Treatment Center	Broward Health Foundation	Broward Health ACO	Total of Blended Component Units
<u>Assets:</u>				
Other current assets	\$ 7,471	\$ 23,417	\$ 146	\$ 31,034
Total current assets	7,471	23,417	146	31,034
Capital Assets, net	1,361	1,158	16	2,535
Due (to)/from other components	(3,445)	181	22	(3,242)
Other assets	976	1,188	22	2,186
Total assets	6,363	25,944	206	32,513
Deferred outflows of resources	529	16	58	603
<u>Liabilities:</u>				
Other current liabilities	11,011	154	2,853	14,018
Total current liabilities	11,011	154	2,853	14,018
Other long-term liabilities	1,224	32	23	1,279
Total liabilities	12,235	186	2,876	15,297
Deferred inflows of resources	739	34	38	811
<u>Net position:</u>				
Net investment in capital assets	1,354	1,070	16	2,440
Restricted for donor restrictions	-	24,550	-	24,550
Restricted net position	922	29	30	981
Unrestricted net position	(8,358)	91	(2,696)	(10,963)
Total net position	\$ (6,082)	\$ 25,740	\$ (2,650)	\$ 17,008

NORTH BROWARD HOSPITAL DISTRICT

Notes to the Financial Statements

June 30, 2025 and 2024

	Childrens Diagnostic & Treatment Center	Broward Health Foundation	Broward Health ACO	Total of Blended Component Units
Operating revenues	\$ 24,177	\$ -	\$ 2,156	\$ 26,333
Operating expenses	25,688	1,524	1,344	28,556
Operating income (loss)	(1,511)	(1,524)	812	(2,223)
Nonoperating revenues (expenses)	888	2,067	65	3,020
Increase(decrease) in net position	(623)	543	877	797
Net position				
Beginning of year,	(5,459)	25,197	(3,527)	16,211
End of year	\$ (6,082)	\$ 25,740	\$ (2,650)	\$ 17,008

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

NORTH BROWARD HOSPITAL DISTRICT

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

June 30, 2016 Through June 30, 2025

(In thousands of dollars)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 15,446	12,919	12,923	12,225	13,588	12,604	14,202	11,692	11,114	10,603
Interest on total pension liability	22,969	22,048	21,441	21,039	21,136	22,525	22,571	25,251	25,255	24,568
Effect of economic/demographic gains or losses	9,935	(4,203)	(4,818)	(5,583)	1,891	(8,793)	(1,684)	(3,996)	(2,844)	(2,600)
Effect of assumption changes or inputs	(7,868)	8,485	6,484	7,274	(5,405)	(19,993)	(4,753)	20,211	(4,654)	965
Benefit payments	(27,791)	(26,295)	(26,341)	(32,007)	(30,808)	(28,351)	(30,555)	(31,731)	(27,411)	(25,626)
Net change in total pension liability	12,691	12,954	9,689	2,948	402	(22,008)	(219)	21,427	1,460	7,910
Total pension liability, beginning	365,747	352,793	343,104	340,156	339,754	361,762	361,981	340,554	339,094	331,184
Total pension liability, ending (a)	378,438	365,747	352,793	343,104	340,156	339,754	361,762	361,981	340,554	339,094
Fiduciary Net Position										
Employer contributions	\$ 4,000	7,000	—	2,688	10,725	16,000	16,000	16,010	17,000	15,200
Investment income net of investment expenses	36,489	34,687	25,072	(17,533)	93,993	12,015	25,602	39,513	42,243	(1,210)
Benefit payments	(27,792)	(26,295)	(26,341)	(32,007)	(30,808)	(28,351)	(30,555)	(31,731)	(27,411)	(25,626)
Administrative expenses	(1,655)	(2,067)	(971)	(2,682)	(2,034)	(2,207)	(1,867)	(2,131)	(2,273)	(2,126)
Net change in plan fiduciary net position	11,042	13,325	(2,240)	(49,534)	71,876	(2,543)	9,180	21,661	29,559	(13,762)
Fiduciary net position, beginning	405,583	392,258	394,498	444,032	372,156	374,699	365,519	343,858	314,299	328,061
Fiduciary net position, ending (b)	416,625	405,583	392,258	394,498	444,032	372,156	374,699	365,519	343,858	314,299
Net pension (asset) liability, ending = (a) - (b)	38,187	(39,836)	(39,465)	(51,394)	(103,876)	(32,402)	(12,937)	(3,538)	(3,304)	24,795
Fiduciary net position as a % of total pension liability	110.09%	110.89%	111.19%	114.98%	130.54%	109.54%	103.58%	100.98%	100.97%	92.69%
Covered payroll	\$ 480,922	406,455	389,610	387,944	389,554	362,948	377,071	375,867	376,441	353,296
Net pension (asset) liability as a % of covered payroll	-7.94%	-9.80%	-10.13%	-13.25%	-26.67%	-8.93%	-3.43%	-0.94%	-0.88%	7.02%

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

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

July 1, 2015 Through June 30, 2025

(In thousands of dollars)

Fiscal Year Ending June 30	Actuarially Determined Contribution*	Actual Employer Contribution**	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2025	\$ 13,826	\$ 4,000	\$ 9,826	\$ 480,922	0.83%
2024	6,883	7,000	(117)	406,455	1.72%
2023	0	0	0	389,610	0.00%
2022	0	2,688	(2,688)	387,944	0.69%
2021	0	10,725	(10,725)	389,554	2.75%
2020	4,271	16,000	(11,729)	362,948	4.41%
2019	9,758	16,000	(6,242)	377,071	4.24%
2018	9,028	16,010	(6,982)	375,867	4.26%
2017	11,052	17,491	(6,439)	376,441	4.65%
2016	11,834	15,656	(3,822)	353,296	4.43%

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

**Interest adjusted to plan year end.

Notes to Schedule

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

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

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

Fiscal Years Ending June 30, 2016 Through June 30, 2025

<u>Fiscal Year</u> <u>Ending</u> <u>June 30</u>	<u>Net</u> <u>Money-Weighted</u> <u>Rate of Return</u>
2016	-0.38%
2017	13.96%
2018	11.71%
2019	7.09%
2020	3.58%
2021	24.70%
2022	-4.61%
2023	9.65%
2024	9.08%
2025	9.29%

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
Fiscal Years Ending June 30, 2018 Through June 30, 2025
(In thousands of dollars)

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

See accompanying independent auditors' report.

