Consolidated Financial Statements, Supplementary Information, and Reports and Schedule Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*

AdventHealth
Years Ended December 31, 2025 and 2024
With Reports of Independent Auditors

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AdventHealth

Consolidated Financial Statements, Supplementary Information, and Reports and Schedule Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*

Years Ended December 31, 2025 and 2024

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AdventHealth
Consolidated Balance Sheets
(dollars in thousands)

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 668,897	$ 1,970,963
Investments	12,670,995	8,376,931
Current portion of assets whose use is limited	537,996	640,309
Patient accounts receivable	2,617,840	1,432,031
Due from brokers	7,786	242,052
Estimated settlements from third parties	589,262	554,249
Other receivables	295,929	1,089,550
Inventories	443,933	413,758
Prepaid expenses and other current assets	299,681	225,843
	18,132,319	14,945,686
Property and Equipment	10,960,980	9,418,262
Operating Lease Assets	483,023	358,343
Assets Whose Use Is Limited, net of current portion	393,525	418,366
Other Assets	2,185,656	1,781,711
	$ 32,155,503	$ 26,922,368
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	$ 2,755,239	$ 2,457,607
Estimated settlements to third parties	321,209	241,696
Due to brokers	3,800	406,446
Other current liabilities	1,205,136	881,617
Short-term financings	753,898	459,480
Current maturities of long-term debt	85,881	78,791
	5,125,163	4,525,637
Long-Term Debt, net of current maturities	3,687,164	3,478,182
Operating Lease Liabilities, net of current portion	440,179	328,336
Other Noncurrent Liabilities	845,750	727,600
	10,098,256	9,059,755
Net Assets		
Net assets without donor restrictions	21,736,224	17,559,453
Net assets with donor restrictions	270,739	251,056
	22,006,963	17,810,509
Noncontrolling interests	50,284	52,104
	22,057,247	17,862,613
Commitments and Contingencies		
	$ 32,155,503	$ 26,922,368

The accompanying notes are an integral part of these consolidated financial statements.

AdventHealth
Consolidated Statements of Operations and Changes in Net Assets
(dollars in thousands)

	Year Ended December 31, 2025	2024
Revenue		
Net patient service revenue	$ 21,411,326	$ 18,544,709
Other	1,586,326	1,265,598
Total operating revenue	22,997,652	19,810,307
Expenses		
Employee compensation	10,839,770	9,558,557
Supplies	3,499,290	2,923,783
Purchased services	1,577,951	1,347,045
Professional fees	1,437,026	1,102,703
Other	1,913,399	1,607,447
Interest	112,891	109,627
Depreciation and amortization	950,885	859,017
Total operating expenses	20,331,212	17,508,179
Income from Operations	2,666,440	2,302,128
Nonoperating Gains (Losses)		
Investment return	1,502,994	414,639
(Loss) gain on extinguishment of debt	(695)	1,313
Contribution from business combination	–	21,695
Other losses, net	(22,649)	–
Total nonoperating gains	1,479,650	437,647
Excess of revenue and gains over expenses	4,146,090	2,739,775
Noncontrolling interests	(2,215)	(3,054)
Excess of Revenue and Gains over Expenses Attributable to Controlling Interest	4,143,875	2,736,721

Continued on following page.

AdventHealth
Consolidated Statements of Operations and Changes in Net Assets (continued)
(dollars in thousands)

	Year Ended December 31, 2025	2024
CONTROLLING INTEREST		
Net Assets Without Donor Restrictions		
Excess of revenue and gains over expenses	$ 4,143,875	$ 2,736,721
Net assets released from restrictions for purchase of property and equipment	12,442	32,096
Change in unrealized gains and losses on assets whose use is limited	5,067	(1,465)
Other	15,387	(11,197)
Increase in net assets without donor restrictions	4,176,771	2,756,155
Net Assets With Donor Restrictions		
Contributions	39,400	36,679
Net assets released from restrictions for purchase of property and equipment or use in operations	(22,737)	(38,098)
Investment return	8,056	3,978
Other	(5,036)	20,636
Increase in net assets with donor restrictions	19,683	23,195
NONCONTROLLING INTERESTS		
Net Assets Without Donor Restrictions		
Excess of revenue and gains over expenses	2,215	3,054
Distributions	(1,098)	(2,144)
Other	(2,937)	1,893
(Decrease) increase in noncontrolling interests	(1,820)	2,803
Increase in Net Assets	4,194,634	2,782,153
Net assets, beginning of year	17,862,613	15,080,460
Net assets, end of year	$ 22,057,247	$ 17,862,613

The accompanying notes are an integral part of these consolidated financial statements.

AdventHealth
Consolidated Statements of Cash Flows
(dollars in thousands)

	Year Ended December 31, 2025	2024
Operating Activities		
Increase in net assets	$ 4,194,634	$ 2,782,153
Increase in net assets from business combination	—	(21,695)
Depreciation and amortization	950,885	859,017
Amortization of deferred financing costs and original issue discounts and premiums	(30,767)	(28,648)
(Gain) loss on sale of property and equipment	(6,289)	5,188
Loss (gain) on extinguishment of debt	695	(1,313)
Net realized and unrealized gains on investments	(1,067,344)	(258,715)
Unrealized gains on assets whose use is limited	(26,981)	(17,844)
Restricted contributions and investment return	(47,456)	(40,657)
Income from equity-method investments	(69,293)	(102,919)
Distributions from equity-method investments	8,913	8,227
Changes in operating assets and liabilities:		
Patient accounts receivable	(2,137,137)	(1,451,426)
Other receivables	95,792	(129,100)
Other current assets	(86,626)	(158,501)
Other assets	29,045	99,075
Accounts payable and accrued liabilities	261,044	239,259
Estimated settlements to third parties, net	44,500	(3,423)
Other current liabilities	288,403	136,636
Other noncurrent liabilities	22,815	47,117
Net cash provided by operating activities	2,424,833	1,962,431
Investing Activities		
Purchases of property and equipment	(2,231,168)	(1,489,964)
Cash paid for acquisitions	(439,909)	—
Proceeds from sale of property and equipment	13,094	3,004
Sales and maturities of investments	8,121,299	8,827,528
Purchases of investments	(11,348,019)	(10,909,440)
Due from brokers	234,266	(2,426)
Due to brokers	(402,646)	136,801
Sales, maturities, and uses of assets whose use is limited	167,894	320,818
Purchases of and additions to assets whose use is limited	(102,565)	(306,996)
Subsequent cash receipts on sold and reacquired patient accounts receivable, net of cash paid	1,655,331	1,294,603
Return of capital from equity-method investments	2,763	51,249
Capital investment in equity-method investments	(45,863)	(31,950)
Increase in other assets	—	(17,669)
Net cash used in investing activities	(4,375,523)	(2,124,442)

Continued on following page.

AdventHealth
Consolidated Statements of Cash Flows (continued)
(dollars in thousands)

	Year Ended December 31, 2025	2024
Financing Activities		
Repayments of long-term borrowings	$ (172,960)	$ (161,781)
Proceeds from issuance of long-term borrowings	412,895	279,110
Repayments of short-term borrowings	(24,128)	(106,680)
Proceeds from issuance of short-term borrowings	300,043	—
Payment of deferred financing costs	(3,488)	(2,893)
Restricted contributions and investment return	47,456	40,657
Net cash provided by financing activities	559,818	48,413
Decrease in Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents	(1,390,872)	(113,598)
Cash, cash equivalents, restricted cash, and restricted cash equivalents at beginning of year	2,579,011	2,692,609
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents at End of Year	$ 1,188,139	$ 2,579,011
Supplemental Non-cash Investing Activities		
Beneficial interest obtained in exchange for patient accounts receivable	$ (954,105)	$ (1,390,056)
Change in purchases of property and equipment included in accounts payable and accrued liabilities	18,637	31,033

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies

Reporting Entity

Adventist Health System Sunbelt Healthcare Corporation d/b/a AdventHealth (Healthcare Corporation) is a not-for-profit healthcare corporation that owns and/or operates hospitals, physician practices, urgent care centers, and other healthcare facilities, as well as a philanthropic foundation with various informal divisions (collectively referred to herein as the System). The System's 49 affiliated hospitals and related healthcare facilities are controlled through their respective by-laws, governing board appointments, or operating agreements. The System manages six additional hospitals in Texas and Illinois through non-controlled joint ventures (Note 6). Together, these 55 hospitals and the philanthropic foundation operate across nine states – Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, North Carolina, Texas, and Wisconsin.

AdventHealth Foundation, Inc. (Foundation) is a charitable foundation operated by Healthcare Corporation for the benefit of many of the hospitals that are divisions or controlled affiliates of the System. Healthcare Corporation serves as the Foundation's member and appoints its board of managers. The Foundation advances philanthropic activities.

Healthcare Corporation and the System are collectively controlled by the Lake Union Conference of Seventh-day Adventists, the Mid-America Union Conference of Seventh-day Adventists, the Southern Union Conference of Seventh-day Adventists, and the Southwestern Union Conference of Seventh-day Adventists.

Mission

The System exists solely to improve and enhance the local communities that it serves in harmony with Christ's healing ministry. All financial resources and excess of revenue and gains over expenses are used to benefit the communities in the areas of patient care, research, education, community service, and capital reinvestment.

Specifically, the System provides:

Benefit to the underprivileged, by offering services free of charge or deeply discounted to those unable to pay, and by supplementing the unreimbursed costs associated with government Medicaid programs to help ensure access to essential services.

Benefit to the elderly, as provided through governmental Medicare funding, by subsidizing the unreimbursed costs associated with this care.

Benefit to the community's overall health and wellness through investments in primary care and specialty clinics, preventive health services, health education and screenings, in-kind donations, workforce development, extended education, and clinical research.

Benefit to the faith-based and spiritual needs of the community in accordance with its mission of extending the healing ministry of Christ.

Benefit to the community's infrastructure by investing in capital improvements to ensure the facilities and technology provide the best possible care to the community.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of affiliated organizations that are controlled by Healthcare Corporation. Any subsidiary or other operations owned and controlled by divisions or controlled affiliates of Healthcare Corporation are included in these consolidated financial statements. Investments in entities that Healthcare Corporation has a significant influence over but does not control are recorded under the equity-method of accounting. Income from unconsolidated entities is

included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets. All significant intercompany accounts and transactions have been eliminated in consolidation. Partial ownership by another entity in the net assets and results of operations of a consolidated subsidiary is reflected as noncontrolling interests in the accompanying consolidated financial statements.

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Adopted Accounting Guidance

In August 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-05, *Business Combinations – Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*. The ASU requires that joint ventures apply a new basis of accounting for contributions received upon formation. By applying a new basis of accounting, the joint ventures will recognize and initially measure its assets and liabilities at fair value. The amendments do not apply to the formations of entities determined to be not-for-profit entities or joint ventures that may be proportionately consolidated by one or more of the ventures. The System adopted the standard effective January 1, 2025, using a prospective approach. This standard did not have a material impact on the System's accompanying consolidated financial statements.

Recent Accounting Guidance Not Yet Adopted

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The ASU modifies the requirements for capitalizing internal-use software costs, in addition to the disclosure of such costs. This ASU will be effective for the System beginning in 2028. Management is currently evaluating this guidance to determine its impact on the System's consolidated financial statements.

Net Patient Service Revenue

Net patient service revenue is reported at the amount that reflects the consideration the System expects to be due from patients and third-party payors in exchange for providing patient care. Providing patient care services is considered a single performance obligation, satisfied over time, in both the inpatient and outpatient settings. Generally, the System bills the patients and third-party payors several days after services are performed or the patient is discharged from the facility.

