



**QUARTERLY FINANCIAL INFORMATION**  
**FOR THE SECOND QUARTER ENDED**  
**October 31, 2019**

Memorial Healthcare System Disclosure Representative:  
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## **Important Information**

In accordance with undertakings of the South Broward Hospital District d/b/a Memorial Healthcare System (the “Issuer”), regarding secondary market disclosure made pursuant to SEC Rule 15c2-12(b)(5)(i), by various continuing disclosure certificates, attached is the quarterly financial information (hereinafter collectively called the “Fiscal Quarter Information”) and operating data for the Fiscal quarter ended October 31, 2019. All of the information provided herein is unaudited.

The provision of this information is not intended as an offer to sell any securities. It is provided solely to comply with the contractual undertakings made by the Issuer with respect to certain outstanding obligations of the Issuer, which contractual undertakings require the provision of limited financial information and operating data with respect to the Issuer. It is not intended to be and is not an update of all 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 healthcare industry and certain other risk factors. No representation is made as to whether any such other events have occurred with respect to the Issuer or its outstanding debt that might be material or important to owners of the Issuer’s outstanding debt. No representation is made as to the materiality or completeness of the Fiscal Quarter Information. No representation is made that the Fiscal Quarter 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  
In Thousands**

	<b>October 31,</b>	
	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
Current assets:		
Cash and cash equivalents	\$ 476,823	\$ 368,400
Investments	1,665,543	1,526,468
Patient accounts receivable, net of estimated uncollectibles	241,715	220,970
Ad valorem taxes receivable	7,292	8,130
Inventories	39,923	37,844
Other current assets	92,554	83,955
Restricted assets:		
Under indenture agreements for debt service	19,206	19,380
Total current assets	2,543,056	2,265,147
Noncurrent assets:		
Designated investments for employee disability	19,102	18,197
Investments restricted under self-insurance trust agreements	45,701	46,364
Restricted assets, net of current portion:		
Under indenture agreements for debt service	-	154,284
Capital assets, net	892,281	882,793
Other assets	45,079	40,903
Total assets	3,545,219	3,407,688
Deferred outflows of resources:		
Deferred outflows – pension related items	63,365	80,292
Loss on defeasance, net	20,486	21,760
Total deferred outflows of resources	83,851	102,052
Total assets and deferred outflows of resources	\$ 3,629,070	\$ 3,509,740
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
Current liabilities:		
Accounts payable and accrued expenses	74,076	80,231
Accrued compensation and payroll taxes	134,970	141,483
Estimated third-party payor settlements	52,862	40,359
Current installments of long-term debt	11,665	162,170
Current portion of estimated claims liability	21,562	17,765
Other current liabilities	49,502	44,331
Total current liabilities	344,637	486,339
Long-term portion of estimated claims liability	28,698	27,123
Net pension liability	134,866	182,804
Other noncurrent liabilities	46,795	45,717
Long-term debt	677,794	590,707
Total liabilities	1,232,790	1,332,690
Deferred inflows – pension related items	50,267	21,801
Total deferred inflows of resources	50,267	21,801
Net position:		
Net investment in capital assets	223,305	301,513
Restricted for debt service	19,206	23,664
Unrestricted	2,103,502	1,830,072
Total net position	2,346,013	2,155,249
Total liabilities, deferred inflows of resources and net position	\$ 3,629,070	\$ 3,509,740

*Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.*

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

**Statements of Revenue and Expenses and Changes in Net Position  
In Thousands**

	<b>Second Quarter ended October 31,</b>		<b>Six Months ended October 31,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Operating revenue:				
Net patient service revenue	\$ 511,303	\$ 494,336	\$ 1,016,954	\$ 980,846
Disproportionate share distributions	13,768	13,239	27,713	23,145
Other operating revenues	26,197	25,927	59,910	53,625
Total operating revenue	<u>551,268</u>	<u>533,502</u>	<u>1,104,577</u>	<u>1,057,616</u>
Operating expenses:				
Salaries and wages	266,409	245,893	524,065	487,999
Employee benefits	46,154	45,853	89,393	90,943
Professional fees	13,039	12,525	24,846	24,197
Supplies	108,938	99,248	216,418	201,596
Purchased services	34,225	29,397	68,470	59,281
Facilities	20,369	20,568	39,375	40,449
Depreciation and amortization	23,063	22,646	45,884	44,956
Other	20,599	18,329	44,990	38,944
Total operating expenses	<u>532,796</u>	<u>494,459</u>	<u>1,053,441</u>	<u>988,365</u>
Income (loss) from operations	18,472	39,043	51,136	69,251
Nonoperating revenues (expenses), net *	<u>21,867</u>	<u>(3,177)</u>	<u>47,415</u>	<u>4,347</u>
Income (loss) before capital contributions and grants	40,339	35,866	98,551	73,598
Capital contributions and grants	<u>312</u>	<u>129</u>	<u>412</u>	<u>149</u>
Increase (decrease) in net position	40,651	35,995	98,963	73,747
Net position at the beginning of the period	<u>2,305,362</u>	<u>2,119,254</u>	<u>2,247,050</u>	<u>2,081,502</u>
Net position at the end of the period	<u>\$ 2,346,013</u>	<u>\$ 2,155,249</u>	<u>\$ 2,346,013</u>	<u>\$ 2,155,249</u>
Net Margin	<u>7.3%</u>	<u>6.7%</u>	<u>8.9%</u>	<u>7.0%</u>
* Includes interest expense as follows:	<u>\$ 6,332</u>	<u>\$ 7,672</u>	<u>\$ 12,765</u>	<u>\$ 15,480</u>

**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Hospital and Physician Services  
Combining Statement of Revenue and Expenses  
Quarter ended October 31, 2019  
(In Thousands)**

	<b>Memorial Regional Hospital</b>	<b>Memorial Regional Hospital South</b>	<b>Joe DiMaggio Children's Hospital</b>	<b>Memorial Hospital West</b>	<b>Memorial Hospital Pembroke</b>	<b>Memorial Hospital Miramar</b>	<b>Memorial Primary Care</b>	<b>Total Hospitals and Primary Care</b>
Operating revenue:								
Net patient service revenue	\$169,647	\$22,517	\$67,006	\$145,062	\$35,159	\$47,897	\$1,025	\$488,313
Disproportionate share distributions	7,213	1,092	494	2,797	1,534	639	-	13,769
Other operating revenues	2,689	293	405	759	291	251	5,704	10,392
<b>Total operating revenue</b>	<b>179,549</b>	<b>23,902</b>	<b>67,905</b>	<b>148,618</b>	<b>36,984</b>	<b>48,787</b>	<b>6,729</b>	<b>512,474</b>
Operating expenses:								
Salaries and wages	73,578	11,657	24,743	48,377	15,634	17,432	3,064	194,485
Employee benefits	13,211	2,310	4,415	9,065	2,708	3,339	583	35,631
Professional fees	3,563	272	888	3,306	892	953	515	10,389
Supplies	40,995	3,347	9,670	25,996	5,274	5,843	227	91,352
Purchased services	3,772	(366)	2,021	6,510	3,042	2,805	1,031	18,815
Facilities	5,162	1,219	2,140	3,562	2,486	1,681	371	16,621
Depreciation and amortization	5,385	1,164	2,445	4,586	817	1,699	5	16,101
Other	5,458	772	1,886	3,584	1,177	1,312	504	14,693
Intrasystem allocation	23,345	3,290	7,552	20,075	5,179	5,987	197	65,625
<b>Total operating expenses</b>	<b>174,469</b>	<b>23,665</b>	<b>55,760</b>	<b>125,061</b>	<b>37,209</b>	<b>41,051</b>	<b>6,497</b>	<b>463,712</b>
Income (loss) from operations	5,080	237	12,145	23,557	(225)	7,736	232	48,762
Nonoperating revenues (expenses), net	(2,154)	(159)	(441)	(2,230)	(99)	(441)	1	(5,523)
<b>Income (loss) before capital contributions and grants</b>	<b>\$2,926</b>	<b>\$78</b>	<b>\$11,704</b>	<b>\$21,327</b>	<b>(\$324)</b>	<b>\$7,295</b>	<b>\$233</b>	<b>\$43,239</b>

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**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Ancillary Services  
Combining Statement of Revenue and Expenses  
Quarter ended October 31, 2019  
(In Thousands)**