SUPPLEMENTAL COMBINING INFORMATION

NORTH BROWARD HOSPITAL DISTRICT

Combining Schedule of Net Position

June 30, 2025

(In thousands of dollars)

Assets	Broward Health Medical Center	Broward Health North	Broward Health Imperial Point	Broward Health Coral Springs	Foundation	Other Non-Hospital Entities	Eliminations	Total
Current assets:								
Cash and cash equivalents	\$ 8	3	1	3	—	379,282	—	379,297
Cash and investments externally restricted by donors	—	—	—	—	21,354	—	—	21,354
Short-term investments	—	—	—	—	—	619,675	—	619,675
Assets whose use is limited required for current liabilities – investments	4,448	835	1,035	1,833	—	804	—	8,955
Due from patients and others, net of allowance for uncollectibles	127,997	54,292	18,313	35,551	—	5,997	—	242,150
Inventories	18,719	10,254	4,614	6,164	—	2,473	—	42,224
Estimated third-party payor settlements	11,550	2,255	1,491	1,851	—	23,932	—	41,079
Other current assets	6,799	3,603	566	1,757	3,925	41,836	(12,567)	45,919
Total current assets	169,521	71,242	26,020	47,159	25,279	1,073,999	(12,567)	1,400,653
Assets whose use is limited – cash and investments: Amounts designated for self-insurance	22,630	4,247	5,265	9,324	—	4,180	—	45,646
Less amount required to meet current obligations	22,630	4,247	5,265	9,324	—	4,180	—	45,646
	(4,448)	(835)	(1,035)	(1,833)	—	(804)	—	(8,955)
Assets whose use is limited, net	18,182	3,412	4,230	7,491	—	3,376	—	36,691
Investments	—	—	—	—	—	243,008	—	243,008
Due from/(to) affiliates	926,903	251,484	51,857	285,539	507	(1,516,290)	—	—
Capital assets, net	182,961	101,030	49,325	117,685	1,062	404,276	—	856,339
Net pension asset	12,197	6,209	3,239	5,097	24	11,021	—	37,787
Other assets	629	943	—	629	3,064	47,736	—	53,001
Total assets	1,310,393	434,320	134,671	463,600	29,936	267,126	(12,567)	2,627,479
Deferred outflows of resources:								
Loss on debt refundings	7,124	471	263	179	—	633	—	8,670
Deferred pension amounts	5,285	2,690	1,403	2,209	10	5,146	—	16,743
Deferred other postemployment benefits	1,892	963	502	791	4	1,770	—	5,922
Total deferred outflows of resources	14,301	4,124	2,168	3,179	14	7,549	—	31,335

See accompanying independent auditor's report.

NORTH BROWARD HOSPITAL DISTRICT
Combining Schedule of Net Position (Continued)

June 30, 2025

(In thousands of dollars)

Liabilities	Broward Health Medical Center	Broward Health North	Broward Health Imperial Point	Broward Health Coral Springs	Foundation	Other Non-Hospital Entities	Eliminations	Total
Current liabilities:								
Current maturities of revenue bonds payable	\$ 3,064	454	411	439	—	2,362	—	6,730
Accounts payable and accrued expenses	97,155	33,018	14,274	20,360	34	60,409	(12,567)	212,683
Accrued salaries, benefits, and payroll taxes	3,925	2,042	1,141	1,742	39	51,520	—	60,409
Accrued personal leave	12,380	5,603	2,976	4,729	20	12,497	—	38,205
Current portion of lease, SBITA, and finance purchase obligations	1,508	630	258	1,485	32	28,441	—	32,354
Estimated third-party payor settlements	44,584	17,103	3,759	4,217	—	11,949	—	81,612
Current portion of self-insurance program liability	4,448	835	1,035	1,833	—	804	—	8,955
Interest payable	5	3	1	2	1	998	—	1,010
Total current liabilities	167,069	59,688	23,855	34,807	126	168,980	(12,567)	441,958
Revenue bonds, net of current maturities	133,466	19,745	17,891	19,119	—	102,905	—	293,126
Lease, SBITA, and finance purchase obligations, net of current portion	1,085	75	76	280	—	41,018	—	42,534
Self-insurance program liability, net of current portion	8,633	1,620	2,009	3,557	—	1,563	—	17,382
Other postemployment benefit program liability	12,784	6,507	3,394	5,342	25	11,971	—	40,023
Total liabilities	323,037	87,635	47,225	63,105	151	326,437	(12,567)	835,023
Deferred inflows of resources:								
Deferred pension amounts	6,111	3,111	1,622	2,554	12	6,015	—	19,425
Deferred other postemployment benefits	7,536	3,836	2,001	3,149	15	7,056	—	23,593
Leases	1,683	2,421	—	1,486	—	15,694	—	21,284
Total deferred inflows of resources	15,330	9,368	3,623	7,189	27	28,765	—	64,302
Net position:								
Net investment in capital assets	50,962	80,597	30,952	96,541	1,030	230,183	—	490,265
Restricted for donor restrictions	—	—	—	—	28,285	—	—	28,285
Restricted for pension	11,371	5,788	3,020	4,752	22	10,152	—	35,105
Unrestricted	923,994	255,056	52,019	295,192	435	(320,862)	—	1,205,834
Total net position	\$ 986,327	341,441	85,991	396,485	29,772	(80,527)	—	1,759,489

See accompanying independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT

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

Year ended June 30, 2025

(In thousands of dollars)

	Broward Health Medical Center	Broward Health North	Broward Health Imperial Point	Broward Health Coral Springs	Foundation	Other Non-Hospital Entities	Eliminations	Total
Operating revenues:								
Net patient service revenue (net of provision for uncollectible accounts)	\$ 663,101	338,551	128,339	242,212	—	57,766	—	1,429,969
Other operating revenue	34,639	16,323	1,206	2,434	—	145,862	(12,737)	187,727
Total operating revenues	697,740	354,874	129,545	244,646	—	203,628	(12,737)	1,617,696
Operating expenses:								
Salaries	233,173	115,241	56,396	94,150	558	249,342	—	748,860
Employee benefits	38,397	19,787	9,466	16,368	105	40,934	—	125,057
Professional fees	38,153	22,426	9,232	13,678	—	11,340	(5,849)	88,980
Purchased services and temporary labor	38,909	12,204	4,515	5,799	—	9,155	—	70,582
Outside services	12,226	5,632	1,606	2,631	16	23,718	—	45,829
Supplies	165,326	75,848	24,967	37,746	9	33,936	—	337,852
Insurance	285	(336)	1,065	517	—	1,375	—	2,906
Utilities	7,689	3,216	2,443	2,386	3	5,810	—	21,547
Repairs and maintenance	12,238	5,334	4,141	5,443	—	2,597	—	29,753
State assessments	8,702	4,209	1,628	3,001	—	907	—	18,447
Depreciation and amortization	23,171	9,944	5,623	10,313	95	70,894	—	120,040
Other	130,450	68,698	35,048	54,693	971	(169,723)	(6,888)	113,249
Total operating expenses	708,719	342,203	156,130	246,725	1,757	280,305	(12,737)	1,723,102
Operating income/(loss)	(10,979)	12,671	(26,585)	(2,079)	(1,757)	(76,677)	—	(105,406)
Nonoperating revenues (expenses):								
Ad valorem tax revenue	102,535	52,656	23,238	41,035	—	28,803	—	248,267
Investment income, net	702	569	156	717	1,665	87,917	—	91,726
Interest expense	(7,723)	(1,168)	(950)	(977)	(1)	(8,160)	—	(18,979)
Other	(6,754)	(1,863)	5,102	(546)	4,125	682	—	746
Total nonoperating revenues	88,760	50,194	27,546	40,229	5,789	109,242	—	321,760
Income before capital contributions	77,781	62,865	961	38,150	4,032	32,565	—	216,354
Capital contributions	—	—	—	—	—	715	—	715
Increase in net position	77,781	62,865	961	38,150	4,032	33,280	—	217,069
Net position:								
Beginning of year, as adjusted (Note 20)	908,546	278,576	85,030	358,335	25,740	(113,807)	—	1,542,420
End of year	\$ 986,327	341,441	85,991	396,485	29,772	(80,527)	—	1,759,489

See accompanying independent auditors' report.