Revenue for inpatient acute care services is recognized based on actual charges incurred in relation to total expected, or actual, charges. The System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

As all the System's performance obligations relate to contracts with a duration of less than one year, the System is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period, which are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

For patients covered by third-party payors, the System determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to those third-party payors. The System determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. The System is subject to retroactive revenue adjustments due to future audits, reviews, and investigations. Additionally, the System participates in certain state programs that provide supplemental Medicaid funding to partially offset unreimbursed Medicaid costs. These programs include a combination of intergovernmental transfers and federal matching dollars. They are typically approved by governmental agencies on an annual basis and, as such, funding for future years is not certain and subject to change. Contracts the System has with commercial payors also provide for retroactive audit and review of claims. Settlements with third-party payors for retroactive adjustments are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence with the payor, and the System's historical settlement activity, attempting to ensure that a significant revenue reversal will not occur when the final amounts are subsequently determined. Estimated settlements are adjusted in future periods as new information becomes available, or as years are settled or are no longer subject to such audits, reviews, and investigations. Net adjustments for prior-year cost reports and related valuation allowances, principally related to Medicare and Medicaid, resulted in increases to revenue of approximately $5,000 and $33,000 for the years ended December 31, 2025 and 2024, respectively.

Generally, patients covered by third-party payors are responsible for related deductibles and coinsurance, which is referred to as the patient portion. The System also provides services to uninsured patients and offers those uninsured patients a discount from standard charges in accordance with its policies.

Consistent with the System's mission, care is provided to patients regardless of their ability to pay. Therefore, the System has determined that it has provided implicit price concessions to uninsured patients and patients with other uninsured balances such as copays and deductibles. The difference between amounts billed to patients and the amounts the System expects to collect based on its collection history with those patients is recorded as implicit price concessions, or as a direct reduction to net patient service revenue. Subsequent adjustments that are determined to be the result of an adverse change in the patient's or payor's ability to pay are recognized as bad debt expense. Bad debt expense for the years ended December 31, 2025 and 2024 was not material for the System, and is included within other expense in the accompanying consolidated statements of operations and changes in net assets, rather than as a deduction to arrive at net patient service revenue.

The System estimates the transaction price for the patient portion and services provided to the uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

The composition of net patient service revenue by primary payor is as follows:

	Year Ended December 31,			
	2025		2024	
	Amount	%	Amount	%
Managed Care	$ 11,906,122	56 %	$ 10,304,858	55 %
Medicare	2,860,144	13	2,545,341	14
Managed Medicare	3,974,222	19	3,407,333	18
Medicaid	452,960	2	434,023	2
Managed Medicaid	1,165,337	5	1,033,498	6
Self-pay	234,017	1	149,961	1
Other	818,524	4	669,695	4
Total net patient service revenue	$ 21,411,326	100 %	$ 18,544,709	100 %

Charity Care

The System's patient acceptance policy is based on its mission statement and its charitable purposes and, as such, the System accepts patients in immediate need of care, regardless of their ability to pay. Patients that qualify for charity care are provided services for which no payment is due for all or a portion of the patient's bill. Therefore, charity care is excluded from net patient service revenue and the cost of providing such care is recognized within operating expenses.

The cost of charity care is calculated by applying a cost to gross charges ratio to uncompensated charges associated with providing charity care to patients and totaled $656,609 and $549,806 for the years ended December 31, 2025 and 2024, respectively. The System also receives certain funds to offset or subsidize charity care services provided. These funds are primarily received from various state sponsored programs. Funds received to offset or subsidize charity care services (included in net patient service revenue) were $297,984 and $215,389 for the years ended December 31, 2025 and 2024, respectively.

Other Operating Revenue

Other operating revenue within the consolidated statements of operations and changes in net assets includes grant revenue, amounts generated by pharmacy operations, value-based program revenue, non-patient service revenue, including gift shop and cafeteria sales, management fee revenue related to noncontrolled joint ventures, unrestricted contributions, earnings from equity-method investments, and the sale of property and equipment.

During the COVID-19 pandemic, the System incurred significant expenses related to premium labor costs and the purchase of high-demand supplies, life-saving equipment, and personal protective equipment to help ensure the safety of its communities and applied for reimbursement from the Federal Emergency Management Agency (FEMA). During the years ended December 31, 2025 and 2024, the System recognized grant revenue of $465,427 and $342,126, respectively, in other operating revenue, which represents public assistance funding from FEMA for the reimbursement of such costs. Revenue is recognized upon FEMA obligating the funds and the completion of state and federal award reviews and approvals.

Excess of Revenue and Gains over Expenses

The consolidated statements of operations and changes in net assets include excess of revenue and gains over expenses as the performance indicator, which is analogous to net income of a for-profit enterprise. Changes in net assets without donor restrictions that are excluded from the performance indicator may include transfers of net assets released from restrictions for the purpose of acquiring long-lived assets and other changes in net assets.

Contributed Resources

Resources restricted by donors for specific operating purposes or a specified time period are held as net assets with donor restrictions until expended for the intended purpose or until the specified time restrictions are met, at which time they are reported as other revenue. Resources restricted by donors for additions to property and equipment are held as net assets with donor restrictions until the assets are placed in service, at which time they are reported as transfers to net assets without donor restrictions. Gifts, grants, and bequests not restricted by donors are reported as other operating revenue.

Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents

Cash equivalents represent all highly liquid investments, including certificates of deposit and commercial paper with maturities not in excess of three months when purchased. Interest income on cash equivalents is included in investment return.

The following table provides a reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the statements of cash flows. Restricted cash and cash equivalents consist of funds included in assets whose use is limited. Certain of the System's investments are limited as to use through the terms of trust agreements, internal designation, or the provisions of other contractual agreements.

	December 31,	
	2025	2024
Cash and cash equivalents	$ 668,897	$ 1,970,963
Restricted cash and restricted cash equivalents included in assets whose use is limited	519,242	608,048
Total cash, cash equivalents, restricted cash, and restricted cash equivalents shown in the statements of cash flows	$ 1,188,139	$ 2,579,011

Investments

Investments include marketable securities with readily determinable fair values which are measured at fair value, based on quoted market prices, and primarily designated as trading securities. The System uses trade date accounting where unsettled trades represent amounts due to or due from brokers and are presented as such on the accompanying balance sheets. The cost of securities sold is based on the average cost method. The System also invests in hedge funds, commingled funds, and private market funds, which determine fair value using net asset values (NAV). The value of such investments is estimated, and those estimates may change in the near term. The financial statements of the funds are audited annually by independent auditors.

Additionally, investments include exchange-traded and over-the-counter derivative contracts, which are recognized as assets or liabilities in the consolidated balance sheets at fair value. Derivatives are not designated as hedging instruments. Investment return includes realized gains and losses, interest, dividends, and net change in unrealized gains and losses. See Note 3 for further discussion of investments.

The investment return on investments restricted by donor or law is recorded as increases or decreases to net assets with donor restrictions. Investment returns earned on the System's self-insurance trust funds and employee benefits funds are recorded in other operating revenue.

Assets Whose Use is Limited

Certain of the System's investments are limited as to use through the terms of trust agreements, internal designation, or the provisions of other contractual arrangements. These investments are classified as assets whose use is limited in the accompanying consolidated balance sheets.

Sale of Patient Accounts Receivable

Effective December 1, 2025, the System terminated its program for the continuous sale of certain patient accounts receivable to the Highlands County, Florida Health Facilities Authority (Highlands). All amounts outstanding under the program were repaid as of that date, and no amounts remained outstanding as of December 31, 2025. Following termination, the System no longer sells patient accounts receivable under this arrangement.

Through December 1, 2025, the System and certain of its member affiliates sold certain patient accounts receivable to Highlands on a nonrecourse basis. Highlands financed the purchase of the receivables through the issuance of private placement, tax-exempt, variable-rate bonds (Bonds) with a final maturity date of November 2027. The System was the servicer of the receivables and performed all related administrative functions.

As of December 31, 2024, Highlands had Bonds outstanding of $150,000. During the third quarter of 2025, the System repaid $50,000 under the program. The remaining amount outstanding of $100,000 was repaid on December 1, 2025, at the program's termination.

As of December 31, 2024, the estimated net realizable value, as defined in the underlying agreements, of patient accounts receivable sold and removed from the consolidated balance sheet was $851,226. The receivables sold consisted primarily of amounts due from government programs and commercial insurers. Proceeds received from Highlands consisted of cash from the Bonds, a note on a subordinated basis totaling $37,500, and a note on a parity basis totaling $663,726. These notes represented the System's beneficial interest in the receivables and were included in other receivables as of December 31, 2024. Following repayment of the Bonds on December 1, 2025, these notes were removed from the consolidated balance sheet.

Cash received at the time of sale and subsequent cash received on the beneficial interest, net of cash paid under the program, was recognized within operating activities and investing activities, respectively, in the consolidated statements of cash flows.

Inventories

Inventories (primarily pharmaceuticals and medical supplies) are stated at the lower of cost or net realizable value using the first-in, first-out (FIFO) method of valuation, or a methodology that closely approximates FIFO.

Property and Equipment

Property and equipment are reported on the basis of cost, except for those assets donated, impaired, or acquired under a business combination, which are recorded at fair value. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Depreciation is computed primarily utilizing the straight-line method over the expected useful lives of the assets. Amortization of capitalized leased assets is included in depreciation expense and allowances for depreciation.

Goodwill

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of the business acquired. These amounts are included in other assets (noncurrent) in the accompanying consolidated balance sheets and are evaluated for impairment when there is an indicator of impairment. Goodwill consists of the following:

	December 31,	
	2025	2024
Goodwill	$ 1,037,685	$ 756,122
Less: accumulated amortization	(374,921)	(280,993)
Goodwill, net	$ 662,764	$ 475,129

Goodwill increased during 2025 as a result of business combinations (Note 2). Goodwill is amortized over a period of ten years. Amortization expense for goodwill was $93,929 and $73,767 for the years ended December 31, 2025 and 2024, respectively, and is included in depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets.

Interest in the Net Assets of Unconsolidated Foundations

Interest in the net assets of unconsolidated foundations represents contributions received on behalf of the System or its member affiliates by independent philanthropic foundations. As the System cannot influence the foundations to the extent that it can determine the timing and amount of distributions, the System's interest in the net assets of the foundations is included in other assets and changes in that interest are included in net assets with donor restrictions.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimates of fair value.

Deferred Financing Costs

Direct financing costs are included as a reduction to the carrying amount of the related debt liability and are deferred and amortized over the remaining lives of the financings using the effective interest method.

Bond Discounts and Premiums

Bonds payable, including related original issue discounts and/or premiums, are included in long-term debt. Discounts and premiums are being amortized over the life of the bonds using the effective interest method.

Income Taxes

Healthcare Corporation and its affiliated organizations, other than North American Health Services, Inc. (NAHS), are exempt from state and federal income taxes. Accordingly, Healthcare Corporation and its tax-exempt affiliates are not subject to federal, state, or local income taxes except for any net unrelated business taxable income.

NAHS is a wholly owned, for-profit subsidiary of Healthcare Corporation and is subject to federal and state income taxes. The provision for federal and state income tax for the years ended December 31, 2025 and 2024 is approximately $2,577 and $1,619, respectively.

The Income Taxes Topic of the Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740) prescribes the accounting for uncertainty in income tax positions recognized in financial statements. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition

and measurement of a tax position taken, or expected to be taken, in a tax return. There were no material uncertain tax positions as of December 31, 2025 and 2024.

