Memorial Healthcare System

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED

April 30, 2026

Memorial Healthcare System Disclosure Representative:
Irfan Mirza
Chief Financial Officer
3111 Stirling Road
Fort Lauderdale, Florida 33312
(954) 265-5133
IMirza@mhs.net

Important Information

In accordance with undertakings of the South Broward Hospital District d/b/a Memorial Healthcare System (the “Issuer”), regarding secondary market disclosure made pursuant to SEC Rule 15c2-12(b)(5)(i), by various continuing disclosure certificates, attached is the annual financial information (hereinafter collectively called the “Fiscal Year 2026 Annual Information”) and operating data for the Fiscal Year ended April 30, 2026 (“Fiscal Year 2026”). This information also satisfies the requirement for year-to-date financial information and operating data for the fiscal quarter ended April 30, 2026. The information in this Annual Report should be read in connection with the Audited Financial Statements (filed separately) including the Management's Discussion and Analysis, narratives and Notes to the Annual Financial Statements.

The provision of this information is not intended as an offer to sell any securities. It is provided solely to comply with the contractual undertakings made by the Issuer with respect to certain outstanding obligations of the Issuer, which contractual undertakings require the provision of limited financial information and operating data with respect to the Issuer. It is not intended to be and is not an update of all the information included in the Issuer’s prior Official Statements. Other events may have occurred since the date of the Issuer’s prior Official Statements which might be material to investors in the Issuer’s bonds including, without limitation, changes in regulation of the healthcare industry and certain other risk factors. No representation is made as to whether any such other events have occurred with respect to the Issuer or its outstanding debt that might be material or important to owners of the Issuer’s outstanding debt. No representation is made as to the materiality or completeness of the Fiscal Year 2026 Annual Information. No representation is made that the Fiscal Year 2026 Annual Information is indicative of financial or operating results of the Issuer since the end of Fiscal Year 2026 or of future financial or operating results.

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

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

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

SELECTED FINANCIAL INFORMATION ABOUT THE ISSUER

Sources of Patient Revenue

The table below lists the approximate percentages of gross charges by category for the fiscal years ended April 30, 2025 and 2026.

Percentage of Gross Charges

	April 30, 2025	**April 30, 2026**
Medicare	12.9%	**12.9%**
Medicaid	3.0%	**2.5%**
Managed Care	76.1%	**76.3%**
Other	8.0%	**8.3%**
Total	100.0%	**100.0%**

Levy and Collection of Taxes ($ in Thousands)

The following table sets forth, for the fiscal years 2025 and 2026 the millage, assessed valuation and gross taxes levied.

	2025	**2026**
Millage	0.0869	**0.0805**
Assessed Valuation	$90,903,111	**$98,158,948**
Taxes Levied	$7,899	**$7,902**

Maximum Annual Debt Service ($ in Thousands)

The Issuer's Maximum Annual Debt Service for the Outstanding Indebtedness for fiscal years ended April 30, 2025 and 2026, was approximately $61.0 million and $61.1 million, respectively. The Net Income Available for Debt Service and the Maximum Annual Debt Service on Outstanding Indebtedness is computed below for the years ended April 30, 2025 and 2026, as provided in Section 3.07 of the Master Trust Indenture ("MTI").

	Maximum Annual Debt Service Coverage Fiscal Year Ended April 30	
	2025	**2026**
Excess of revenues over expenses	$405,428	**$487,585**
Average of unrestricted contributions and grants for the prior three fiscal years	16,120	**20,875**
Unrealized gains on investments	(117,917)	**(143,318)**
Interest expense	31,312	**30,464**
Depreciation and amortization expense	130,082	**142,494**
(Gain) loss on disposal of assets	(35)	**971**
Net Income Available for Debt Service	$464,990	**$539,071**
Maximum Annual Debt Service	61,042	**61,063**
Long-Term Debt Service Coverage Ratio	7.62	**8.83**
Maximum Annual Debt Service	61,042	**61,063**
Percentage to adjust pursuant to MTI	110%	**110%**
Adjusted Maximum Annual Debt Service	67,146	**67,169**
Adjusted Long-Term Debt Service Coverage Ratio	6.93	**8.03**

Summary of Historical Financial Information ($ in Thousands)

The following selected financial data as of April 30, 2025 and 2026, and for the years then ended are derived from the audited financial statements of the Issuer. The financial data presented should be read in conjunction with the financial statements and related notes for the respective fiscal year.