OTHER SUPPLEMENTAL SCHEDULES

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Functional Expenses of Broward County Grants
For the Year Ended June 30, 2025

	Ryan White Ambulatory Care	Medical Home	Ryan White Ambulatory Care	Ryan White Case Mgmt	Ryan White Pharmacy	Ryan White Disease Case Mgmt	Ryan White EHE DCM	Ryan White EHE IPC	Ryan White EHE CM	Ryan White EFA	Total
	428001	428009	426001	810000	426002	426005	460019	460020	460024	426011	
Salaries	\$ 6,015	\$ 594,923	\$ 456,837	\$ 164,820	\$ 1,416	\$ 31,360	\$ 51,206	\$ 27,013	\$ 2,260	\$ 1,325	\$ 1,337,175
Agency	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits	3,776	149,937	115,611	54,122	427	11,837	(9,626)	6,496	341	101	333,022
Fees Other	3,328	513	62,508	-	-	-	-	79,789	-	-	146,138
Supplies	1,097	3,242	21,216	-	149	-	-	-	-	57,538	83,242
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
Other	10,107	25,804	441,088	-	-	-	-	-	-	(4,638)	472,361
Total Direct Expenses	24,323	774,419	1,097,260	218,942	1,992	43,197	41,580	113,298	2,601	54,326	2,371,938
Common Service	181	22,364	86,699	13,430	10,946	13,783	5,000	5,287	3,561	-	161,251
Administration Allocation	1,190	142,278	-	-	-	-	-	-	-	-	143,468
Total Expenses	\$ 25,694	\$ 939,061	\$ 1,183,959	\$ 232,372	\$ 12,938	\$ 56,980	\$ 46,580	\$ 118,585	\$ 6,162	\$ 54,326	\$ 2,676,657

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Revenues, Expenses, and Cash Receipts of Broward County Grants
For the Year Ended June 30, 2025

	Ryan White Ambulatory Care	Medical Home	Ryan White Ambulatory Care	Ryan White Case Mgmt	Ryan White Pharmacy	Ryan White Disease Case Mgmt	Ryan White EHE DCM	Ryan White EHE IPC	Ryan White EHE CM	Ryan White EFA	Total
	428001	428009	426001	810000	426002	426005	460019	460020	460024	426011	
Grant Revenue Federal	\$ 46,963	\$ -	\$ 1,058,105	\$ 201,106	\$ 139	\$ 30,322	\$ 17,580	\$ 58,611	\$ 53,073	\$ 57,538	\$ 1,523,437
Grant Revenue County	-	612,163	-	-	-	-	-	-	-	-	612,163
Grant Revenue Private	-	-	-	-	-	-	-	-	-	-	-
Other Revenue (Net)	(16,451)	-	-	-	-	-	-	-	-	-	(16,451)
Total Revenues	30,512	612,163	1,058,105	201,106	139	30,322	17,580	58,611	53,073	57,538	2,119,149
Salaries	6,015	594,923	456,837	164,820	1,416	31,360	51,206	27,013	2,260	1,325	1,337,175
Agency	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits	3,776	149,937	115,611	54,122	427	11,837	(9,626)	6,496	341	101	333,022
Fees Other	3,328	513	62,508	-	-	-	-	79,789	-	-	146,138
Supplies	1,097	3,242	21,216	-	149	-	-	-	-	57,538	83,242
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
Other	10,107	25,804	441,088	-	-	-	-	-	-	(4,638)	472,361
Total Direct Expenses	24,323	774,419	1,097,260	218,942	1,992	43,197	41,580	113,298	2,601	54,326	2,371,938
Common Service	181	22,364	86,699	13,430	10,946	13,783	5,000	5,287	3,561	-	161,251
Administration Allocation	1,190	142,278	-	-	-	-	-	-	-	-	143,468
Total Expenses	25,694	939,061	1,183,959	232,372	12,938	56,980	46,580	118,585	6,162	54,326	2,676,657
Excess (deficiency) of revenue over expenses	\$ 4,818	\$ (326,898)	\$ (125,854)	\$ (31,266)	\$ (12,799)	\$ (26,658)	\$ (29,000)	\$ (59,974)	\$ 46,911	\$ 3,212	\$ (557,508)
Cash Receipts	\$ 97,052	\$ 687,840	\$ 789,829	\$ 145,915	\$ 146	\$ 31,444	\$ 15,216	\$ 37,673	\$ 27,772	\$ 44,414	\$ 1,877,301

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Substance Abuse & Mental Health Services (Baker Act Contract)
Actual Expenses and Revenues Schedule – Region 102

AGENCY: Florida Department of Children and Families

DATE PREPARED: 10/30/2025

CONTRACT #: 34364-17

BUDGET PERIOD: 07/01/2024 TO 06/30/2025

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES	SAMH COVERED SERVICES		SAMH COVERED SERVICES				Total for All Covered Services	Non-SAMH Covered Services	Cost Center 703000	Total Funding
	STATE SAMH-FUNDED COVERED SERVICES		STATE SAMH-FUNDED COVERED SERVICES							
	Program 1		Program 2		Detail of Non-SAMH Cost Center					
	Mental Health Grants	Total for Program 1	Substance Abuse Grants	Total for Program 2	Cost Center 820003	Cost Center 640032				
STATE SAMH FUNDING	\$ 1,414,476	\$ 1,414,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,414,476	
Mental Health Grant from DCF									\$ 180,329	
Opioid Hospital Bridge from DCF			180,329	180,329					999,238	
Integrated MAT Response			114,527	114,527					114,527	
Lazarus Project										
From Other Districts										
TOTAL STATE SAMH FUNDING	1,414,476	1,414,476	1,294,094	1,294,094	-	-	-	-	2,708,570	
OTHER GOVT. FUNDING										
Other State Agency Funding										
Medicaid	145,701	145,701							145,701	
Local Government										
Federal Grants and Contracts										
In-kind from local govt. only										
TOTAL OTHER GOV. FUNDING	145,701	145,701	-	-	-	-	-	-	145,701	
ALL OTHER REVENUES										
1st & 2nd Party Payments										
3rd Party Payments (except Medicare)	5,624,899	5,624,899							5,624,899	
Medicare	1,598,577	1,598,577							1,598,577	
Contributions and Donations										
Other	4,476,084	4,476,084							4,476,084	
In-kind										
TOTAL ALL OTHER REVENUES	11,699,560	11,699,560	-	-	-	-	-	-	11,699,560	
TOTAL FUNDING	13,259,737	13,259,737	1,294,094	1,294,094	-	-	-	-	14,553,831	

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT Substance Abuse & Mental Health Services (Baker Act Contract) Actual Expenses and Revenues Schedule – Region 102 (Continued)

AGENCY: Florida Department of Children and Families
 CONTRACT #: 34364-17
 DATE PREPARED: 10/30/2025
 BUDGET PERIOD: 07/01/2024 TO 06/30/2025