Reclassifications

The System may reclassify certain amounts for the prior year within the accompanying consolidated financial statements to conform to current classifications presented. There were no such reclassifications in the accompanying consolidated financial statements.

Business Combinations

The System accounts for transactions that represent business combinations in accordance with the *Not-for-Profit Entities, Business Combinations* Topic of the ASC (ASC 958-805), where the assets acquired and liabilities assumed are recognized and measured at their fair values on the acquisition date. Fair values that are not finalized are estimated and reported as provisional amounts. Subsequent changes to the provisional amounts will be recorded during the measurement period.

2. Organizational Changes

Florida Market

On March 1, 2025, the System acquired ShorePoint Health Port Charlotte, a 254-bed hospital, which was renamed AdventHealth Port Charlotte and includes substantially all the property and equipment of the hospital, the related outpatient services, certain real estate in the area, and certain working capital.

The assets acquired and liabilities assumed were recorded based on their acquisition date fair values. Cash consideration was $259,780, which primarily represented the payment for the real and personal property and goodwill. Goodwill of $169,085 is included in other assets (noncurrent) in the accompanying consolidated balance sheets as of December 31, 2025 and represents the excess of the purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of the business acquired.

The provisional amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed were as follows:

Assets		
Inventories	$	6,824
Prepaid expenses and other current assets		10,629
Property and equipment		93,875
Operating lease assets		9,564
Other assets		169,085
Total Assets		289,977
Liabilities		
Accounts payable and accrued liabilities		1,706
Other current liabilities		876
Current maturities of long-term debt		1,016
Long-term debt, net of current maturities		16,970
Operating lease liabilities, net of current portion		8,687
Other noncurrent liabilities		942
Total Liabilities		30,197
Fair Value of Net Assets Acquired	$	259,780

The results of operations and changes in net assets for AdventHealth Port Charlotte were included in the System's consolidated financial statements beginning March 1, 2025. AdventHealth Port Charlotte had total operating revenue of $168,134 and a deficiency of revenue and gains over expenses of $58,060 for the period from March 1, 2025 through December 31, 2025, which included certain integration and system implementation costs.

Physician Practices

During 2025, the System completed several physician practice acquisitions related to the expansion of existing networks of care in various markets. Total cash consideration related to these acquisitions was $180,129 and is reflected within investing activities in the accompanying consolidated statement of cash flows. These transactions primarily resulted in the recognition of property, equipment, and goodwill.

North Carolina Market

On July 18, 2024, the System entered into an agreement to sublease St. Luke's Hospital, Inc., a 25-bed critical access hospital, along with its rural health clinics and other related facilities in Polk County, North Carolina, for an initial term of 20 years. The transaction became effective on October 1, 2024. As part of this transaction, St. Luke's Hospital, Inc. was renamed AdventHealth Polk.

The non-cash transaction was accounted for as a business combination. The System recorded the fair value of the assets acquired of $24,938 and the liabilities assumed of $3,243 as of October 1, 2024. The fair value of AdventHealth Polk's net assets of $21,695 was recognized in the consolidated statement of operations and changes in net assets as a contribution from business combination and was included in nonoperating gains for the three months ended December 31, 2024. The results of operations and changes in net assets for AdventHealth Polk were included in the System's consolidated financial statements beginning October 1, 2024.

3. Investments and Assets Whose Use is Limited

The System's investment portfolio includes allocations to effect a diversified multi-asset strategy designed to achieve balanced risk contributions across asset classes. This strategy, by design, results in lower standalone risk exposure through its public market asset holdings. As such, to achieve the System's targeted risk-adjusted return profile, derivative instruments are used to increase the portfolio's notional exposure to align with the System's overall risk target. Derivatives are used in a systematic manner, adjusted based on market conditions, asset class volatility, and liquidity considerations, to manage risk and use capital efficiently.

The System holds investments in alternative investments, such as commingled and hedge funds, that utilize similar diversified multi-asset strategies. Commingled funds provide the System with information around the fund's investment strategy, exposure information, and underlying investment holding detail, while hedge funds do not provide the underlying investment holding detail. The fair value of these funds is determined using NAV calculated by a third-party administrator. The financial statements of the funds are audited annually by independent auditors. The System's risk is limited to its investment in the fund. Fund redemption terms range from daily to quarterly.

The System also invests in private market funds to gain exposure to private equity, credit, real estate, and infrastructure markets. Private market funds determine fair value using NAV calculated by a third-party administrator and the financial statements of the funds are audited annually by independent auditors. The System's risk is limited to its investment in the fund. Many private market funds held by the System require capital commitments over an initial period of time and capital is returned as monetization events occur, outside of which invested funds generally cannot be redeemed other than through secondary market transactions. Certain other private market funds held by the System have monthly and annual redemption terms. Unfunded commitments related to private market funds were approximately $2,292,000 and $1,883,000 as of December 31, 2025 and 2024, respectively. The System does not presently intend to sell its funds in a secondary market prior to the end of the fund term.

Investments and assets whose use is limited are composed of the following:

	December 31, 2025	December 31, 2024
Debt securities		
U.S. government agencies and sponsored entities	$ 3,207,927	$ 1,688,376
Foreign government agencies and sponsored entities	1,299	1,194
Corporate bonds	8,013	44,640
Mortgage backed	191,173	38,879
Short-term investments	57,467	224,419
Accrued interest	24,653	19,458
Total debt securities	3,490,532	2,016,966
Domestic equity securities	183,294	—
Exchange-traded and mutual funds		
Domestic equity	1,785,949	1,993,867
Foreign equity	352,508	4,445
Fixed income	1,600,281	1,511,363
Total exchange-traded and mutual funds	3,738,738	3,509,675
Investments at NAV		
Hedge funds	3,133,708	1,357,575
Private market funds	1,933,682	1,489,983
Commingled funds	603,320	453,359
Total investments at NAV	5,670,710	3,300,917
Cash and cash equivalents - assets whose use is limited	519,242	608,048
Total	13,602,516	9,435,606
Less: assets whose use is limited	(931,521)	(1,058,675)
Investments	$ 12,670,995	$ 8,376,931

The System uses total return swaps and futures to gain additional exposure to global markets, including U.S. Treasury, equity, credit, commodity, and other market indices, as part of its diversified multi-asset investment strategy. These instruments allow the System to adjust the portfolio's overall market exposure efficiently without requiring the full amount of cash that would otherwise be needed to purchase the underlying investments directly. The fair value of total return swaps and futures are included in investments in the accompanying consolidated balance sheets.

As of December 31, 2025, the aggregate gross notional amount of total return swaps and futures outstanding was $8,096,766 and $1,780,579, respectively, with the majority of this exposure related to fixed income and credit markets and the remainder in equity and commodity markets. Notional amounts reflect the total value of contracts in place but do not represent the amount of capital invested or the amount at risk.

Derivatives can increase market exposure beyond the cash invested which creates the targeted economic exposure within the portfolio. These exposures are actively monitored relative to total investment assets

and are subject to established risk limits. Derivative instruments involve counterparty credit risk. This risk is managed through frequent cash settlement, contractual collateral requirements, and ongoing monitoring of counterparty exposure. Positions are generally subject to daily variation margin requirements and are collateralized with cash or U.S. Treasury securities. As of December 31, 2025 and 2024, the System had posted collateral of $47,095 and $124,633, respectively, which is included in cash and cash equivalents or investments in the accompanying consolidated balance sheets. The System monitors liquidity to ensure it can meet potential collateral requirements arising from adverse market movements.

Investment return related to investment derivatives totaled $318,887 and $(113,694) for the years ended December 31, 2025 and 2024, respectively, and is included in investment return in the accompanying consolidated statements of operations and changes in net assets.

Derivative instruments consist of the following:

	December 31, 2025		
	Notional	Fair Value	
		Assets	Liabilities
Total return swaps	$ 8,096,766	$ 55,397	$ 22,680
Futures	1,780,579	–	–
Total derivative instruments	$ 9,877,345	$ 55,397	$ 22,680

	December 31, 2024		
	Notional	Fair Value	
		Assets	Liabilities
Total return swaps	$ 1,923,110	$ 30,488	$ 7,839
Futures	5,223,530	–	–
Total derivative instruments	$ 7,146,640	$ 30,488	$ 7,839

Assets Whose Use is Limited

Assets whose use is limited includes investments held under trust agreements for settling payments under the professional and general liability program and internally designated investments for employee retirement plans. Amounts to be used for the payment of current liabilities are classified as current assets.

A summary of the major limitations as to the use of assets whose use is limited consists of the following:

	December 31,	
	2025	2024
Self-insurance trust funds	$ 397,652	$ 406,870
Employee benefits funds	140,250	293,502
Other	393,619	358,303
Total assets whose use is limited	931,521	1,058,675
Less: amounts to pay current liabilities	(537,996)	(640,309)
Total assets whose use is limited, net of current portion	$ 393,525	$ 418,366

Investment Return and Unrealized Gains and Losses

Investment return from cash and cash equivalents, investments, and certain assets whose use is limited in the accompanying consolidated statements of operations and changes in net assets consisted of the following:

	Year Ended December 31,	
	2025	2024
Interest and dividend income	$ 180,825	$ 281,894
Net realized gains	577,904	141,304
Net change in unrealized gains and losses	744,265	(8,559)
Total investment return	$ 1,502,994	$ 414,639

4. Liquidity and Available Resources

The System's primary cash requirements consist of paying operating expenses, servicing debt, incurring capital expenditures related to the expansion and renovation of existing facilities, and acquisitions. Cash in excess of near-term working capital needs is invested as described in Notes 1 and 3. Primary cash sources are cash flows from operating and investing activities. Additionally, the System has access to public and private debt markets and maintains a revolving credit agreement and commercial paper program, as described in Note 8.

The System had 251 and 224 days cash and investments on hand at December 31, 2025 and 2024, respectively. Days cash and investments on hand is calculated as unrestricted cash and cash equivalents, investments, and due from (to) brokers, net, divided by daily operating expenses (excluding depreciation and amortization expense).

Unrestricted cash and cash equivalents, investments, and due from (to) brokers, net consist of the following:

	December 31,	
	2025	2024
Cash and cash equivalents	$ 668,897	$ 1,970,963
Investments	12,670,995	8,376,931
Due from (to) brokers, net	3,986	(164,394)
Total	$ 13,343,878	$ 10,183,500
Unrestricted days cash and investments on hand	251	224

The System's financial assets also consist of patient accounts receivable totaling $2,617,840 and $1,432,031 as of December 31, 2025 and 2024, respectively. Other receivables totaled $295,929 and $1,089,550 as of December 31, 2025 and 2024, respectively. As of December 31, 2024, other receivables was primarily composed of the notes associated with the System's sale of patient accounts receivable, which is more fully described in Note 1. The System's financial assets are available as its general expenditures, liabilities, and other obligations come due.

5. Property and Equipment

Property and equipment consist of the following:

	December 31, 2025	December 31, 2024
Land and improvements	$ 1,372,080	$ 1,173,567
Buildings and improvements	8,797,842	7,719,888
Equipment	8,084,000	7,847,616
	18,253,922	16,741,071
Less: accumulated depreciation	(8,705,741)	(8,281,224)
	9,548,181	8,459,847
Construction in progress	1,412,799	958,415
Total property and equipment	$ 10,960,980	$ 9,418,262

Certain hospitals have entered into construction contracts or other commitments for which costs have been incurred and included in construction in progress. These and other committed projects will be financed through operations and proceeds of borrowings. The estimated costs to complete these projects approximated $703,600 at December 31, 2025.