	<b>Memorial Manor Nursing Home</b>	<b>Memorial Home Health</b>	<b>Memorial Physician Group</b>	<b>Outpatient Pharmacy Services</b>	<b>Urgent Care Centers</b>	<b>Memorial Corporate Services*</b>	<b>Total Hospitals and Primary Care</b>	<b>Memorial Healthcare System</b>
Operating revenue:								
Net patient service revenue	\$2,721	\$1,128	\$18,278	\$288	\$591	(\$16)	\$488,313	\$511,303
Disproportionate share distributions	-	-	-	-	-	(1)	13,769	13,768
Other operating revenues	183	-	725	12,417	-	2,480	10,392	26,197
<b>Total operating revenue</b>	<b>2,904</b>	<b>1,128</b>	<b>19,003</b>	<b>12,705</b>	<b>591</b>	<b>2,463</b>	<b>512,474</b>	<b>551,268</b>
Operating expenses:								
Salaries and wages	2,474	1,341	33,506	2,065	498	32,040	194,485	266,409
Employee benefits	531	269	3,432	304	54	5,933	35,631	46,154
Professional fees	28	-	7	-	9	2,606	10,389	13,039
Supplies	589	35	547	14,635	31	1,749	91,352	108,938
Purchased services	285	64	488	359	27	14,187	18,815	34,225
Facilities	114	32	2,105	154	84	1,259	16,621	20,369
Depreciation and amortization	85	3	1,113	210	95	5,456	16,101	23,063
Other	76	85	849	55	11	4,830	14,693	20,599
Intrasystem allocation	158	68	735	207	26	(66,819)	65,625	-
<b>Total operating expenses</b>	<b>4,340</b>	<b>1,897</b>	<b>42,782</b>	<b>17,989</b>	<b>835</b>	<b>1,241</b>	<b>463,712</b>	<b>532,796</b>
Income (loss) from operations	(1,436)	(769)	(23,779)	(5,284)	(244)	1,222	48,762	18,472
Nonoperating revenues (expenses), net	(1)	-	(27)	1	-	27,417	(5,523)	21,867
<b>Income (loss) before capital contributions and grants</b>	<b>(\$1,437)</b>	<b>(\$769)</b>	<b>(\$23,806)</b>	<b>(\$5,283)</b>	<b>(\$244)</b>	<b>\$28,639</b>	<b>\$43,239</b>	<b>\$40,339</b>

\* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network and Eliminations  
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**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Hospital and Physician Services  
Combining Statement of Revenue and Expenses  
Quarter ended October 31, 2018  
(In Thousands)**

	<b>Memorial Regional Hospital</b>	<b>Memorial Regional Hospital South</b>	<b>Joe DiMaggio Children's Hospital</b>	<b>Memorial Hospital West</b>	<b>Memorial Hospital Pembroke</b>	<b>Memorial Hospital Miramar</b>	<b>Memorial Primary Care</b>	<b>Total Hospitals and Primary Care</b>
Operating revenue:								
Net patient service revenue	\$161,117	\$23,237	\$65,027	\$139,257	\$32,881	\$49,207	\$613	\$471,339
Disproportionate share distributions	7,944	1,124	288	2,319	1,765	(454)	-	12,986
Other operating revenues	2,851	320	190	954	159	237	4,044	8,755
<b>Total operating revenue</b>	<b>171,912</b>	<b>24,681</b>	<b>65,505</b>	<b>142,530</b>	<b>34,805</b>	<b>48,990</b>	<b>4,657</b>	<b>493,080</b>
Operating expenses:								
Salaries and wages	67,164	11,422	22,904	44,313	14,589	16,825	2,568	179,785
Employee benefits	12,873	2,378	4,447	9,232	3,005	3,599	488	36,022
Professional fees	3,504	322	850	2,806	948	909	452	9,791
Supplies	37,514	3,495	8,981	25,056	5,080	5,611	196	85,933
Purchased services	3,277	(274)	1,408	5,829	2,076	1,744	937	14,997
Facilities	5,006	1,086	1,930	3,291	2,261	1,548	333	15,455
Depreciation and amortization	5,729	1,330	2,348	4,273	1,042	1,750	6	16,478
Other	4,343	678	1,683	3,214	893	1,282	364	12,457
Intrasystem allocation	21,940	2,891	6,477	17,791	5,244	5,691	180	60,214
<b>Total operating expenses</b>	<b>161,350</b>	<b>23,328</b>	<b>51,028</b>	<b>115,805</b>	<b>35,138</b>	<b>38,959</b>	<b>5,524</b>	<b>431,132</b>
Income (loss) from operations	10,562	1,353	14,477	26,725	(333)	10,031	(867)	61,948
Nonoperating revenues (expenses), net	(1,915)	(189)	(833)	(940)	(104)	(459)	-	(4,440)
<b>Income (loss) before capital contributions and grants</b>	<b>\$8,647</b>	<b>\$1,164</b>	<b>\$13,644</b>	<b>\$25,785</b>	<b>(\$437)</b>	<b>\$9,572</b>	<b>(\$867)</b>	<b>\$57,508</b>