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS		STATE-DESIGNATED SAMH COST CENTERS		STATE-DESIGNATED SAMH COST CENTERS		Detail of Non-SAMH Cost Center						Total Expenses				
	STATE SAMH-FUNDED COST CENTERS		STATE SAMH-FUNDED COST CENTERS		STATE SAMH-FUNDED COST CENTERS		Total for All Covered Services	Cost Center 820003	Cost Center 840032	Cost Center 703000	Non-SAMH Covered Services	Other Support Costs (Optional)		Administration			
	Program 1	Program 1 Total	Program 1	Program 1 Total	Program 2	Program 2 Total									Total for Non-State-Funded Covered Services		
PERSONNEL EXPENSES																	
Salaries	\$ 5,958,989	\$ 1,286,683	\$ 7,225,672	\$ 7,225,672	\$ -	\$ -	\$ 7,225,672	\$ 1,922,449	\$ 3,148	\$ 2,494,631	\$ 4,420,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,645,900
Fringe Benefits	436,499	321,792	758,291	758,291	-	-	758,291	139,900	233	185,660	325,793	-	-	-	-	-	1,084,084
	6,395,488	1,588,475	7,983,963	7,983,963	-	-	7,983,963	2,062,349	3,381	2,680,291	4,746,021	-	-	-	-	-	12,729,984
TOTAL PERSONNEL EXPENSES																	
OTHER EXPENSES																	
Building Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	198	198	198	-	-	198	-	-	1,177,000	1,177,000	-	-	-	-	-	3,748,427
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	198
Food Services	18,761	1,679	20,440	20,440	-	-	20,440	3,777	24,488	28,406	56,671	-	-	-	-	-	77,111
Medical and Pharmacy	10,000	8,925	18,925	18,925	-	-	18,925	-	-	-	18,925	-	-	-	-	-	18,925
Subcontracted Services	6,071	286,461	304,532	304,532	-	-	304,532	286,419	-	-	286,419	-	-	-	-	-	593,951
Insurance	-	106	106	106	-	-	106	-	-	-	-	-	-	-	-	-	106
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Supplies & Expenses	194,629	52,714	247,343	247,343	-	-	247,343	10,555	-	3,953	14,508	-	-	-	-	-	281,851
Other	56,194	43,211	99,405	99,405	-	-	99,405	4,779	488	1,762	7,029	-	-	-	-	-	108,434
Donated Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	285,655	405,284	690,949	690,949	-	-	690,949	308,530	24,976	1,211,121	1,544,627	-	-	-	-	-	4,807,003
TOTAL OTHER EXPENSES																	
	6,681,143	1,993,759	8,674,912	8,674,912	-	-	8,674,912	2,370,879	28,357	3,891,412	6,290,648	-	-	-	-	-	17,536,987
TOTAL PERSONNEL & OTHER EXPENSES																	
DISTRIBUTED INDIRECT COSTS																	
Other Support Costs (Optional)	2,571,427	-	2,571,427	2,571,427	-	-	2,571,427	-	-	-	-	(2,571,427)	-	-	-	-	-
Administration	2,571,427	-	2,571,427	2,571,427	-	-	2,571,427	-	-	-	-	(2,571,427)	-	-	-	-	-
TOTAL DISTRO INDIRECT COSTS																	
	9,252,570	1,993,759	11,246,339	11,246,339	-	-	11,246,339	2,370,879	28,357	3,891,412	6,290,648	-	-	-	-	-	17,536,987
TOTAL ACTUAL OPERATING EXPENSES																	
	9,252,570	1,993,759	11,246,339	11,246,339	-	-	11,246,339	2,370,879	28,357	3,891,412	6,290,648	-	-	-	-	-	17,536,987
TOTAL ALLOWABLE OPERATING EXPENSES																	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL EXPENDITURES																	

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Substance Abuse & Mental Health Services (Baker Act Contract)
Actual Expenses and Revenues Schedule – Region 104

AGENCY: Florida Department of Children and Families Date Prepared: 11/17/2025
 CONTRACT #: 34394-17 Budget Period: 07/01/2024 TO 06/30/2025

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES	SAMH COVERED SERVICES		Detail of Non-SAMH Cost Center				
	Mental Health Grants	Total for Program 1	Cost Center	Cost Center	Cost Center	Non-SAMH Covered Services	Total Funding
STATE SAMH FUNDING							
Mental Health Grant from DCF	\$ 42,055	\$ 42,055	\$ -	\$ -	\$ -	\$ -	\$ 42,055
Opioid Hospital Bridge from DCF	-	-	-	-	-	-	-
Integrated MAT Response	-	-	-	-	-	-	-
Lazarus Project	-	-	-	-	-	-	-
From Other Districts	-	-	-	-	-	-	-
TOTAL STATE SAMH FUNDING	42,055	42,055	42,055	42,055	-	-	42,055
OTHER GOVT. FUNDING							
Other State Agency Funding	-	-	-	-	-	-	-
Medicaid	12,681	12,681	-	-	-	-	12,681
Local Government	-	-	-	-	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-	-
In-kind From Local Govt. Only	-	-	-	-	-	-	-
TOTAL OTHER GOV. FUNDING	12,681	12,681	-	-	-	-	12,681
ALL OTHER REVENUES							
1st & 2nd Party Payments	-	-	-	-	-	-	-
3rd Party Payments (except Medicare)	15,978	15,978	-	-	-	-	15,978
Medicare	34,628	34,628	-	-	-	-	34,628
Contributions and Donations	-	-	-	-	-	-	-
Other	3,068	3,068	-	-	-	-	3,068
In-kind	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUES	53,674	53,674	-	-	-	-	53,674
TOTAL FUNDING	\$ 108,410	\$ 108,410	\$ -	\$ -	\$ -	\$ -	\$ 108,410

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Substance Abuse & Mental Health Services (Baker Act Contract)
Actual Expenses and Revenues Schedule – Region 104 (Continued)

AGENCY: Florida Department of Children and Families

Date Prepared: 11/17/2025

CONTRACT #: 34394-17

Budget Period: 07/01/2024 TO 06/30/2025

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES	SAMH COVERED SERVICES		Detail of Non-SAMH Cost Center				Total Expenses
	STATE SAMH-FUNDED COVERED SERVICES		Cost Center		Non-SAMH Covered Services	Other Support Costs (optional)	
	Mental Health Grants	Total for Program 1	Cost Center	Cost Center			
PERSONNEL EXPENSES	\$ 4,328,493	\$ 4,328,493	\$ -	\$ -	\$ -	\$ -	\$ 4,328,493
Salaries	-	-	-	-	-	-	-
Fringe Benefits	319,160	319,160	-	-	-	-	319,160
	4,647,653	4,647,653	-	-	-	-	4,647,653
TOTAL PERSONNEL EXPENSES							
OTHER EXPENSES							
Building Occupancy	-	-	-	-	-	-	-
Professional Services	11,041	11,041	-	-	-	-	11,041
Travel	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Food Services	36,857	36,857	-	-	-	-	36,857
Medical and Pharmacy	-	-	-	-	-	-	-
Subcontracted Services	3,488	3,488	-	-	-	-	3,488
Insurance	1,624	1,624	-	-	-	-	1,624
Interest Paid	-	-	-	-	-	-	-
Operating Supplies & Expenses	110,500	110,500	-	-	-	-	110,500
Other	-	-	-	-	-	-	-
Donated Items	-	-	-	-	-	-	-
TOTAL OTHER EXPENSES	163,510	163,510	-	-	-	-	163,510
TOTAL PERSONNEL & OTHER EXPENSES	4,811,163	4,811,163	-	-	-	-	4,811,163
DISTRIBUTED INDIRECT COSTS							
Other Support Costs (Optional)	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-
TOTAL DISTRICT INDIRECT COSTS	-	-	-	-	-	-	-
TOTAL ACTUAL OPERATING EXPENSES	4,811,163	4,811,163	-	-	-	-	4,811,163
UNALLOWABLE COSTS							
	-	-	-	-	-	-	-
TOTAL ALLOWABLE OPERATING EXPENSES	4,811,163	4,811,163	-	-	-	-	4,811,163
CAPITAL EXPENDITURES							
	-	-	-	-	-	-	-

