



QUARTERLY FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
July 31, 2016

Memorial Healthcare System Disclosure Representative:
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Important Information

In accordance with undertakings of the South Broward Hospital District (the “Issuer”), regarding secondary market disclosure made pursuant to SEC Rule 15c2-12(b)(5)(i), by various continuing disclosure certificates, attached is the quarterly financial information (hereinafter collectively called the “Fiscal Quarter Information”) and operating data for the Fiscal quarter ended July 31, 2016. All of the information provided herein is unaudited.

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

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

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

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

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

Combined Balance Sheets

	July 31,	
	2016	2015 (*)
Assets		
Current assets:		
Cash and cash equivalents	\$ 468,225,000	\$ 471,734,000
Investments	1,292,644,000	1,133,799,000
Designated investments for capital improvements	2,123,000	416,000
Designated investments for employee disability	18,491,000	17,947,000
Patient accounts receivable, net of estimated uncollectibles	247,111,000	175,975,000
Ad valorem taxes receivable	8,190,000	7,974,000
Inventories	32,062,000	29,348,000
Other current assets	44,517,000	56,987,000
Total current assets	2,113,363,000	1,894,180,000
Assets whose use is limited:		
Under self-insurance trust agreements	48,068,000	46,751,000
Restricted assets, net of current portion:		
Under indenture agreement	9,233,000	9,231,000
Under indenture - project funds	44,237,000	54,944,000
Externally restricted by donors	-	48,000
Total restricted assets	53,470,000	64,223,000
Capital assets, net	728,450,000	741,241,000
Other assets	23,644,000	19,956,000
Total assets	2,966,995,000	2,766,351,000
Unrealized Pension Contributions	37,718,000	-
Unrealized Pension Losses	51,258,000	-
Deferred Outflows - Changes in Assumptions	24,649,000	-
Other Deferred Outflows	25,502,000	14,794,000
Total Deferred Outflows	139,127,000	14,794,000
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	61,265,000	57,754,000
Accrued compensation and payroll taxes	115,059,000	98,544,000
Estimated third-party payor settlements	34,717,000	13,926,000
Current installments of long-term debt	10,770,000	11,550,000
Current portion of capital lease obligations	2,396,000	2,300,000
Current portion of estimated claims liability	16,938,000	15,296,000
Other current liabilities	30,580,000	36,782,000
Total current liabilities	271,725,000	236,152,000
Long-term portion of estimated claims liability	25,537,000	23,667,000
Net Pension Liability	225,214,000	-
Other noncurrent liabilities	48,551,000	46,029,000
Long-term portion of capital lease obligations	1,711,000	3,725,000
Long-term debt	608,675,000	606,889,000
Total liabilities	1,181,413,000	916,462,000
Deferred Inflows - Changes in Experience	1,506,000	-
Total Deferred Inflows	1,506,000	-
Net position:		
Invested in capital assets, net of related debt	130,400,000	131,571,000
Restricted:		
For debt service	53,470,000	64,175,000
By donors	-	48,000
Unrestricted	1,739,333,000	1,668,889,000
Total net position	\$ 1,923,203,000	\$ 1,864,683,000

(*) 2015 amounts do not reflect the adoption of GASB Statements No. 68 and No. 71

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

Statements of Revenue and Expenses and Changes in Net Position

	First Quarter ended July 31,	
	2016	2015 (*)
Revenue:		
Net patient service revenue	\$458,555,000	\$438,282,000
Disproportionate Share Distributions	8,126,000	12,036,000
Other revenue	11,117,000	11,381,000
Total revenue	477,798,000	461,699,000
Expenses:		
Salaries and wages	219,992,000	197,112,000
Employee benefits	45,193,000	36,505,000
Professional fees	9,438,000	11,063,000
Supplies	80,968,000	74,477,000
Purchased services	28,317,000	26,764,000
Facilities	17,098,000	18,023,000
Depreciation and amortization	23,962,000	26,399,000
Other	17,232,000	15,726,000
Total expenses	442,200,000	406,069,000
Income (loss) from operations	35,598,000	55,630,000
Nonoperating gains (losses), net (**)	4,241,000	(2,991,000)
Income before capital contributions and grants	39,839,000	52,639,000
Capital contributions and grants	635,000	-
Increase in net position	40,474,000	52,639,000
Net position at the beginning of the period	1,882,729,000	1,812,044,000
Net position at the end of the period	\$1,923,203,000	1,864,683,000
Net Margin	8.3%	11.4%

(*) 2015 amounts do not reflect the adoption of GASB Statements No. 68 and No.71

(**) Includes interest expense as follows:	(\$8,806,000)	(\$6,357,000)
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**South Broward Hospital District
d/b/a Memorial Healthcare System**