The System capitalizes the cost of acquired software for internal use. Any internal costs incurred in the process of developing and implementing software are expensed or capitalized, depending primarily on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Capitalized software costs and estimated amortization expense in the table below exclude software in progress of approximately $105,500 and $22,900 at December 31, 2025 and 2024, respectively. In addition to capitalized software costs included in property and equipment, there was approximately $84,400 and $37,600 of capitalized implementation costs related to software-as-a-service at December 31, 2025 and 2024, respectively, which are included in prepaid expenses and other current assets and other assets (Note 6) in the accompanying consolidated balance sheets.

Capitalized software costs and accumulated amortization expense, which are included in property and equipment in the accompanying consolidated balance sheets, were as follows:

	December 31, 2025	December 31, 2024
Capitalized software costs	$ 696,197	$ 664,822
Less: accumulated amortization	(369,069)	(349,550)
Capitalized software costs, net	$ 327,128	$ 315,272

Estimated amortization expense related to capitalized software costs for the next five years and thereafter is as follows:

2026	$ 44,778
2027	34,176
2028	31,852
2029	29,186
2030	25,718
Thereafter	161,418

During periods of construction and periods of developing software, interest costs are capitalized. Interest capitalized approximated $19,400 and $14,600 for the years ended December 31, 2025 and 2024, respectively.

6. Other Assets

Other assets consist of the following:

	December 31,	
	2025	2024
Investments in unconsolidated entities	$ 1,249,491	$ 1,081,681
Goodwill	662,764	475,129
Interests in net assets of unconsolidated foundations	69,900	74,133
Notes and other receivables	48,425	56,786
Other noncurrent assets	155,076	93,982
Total other assets	$ 2,185,656	$ 1,781,711

The System's ownership interest and carrying amounts of investments in unconsolidated entities consist of the following:

	Ownership	December 31,	
	Interest	2025	2024
Health First, Inc.	27%	$ 422,846	$ 405,330
Adventist Midwest Health, Inc.	49%	312,664	317,106
Texas Health Huguley, Inc.	49%	276,851	235,711
Other	5% - 70%	237,130	123,534
Total		$ 1,249,491	$ 1,081,681

While the System holds a greater than 50% ownership interest in certain other entities, it does not have a controlling financial interest in these entities through board representation or a majority voting interest and therefore accounts for them as equity-method investments.

Income or loss from unconsolidated entities totaled $69,293 and $102,919 for the years ended December 31, 2025 and 2024, respectively, and is included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets.

7. Leases

The System's leases primarily consist of real estate and medical equipment. The System determines whether an arrangement is a lease at contract inception. Lease assets and lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. Because most of the System's leases do not provide an implicit rate of return, the System uses a risk-free rate based on the daily treasury yield curve at lease commencement in determining the present value of lease payments. Lease assets exclude lease incentives received.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from two months to thirty years. The exercise of such lease renewal options is at the System's sole discretion. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the System will exercise that option. Certain leases also include options

to purchase the leased asset. The depreciable life of assets and leasehold improvements is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Leasehold improvements associated with lease agreements between the System's controlled affiliates are amortized over their useful life.

The System does not separate lease and non-lease components except for certain medical equipment leases. Leases with a lease term of 12 months or less at commencement are not recorded in the consolidated balance sheets. Lease expense for these arrangements is recognized on a straight-line basis over the lease term.

Operating and finance leases consist of the following:

	December 31,	
	2025	**2024**
Operating Leases		
Operating lease assets	$ 483,023	$ 358,343
Other current liabilities	$ 92,803	$ 73,159
Operating lease liabilities, net of current portion	440,179	328,336
Total operating lease liabilities	$ 532,982	$ 401,495
Finance Leases		
Property and equipment	$ 29,515	$ 34,273
Current maturities of long-term debt	$ 4,655	$ 19,799
Long-term debt, net of current maturities	20,244	9,593
Total finance lease liabilities	$ 24,899	$ 29,392

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense were as follows:

	December 31,	
	2025	**2024**
Operating lease expense	$ 143,440	$ 133,134
Variable lease expense	37,950	33,023
Short-term lease expense	23,169	20,532
Finance lease expense		
Amortization of lease assets	5,587	8,062
Interest on lease liabilities	1,108	740
Total lease expense	$ 211,254	$ 195,491

Lease term and discount rate were as follows:

	December 31, 2025	December 31, 2024
Weighted average remaining lease term:		
Operating leases	9.1 years	9.4 years
Finance leases	13.1 years	7.2 years
Weighted average discount rate:		
Operating leases	3.7%	3.4%
Finance leases	4.4%	3.9%

The following table summarizes the maturity of lease liabilities under finance and operating leases for the next five years and the years thereafter, as of December 31, 2025:

	Operating Leases	Finance Leases	Total
2026	$ 110,876	$ 5,503	$ 116,379
2027	97,985	4,900	102,885
2028	85,663	3,620	89,283
2029	65,827	2,711	68,538
2030	40,313	1,681	41,994
Thereafter	207,747	12,330	220,077
Total lease payments	608,411	30,745	$ 639,156
Less: imputed interest	(75,429)	(5,846)	
Total lease liabilities	$ 532,982	$ 24,899	

Supplemental cash flow information related to leases was as follows:

	December 31, 2025	December 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 117,720	$ 105,754
Operating cash flows from finance leases	1,112	807
Financing cash flows from finance leases	5,604	10,167
Lease assets obtained in exchange for new operating lease liabilities	196,552	83,761
Lease assets obtained in exchange for new finance lease liabilities	17,729	19,327

8. Debt Obligations

Long-term debt consisted of the following:

	December 31, 2025	December 31, 2024
Fixed-rate hospital revenue bonds, interest rates from 2.34% to 6.38%, payable through 2060	$ 3,541,142	$ 3,317,391
Other notes payable	16,390	4,786
Finance leases payable	24,899	29,392
Unamortized original issue premium, net	213,110	226,460
Deferred financing costs	(22,496)	(21,056)
Total long-term debt	3,773,045	3,556,973
Less: current maturities	(85,881)	(78,791)
Long-term debt, net of current portion	$ 3,687,164	$ 3,478,182

Master Trust Indenture

Long-term debt has been issued primarily on a tax-exempt basis. Substantially all bonds are secured under a Master Trust Indenture (MTI), which provides for, among other things, the deposit of revenue with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property, and limitations on additional borrowings. Certain affiliates controlled by Healthcare Corporation comprise the AdventHealth Obligated Group (Obligated Group). Members of the Obligated Group are jointly and severally liable under the MTI to make all payments required with respect to obligations under the MTI. The MTI requires certain covenants and reporting requirements be met by the System and the Obligated Group. At December 31, 2025 and 2024, the Obligated Group had total net assets of approximately $20,254,000 and $16,558,000, respectively.

Variable-Rate Bonds and Sources of Liquidity

Certain variable-rate bonds, totaling $453,450 and $459,480 as of December 31, 2025 and 2024, respectively, are classified as short-term financings in the accompanying consolidated balance sheets, and may be put to the System at the option of the bondholder. The variable-rate bond indentures generally provide the System the option to remarket the obligations at the then prevailing market rates for periods ranging from one day to the maturity dates. The obligations have been primarily marketed for seven-day periods during 2025, with annual interest rates ranging from 0.95% to 4.75%. The System also paid fees, such as remarketing fees, on variable-rate bonds during 2025.

Additionally, other variable-rate bonds totaling $200,000 are included in short-term financings in the accompanying consolidated balance sheet as of December 31, 2025. These bonds provide the System the option to remarket the obligations at the then prevailing market rates for daily and weekly periods. Subsequent to issuance of the variable-rate bonds in August 2025, the obligations have been marketed daily with interest rates ranging from 0.95% to 3.90%. In the event the variable-rate bonds cannot be remarketed, the System has a standby bond purchase agreement with a bank to purchase the variable-rate bonds at the then prevailing market rate.

The System has various sources of liquidity, including a $750,000 revolving credit agreement (Revolving Note) with a syndicate of banks and a $500,000 commercial paper program (CP Program). The Revolving Note, which expires in October 2027, is available for letters of credit, liquidity facilities, and general corporate needs, including working capital, capital expenditures, and acquisitions and has certain prime rate and Secured Overnight Financing Rate-based pricing options. As of December 31, 2025 and 2024, no amounts were outstanding under the Revolving Note. The System had $500 and $3,500 committed letters

of credit under the Revolving Note at December 31, 2025 and 2024, respectively. The System's CP Program allows for up to $500,000 of taxable, commercial paper notes (CP Notes) to be issued for general corporate purposes at an interest rate to be determined at the time of issuance. As of December 31, 2025, $100,000 was outstanding under the CP Program. No amounts were outstanding under the CP Program as of December 31, 2024.

2025 Debt Transactions

During 2025, the System drew a total of $350,000 and repaid $250,000 under the CP Program. The draws on the CP Program had interest rates ranging from 3.75% to 4.44%. As of December 31, 2025, $100,000 remained outstanding under the CP Program. The System did not make any draws under the Revolving Note during 2025.

In June 2025, the System issued $250,000 of tax-exempt, fixed-rate put bonds at a premium with a final maturity date of 2060 and a stated interest rate of 5.00%. In August 2025, the System issued $200,000 of tax-exempt, variable-rate bonds with a final maturity date of 2060. The bond proceeds were used for reimbursement of prior capital expenditures and to refund a portion of previously issued bonds. There were immaterial impacts to the financial statements as a result of the early extinguishment of debt.

In August 2025, the System also issued $140,000 of tax-exempt, fixed-rate bonds with a final maturity date of 2060 and a stated interest rate of 6.38%. In connection with the bond issuance, the System entered into a total return swap with a term of seven years to convert the $140,000 fixed-rate debt to a variable rate agreed upon with the counterparty and based on the Securities Industry and Financial Markets Association (SIFMA) Index. The total return swap meets the definition of a derivative instrument. Hedge accounting has not been applied as the total return swap is not designated as a hedging instrument. The derivative related to the total return swap was in an asset position at December 31, 2025 and the fair value of the derivative totaling $709 is included in other assets in the accompanying consolidated balance sheet. For the year ended December 31, 2025, the change in fair value of the total return swap was $709 and is included in other losses, net within the nonoperating section of the accompanying consolidated statement of operations and changes in net assets.

2024 Debt Transactions

During 2024, the System issued $185,495 of tax-exempt, fixed-rate put bonds at a premium with a final maturity date of 2059 and a stated interest rate of 5.00%. The System also issued $71,365 of tax-exempt, fixed-rate serial bonds at a premium with maturity dates of 2029, 2034, and 2039 and a stated interest rate of 5.00%. The bond proceeds were used for reimbursement of prior capital expenditures and to refund a portion of previously issued bonds. There were immaterial impacts to the financial statements as a result of the early extinguishment of debt. In June 2024, the System repaid the $100,000 Revolving Note that was outstanding as of December 31, 2023.

Debt Maturities

The following represents the maturities of long-term debt, excluding finance leases disclosed in Note 7, for the next five years and the years thereafter:

2026	$ 81,226
2027	78,748
2028	84,407
2029	67,771
2030	76,973
Thereafter	3,168,407

Cash paid for interest, net of amounts capitalized, approximated $143,000 and $139,000 during the years ended December 31, 2025 and 2024, respectively.