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Baker Act Contract – Schedule of Bed Days – Available Payments – Region 102
For the Year Ended June 30, 2025

A	B	C	D	E	F	G	H	I
Program	Covered Service	Contracted Rate	Total Units of Services provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or other state Agencies	Maximum # of Units Eligible for payment by Department (D-E)	Amount Paid For services by the Department	Maximum \$ Value of Units in Column F (Fx C)	Amount owed to Department (G-H or \$0, Whichever is greater)
MH009	Incidental Expenses	\$ 1.00	100,717.07	-	100,717.07	\$ 100,717.07	\$ 100,717.07	-
MH018	Crisis Stabilization Unit	\$ 431.33	3,045.83	-	3,045.83	\$ 1,313,758.67	\$ 1,313,758.67	-
MS922	Provider Proviso Projects	\$ 83,269.83	12.00	-	12.00	\$ 999,237.96	\$ 999,237.96	-
MS922CF2324	Incidental Expenses	\$ 1.00	112,562.42	-	112,562.42	\$ 112,562.42	\$ 112,562.42	-
MS922CF2324	Outpatient-Individual	\$ 99.12	3.00	-	3.00	\$ 297.36	\$ 297.36	-
MS922CF2324	Outreach	\$ 63.79	3.50	-	3.50	\$ 223.28	\$ 223.28	-
MS922CF2324	Recovery Support- Individual	\$ 66.00	18.75	-	18.75	\$ 1,237.50	\$ 1,237.50	-
MS922CF2324	Recovery Support- Group	\$ 16.50	5.50	-	5.50	\$ 90.75	\$ 90.75	-
MS922CF2324	Case Management	\$ 76.91	1.50	-	1.50	\$ 115.37	\$ 115.37	-
MSOHB	Other Bundled Project	\$ 15,027.42	12.00	-	12.00	\$ 180,329.04	\$ 180,329.04	-
Total Amount Owed to Department=							\$	-

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Baker Act Contract – Schedule of Bed Days – Available Payments – Region 104
For the Year Ended June 30, 2025

Program	Covered Service	Contracted Rate	Total Units of Services provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or other state Agencies	Maximum # of Units Eligible for payment by Department (D-E)	Amount Paid For services by the Department	Maximum \$ Value of Units in Column F (Fx C)	Amount owed to Department (G-H or \$0, Whichever is greater)
A	B	C	D	E	F	G	H	I
MH018	Crisis Stabilization Unit	\$ 431.33	75.00	-	75.00	\$ 32,349.75	\$ 32,349.75	\$ -
Total Amount Owed to Department=							\$ -	\$ -

See independent auditors' report.

NORTH BROWARD HOSPITAL DISTRICT
Baker Act Contract – Schedule of State Earnings – Region 102
For the Year Ended June 30, 2025

	Totals
1 Total Expenditures	\$ 11,246,342
2 Less Other State and Federal Funds	1,744,274
3 Less Non-Match SAMH Funds	2,708,570
4 Less Unallowable Cost Per 65E-14, FAC	-
5 Total Allowable Expenditures (Sum of lines 1, 2, 3 and 4.)	\$ 6,793,498
6 Maximum Available Earnings (Line 5 times 75%)	\$ 5,095,124
7 Amount of State Funds Requiring Match (Amount of contract funds paid by the department less line 3)	1,012,197
8 Amount Due to Department (Subtract line 7 from line 6. If negative, the amount of the difference is due to the department up to the amount of line 7.)	\$ 4,082,927

See independent auditors' report

NORTH BROWARD HOSPITAL DISTRICT
Baker Act Contract – Schedule of State Earnings – Region 104
For the Year Ended June 30, 2025

	Totals
1 Total Expenditures	\$ 4,811,162
2 Less Other State and Federal Funds	47,309
3 Less Non-Match SAMH Funds	-
4 Less Unallowable Cost Per 65E-14, FAC	-
5 Total Allowable Expenditures (Sum of lines 1, 2, 3 and 4.)	\$ 4,763,853
6 Maximum Available Earnings (Line 5 times 75%)	\$ 3,572,890
7 Amount of State Funds Requiring Match (Amount of contract funds paid by the department less line 3)	-
8 Amount Due to Department (Subtract line 7 from line 6. If negative, the amount of the difference is due to the department up to the amount of line 7.)	\$ 3,572,890

See independent auditors' report

SINGLE AUDIT REPORT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
North Broward Hospital District

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 the fiduciary activities of the North Broward Hospital District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Birmingham, Alabama
October 29, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

The Board of Commissioners
North Broward Hospital District

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the North Broward Hospital District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs and state projects for the year ended June 30, 2025. The District's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The District's basic financial statements include the operations of the Children's Diagnostic and Treatment Center, Inc., a blended component unit of the District, which expended federal awards of \$3,680,547 and state financial assistance of \$5,757,773, which are not included in the District's schedule of expenditures of federal awards and state financial assistance for the year ended June 30, 2025. Our audit, described below, did not include the operations of the Children's Diagnostic and Treatment Center, Inc. because other auditors were engaged to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General of the State of Florida* (Chapter 10.550).

In our opinion, the District 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 June 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; and the audit requirements of the Uniform Guidance and Chapter 10.550. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District'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 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 District'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, 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 District'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 District'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 District'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Birmingham, Alabama
December 24, 2025

