



**QUARTERLY FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED**

**April 30, 2016**

Memorial Healthcare System Disclosure Representative:

David M. Smith

Senior Vice President and Chief Financial Officer

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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 April 30, 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**

	April 30,	
	2016	2015 (*)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 545,209,000	\$ 449,070,000
Investments	1,201,304,000	1,111,094,000
Designated investments for capital improvements	883,000	1,452,000
Designated investments for employee disability	18,210,000	17,985,000
Patient accounts receivable, net of estimated uncollectibles	240,272,000	195,152,000
Ad valorem taxes receivable	119,000	123,000
Inventories	31,914,000	29,439,000
Other current assets	56,431,000	61,892,000
Total current assets	2,094,342,000	1,856,207,000
<b>Noncurrent assets</b>		
Asset whose use is limited:		
Under self-insurance trust agreements	47,203,000	47,118,000
Restricted assets, net of current portion:		
Under indenture agreement	20,579,000	14,676,000
Under indenture - project funds	51,629,000	54,943,000
Externally restricted by donors	-	48,000
Total restricted assets	72,208,000	69,667,000
Capital assets, net	731,030,000	750,965,000
Other assets	28,898,000	19,342,000
Total assets	2,973,681,000	2,753,299,000
Unrealized Pension Contributions	37,649,000	-
Unrealized Pension Losses	10,285,000	-
Other Deferred Outflows	14,077,000	15,026,000
Total Deferred Outflows	62,011,000	15,026,000
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	81,219,000	73,983,000
Accrued compensation and payroll taxes	141,135,000	115,726,000
Estimated third-party payor settlements	34,639,000	13,767,000
Current installments of long-term debt	9,650,000	9,265,000
Current portion of capital lease obligations	2,396,000	2,300,000
Current portion of estimated claims liability	15,157,000	15,480,000
Other current liabilities	31,674,000	37,327,000
Total current liabilities	315,870,000	267,848,000
Long-term portion of estimated claims liability	24,526,000	22,784,000
Net Pension Liability	159,285,000	-
Other noncurrent liabilities	48,324,000	46,939,000
Long-term portion of capital lease obligations	2,294,000	4,314,000
Long-term debt	602,664,000	614,396,000
Total liabilities	1,152,963,000	956,281,000
Net position:		
Invested in capital assets, net of related debt	128,103,000	135,716,000
Restricted:		
For debt service	72,208,000	69,619,000
By donors	-	48,000
Unrestricted	1,662,418,000	1,606,661,000
Total net position	\$ 1,862,729,000	\$ 1,812,044,000