9. Retirement Plans

Defined Contribution Plans

The System participates with other Seventh-day Adventist healthcare entities in a defined contribution retirement plan (Plan) that covers substantially all full-time employees who are at least 18 years of age. The Plan is exempt from the Employee Retirement Income Security Act of 1974 (ERISA). Effective January 1, 2025, the Plan provides that the employer match 100% of an employee's contributions, subject to a cap ranging from 4% to 7% of the contributing employee's wages, which is determined based on years of service. Prior to January 1, 2025, the Plan provided, among other things, that the employer contribute 2.6% of wages, plus additional amounts for highly compensated employees. Additionally, the Plan provided that the employer match 50% of an employee's contributions up to 4% of the contributing employee's wages, resulting in a maximum available match of 2% of the contributing employee's wages each year.

Contributions to the Plan are included in employee compensation in the accompanying consolidated statements of operations and changes in net assets in the amount of $286,932 and $257,548 for the years ended December 31, 2025 and 2024, respectively.

Defined Benefit Plan – Multiemployer Plan

Prior to January 1, 1992, certain of the System's entities participated in a multiemployer, noncontributory, defined benefit retirement plan, the Seventh-day Adventist Hospital Retirement Plan Trust (Old Plan) sponsored and administered by the North American Division of the General Conference of Seventh-day Adventists that is exempt from ERISA. The employer identification number of the Old Plan is 52-2000393. The risks of participating in multiemployer plans are different from single-employer plans in that: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (c) if an entity chooses to stop participating in the multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as withdrawal liability.

During 1992, the Old Plan was frozen, and the Plan was established. The System, along with the other participants in the Old Plan, may be required to make contributions to the Old Plan to fund any difference between the present value of the Old Plan benefits and the fair value of the Old Plan assets. During 2024 and 2025, the administrators of the Old Plan notified the System of annual required contributions of approximately $16,000, which were funded by the System during July of the respective years.

Based on the most recently available unaudited estimate of the Old Plan's funding shortfall, future funding requirements are probable but have not been requested by the Old Plan administrators. Management believes the impact of any such future funding requirements will not have a material adverse effect on the System's consolidated financial statements.

The most recent available plan assets and actuarially determined benefit obligation for the Old Plan, which includes all participating employers, is as of January 1, 2025, and is as follows:

Total plan assets	$	337,770
Actuarial present value of accumulated plan benefits (unaudited)		712,400
Funded status (unaudited)		47%

Defined Benefit Plan – Frozen Pension Plan

Certain of the System's entities sponsored a noncontributory, defined benefit pension plan (Pension Plan) that has been frozen such that no new benefits accrue. Effective June 30, 2025, the System's Benefits Administration Committee approved a resolution to terminate the Pension Plan.

In connection with the termination, the Pension Plan's assets and projected benefit obligation were remeasured in September 2025. The weighted average discount rate and expected long-term rate of return on plan assets used to determine the pension cost at the time of remeasurement was 5.75% and 5.00%, respectively. Based on remeasurement, a contribution of $9,510 was required, which was funded by the System during the fourth quarter of 2025.

The Pension Plan obligations were substantially settled in the fourth quarter of 2025 through lump-sum distributions to eligible participants totaling $21,520 and the purchase of a group annuity contract, resulting in the transfer of the remaining $79,548 liability to a third-party insurance provider. A residual accumulated benefit obligation of $378 remains at December 31, 2025, primarily related to final administrative and wind-down activities.

During the fourth quarter of 2025, the System recognized a $23,022 settlement loss, which represents the acceleration of $16,448 previously unrecognized actuarial losses included in net assets without donor restrictions as of December 31, 2024, $224 of amortized losses, and $6,798 related to remeasurement of the projected benefit obligation and plan assets. The loss is included in other losses, net within the nonoperating section of the accompanying consolidated statement of operations and changes in net assets.

The following table sets forth the remaining combined projected and accumulated benefit obligations and the assets of the Pension Plan at December 31, 2025 and 2024, the components of net periodic pension cost for the years then ended, and a reconciliation of the amounts recognized in the accompanying consolidated financial statements:

	Year Ended December 31,	
	2025	**2024**
Accumulated benefit obligation, end of year	$ 378	$ 94,600
Change in projected benefit obligation:		
Projected benefit obligation, beginning of year	$ 94,600	$ 102,418
Interest cost	3,920	5,187
Benefits paid	(5,862)	(8,209)
Actuarial losses (gains)	8,788	(4,796)
Settlements	(101,068)	—
Projected benefit obligation, end of year	378	94,600
Change in plan assets:		
Fair value of plan assets, beginning of year	92,473	92,064
Actual return on plan assets	5,325	(416)
Employer contributions	9,510	9,034
Benefits paid	(5,862)	(8,209)
Settlements	(101,068)	—
Fair value of plan assets, end of year	378	92,473
Deficiency of fair value of plan assets over projected benefit obligation, included in other noncurrent liabilities	$ —	$ (2,127)

Changes in plan assets and benefit obligations recognized in net assets without donor restrictions include:

	Year Ended December 31,	
	2025	**2024**
Net actuarial losses	$ (6,798)	$ (117)
Settlement loss	23,022	—
Amortization of net actuarial losses	224	264
Decrease in net assets without donor restrictions	$ 16,448	$ 147

The components of net periodic pension cost were as follows:

	Year Ended December 31,	
	2025	**2024**
Interest cost	$ 3,920	$ 5,187
Expected return on plan assets	(3,335)	(4,497)
Recognized net actuarial losses	224	264
Net periodic pension cost	$ 809	$ 954

The assumptions used to determine the benefit obligation and net periodic pension cost for the Pension Plan are set forth below:

	2024
Used to determine projected benefit obligation	
Weighted average discount rate	5.75 %
Used to determine pension cost	
Weighted average discount rate	5.25 %
Weighted average expected long-term rate of return on plan assets	5.00 %

Prior to termination, the Pension Plan's assets were invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. The Pension Plan's assets were managed solely in the interest of the participants and their beneficiaries. Diversification was achieved by allocating funds to various asset classes and investment styles and by retaining multiple investment managers with complementary styles, philosophies, and approaches. As of December 31, 2024, the target investment allocation for the Pension Plan was 100% debt securities.

The following table presents the Pension Plan's financial instruments as of December 31, 2025, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 12:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 378	$ –	$ –	$ 378

The following table presents the Pension Plan's financial instruments as of December 31, 2024, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 12:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,700	$ –	$ –	$ 1,700
Debt securities				
U.S. government agencies and sponsored entities	–	5,180	–	5,180
Corporate bonds	–	85,593	–	85,593
Total plan assets	$ 1,700	$ 90,773	$ –	$ 92,473

10. General and Professional Liability Program

The System maintains a self-insured revocable trust that covers its subsidiaries and their respective employees for professional and general liability claims within a specified level. A self-insured retention of $15,000 was established for the year ended December 31, 2003 and was increased to $20,000 effective April 1, 2020. Claims above the self-insured retention are insured by claims-made coverage issued by Adhealth Limited (Adhealth), a Bermuda-domiciled captive insurance company. Adhealth has purchased reinsurance through commercial insurers for the excess limits of coverage.

The professional and general liability trust funds are recorded in the accompanying consolidated balance sheets as assets whose use is limited in the amount of $397,652 and $406,870 at December 31, 2025 and 2024, respectively. The related accrued claims are recorded in the accompanying consolidated balance

sheets as other current liabilities in the amount of $139,874 and $119,671 and as other noncurrent liabilities in the amount of $515,525 and $411,326 at December 31, 2025 and 2024, respectively. These liabilities are based upon actuarially determined estimates using a discount rate of 3.75% at December 31, 2025 and 2024. The related estimated insurance recoveries are recorded as other assets in the amount of $13,098 and $10,799 in the accompanying consolidated balance sheets at December 31, 2025 and 2024, respectively.

11. Commitments and Contingencies

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. There is significant government activity within the healthcare industry with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Compliance with such laws and regulations can be subject to future review and interpretation, as well as regulatory actions unknown or unasserted at this time. Management assesses the probable outcome of unresolved litigation and investigations and records contingent liabilities reflecting estimated liability exposure.

In addition, certain of the System's affiliated organizations are involved in litigation and other regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the System's consolidated financial statements, taken as a whole.

12. Fair Value Measurements

The System categorizes, for disclosure purposes, assets and liabilities measured at fair value, on a recurring basis, into a three-tier fair value hierarchy. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement, which should be determined based on assumptions that would be made by market participants.

In accordance with ASC 820, investments that are valued using NAV as a practical expedient are excluded from this three-tier hierarchy. For all other investments measured at fair value, the hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Level inputs are defined as follows:

Level 1 – based on unadjusted quoted prices for identical assets or liabilities in an active market that the System has the ability to access.

Level 2 – based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

Level 3 – based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The System has no financial assets or financial liabilities with significant Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The value of financial instruments measured at fair value and NAV on a recurring basis at December 31, 2025 was as follows:

	Fair Value Hierarchy			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS				
Cash and cash equivalents	$ 668,897	$ –	$ –	$ 668,897
Investments and assets whose use is limited				
Cash and cash equivalents	449,464	69,778	–	519,242
Debt securities				
U.S. government agencies and sponsored entities	–	3,207,927	–	3,207,927
Foreign government agencies and sponsored entities	–	1,299	–	1,299
Corporate bonds	–	8,013	–	8,013
Mortgage backed	–	191,173	–	191,173
Short-term investments	–	57,467	–	57,467
Domestic equity securities	183,294	–	–	183,294
Exchange-traded and mutual funds				
Domestic equity	1,785,949	–	–	1,785,949
Foreign equity	352,508	–	–	352,508
Fixed income	1,600,281	–	–	1,600,281
	$ 4,371,496	$ 3,535,657	$ –	7,907,153
Investments valued at NAV				
Hedge funds				3,133,708
Private market funds				1,933,682
Commingled funds				603,320
				5,670,710
Accrued interest				24,653
Total investments and assets whose use is limited				$ 13,602,516

The value of financial instruments measured at fair value and NAV on a recurring basis at December 31, 2024 was as follows:

	Fair Value Hierarchy			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS				
Cash and cash equivalents	$ 1,224,543	$ 746,420	$ –	$ 1,970,963
Investments and assets whose use is limited				
Cash and cash equivalents	608,048	–	–	608,048
Debt securities				
U.S. government agencies and sponsored entities	–	1,688,376	–	1,688,376
Foreign government agencies and sponsored entities	–	1,194	–	1,194
Corporate bonds	–	44,640	–	44,640
Mortgage backed	–	38,879	–	38,879
Short-term investments	–	224,419	–	224,419
Exchange-traded and mutual funds				
Domestic equity	1,993,867	–	–	1,993,867
Foreign equity	4,445	–	–	4,445
Fixed income	1,511,363	–	–	1,511,363
	$ 4,117,723	$ 1,997,508	$ –	6,115,231
Investments valued at NAV				
Hedge funds				1,357,575
Private market funds				1,489,983
Commingled funds				453,359
				3,300,917
Accrued interest				19,458
Total investments and assets whose use is limited				$ 9,435,606

The following table represents a reconciliation of financial instruments at fair value and NAV to the accompanying consolidated balance sheets as follows:

	December 31,	
	2025	**2024**
Investments	$ 12,670,995	$ 8,376,931
Assets whose use is limited:		
Current	537,996	640,309
Noncurrent	393,525	418,366
Total	$ 13,602,516	$ 9,435,606

The fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of Level 2 financial assets were determined as follows:

Cash equivalents, U.S. and foreign government agencies and sponsored entities, corporate bonds, mortgage backed, and short-term investments – These Level 2 securities were valued through the use of third-party pricing services that use evaluated bid prices adjusted for specific bond characteristics and market sentiment.