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing No.	Contract Grant No.	Federal Expenditures	Transfers to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
U.S. Department of Health and Human Services Direct Programs:				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (RW Part C)	93.918	H76HA00210-27	\$ 742,115	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (RW Part C)	93.918	H76HA00210-28	116,325	-
Total Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (RW Part C)			<u>858,440</u>	<u>-</u>
U.S. Department of Health and Human Services Direct Programs:				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth (RW Part D)	93.153	H12HA53357-01	1,668,110	-
Total Coordinated Services and Access to Research for Women, Infants, Children, and Youth (RW Part D)			<u>1,668,110</u>	<u>-</u>
U.S. Department of Health and Human Services Direct Programs:				
Healthy Start Initiative (Perinatal)	93.926	H49MC53003-01	586,736	-
Healthy Start Initiative (Perinatal)	93.926	H49MC53003-02	215,692	-
Total Healthy Start Initiative (Perinatal)			<u>802,428</u>	<u>-</u>
Health Centers Program Cluster Direct Programs:				
Grants for New and Expanded Services under the Health Center Program	93.527	H80CS00019-23	42,302	-
Grants for New and Expanded Services under the Health Center Program (Bridge)	93.527	H8LCS51417-01	36,001	-
Total Grants for New and Expanded Services under the Health Center Program			<u>78,303</u>	<u>-</u>
Health Center Program (Community Health Centers, Migrant Health Center, Health Care for Homeless, and Public Housing Primary Care) (CARE)	93.224	C16CS50398-01	326,629	-
Health Center Program (Community Health Centers, Migrant Health Center, Health Care for Homeless, and Public Housing Primary Care) (Homeless)	93.224	H80CS00019-23	1,865,316	-
Health Center Program (Community Health Centers, Migrant Health Center, Health Care for Homeless, and Public Housing Primary Care) (Homeless)	93.224	H80CS00019-24	1,310,685	-
Total Health Center Program (Community Health Centers, Migrant Health Center, Health Care for Homeless, and Public Housing Primary Care) (CARE and Homeless)			<u>3,502,630</u>	<u>-</u>
Total Health Centers Program Cluster Direct Programs			<u>3,580,933</u>	<u>-</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing No.	Contract Grant No.	Federal Expenditures	Transfers to Subrecipients
Pass-Through Broward County:				
HIV Emergency Relief Project Grants (RW Part A - Out Patient Medical)	93.914	21-CP-HCS-8111-RW-01	662,334	-
HIV Emergency Relief Project Grants (RW Part A - Out Patient Medical)	93.914	26-CP-HCS-0125-RW-01	492,084	-
HIV Emergency Relief Project Grants (RW CM)	93.914	21-CP-HCS-8111-RW-01	132,427	-
HIV Emergency Relief Project Grants (RW CM)	93.914	26-CP-HCS-0125-RW-01	68,680	-
HIV Emergency Relief Project Grants (RW Pharmacy)	93.914	21-CP-HCS-8111-RW-01	139	-
HIV Emergency Relief Project Grants (RW Part A- DCM)	93.914	21-CP-HCS-8111-RW-01	28,600	-
HIV Emergency Relief Project Grants (RW Part A- DCM)	93.914	26-CP-HCS-0125-RW-01	1,722	-
HIV Emergency Relief Project Grants (RW EFA)	93.914	25-CP-HCS-0125-RW-01	41,095	-
HIV Emergency Relief Project Grants (RW EFA)	93.914	25-CP-HCS-0125-RW-01	16,444	-
Total HIV Emergency Relief Project Grants			<u>1,443,525</u>	<u>-</u>
Ryan White HIV/AIDS Program Ending the HIV Epidemic- Disease Case Management				
Ryan White HIV/AIDS Program Ending the HIV Epidemic- Disease Case Management	93.686	21-CP-HCS-8111-RW-01	14,769	-
Ryan White HIV/AIDS Program Ending the HIV Epidemic- Disease Case Management	93.686	26-CP-HCS-0125-RW-01	2,812	-
Ryan White HIV/AIDS Program Ending the HIV Epidemic- Integrated Primary Care and Behavioral Health	93.686	21-CP-HCS-8111-RW-01	36,356	-
Ryan White HIV/AIDS Program Ending the HIV Epidemic- Integrated Primary Care and Behavioral Health	93.686	26-CP-HCS-0125-RW-01	22,255	-
Ryan White HIV/AIDS Program Ending the HIV Epidemic- Non-Medical Case Management	93.686	21-CP-HCS-8111-RW-01	25,065	-
Ryan White HIV/AIDS Program Ending the HIV Epidemic- Non-Medical Case Management	93.686	26-CP-HCS-0125-RW-01	28,008	-
Total Ryan White HIV/AIDS Program Ending the HIV Epidemic			<u>129,265</u>	<u>-</u>
Total Ryan White HIV Project Grants			<u>1,572,790</u>	<u>-</u>
Pass-Through State of Florida:				
HIV Prevention Activities Health Department Based (CODPN)	93.940	CODPN R3	168,292	-
HIV Prevention Activities Health Department Based (CODPN)	93.940	CODPN R3A1	136,465	-
Total HIV Prevention Activities Health Department Based (CODPN)			<u>304,757</u>	<u>-</u>
Injury Prevention and Control Research and State and Community Based Programs (ER Opioid)	93.136	BW804	94,443	-
Total Injury Prevention and Control Research and State and Community Based Programs (ER Opioid)			<u>94,443</u>	<u>-</u>
Family Planning Services	93.217	BW811	107,190	-
Total Family Planning Services			<u>107,190</u>	<u>-</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing No.	Contract Grant No.	Federal Expenditures	Transfers to Subrecipients
Pass-Through Broward Healthy Start Coalition, Inc.:				
Grants to States for Medicaid (Healthy Start)	93.778	BHE23HS-R1	346,512	-
Total Grants to States for Medicaid (Healthy Start)			<u>346,512</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States (Healthy Start)				
Total Maternal and Child Health Services Block Grant to the States (Healthy Start)	93.994	BHE23HS-R1	50,101	-
			<u>50,101</u>	<u>-</u>
Healthy Start Initiative (Group Prenatal)				
Healthy Start Initiative (Group Prenatal)	93.926	BH2023HRSA R-01	29,968	-
Total Healthy Start Initiative (Group Prenatal)	93.926	BH2024HRSA R-02	88,702	-
			<u>118,670</u>	<u>-</u>
Pass-Through Broward Behavioral Health Coalition:				
Block Grants for Community Mental Health Services (Baker)	93.958	34364-24 A#5	208,574	-
Total Block Grants for Community Mental Health Services (Baker)			<u>208,574</u>	<u>-</u>
Block Grants for Community Mental Health Services (Baker)				
Total Block Grants for Community Mental Health Services (Baker)	93.958	34394-24	5,950	-
			<u>5,950</u>	<u>-</u>
Pass-Through Arcawide Council on Aging:				
National Family Caregiver Support, Title III, Part E	93.052	JA124-50-2024	1,455	-
National Family Caregiver Support, Title III, Part E	93.052	JA125-50-2025	2,748	-
Total National Family Caregiver Support			<u>4,203</u>	<u>-</u>
Pass-Through University of Miami:				
Maternal and Child Health Federal Consolidated Programs	93.110	OS00000804	1,714	-
Total Maternal and Child Health Federal Consolidated Programs			<u>1,714</u>	<u>-</u>
TOTAL U.S. DEPT OF HEALTH AND HUMAN SERVICES			<u>9,724,815</u>	<u>-</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing No.	Contract Grant No.	Federal Expenditures	Transfers to Subrecipients
NATIONAL INSTITUTES OF HEALTH				
Research and Development Cluster:				
<i>Pass-Through the Nemours Foundation:</i>				
Nemours NCI Community Oncology Research Program (NCORP)	93.399	PO1217950 A4	36,998	-
Total Nemours NCI Community Oncology Research Program			<u>36,998</u>	<u>-</u>
Total Research and Development Cluster			<u>36,998</u>	<u>-</u>
U.S. TREASURY				
<i>Pass-Through State of Florida Department of Commerce:</i>				
Coronavirus Capital Projects Fund (FL Capital Fund)	21.029	BB212	162,221	-
Total Coronavirus Capital Projects Fund (FL Capital Fund)			<u>162,221</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Pass-Through State of Florida Division of Emergency Management:</i>				
Disaster Grants- Public Assistance (Presidentially Declared Disasters)- Coronavirus-19	97.036	DR-4486	2,625,392	-
Total Disaster Grants- Public Assistance (Presidentially Declared Disasters)			<u>2,625,392</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>2,625,392</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 12,549,426</u>	<u>\$ -</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NORTH BROWARD HOSPITAL DISTRICT
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended June 30, 2025