**Combining Statement of Revenue and Expenses
Quarter ended July 31, 2016**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$242,370,000	\$124,349,000	\$30,124,000	\$42,518,000	\$2,531,000	\$1,595,000	\$680,000	\$14,388,000	-	\$458,555,000
Disproportionate share distributions	6,200,000	927,000	287,000	353,000	-	-	-	-	359,000	8,126,000
Other revenue	4,077,000	729,000	143,000	228,000	11,000	-	1,951,000	793,000	3,185,000	11,117,000
Total revenue	252,647,000	126,005,000	30,554,000	43,099,000	2,542,000	1,595,000	2,631,000	15,181,000	3,544,000	477,798,000
Expenses:										
Salaries and wages	95,445,000	40,570,000	14,559,000	15,878,000	2,208,000	1,229,000	2,623,000	22,855,000	24,625,000	219,992,000
Employee benefits	20,119,000	8,462,000	3,133,000	3,350,000	534,000	265,000	482,000	2,366,000	6,482,000	45,193,000
Professional fees	4,006,000	1,846,000	715,000	651,000	30,000	-	748,000	(48,000)	1,490,000	9,438,000
Supplies	48,529,000	19,680,000	4,429,000	4,995,000	432,000	148,000	1,165,000	409,000	1,181,000	80,968,000
Purchased services	5,770,000	3,969,000	2,181,000	1,617,000	312,000	161,000	1,308,000	535,000	12,464,000	28,317,000
Facilities	6,906,000	2,240,000	2,113,000	1,344,000	83,000	56,000	306,000	1,342,000	2,708,000	17,098,000
Depreciation and amortization	9,756,000	3,436,000	1,066,000	1,620,000	79,000	5,000	10,000	511,000	7,479,000	23,962,000
Other	7,724,000	3,124,000	835,000	1,121,000	67,000	82,000	123,000	819,000	3,337,000	17,232,000
Intrasystem allocation	29,266,000	15,946,000	4,769,000	5,245,000	181,000	62,000	204,000	649,000	(56,322,000)	-
Total expenses	227,521,000	99,273,000	33,800,000	35,821,000	3,926,000	2,008,000	6,969,000	29,438,000	3,444,000	442,200,000
Income (loss) from operations	25,126,000	26,732,000	(3,246,000)	7,278,000	(1,384,000)	(413,000)	(4,338,000)	(14,257,000)	100,000	35,598,000
Nonoperating gains (losses), net	(3,588,000)	(1,622,000)	(128,000)	(789,000)	(1,000)	-	1,000	(33,000)	10,401,000	4,241,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$21,538,000	\$25,110,000	(\$3,374,000)	\$6,489,000	(\$1,385,000)	(413,000)	(\$4,337,000)	(\$14,290,000)	\$10,501,000	\$39,839,000

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

**Combining Statement of Revenue and Expenses
Quarter ended July 31, 2015**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$217,491,000	\$125,566,000	\$33,737,000	\$43,290,000	\$2,669,000	\$1,917,000	\$573,000	\$13,038,000	\$1,000	\$438,282,000
Disproportionate share distributions	5,469,000	3,482,000	1,258,000	1,485,000	-	24,000	206,000	-	112,000	12,036,000
Other revenue	4,022,000	1,075,000	307,000	292,000	11,000	-	2,057,000	492,000	3,125,000	11,381,000
Total revenue	226,982,000	130,123,000	35,302,000	45,067,000	2,680,000	1,941,000	2,836,000	13,530,000	3,238,000	461,699,000
Expenses:										
Salaries and wages	83,450,000	37,901,000	13,451,000	14,404,000	1,975,000	1,195,000	2,367,000	19,916,000	22,453,000	197,112,000
Employee benefits	15,737,000	6,753,000	2,452,000	2,689,000	420,000	221,000	360,000	1,813,000	6,060,000	36,505,000
Professional fees	4,256,000	1,643,000	716,000	662,000	21,000	-	821,000	(30,000)	2,974,000	11,063,000
Supplies	42,017,000	19,933,000	4,741,000	4,638,000	458,000	184,000	304,000	352,000	1,850,000	74,477,000
Purchased services	4,681,000	4,193,000	2,396,000	1,359,000	226,000	181,000	1,199,000	334,000	12,195,000	26,764,000
Facilities	7,563,000	2,477,000	2,072,000	1,317,000	80,000	41,000	262,000	1,182,000	3,029,000	18,023,000
Depreciation and amortization	9,501,000	3,608,000	1,158,000	1,515,000	82,000	5,000	10,000	465,000	10,055,000	26,399,000
Other	6,365,000	2,961,000	969,000	985,000	70,000	94,000	216,000	814,000	3,252,000	15,726,000
Intrasystem allocation	30,372,000	17,016,000	4,870,000	5,499,000	178,000	52,000	201,000	411,000	(58,599,000)	-
Total expenses	203,942,000	96,485,000	32,825,000	33,068,000	3,510,000	1,973,000	5,740,000	25,257,000	3,269,000	406,069,000
Income (loss) from operations	23,040,000	33,638,000	2,477,000	11,999,000	(830,000)	(32,000)	(2,904,000)	(11,727,000)	(31,000)	55,630,000
Nonoperating gains (losses), net	(3,183,000)	(1,410,000)	(117,000)	(1,222,000)	(1,000)	1,000	1,000	(21,000)	2,961,000	(2,991,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$19,857,000	\$32,228,000	\$2,360,000	\$10,777,000	(\$831,000)	(\$31,000)	(\$2,903,000)	(\$11,748,000)	\$2,930,000	\$52,639,000