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**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Ancillary Services  
Combining Statement of Revenue and Expenses  
Quarter ended October 31, 2018  
(In Thousands)**

	<b>Memorial Manor Nursing Home</b>	<b>Memorial Home Health</b>	<b>Memorial Physician Group</b>	<b>Outpatient Pharmacy Services</b>	<b>Urgent Care Centers</b>	<b>Memorial Corporate Services*</b>	<b>Total Hospitals and Primary Care</b>	<b>Memorial Healthcare System</b>
Operating revenue:								
Net patient service revenue	\$2,547	\$1,639	\$18,291	\$266	\$216	\$38	\$471,339	\$494,336
Disproportionate share distributions	-	-	-	-	-	253	12,986	13,239
Other operating revenues	16	-	1,629	10,097	-	5,430	8,755	25,927
<b>Total operating revenue</b>	<b>2,563</b>	<b>1,639</b>	<b>19,920</b>	<b>10,363</b>	<b>216</b>	<b>5,721</b>	<b>493,080</b>	<b>533,502</b>
Operating expenses:								
Salaries and wages	2,416	1,353	30,254	1,708	341	30,036	179,785	245,893
Employee benefits	559	261	2,957	255	29	5,770	36,022	45,853
Professional fees	39	-	12	41	4	2,638	9,791	12,525
Supplies	471	41	587	11,310	26	880	85,933	99,248
Purchased services	296	59	413	246	12	13,374	14,997	29,397
Facilities	86	29	1,758	86	34	3,120	15,455	20,568
Depreciation and amortization	93	7	937	5	35	5,091	16,478	22,646
Other	82	101	1,148	82	8	4,451	12,457	18,329
Intrasystem allocation	147	60	699	167	16	(61,303)	60,214	-
<b>Total operating expenses</b>	<b>4,189</b>	<b>1,911</b>	<b>38,765</b>	<b>13,900</b>	<b>505</b>	<b>4,057</b>	<b>431,132</b>	<b>494,459</b>
Income (loss) from operations	(1,626)	(272)	(18,845)	(3,537)	(289)	1,664	61,948	39,043
Nonoperating revenues (expenses), net	-	-	(23)	-	-	1,286	(4,440)	(3,177)
Income (loss) before capital contributions and grants	(\$1,626)	(\$272)	(\$18,868)	(\$3,537)	(\$289)	\$2,950	\$57,508	\$35,866

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**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Hospital and Physician Services  
Combining Statement of Revenue and Expenses  
Six Months ended October 31, 2019  
(In Thousands)**

	Memorial Regional Hospital	Memorial Regional Hospital South	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Primary Care	Total Hospitals and Primary Care
Operating revenue:								
Net patient service revenue	\$333,711	\$45,054	\$134,257	\$292,333	\$69,257	\$95,499	\$1,887	\$971,998
Disproportionate share distributions	14,439	2,047	752	5,646	3,381	1,448	-	27,713
Other operating revenues	5,412	607	969	1,628	589	485	7,750	17,440
<b>Total operating revenue</b>	<b>353,562</b>	<b>47,708</b>	<b>135,978</b>	<b>299,607</b>	<b>73,227</b>	<b>97,432</b>	<b>9,637</b>	<b>1,017,151</b>
Operating expenses:								
Salaries and wages	144,568	23,219	47,856	95,898	30,682	34,494	5,923	382,640
Employee benefits	25,215	4,413	8,402	17,414	5,179	6,452	1,148	68,223
Professional fees	6,337	577	1,677	6,793	1,891	1,897	852	20,024
Supplies	80,902	6,985	19,387	52,711	10,354	11,633	412	182,384
Purchased services	7,662	(770)	3,727	13,336	5,559	5,464	1,974	36,952
Facilities	9,697	2,305	3,756	6,804	4,788	3,249	764	31,363
Depreciation and amortization	10,760	2,356	4,860	9,306	1,633	3,418	10	32,343
Other	10,477	1,474	3,601	7,067	2,209	2,533	580	27,941
Intrasystem allocation	45,843	6,433	14,305	38,845	10,172	11,746	385	127,729
<b>Total operating expenses</b>	<b>341,461</b>	<b>46,992</b>	<b>107,571</b>	<b>248,174</b>	<b>72,467</b>	<b>80,886</b>	<b>12,048</b>	<b>909,599</b>
Income (loss) from operations	12,101	716	28,407	51,433	760	16,546	(2,411)	107,552
Nonoperating revenues (expenses), net	(4,346)	(320)	(894)	(4,490)	(192)	(890)	1	(11,131)
<b>Income (loss) before capital contributions and grants</b>	<b>\$7,755</b>	<b>\$396</b>	<b>\$27,513</b>	<b>\$46,943</b>	<b>\$568</b>	<b>\$15,656</b>	<b>(\$2,410)</b>	<b>\$96,421</b>