State Agency/State Project	Assistance Listing No.	Contract Grant No.	State Expenditures	Transfers to Subrecipients
State of Florida Department of Children and Families				
Pass-Through Broward Behavioral Health Coalition				
State Opioid Settlement Trust Fund Services	60.355	34364-24 A#5	\$ 180,329	-
Total State Opioid Settlement Trust Fund Services			<u>180,329</u>	<u>-</u>
State of Florida Department of Health				
Trauma Center Financial Support (Red Light)	64.075	TRA04	333,617	-
Trauma Center Financial Support (Red Light)	64.075	TRA13	297,124	-
Total Trauma Center Financial Support (Red Light)			<u>630,741</u>	<u>-</u>
Pediatric Outpatient Oncology	64.076	COQCZ	56,105	-
Total Pediatric Outpatient Oncology			<u>56,105</u>	<u>-</u>
Ambulance Appropriation	64.157	MOE40	125,000	-
Total Ambulance Appropriation			<u>125,000</u>	<u>-</u>
Pass-Through Broward Healthy Start Coalition, Inc.:				
Healthy Start Coalitions	64.131	BHE23HS-R1	120,833	-
Total Healthy Start Coalitions			<u>120,833</u>	<u>-</u>
Pass-Through Broward County:				
County Grants Awards	64.005	24-OMET5-03	8,695	-
Total County Grants Awards			<u>8,695</u>	<u>-</u>
State of Florida Department of Elder Affairs:				
Alzheimer's Disease Initiative- Memory Disorder Clinic	65.002	XZE23 A2	726,430	-
Total Department of Elder Affairs			<u>726,430</u>	<u>-</u>
Office of Minority Health:				
Telehealth Maternity Care Pilot Program	64.052	COHHB	839,811	-
Total Telehealth Maternity Care Pilot Program			<u>839,811</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 2,687,944	\$ -

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NORTH BROWARD HOSPITAL DISTRICT
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2025

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal award programs and state financial assistance projects of the North Broward Hospital District (the District) for the year ended June 30, 2025. Federal awards and state financial assistance expended from federal and state agencies, and federal awards passed through other government agencies, are included in the Schedule.

The District's basic financial statements include the operations of the Children's Diagnostic and Treatment Center, Inc., a blended component unit of the District, which expended federal awards of \$3,680,547 and state financial assistance of \$5,757,773, which are not included in the District's Schedule for the year ended June 30, 2025. The Children's Diagnostic and Treatment Center, Inc. engaged other auditors to perform an audit in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General of the State of Florida*.

2. BASIS OF ACCOUNTING

The District maintains its accounting records in accordance with the economic resources measurement focus and the accrual basis of accounting. The Schedule is presented using the same basis of accounting.

3. INDIRECT COST RATE

The District elected to charge the de minimis rate for all federal awards.

4. 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 fiscal year.

5. CONTINGENCY

The grant revenue accounts are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grant agencies would become a liability of the District. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

**NORTH BROWARD HOSPITAL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Dollar threshold used to distinguish between Type A and
Type B major federal programs \$ 750,000

Dollar threshold used to distinguish between Type A and
Type B major state projects \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

Section IV – State Project Findings and Questioned Costs

None

Section V – Other Issues

There were no prior audit findings on compliance for each major program, or internal control over compliance, with the requirements described in Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the State of Florida Auditor General*.

MANAGEMENT LETTER

The Board of Commissioners
North Broward Hospital District

Report on the Financial Statements

We have audited the financial statements of the North Broward Hospital District (the District), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 29, 2025.

Auditors' 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, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and Chapter 10.550, *Rules of the Auditor General of the State of Florida*.

Other Reporting Requirements

We have issued our Independent Auditors' 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* dated October 29, 2025. In addition, we have issued our Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' 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 of the State of Florida*. Disclosures in those reports and schedule, which are dated December 24, 2025 and October 29, 2025, respectively, 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 annual financial audit report. In connection with our prior year audit, we did not have any such findings.

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. The official title and legal authority for the primary government and each component unit of the reporting entity are disclosed in Note 1 to 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 District has 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 District 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 District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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.

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 District reported:

- The total number of District employees compensated in the last pay period of the District's fiscal year as 9,306.
- The total number of independent contractors to whom non-employee compensation was paid in the last month of the District's fiscal year as 429.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$819,631,862.
- All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$170,386,564.
- Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1st of the fiscal year being reported, together with the total expenditures for such project as \$83,410,816 (see Appendix A).
- 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 District amends a final adopted budget under Section 189.016(6), Florida Statutes. The District did not amend its financial budget, therefore, this is not applicable.
- The imposed millage rate as 1.3261 mills.
- Total ad valorem tax collections as \$248,267,376.

- Total amount of outstanding bonds issued by the District as \$317,255,000. The Series 2017B bonds are comprised of \$157,515,000 Serial Bonds due through January 1, 2038; \$54,735,000 Term Bonds due January 1, 2042; and \$105,005,000 Terms Bonds due January 1, 2048. All the components of the 2017B Bonds are 5% fixed rate bonds and subject to optional, extraordinary optional, and mandatory sinking fund redemption prior to maturity. The bonds are secured solely by funds and accounts held under the Bond Indenture (excluding the Rebate Fund) and any other property delivered as security under the Bond Indenture.

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 Board of Commissioners of the North Broward Hospital District, and the District's management, and it is not intended to be, and should not be, used by anyone other than these specific parties.