13. Functional Expenses

The System's resources and activities are primarily related to providing healthcare services. Corporate services include certain administration, finance and accounting, human resources, legal, information technology, and other functions.

Expenses by functional classification for the year ended December 31, 2025 consist of the following:

	Healthcare Services	Corporate Services	Total
Employee compensation	$ 10,258,134	$ 581,636	$ 10,839,770
Supplies	3,491,873	7,417	3,499,290
Purchased services and professional fees	2,694,262	320,715	3,014,977
Other	2,810,085	167,090	2,977,175
Total operating expenses	$ 19,254,354	$ 1,076,858	$ 20,331,212

Expenses by functional classification for the year ended December 31, 2024 consist of the following:

	Healthcare Services	Corporate Services	Total
Employee compensation	$ 8,956,892	$ 601,665	$ 9,558,557
Supplies	2,919,316	4,467	2,923,783
Purchased services and professional fees	2,178,351	271,397	2,449,748
Other	2,424,871	151,220	2,576,091
Total operating expenses	$ 16,479,430	$ 1,028,749	$ 17,508,179

14. Subsequent Events

The System evaluated events and transactions occurring subsequent to December 31, 2025 through February 27, 2026, the date the accompanying consolidated financial statements were issued. During this period, there were no subsequent events that required recognition in the accompanying consolidated financial statements. Additionally, there were no nonrecognized subsequent events that required disclosure.

15. Fourth Quarter Results of Operations (Unaudited)

The System's operating results for the three months ended December 31, 2025 are presented below.

Revenue		
Net patient service revenue	$	5,641,269
Other		291,709
Total operating revenue		5,932,978
Expenses		
Employee compensation		2,862,265
Supplies		925,607
Purchased services		471,179
Professional fees		386,976
Other		551,350
Interest		30,547
Depreciation and amortization		248,893
Total operating expenses		5,476,817
Income from Operations		456,161
Nonoperating Gains (Losses)		
Investment return		393,489
Other losses, net		(23,069)
Total nonoperating gains, net		370,420
Excess of revenue and gains over expenses and losses		826,581
Noncontrolling interests		842
Excess of Revenue and Gains over Expenses and Losses Attributable to Controlling Interest		827,423
Other changes in net assets without donor restrictions, net		15,613
Increase in net assets with donor restrictions, net		6,824
Increase in Net Assets	$	849,860

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Report of Independent Auditors

To Mr. David Banks, Chief Executive Officer; Mr. Todd Goodman, Chief Financial Officer; and the Board Audit and Corporate Responsibility Committee

Adventist Health System Sunbelt Healthcare Corporation
d/b/a AdventHealth

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Adventist Health System Sunbelt Healthcare Corporation (the System), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the System at December 31, 2025 and 2024, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

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presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

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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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to February 27, 2026. The Schedule of Expenditures of Federal Awards and Florida State Financial Assistance as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; *Section 215.97, Florida Statutes; Chapter 69I-5, Florida Administrative Code, State Financial Assistance;* and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, respectively, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 February 27, 2026 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Ernst & Young LLP

February 27, 2026, except for our report on the
Schedule of Expenditures of Federal Awards
and Florida State Financial Assistance for which
the date is September 25, 2026

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Supplementary Information

Adventist Health System Sunbelt Healthcare Corporation - D/B/A Adventhealth

Schedule of Expenditures of Federal Awards and Florida State Financial Assistance

Fiscal Period 1/1/2025 - 12/31/2025

Federal/State Agency Federal Program/State Project	Assistance Listing/CSFA Number	Additional Award Identification	Name of Funder Pass-Through Entity	Identifying Number Assigned by Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal/State Expenditures	Federal/State Program Total	Cluster Name	Cluster Total
Federal financial assistance									
DEPARTMENT OF DEFENSE									
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	*12.420*		*H. LEE MOFFITT CANCER CENTER*	*12-2196299-01-G1*		*$8,508*	*$45,292*	R&D	*$9,450,045*
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	*12.420*		*WAYNE STATE UNIVERSITY*	*WSU25036*		*$36,784*	*$45,292*	R&D	*$9,450,045*
TOTAL DEPARTMENT OF DEFENSE						$45,292			
DEPARTMENT OF JUSTICE									
COMPREHENSIVE OPIOID, STIMULANT, AND SUBSTANCE ABUSE PROGRAM	*16.838*		*ORANGE COUNTY, FLORIDA*	*Y23-204*		*$136,566*	*$136,566*	*N/A*	*$0*
TOTAL DEPARTMENT OF JUSTICE						$136,566			
DEPARTMENT OF LABOR									
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*30629*		*$41,869*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*30628*		*$6,625*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*30631*		*$38,869*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*30630*		*$32,966*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*32745*		*$18,272*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*32740*		*$12,352*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*32746*		*$17,644*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*32747*		*$3,138*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*32742*		*$5,000*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*32743*		*$15,524*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*30691*		*$32,730*	*$233,873*	*N/A*	*$0*
WIOA ADULT PROGRAM	*17.258*		*CAREERSOURCE FLORIDA*	*30683*		*$8,884*	*$233,873*	*N/A*	*$0*
TOTAL DEPARTMENT OF LABOR						$233,873			
DEPARTMENT OF TREASURY									
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ORANGE COUNTY, FLORIDA*	*Y22-2419*		*$507,264*	*$1,154,707*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*KANSAS DEPARTMENT OF COMMERCE*	*FY24-DRA-ADV*		*$511,561*	*$1,154,707*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*TEXAS DEPARTMENT OF AGRICULTURE*	*GR110174*		*$135,882*	*$1,154,707*	*N/A*	*$0*
TOTAL DEPARTMENT OF TREASURY						$1,154,707			
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
ORAL DISEASES AND DISORDERS RESEARCH	*93.121*		*UNIVERSITY OF FLORIDA*	*SUB00004393*		*$7,365*	*$7,365*	*R&D*	*$9,450,045*
RESEARCH RELATED TO DEAFNESS AND COMMUNICATION DISORDERS	*93.173*		*THE UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEI*	*7R21DC020295-03*		*$32,795*	*$32,795*	*R&D*	*$9,450,045*
MENTAL HEALTH RESEARCH GRANTS	93.242					$86,970	$86,970	R&D	$9,450,045
SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	*93.301*		*KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT (KD.*	*N/A*		*$7,679*	*$28,797*	*N/A*	*$0*
SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	*93.301*		*UNIVERSITY OF KENTUCKY, KENTUCKY OFFICE OF RURAL I*	*N/A*		*$9,976*	*$28,797*	*N/A*	*$0*
SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	*93.301*		*GEORGIA HOSPITAL ASSOCIATION*	*N/A*		*$1,000*	*$28,797*	*N/A*	*$0*
SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	*93.301*		*TEXAS DEPARTMENT OF AGRICULTURE*	*RSH2024002*		*$4,337*	*$28,797*	*N/A*	*$0*
SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	*93.301*		*TEXAS DEPARTMENT OF AGRICULTURE*	*RSH2025003*		*$5,805*	*$28,797*	*N/A*	*$0*
CANCER CAUSE AND PREVENTION RESEARCH	93.393				$219,988	$170,898	$390,886	R&D	$9,450,045
CANCER DETECTION AND DIAGNOSIS RESEARCH	93.394					$138,501	$138,501	R&D	$9,450,045
CANCER TREATMENT RESEARCH	*93.395*		*BRIGHAM AND WOMEN'S HEALTH - ALLIANCE OF CLINICAL*	*Alliance Agreement (FL086)*		*$84,745*	*$117,827*	*R&D*	*$9,450,045*
CANCER TREATMENT RESEARCH	*93.395*		*CHILDREN'S HOSPITAL OF PHILADELPHIA*	*9500080216-13c, 9500080216-S7XX, 9500080217-XX, 9500080215-12c, 95000100715-XX, 9500080220-XX, FP00015221_SUB366*		*$33,082*	*$117,827*	*R&D*	*$9,450,045*
OPIOID STR	93.788					$214,511	$214,511	N/A	$0
CARDIOVASCULAR DISEASES RESEARCH	*93.837*		*NORTHWESTERN UNIVERSITY*	*60060283 ADVENTIST*		*$140,297*	*$140,297*	*R&D*	*$9,450,045*
LUNG DISEASES RESEARCH	*93.838*		*OREGON HEALTH & SCIENCE UNIVERSITY*	*1023224_ADVENTISTORLANDO*		*$7,260*	*$44,045*	*R&D*	*$9,450,045*
LUNG DISEASES RESEARCH	*93.838*		*SHAPE MEDICAL SYSTEMS*	*R44HL06*		*$1,500*	*$44,045*	*R&D*	*$9,450,045*
LUNG DISEASES RESEARCH	*93.838*		*TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA*	*586554*		*$35,285*	*$44,045*	*R&D*	*$9,450,045*
ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH	*93.846*		*UNIVERSITY OF COLORADO DENVER*	*FY24.1262.001*		*$24,285*	*$317,161*	*R&D*	*$9,450,045*
ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH	*93.846*		*BALL STATE UNIVERSITY*	*21-0124-002*		*$292,876*	*$317,161*	*R&D*	*$9,450,045*
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847				$302,681	$122,368	$2,307,971	R&D	$9,450,045
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847					$378,320	$2,307,971	R&D	$9,450,045
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847					$623,203	$2,307,971	R&D	$9,450,045
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847					$83,377	$2,307,971	R&D	$9,450,045

Adventist Health System Sunbelt Healthcare Corporation - D/B/A Adventhealth

Schedule of Expenditures of Federal Awards and Florida State Financial Assistance