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**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Ancillary Services  
Combining Statement of Revenue and Expenses  
Six Months ended October 31, 2019  
(In Thousands)**

	Memorial Manor Nursing Home	Memorial Home Health	Memorial Physician Group	Outpatient Pharmacy Services	Urgent Care Centers	Memorial Corporate Services*	Total Hospitals and Primary Care	Memorial Healthcare System
Operating revenue:								
Net patient service revenue	\$5,255	\$2,343	\$35,594	\$694	\$1,047	\$23	\$971,998	\$1,016,954
Disproportionate share distributions	-	-	-	-	-	-	27,713	27,713
Other operating revenues	220	-	1,591	26,768	-	13,891	17,440	59,910
<b>Total operating revenue</b>	<b>5,475</b>	<b>2,343</b>	<b>37,185</b>	<b>27,462</b>	<b>1,047</b>	<b>13,914</b>	<b>1,017,151</b>	<b>1,104,577</b>
Operating expenses:								
Salaries and wages	4,885	2,597	65,192	4,050	1,000	63,701	382,640	524,065
Employee benefits	1,011	506	6,384	583	110	12,576	68,223	89,393
Professional fees	43	1	12	-	16	4,750	20,024	24,846
Supplies	1,030	78	1,058	28,201	54	3,613	182,384	216,418
Purchased services	550	134	960	687	54	29,133	36,952	68,470
Facilities	228	68	4,198	372	148	2,998	31,363	39,375
Depreciation and amortization	170	5	2,112	379	166	10,709	32,343	45,884
Other	148	179	1,697	101	23	14,901	27,941	44,990
Intrasystem allocation	309	133	1,366	401	51	(129,989)	127,729	-
<b>Total operating expenses</b>	<b>8,374</b>	<b>3,701</b>	<b>82,979</b>	<b>34,774</b>	<b>1,622</b>	<b>12,392</b>	<b>909,599</b>	<b>1,053,441</b>
Income (loss) from operations	(2,899)	(1,358)	(45,794)	(7,312)	(575)	1,522	107,552	51,136
Nonoperating revenues (expenses), net	(2)	-	(54)	1	-	58,601	(11,131)	47,415
Income (loss) before capital contributions and grants	(\$2,901)	(\$1,358)	(\$45,848)	(\$7,311)	(\$575)	\$60,123	\$96,421	\$98,551

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Combining Statement of Revenue and Expenses  
Six Months ended October 31, 2018  
(In Thousands)**