Warren Averett, LLC

Birmingham, Alabama
December 24, 2025

APPENDIX A

Board Appr Date	Project Number	Project Description	Attribute	Expected Start	Approved Budget	FY2025 Expense	LTD Expenses
09/13/2023	24RE016P	(A3) BHMC MOB/POB/PARKING	Construction	7/1/2019	59,431,454	3,835,065	3,835,065
09/16/2022	23RE018P	Sunrise FSED	Construction	9/16/2022	37,000,000	3,618,502	5,821,709
09/13/2023	24RE003P	BHN LIGHTHOUSE POINT	Construction	10/12/2023	28,612,668	3,871,519	4,378,294
09/19/2024	25IP004P	(A3) BHIP BH Interior Renovation	Construction	8/13/2024	26,522,846	687,713	687,713
09/19/2024	25RE006P	(A3) FORT LAUDERDALE, FL -YMCA FSED	Construction	8/22/2024	25,739,108	4,293,020	4,293,020
09/19/2024	25RE002P	(A3) 9600 Sample MOB	Construction	8/9/2024	24,415,087	169,943	169,943
09/19/2024	25DI001P	(A3) ISC Renovations	Construction	7/31/2024	15,545,230	2,053,725	2,053,725
10/13/2021	22NB022P	BHN EP Cath.Lab Suite 1st Fl.	Construction	10/13/2021	14,900,000	6,471,047	7,157,186
09/16/2022	23CS039P	(A3) BHCS 4th Fl. Build-out	Construction	7/1/2019	14,267,449	10,557,417	13,923,013
09/16/2022	23GM010P	(A3) BHMC GME Renovations	Construction	7/1/2019	13,623,952	8,093,371	10,122,808
09/19/2024	25MC005P	(A3) BHMC Imaging Strategy & pre/post	Construction	7/30/2024	12,682,449	115,720	115,720
09/19/2024	25RE004P	(A3) 100 SAMPLE MOB	Construction	8/13/2024	11,977,980	1,926,911	1,926,911
09/19/2024	25RE005P	(A3) 150 SAMPLE MOB	Construction	8/13/2024	11,977,980	1,780,114	1,780,114
09/13/2023	24CS005P	BHCS CENTRAL ENERGY PLANT	Construction	11/9/2023	11,629,986	3,689,201	4,145,537
09/19/2024	25RE003P	(A3) 2611 E OAKLAND PARK BHIP MOB RENOVATION	Construction	8/9/2024	11,622,867	2,407,507	2,407,507
09/13/2023	24MC049P	(A3) ER Renovation @ BHMC	Construction	7/1/2019	10,595,956	163,962	163,962
09/13/2023	24RE017P	(A3) BHN NEW MOB	Construction	7/1/2019	10,070,695	2,145,312	2,156,302
09/13/2023	24RE015P	(A3) 601 W Atlantic Building Renovation	Construction	7/1/2019	7,877,989	243,785	288,345
09/19/2024	25NB002P	(A3) ED/CT XRAY	Construction	8/22/2024	7,504,274	166,571	166,571
11/1/2022	23IP050F	BHIP MRI/CT Renov DS	Foundation	11/1/2022	7,324,122	6,259,121	7,149,243
09/13/2023	24MC002P	BHMC Employee Parking Garage	Construction	7/27/2023	6,789,489	326,255	6,789,489
09/19/2024	25IP003P	(A3) BHIP MOB 1st Floor Multi speciality	Construction	8/13/2024	6,602,602	78,469	78,469
09/13/2023	24MC001P	Flood Restoration Services	Construction	7/1/2019	6,100,254	247,575	6,100,254
09/16/2022	23DI013P	(A3) Exec's Offices @ Car Museum	Construction	7/1/2019	6,060,749	230,980	900,011
09/19/2024	25RE001P	(A3) 2nd FLOOR ORTHOPEDIC BHIP MAP	Construction	8/13/2024	5,954,455	188,499	188,499
09/13/2023	24RE019P	BHIP MOB 2ND FLOOR RECONFIGURATION	Construction	1/19/2024	5,780,239	2,848,582	2,916,920
09/13/2023	24NB002P	BHN CANCER CENTER	Construction	11/9/2023	5,392,130	1,027,280	1,097,976
09/13/2023	24MC004P	(A3) FLOOR MODERNIZATION	Construction	7/1/2019	4,503,025	266,667	291,461
09/13/2023	24MC007P	BHMC ELEVATOR MODERNIZATION	Construction	7/1/2019	4,197,496	1,391,844	2,777,808
09/13/2023	24MC003P	SINGLE PLANE IR	Construction	10/11/2023	3,939,505	3,348,474	3,674,070
09/19/2024	25CS005P	BHCS MRI#2 (GE unit)	Construction	11/8/2024	3,894,138	89,886	89,886
09/19/2024	25IP001P	(A3) BHIP FLUORO ROOM X RAY REPLACEMENT	Construction	8/13/2024	3,518,941	75,839	75,839
09/16/2022	23CS038P	(A3) BHCS Robotics Center Reno	Construction	7/1/2019	3,307,529	492,209	2,662,436
09/13/2023	24CS002P	EMERGENCY DEPT RENOVATION	Construction	7/1/2019	3,051,500	139,789	153,029
5/3/2022	22DI006P	Pace Program Spectrum 1700	Construction	5/3/2022	2,988,188	222,318	2,777,377
09/19/2024	25AM002P	(A3) BHCS MOB FIRST FLOOR ORTHO RENOVATIONS	Construction	9/9/2024	2,952,248	71,817	71,817
09/19/2024	25AM003P	(A) 3540 N Pine Island MOB	Construction	1/10/2025	2,826,089	1,004,001	1,004,001

APPENDIX A - CONTINUED

Board Appr Date	Project Number	Project Description	Attribute	Expected Start	Approved Budget	FY2025 Expense	LTD Expenses
9/16/2022	23GM009P	(A3) BHN GME Renovations	Construction	7/1/2019	2,721,797	586,060	2,578,266
09/13/2023	24RE034P	(A3) BHPG ORTHO BUILDOUT AT MC POB 415	Construction	7/1/2019	2,562,181	1,131,204	1,132,754
09/13/2023	24MCO47P	BHMC Roofing Project	Construction	7/1/2019	2,126,702	319,657	319,657
09/13/2023	24IP001P	BHIP CENTRAL ENERGY PLANT	Construction	11/7/2023	1,782,681	1,271,313	1,782,681
09/13/2023	24NB006P	BHN ROOFING PROJECT	Construction	3/12/2024	1,628,924	105,868	173,510
09/13/2023	24RE020P	(A3) BHCS SURFACE PARKING LOT EXPANSION	Construction	7/1/2019	1,605,600	113,899	121,149
09/13/2023	24CS003P	BHCS LED LIGHTING UPGRADES	Construction	11/8/2023	1,592,775	287,107	1,592,775
10/18/2022	22RE005P	(A3) Copper Kettle Site Development	Construction	7/1/2019	1,510,667	470,853	1,226,174
9/16/2022	23HP028P	CRC Buildout	Construction	7/1/2019	955,063	160,271	955,063
9/19/2024	25RE011P	BHMC Physician Office Building	Construction	1/13/2025	902,800	68,940	68,940
9/19/2024	25NB005P	OR SKILTRON ROOM STANDARDIZATION	Construction	10/29/2024	899,985	314,531	314,531
9/16/2022	23IT051P	(A3) Gold Coast- Renovations for IT	Construction	7/1/2019	749,706	604,170	650,089
09/13/2023	24RE011P	IP MEDICAL OFFICE BUILDING	Construction	7/1/2019	590,000	529,362	529,362
10/18/2022	22CS010P	FLOUROSCOPIC X-RAY ROOM	Construction	7/1/2019	536,471	491,156	536,471
09/13/2023	24AM010P	CEB ROOF REPLACEMENT	Construction	7/1/2019	535,865	302,139	326,629
09/13/2023	24RE006P	CORAL SPRING MOB	Construction	11/7/2023	517,995	403,852	517,995
09/13/2023	24RE004P	(A3) BHPG ORTHO BUILDAOUT	Construction	7/1/2019	499,918	497,198	497,198
09/13/2023	24IP006P	PLAN OF CORRECTION BEHAVIORAL HEALTH UNIT	Construction	7/1/2019	363,216	166,275	166,275
9/19/2024	25CD001P	CDTC Capital Improvements	Construction	9/10/2024	347,500	65,915	65,915
09/13/2023	24IP007P	(A3) BHIP MAP ORTHO X-RAY SUITE 250	Construction	2/7/2024	257,935	229,957	229,957
9/19/2024	25CS011P	1st FLOOR LEGACY BUILDING RENOVATION	Construction	11/25/2024	222,036	175,421	175,421
09/13/2023	24AM008P	Office, Exam Rooms and Bathroom Renovations	Construction	2/7/2024	192,700	151,645	192,700
09/13/2023	24RE021P	GOLD COAST ROOF REPLACEMENT	Construction	7/1/2019	140,086	140,086	140,086
9/19/2024	25CS018P	Doctor's Parking Lot	Construction	12/11/2024	102,407	102,407	102,407
9/19/2024	25CS021P	BHCS Men's Locker Room	Construction	2/10/2025	74,880	74,880	74,880
9/19/2024	25CS023P	BHCS Women's Locker Room	Construction	2/18/2025	66,641	66,641	66,641
						83,410,816	

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

The Board of Commissioners
North Broward Hospital District

We examined North Broward Hospital District's (the District) compliance with the following requirements for the year ended June 30, 2025.

(1) Florida Statute 218.415 in regards to investments.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance with the requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District 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 the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District has complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2025.

Warren Averett, LLC

Birmingham, Alabama
October 29, 2025