Fiscal Period 1/1/2025 - 12/31/2025

Federal/State Agency Federal Program/State Project	Assistance Listing/CSFA Number	Additional Award Identification	Name of Funder Pass-Through Entity	Identifying Number Assigned by Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal/State Expenditures	Federal/State Program Total	Cluster Name	Cluster Total
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847					$572,601	$2,307,971	R&D	$9,450,045
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	*93.847*		*THE UNIVERSITY OF PENNSYLVANIA*	*500557*		*$4,800*	*$2,307,971*	*R&D*	*$9,450,045*
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	*93.847*		*UNIVERSITY OF FLORIDA*	*SUB00002480*		*$58,134*	*$2,307,971*	*R&D*	*$9,450,045*
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	*93.847*		*THE UNIVERSITY OF TEXAS - MD ANDERSON CANCER CENTI*	*3001707440*		*$42,964*	*$2,307,971*	*R&D*	*$9,450,045*
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	*93.847*		*THE PENNSYLVANIA STATE UNIVERSITY*	*AHSDK127384-PC*		*$19,308*	*$2,307,971*	*R&D*	*$9,450,045*
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	*93.847*		*THE PENNSYLVANIA STATE UNIVERSITY*	*AHSDK127384-SUP*		*$9,041*	*$2,307,971*	*R&D*	*$9,450,045*
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	*93.847*		*THE PENNSYLVANIA STATE UNIVERSITY*	*AHSDK138060*		*$91,174*	*$2,307,971*	*R&D*	*$9,450,045*
ALLERGY AND INFECTIOUS DISEASES RESEARCH	*93.855*		*THE REGENTS OF THE UNIVERSITY OF CALIFORNIA SAN FR*	*15804sc*		*$24,717*	*$24,717*	*R&D*	*$9,450,045*
AGING RESEARCH	93.866				$716,140	$209,385	$5,796,218	R&D	$9,450,045
AGING RESEARCH	93.866				$338,161	$414,020	$5,796,218	R&D	$9,450,045
AGING RESEARCH	93.866				$675,037	$545,717	$5,796,218	R&D	$9,450,045
AGING RESEARCH	93.866					$150,749	$5,796,218	R&D	$9,450,045
AGING RESEARCH	93.866				$517,063	$313,830	$5,796,218	R&D	$9,450,045
AGING RESEARCH	93.866					$183,284	$5,796,218	R&D	$9,450,045
AGING RESEARCH	93.866					$41,064	$5,796,218	R&D	$9,450,045
AGING RESEARCH	*93.866*		*UNIVERSITY OF PITTSBURGH*	*AWD00005394*		*$22,304*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*UNIVERSITY OF PITTSBURGH*	*AWD00008083(139451-1)*		*$182,753*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*UNIVERSITY OF COLORADO DENVER*	*FY23.1204.003*		*$141,963*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*UNIVERSITY OF PITTSBURGH*	*AWD00006484 (138701-2)*		*$14,105*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*UC DAVIS*	*A21-0198-S009*		*$4,513*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*UNIVERSITY OF FLORIDA*	*SUB00004197*		*$16,825*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*THE OHIO STATE UNIVERSITY*	*SPC-1000012871 | GR1334444*		*$17,016*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*CALIFORNIA PACIFIC MEDICAL CENTER RESEARCH INSTITU*	*280201033-S324*		*$1,283,709*	*$5,796,218*	*R&D*	*$9,450,045*
AGING RESEARCH	*93.866*		*DUKE UNIVERSITY*	*303003510*		*$8,580*	*$5,796,218*	*R&D*	*$9,450,045*
RURAL HEALTH OUTREACH AND RURAL NETWORK DEVELOPMENT PROGRAM	93.912					$580,421	$580,421	N/A	$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					$2,769,070	$7,459,412			
DEPARTMENT OF HOMELAND SECURITY									
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*FLORIDA DIVISION OF EMERGENCY MANAGEMENT*	*4486DR-PW696548, 4486DR-PW697480, 4486DR-PW681309, 4486DR-PW697488, 4486DR-PW694034, 4486DR-PW697456, 4486DR-PW697499, 4486DR-PW733551, 4486DR-PW733552*		*$277,993,708*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*GEORGIA EMERGENCY MANAGEMENT AGENCY*	*4501DR-PW686036, 4501DR-PW685581, 4501DR-PW699698, 4501DR-PW697406, 4501DR-PW697322, 4501DR-PW698751, 4501DR-PW693497, 4501DR-PW698752, 4501DR-PW817493, 4501DR-PW685150, 4501DR-PW697497, 4501DR-PW697504, 4501DR-PW697510, 4501DR-PW698753, 4501DR-PW698574, 4501DR-PW733574, 4501DR-PW733861, 4501DR-PW735542*		*$10,242,284*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*NORTH CAROLINA DEPARTMENT OF EMERGENCY MANAGEM*	*4487DR-PW680018, 4487DR-PW681382, 4487DR-PW687350, 4487DR-PW696961, 4487DR-PW697353, 4487DR-PW697360, 4487DR-PW697378. 4487DR-PW699701, 4487DR-PW724248, 4487DR-PW736249, 4487DR-PW736254*		*$7,039,728*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*KANSAS DEPARTMENT OF EMERGENCY MANAGEMENT*	*4504DR-PW806243*		*$412,208*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*TEXAS EMERGENCY MANAGEMENT AGENCY*	*4485DR-PW824233*		*$263,675*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*ILLINOIS EMERGENCY MANAGEMENT AGENCY*	*4489DR-PW825431, 4489DR-PW824385, 4489DR-PW825024, 4489DR-PW824649*		*$136,367*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*KENTUCKY EMERGENCY MANAGEMENT AGENCY*	*4497DR-PW959423, 4497DR-PW722498*		*$86,789*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*COVID-19*	*WISCONSIN DEPARTMENT OF EMERGENCY MANAGEMENT*	*4520DR-PW720042*		*$13,769*	*$297,054,437*		
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*HURRICANE*	*FLORIDA DIVISION OF EMERGENCY MANAGEMENT*	*4834DR-PW817300, 4834DR-PW817661, 4834DR-PW824968, 4834DR-PW818516, 4834DR-PW816580, 4834DR-PW817295, 4834DR-PW824678, 4834DR-PW824683, 4834DR-PW817283, 4834DR-PW818459, 4834DR-PW816720,4834DR-PW817287, 4834DR-PW818549, 4673DR-PW698440, 4673DR-PW699476, 4673DR-PW708055,4673DR-PW708059, 4673DR-PW708063, 4673DR-PW708068. 4673DR-PW708073, 4673DR-PW708078 ,4673DR-PW708147*		*$827,308*	*$297,054,437*	*N/A*	*$0*
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	*97.036*	*HURRICANE*	*NORTH CAROLINA DIVISION OF EMERGENCY MANAGEMENT*	*4827DR-PW824637*		*$38,601*	*$297,054,437*	*N/A*	*$0*
TOTAL DEPARTMENT OF HOMELAND SECURITY						$297,054,437			
TOTAL EXPENDITURES OF FEDERAL AWARDS						$308,853,357			

Adventist Health System Sunbelt Healthcare Corporation - D/B/A Adventhealth

Schedule of Expenditures of Federal Awards and Florida State Financial Assistance

Fiscal Period 1/1/2025 - 12/31/2025

Federal/State Agency Federal Program/State Project	Assistance Listing/CSFA Number	Additional Award Identification	Name of Funder Pass-Through Entity	Identifying Number Assigned by Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal/State Expenditures	Federal/State Program Total	Cluster Name	Cluster Total
Florida State financial assistance									
DEPARTMENT OF HEALTH									
EMERGENCY MEDICAL SERVICES (EMS) MATCHING AWARDS	64.003					$57,767	$57,767	N/A	$0
MINORITY HEALTH INITIATIVES	64.052					$115,424	$115,424	N/A	$0
BANKHEAD-COLEY CANCER RESEARCH PROGRAM	*64.078*		*ADVANCED CLINICAL RESEARCH INSITUTE*	*24B16*		*$7,125*	*$7,125*	*N/A*	*$0*
FLORIDA ASSN OF FREE AND CHARITABLE CLINICS	*64.136*		*FLORIDA HOSPITAL WATERMAN FOUNDATION, INC.*	*N/A*		*$74,824*	*$206,760*	*N/A*	*$0*
FLORIDA ASSN OF FREE AND CHARITABLE CLINICS	*64.136*		*ADVENTHEALTH FOUNDATION, INC.*	*N/A*		*$131,936*	*$206,760*	*N/A*	*$0*
COMMUNITY HEALTH PROMOTION - CONTRACTED SERVICES	*64.157*		*FLORIDA HOSPITAL WATERMAN FOUNDATION, INC.*	*N/A*		*$199,406*	*$324,081*	*N/A*	*$0*
COMMUNITY HEALTH PROMOTION - CONTRACTED SERVICES	*64.157*		*FLORIDA HOSPITAL WATERMAN FOUNDATION, INC.*	*N/A*		*$124,675*	*$324,081*	*N/A*	*$0*
ENDOWED CHAIR FOR CANCER RESEARCH	64.130					$551,660	$652,693	N/A	$0
ENDOWED CHAIR FOR CANCER RESEARCH	64.130					$101,033	$652,693	N/A	$0
RURAL HOSPITAL CAPITAL IMPROVEMENT	64.106					$166,545	$621,090	N/A	$0
RURAL HOSPITAL CAPITAL IMPROVEMENT	64.106					$454,545	$621,090	N/A	$0
TOTAL DEPARTMENT OF HEALTH						$1,984,940			
DEPARTMENT OF ELDER AFFAIRS									
ALZHEIMER INTERVENTIONS, MEMORY DISORDER CLINICS, BRAIN BANKS AND ALZHEIMER SPECIAL PROJECTS	65.002					$722,801	$722,801	N/A	$0
TOTAL DEPARTMENT OF ELDER AFFAIRS						$722,801			
DEPARTMENT OF EDUCATION									
PATHWAYS TO CAREER OPPORTUNITIES	48.190					$428,885	$428,885	N/A	$0
TOTAL DEPARTMENT OF EDUCATION									
TOTAL EXPENDITURES OF STATE AWARDS						$3,136,626			
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS						$311,989,983			

Please Note:

Italicized award lines indicate pass-through funding

See accompanying notes to schedule of expenditures of federal awards and Florida state financial assistance.

AdventHealth

Notes to Schedule of Expenditures of Federal Awards and Florida State Financial Assistance

Year Ended December 31, 2025

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and Florida State Financial Assistance (the Schedule) includes the federal grant activity and state financial assistance project activity of Adventist Health System Sunbelt Healthcare Corporation d/b/a AdventHealth (the System) and is presented on the accrual basis of accounting for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the 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); the Florida Single Audit Act, Section 215.97, *Florida Statutes*; Chapter 69I-5, *Florida Administrative Code, State Financial Assistance*, issued by the Florida Department of Financial Services; and Chapter 10.650, *Rules of the Auditor General*. The Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the combined financial position, results of operations or cash flows of the System.

2. De Minimis Cost Rate

The System has elected not to use the de minimis indirect cost rate of 10 percent or 15 percent, as applicable, allowed under Uniform Guidance.

3. Reporting Entity

The System's reporting entity is defined in Note 1 to the System's consolidated financial statements. For the year ended December 31, 2025, federal and state expenditures related to the following entity were not included in the System's total federal and state expenditures reported in the Schedule. This entity has a separate financial statement audit, and, as such, its expenditures are subject to the requirements of the Uniform Guidance, Florida Statutes, and Rules of the Auditor General, at that reporting level. The entity not included in the Schedule is as follows:

- Adventist University of Health Sciences, Inc. d/b/a AdventHealth University

4. Contingencies

Grant monies received and disbursed by the System are for specific purposes and are subject to audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. The System does not believe that such disallowances, if any, would have a material effect on the consolidated financial position of the System.

5. Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036)

Expenditures for Disaster Grants from the U.S. Department of Homeland Security (Disaster Grants) are recorded on the Schedule when the funds are obligated by the federal agency through the approval of the Project Worksheets and eligible expenditures have been incurred, and are presented net of estimated insurance recoveries, if any. Out of the total Disaster Grant expenditures ($297,054,437) included in the Schedule for the year ended December 31, 2025, expenditures that were incurred in prior fiscal years were $297,054,437.

Reports and Schedule Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*

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Report of Independent Auditors 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*

To Mr. David Banks, Chief Executive Officer; Mr. Todd Goodman, Chief Financial Officer; and the Board Audit and Corporate Responsibility Committee

Adventist Health System Sunbelt Healthcare Corporation
d/b/a AdventHealth

We have audited, 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 (*Government Auditing Standards*), the consolidated financial statements of Adventist Health System Sunbelt Healthcare Corporation (the System), which comprise the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"), and have issued our report thereon dated February 27, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Ernst & Young LLP

February 27, 2026

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Report of Independent Auditors on Compliance for the Major Federal Program and Major Florida State Financial Assistance Projects and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*

To Mr. David Banks, Chief Executive Officer; Mr. Todd Goodman, Chief Financial Officer; and the Board Audit and Corporate Responsibility Committee

Adventist Health System Sunbelt Healthcare Corporation
d/b/a AdventHealth

Report of Independent Auditors on Compliance for the Major Federal Program and Major Florida State Financial Assistance Projects

Opinion on the Major Federal Program and Major Florida State Financial Assistance Projects

We have audited Adventist Health System Sunbelt Healthcare Corporation's (the System) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the System's major federal program and major Florida state financial assistance projects for the year ended December 31, 2025. The System's major federal program and major Florida state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and major Florida state financial assistance projects for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program and Major Florida State Financial Assistance Projects

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*

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(Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General of the State of Florida.* Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Other Matter – Federal Expenditures and Florida Student Financial Assistance Programs Expenditures Not Included in the Compliance Audit

The System's consolidated financial statements include the operations of AdventHealth University, which expended $24,783,241 in federal awards and $1,174,747 in *Florida Student Financial Assistance Programs*, that is not included in the System's Schedule of Expenditures of Federal Awards and Florida State Financial Assistance during the year ended December 31, 2025. Our compliance audit, described in the "Opinion on the Major Federal Program and Major Florida State Financial Assistance Projects" section, does not include the operations of AdventHealth University, because AdventHealth University engaged other auditors to perform the audit of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the System's federal programs and Florida state financial assistance projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida* 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

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requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the System's compliance with the requirements of the major federal program and major Florida state financial assistance projects as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

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 Florida state financial assistance project on a timely basis. A

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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 Florida state financial assistance project will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 related to the preparation of the schedule of expenditures of Florida state financial assistance for the Rural Hospital Capital Improvement Grant Program and Pathways to Career Opportunities Grant Program to be a material weakness.