	Fiscal Year Ended April 30	
	2025	**2026**
Cash, cash equivalents and investments	$2,794,282	**$3,407,104**
Designated investments	21,542	**22,249**
Patient accounts receivable, net	359,566	**345,336**
Total current assets	3,650,595	**4,159,321**
Total assets incl. deferred outflows	$5,378,108	**$5,953,422**
Total current liabilities	685,059	**811,835**
Long term debt	861,348	**839,085**
Lease payable, net of current portion	45,660	**42,710**
Net position	$3,562,493	**$4,065,754**
LT Debt-to-Capitalization Ratio	20%	**18%**
Days Cash on Hand	318	**367**

	Fiscal Year Ended April 30	
	2025	**2026**
Total operating revenue	$3,534,981	**$3,807,001**
Total operating expenses	3,397,377	**3,586,281**
Income from operations	137,604	**220,720**
Nonoperating revenues, net (including depreciation expense of $2,141 and $2,166 in 2025 and 2026, respectively)	267,824	**266,865**
Excess of revenues and net nonoperating gains over expenses and before capital contributions and grants	$405,428	**$487,585**
Capital contributions and grants	16,177	**15,676**
Net margin	11.47%	**12.81%**
Depreciation and amortization	$162,823	**$177,848**
Interest	$33,716	**$32,791**

Liquidity ($ in Thousands)

The following table sets forth the Issuer's liquidity position and days cash on hand as of April 30, 2025 and 2026.

	As of April 30	
	2025	**2026**
Cash and cash equivalents	$427,752	**$256,483**
Investments	2,366,530	**3,150,621**
Designated Investments	21,542	**22,249**
Total Cash on Hand	$2,815,824	**$3,429,353**
Operating Expenses	3,397,377	**3,586,281**
Depreciation and amortization	(162,823)	**(177,848)**
Days Cash on Hand	318	**367**

Capitalization ($ in Thousands)

The following table sets forth the Issuer's capitalization as of April 30, 2025 and 2026.

	As of April 30	
	2025	**2026**
Long-term debt including Current portion	$879,628	**$859,165**
Lease payable including Current portion	54,077	**52,063**
Total Long-term debt and Lease payable	$933,705	**$911,228**
Net Position	3,562,493	**4,065,754**
Total capitalization	4,496,198	**4,976,982**
Debt to Capitalization Ratio	21%	**18%**

HISTORICAL UTILIZATION STATISTICS

The table below presents certain historical utilization statistics of the Issuer.

		Fiscal Year Ended April 30	
		2025	**2026**
Admissions		81,163	**87,652**
Observation Discharges		42,021	**33,532**
Total		123,184	**121,184**
Patient Days	*(1)*	482,281	**488,242**
Observation Days		70,135	**47,939**
Total		552,416	**536,181**
Average Length of Stay (Days)	*(1)*	5.94	**5.57**
Average Daily Census	*(2)*	1,513	**1,469**
Percent of Occupancy	*(2)*	74.1%	**72.2%**
Licensed Beds	*(3)*	2,042	**2,035**
Hospital Outpatient Visits		723,043	**764,381**
Urgent Care Center (UCC) Visits		40,563	**39,072**
24/7 Care Center Visits		51,090	**44,391**
Memorial Primary Care (MPC) Visits		125,904	**140,916**
Total Outpatient, 24/7, UCC, MPC Visits		940,600	**988,760**
Emergency Room Visits		389,000	**376,071**

(1) Inpatients only
(2) Combined inpatient and observation patients
(3) Represents the weighted average number of licensed beds during the period. The reduction in licensed beds is due to the fourth floor renovation at Memorial Regional Hospital, which involved repurposing space previously used for pediatric services to expand adult services.