	<b>Memorial Regional Hospital</b>	<b>Memorial Regional Hospital South</b>	<b>Joe DiMaggio Children's Hospital</b>	<b>Memorial Hospital West</b>	<b>Memorial Hospital Pembroke</b>	<b>Memorial Hospital Miramar</b>	<b>Memorial Primary Care</b>	<b>Total Hospitals and Primary Care</b>
Operating revenue:								
Net patient service revenue	\$319,796	\$45,081	\$127,840	\$277,326	\$66,439	\$98,088	\$1,257	\$935,827
Disproportionate share distributions	12,789	1,830	493	4,270	3,320	138	-	22,840
Other operating revenues	5,321	631	502	1,734	321	495	6,358	15,362
<b>Total operating revenue</b>	<b>337,906</b>	<b>47,542</b>	<b>128,835</b>	<b>283,330</b>	<b>70,080</b>	<b>98,721</b>	<b>7,615</b>	<b>974,029</b>
Operating expenses:								
Salaries and wages	134,071	22,514	44,447	88,739	29,388	33,613	5,238	358,010
Employee benefits	25,915	4,665	8,638	18,185	5,887	7,036	998	71,324
Professional fees	7,053	662	1,625	5,502	1,923	1,824	902	19,491
Supplies	75,502	6,765	18,351	51,017	10,097	11,199	299	173,230
Purchased services	6,708	(612)	2,519	12,010	4,275	3,546	1,947	30,393
Facilities	10,358	2,097	3,603	6,013	4,508	3,076	665	30,320
Depreciation and amortization	11,523	2,668	4,879	8,421	2,005	3,407	12	32,915
Other	8,717	1,276	3,130	6,362	1,922	2,512	432	24,351
Intrasystem allocation	42,688	5,643	12,643	34,726	10,241	11,101	339	117,381
<b>Total operating expenses</b>	<b>322,535</b>	<b>45,678</b>	<b>99,835</b>	<b>230,975</b>	<b>70,246</b>	<b>77,314</b>	<b>10,832</b>	<b>857,415</b>
Income (loss) from operations	15,371	1,864	29,000	52,355	(166)	21,407	(3,217)	116,614
Nonoperating revenues (expenses), net	(3,882)	(380)	(1,694)	(1,962)	(203)	(918)	1	(9,038)
<b>Income (loss) before capital contributions and grants</b>	<b>\$11,489</b>	<b>\$1,484</b>	<b>\$27,306</b>	<b>\$50,393</b>	<b>(\$369)</b>	<b>\$20,489</b>	<b>(\$3,216)</b>	<b>\$107,576</b>

*Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.*

**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Ancillary Services  
Combining Statement of Revenue and Expenses  
Six Months ended October 31, 2018  
(In Thousands)**

	<b>Memorial Manor Nursing Home</b>	<b>Memorial Home Health</b>	<b>Memorial Physician Group</b>	<b>Outpatient Pharmacy Services</b>	<b>Urgent Care Centers</b>	<b>Memorial Corporate Services*</b>	<b>Total Hospitals and Primary Care</b>	<b>Memorial Healthcare System</b>
Operating revenue:								
Net patient service revenue	\$5,009	\$3,159	\$35,891	\$464	\$453	\$43	\$935,827	\$980,846
Disproportionate share distributions	-	-	-	-	-	305	22,840	23,145
Other operating revenues	28	-	2,559	21,153	-	14,523	15,362	53,625
<b>Total operating revenue</b>	<b>5,037</b>	<b>3,159</b>	<b>38,450</b>	<b>21,617</b>	<b>453</b>	<b>14,871</b>	<b>974,029</b>	<b>1,057,616</b>
Operating expenses:								
Salaries and wages	4,790	2,695	59,695	3,367	604	58,838	358,010	487,999
Employee benefits	1,093	511	5,955	515	58	11,487	71,324	90,943
Professional fees	76	-	20	140	9	4,461	19,491	24,197
Supplies	927	98	1,169	23,422	33	2,717	173,230	201,596
Purchased services	601	106	886	520	21	26,754	30,393	59,281
Facilities	167	56	3,515	146	68	6,177	30,320	40,449
Depreciation and amortization	187	14	1,800	9	62	9,969	32,915	44,956
Other	200	188	1,999	126	11	12,069	24,351	38,944
Intrasystem allocation	277	113	1,271	290	30	(119,362)	117,381	-
<b>Total operating expenses</b>	<b>8,318</b>	<b>3,781</b>	<b>76,310</b>	<b>28,535</b>	<b>896</b>	<b>13,110</b>	<b>857,415</b>	<b>988,365</b>
Income (loss) from operations	(3,281)	(622)	(37,860)	(6,918)	(443)	1,761	116,614	69,251
Nonoperating revenues (expenses), net	(3)	-	(44)	-	-	13,432	(9,038)	4,347
<b>Income (loss) before capital contributions and grants</b>	<b>(\$3,284)</b>	<b>(\$622)</b>	<b>(\$37,904)</b>	<b>(\$6,918)</b>	<b>(\$443)</b>	<b>\$15,193</b>	<b>\$107,576</b>	<b>\$73,598</b>

\* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network and Eliminations  
Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.