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 Florida state financial assistance 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 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.

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The System's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 10.650, *Rules of the Auditor General of the State of Florida*. Accordingly, this report is not suitable for any other purpose.

Ernst + Young LLP

September 25, 2026

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AdventHealth

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	____ **Yes**	X **No**	
Significant deficiency(ies) identified?	____ **Yes**	X **None reported**	
Noncompliance material to financial statements noted?	____ **Yes**	X **No**	

Federal Awards

Internal control over major federal program:			
Material weakness(es) identified?	____ **Yes**	X **No**	
Significant deficiency(ies) identified?	____ **Yes**	X **None reported**	
Type of auditor's report issued on compliance for major federal program	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ **Yes**	X **No**	

Identification of major federal program:

Assistance Listing number	**Name of Federal Program or Cluster**
97.036	COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000	
Auditee qualified as low-risk auditee?	X **Yes**	____ **No**

Section I – Summary of Auditor's Results (continued)

Florida State Financial Assistance Projects

Internal control over major state financial assistance projects:		
Material weakness(es) identified?	X **Yes**	**No**
Significant deficiency(ies) identified?	**Yes**	X **None Reported**
Type of auditor's report issued on compliance for major state financial assistance projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General of the State of Florida*?	X **Yes**	**No**

Identification of major state projects:

State CSFA Numbers	Name of State Project
64.130	Endowed Chair for Cancer Research
65.002	Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and Alzheimer Special Projects
64.106	Rural Hospital Capital Improvement Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Section II – Financial Statement Findings

None identified.

Section III – Federal Award Findings and Questioned Costs

None identified.

Section IV – Florida State Financial Assistance Findings and Questioned Costs

Finding 2025-001 – Preparation of the Schedule of Expenditures of Florida State Financial Assistance

Identification of the state projects:

State Awarding Agency	Catalog of State Financial Assistance (CSFA) Number	State Project Title	Award Period
Florida Department of Health	64.106	Rural Hospital Capital Improvement Grant Program	July 1, 2025 – June 30, 2028
Florida Department of Education	48.190	Pathways to Career Opportunities Grant (PCOG) Program	July 1, 2024 – June 30, 2025

Criteria or specific requirement (including statutory, regulatory or other citation):

Section 215.97 Florida Single Audit Act states as follows:

Section 1(b) “Promote sound financial management, including effective internal controls, with respect to state financial assistance administered by nonstate entities”; Section 1(d) “Provide for identification of state financial assistance transactions in the state accounting records and recipient organization records”. In addition, Chapter 69I-5.003 of the Florida Administrative Code, State Financial Assistance, pertaining to Schedule of Expenditures of State Financial Assistance, states that the Schedule must:

1. List individual state projects by state agency, including identifying contract or grant number.

2. For state financial assistance received as a subrecipient, list the name of the pass-through entity and the identifying contract or grant number assigned by the pass-through entity.

3. Provide the total state financial assistance expended for each individual state project and the Catalog of State Financial Assistance (CSFA) number.

Section IV – Florida State Financial Assistance Findings and Questioned Costs (continued)

4. Provide the total state financial assistance transferred to subrecipients for each state project.

5. Include as expenditures in the schedule, the value of state financial assistance expended in the form of non-cash assistance. The value of state non-cash assistance will be established in accordance with paragraph 69I-5.004(2)(c), F.A.C.

6. Include notes that describe the significant accounting policies used in preparing the schedule.

Condition:

For the year ended December 31, 2025, management omitted expenditures related to the Rural Hospital Capital Improvement Grant Program (CSFA No. 64.106) and the PCOG Program (CSFA No. 48.190) from the Schedule of Expenditures of Florida State Financial Assistance (SESFA). Management subsequently revised the SESFA to include the omitted expenditures.

Cause:

Management's review procedures for identifying and evaluating state awards subject to Florida Single Audit Act reporting requirements were not operating effectively. Specifically, the grant award documents did not identify a CSFA number and management concluded the awards were not subject to reporting on the SESFA.

Effect or potential effect:

Due to the omission of state financial assistance expenditures related to the Rural Hospital Capital Improvement Grant Program (CSFA No. 64.106) and the PCOG Grant Program (CSFA No. 48.190) from the original SESFA provided for audit, the original SESFA was understated by $1,049,975. Management subsequently revised the SESFA to include the omitted expenditures, and the final SESFA included in the audit appropriately reported such expenditures. The omitted state financial assistance expenditures resulted in a change in the scope of work for the audit, specifically requiring the testing of an additional state project (Rural Hospital Capital Improvement Grant Program), to meet the percentage of coverage required under the Florida Single Audit Act.

Section IV – Florida State Financial Assistance Findings and Questioned Costs (continued)

Questioned costs:

None.

Context:

Total expenditures related to the Rural Hospital Capital Improvement Grant Program were $621,090 and total expenditures related to the PCOG Program were $428,885 for the year ended December 31, 2025. The total omitted expenditures from the original SESFA provided for audit amounted to $1,049,975 and represented 33% of the total state financial assistance expenditures. The final SESFA included total state financial assistance expenditures of $3,136,626.

Identification as a repeat finding, if applicable:

The finding is a repeat finding (2024-001).

Recommendation:

We recommend management enhance its procedures for identifying, evaluating, and monitoring state awards to determine whether they constitute state financial assistance subject to Florida Single Audit Act reporting requirements. Management should also implement a formal review process to ensure all state financial assistance expenditures, including applicable CSFA numbers, are completely and accurately reported on the SESFA.

Views of responsible officials:

Management agrees with the finding. Based on the information available during 2024 and 2025, management concluded that the Department of Health Rural Capital Improvement Grant was not subject to Florida Single Audit Act reporting requirements; therefore, related expenditures were excluded from the initial SESFA provided for the audit. This determination was influenced by the absence of a CSFA number and the lack of standard state financial assistance language within the grant agreement. During the 2025 audit, management obtained clarification from the awarding agency confirming that the grant was subject to reporting requirements and was subsequently provided with the applicable CSFA number.

Section IV – Florida State Financial Assistance Findings and Questioned Costs (continued)

In addition, the Department of Education PCOG program was omitted from the initial SESFA due to untimely communication of the award to management. Upon identifying both omissions, management promptly notified the auditors and provided an updated SESFA that included omitted expenditures related to the Department of Health Rural Capital Improvement Grant and the Department of Education PCOG program.

Management has implemented additional processes to strengthen the identification, monitoring, and reporting of state financial assistance. Internal control procedures now require direct outreach to awarding agencies whenever a grant agreement does not include an Assistance Listing Number (ALN) or CSFA number, with all correspondence and supporting documentation retained in the grant file to support compliance and reporting determinations. In addition, management will perform quarterly Florida Accounting Information Resource (FLAIR) report reviews, reconcile identified grant payments, and validate that all state awards are appropriately recorded, tracked, and reported on the SESFA. Management implemented a grants management platform in 2026, which enhances controls over grant activity tracking, recording, and reporting.

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AdventHealth

Corrective Action Plan

December 31, 2025

Florida State Financial Assistance Findings and Questioned Costs– For the Year Ended December 31, 2025

Finding 2025-001

Information on the state projects:

State Awarding Agency	Catalog of State Financial Assistance (CSFA) Number	State Project Title	Award Period
Florida Department of Health	64.106	Rural Hospital Capital Improvement Grant Program	July 1, 2025 – June 30, 2028
Florida Department of Education	48.190	Pathways to Career Opportunities Grant (PCOG) Program	July 1, 2024 – June 30, 2025

Views of responsible officials and planned corrective actions: Management agrees with the finding. Based on the information available during fiscal year 2025, management concluded that the Department of Health Rural Capital Improvement Grant was not subject to Florida Single Audit Act reporting requirements; therefore, related expenditures were excluded from the initial Schedule of Expenditures of State Financial Assistance (SESFA). This determination was influenced by the absence of a CSFA number and the lack of standard state financial assistance language within the grant agreement. During the fiscal year 2025 audit, management obtained clarification from the awarding agency confirming that the grant was subject to reporting requirements and was subsequently provided with the applicable CSFA number.

In addition, the Department of Education PCOG program was omitted from the initial SESFA due to untimely communication of the award to management. Upon identifying both omissions, management promptly notified the auditors and provided an updated SESFA that included the Department of Health Rural Capital Improvement Grant and the Department of Education PCOG program.

Management has implemented additional processes to strengthen the identification, monitoring, and reporting of state financial assistance. Grant Management procedures now require direct outreach to awarding agencies whenever a grant agreement does not include an Assistance Listing Number (ALN) or Catalog of State Financial Assistance (CSFA) number, with all correspondence and supporting documentation retained in the grant file to support compliance and reporting determinations. In addition, management will perform quarterly Florida Accounting Information Resource (FLAIR) report reviews, reconcile identified grant payments, and validate that all state awards are appropriately recorded, tracked, and reported on the SESFA. Management implemented Workday Grants Module effective beginning fiscal year 2026, which enhances controls over grant activity tracking, recording, and reporting.

Responsible official: Stacey Wilson, Director Grants Management

Anticipated completion date: December 31, 2026

Summary Schedule of Prior Audit Findings – For the Year Ended December 31, 2024, and 2025

Finding 2024-001

Information on the state project:
State Awarding Agency: *Department of Health*
State Program Title: *Rural Hospital Capital Improvement Program*
Catalog of State Financial Assistance (CSFA) No.: *64.106*
Award Period: *July 1, 2023-June 30, 2025*

Summary of Prior Audit Finding:

Condition: For the year ended December 31, 2024, management omitted expenditures related to the Rural Hospital Capital Improvement Grant Program (CSFA No. 64.106) from the Schedule of Expenditures of Florida State Financial Assistance (SESFA).

Recommendation: We recommend management enhance its procedures for identifying, evaluating, and monitoring state awards to determine whether they constitute state financial assistance subject to Florida Single Audit Act reporting requirements. Management should also implement a formal review process to ensure all state financial assistance expenditures, including applicable CSFA numbers, are completely and accurately reported on the SESFA.

Corrective action status: Management is strengthening its grant review process by requiring direct outreach to awarding agencies whenever a grant agreement does not include an Assistance Listing Number (ALN) or CSFA number. The revised process requires all communications and supporting documentation to be retained in the grant file to support compliance and reporting determinations.

Anticipated completion date: December 31, 2026

Responsible official: Stacey Wilson, Director Grants Management