(\*) 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**

	Fourth Quarter ended April 30,		Twelve Months ended April 30,	
	2016	2015 (*)	2016	2015 (*)
<b>Revenue:</b>				
Net patient service revenue	\$471,370,000	\$420,566,000	\$1,806,556,000	\$1,630,804,000
Disproportionate Share Distributions	11,498,000	23,052,000	46,997,000	83,420,000
Other revenue	8,386,000	15,776,000	43,521,000	49,983,000
<b>Total revenue</b>	<b>491,254,000</b>	<b>459,394,000</b>	<b>1,897,074,000</b>	<b>1,764,207,000</b>
<b>Expenses:</b>				
Salaries and wages	225,276,000	197,959,000	842,174,000	756,247,000
Employee benefits	39,243,000	37,268,000	157,932,000	151,129,000
Professional fees	10,470,000	12,039,000	44,321,000	38,204,000
Supplies	80,205,000	73,294,000	305,412,000	272,959,000
Purchased services	28,737,000	28,500,000	108,536,000	99,791,000
Facilities	19,419,000	18,049,000	72,653,000	73,586,000
Depreciation and amortization	24,461,000	27,989,000	101,225,000	111,208,000
Other	17,345,000	24,775,000	69,293,000	68,749,000
<b>Total expenses</b>	<b>445,156,000</b>	<b>419,873,000</b>	<b>1,701,546,000</b>	<b>1,571,873,000</b>
<b>Income (loss) from operations</b>	<b>46,098,000</b>	<b>39,521,000</b>	<b>195,528,000</b>	<b>192,334,000</b>
<b>Nonoperating gains (losses), net (**)</b>	<b>4,816,000</b>	<b>(3,945,000)</b>	<b>(7,503,000)</b>	<b>(2,583,000)</b>
<b>Income before capital contributions and grants</b>	<b>50,914,000</b>	<b>35,576,000</b>	<b>188,025,000</b>	<b>189,751,000</b>
<b>Capital contributions and grants</b>	<b>66,000</b>	<b>1,391,000</b>	<b>709,000</b>	<b>1,618,000</b>
<b>Increase in net position</b>	<b>50,980,000</b>	<b>36,967,000</b>	<b>188,734,000</b>	<b>191,369,000</b>
<b>Net position at the beginning of the period</b>	<b>1,831,749,000</b>	<b>1,775,077,000</b>	<b>1,812,044,000</b>	<b>1,620,675,000</b>
<b>Net impact of GASB Statements No. 68 and No. 71 implementation</b>	<b>(118,049,000)</b>	<b>-</b>	<b>(118,049,000)</b>	<b>-</b>
<b>Net position as restated, beginning of year</b>	<b>1,713,700,000</b>	<b>1,775,077,000</b>	<b>1,693,995,000</b>	<b>1,620,675,000</b>
<b>Net position at the end of the period</b>	<b>\$1,882,729,000</b>	<b>1,812,044,000</b>	<b>\$1,882,729,000</b>	<b>\$1,812,044,000</b>
<b>Net Margin</b>	<b>10.4%</b>	<b>7.7%</b>	<b>9.9%</b>	<b>10.8%</b>

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

(\*\*) Includes interest expense as follows: (\$8,302,000)      (\$9,314,000)      (\$31,578,000)      (\$28,156,000)

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

**Combining Statement of Revenue and Expenses  
Quarter ended April 30, 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
<b>Revenue:</b>										
Net patient service revenue	\$246,647,000	\$127,228,000	\$33,941,000	\$44,322,000	\$2,290,000	\$1,441,000	\$656,000	\$14,462,000	\$383,000	\$471,370,000
Disproportionate share distributions	9,171,000	1,373,000	429,000	525,000	-	-	-	-	-	11,498,000
Other revenue	4,264,000	67,000	47,000	(24,000)	8,000	-	2,009,000	545,000	1,470,000	8,386,000
<b>Total revenue</b>	<b>260,082,000</b>	<b>128,668,000</b>	<b>34,417,000</b>	<b>44,823,000</b>	<b>2,298,000</b>	<b>1,441,000</b>	<b>2,665,000</b>	<b>15,007,000</b>	<b>1,853,000</b>	<b>491,254,000</b>
<b>Expenses:</b>										
Salaries and wages	96,661,000	41,550,000	14,899,000	16,711,000	2,214,000	1,328,000	2,877,000	22,664,000	26,372,000	225,276,000
Employee benefits	17,508,000	7,829,000	2,738,000	3,193,000	472,000	249,000	512,000	2,701,000	4,041,000	39,243,000
Professional fees	3,936,000	1,805,000	1,089,000	665,000	36,000	-	813,000	(124,000)	2,260,000	10,470,000
Supplies	47,928,000	19,714,000	4,817,000	5,069,000	465,000	129,000	798,000	479,000	806,000	80,205,000
Purchased services	6,052,000	4,263,000	2,318,000	1,717,000	261,000	172,000	1,305,000	585,000	12,064,000	28,737,000
Facilities	7,458,000	2,832,000	2,667,000	1,690,000	101,000	53,000	454,000	1,229,000	2,935,000	19,419,000
Depreciation and amortization	10,192,000	3,509,000	1,124,000	1,610,000	79,000	5,000	10,000	502,000	7,430,000	24,461,000
Other	6,286,000	2,497,000	931,000	891,000	63,000	90,000	188,000	1,015,000	5,384,000	17,345,000
Intrasystem allocation	32,259,000	17,885,000	5,336,000	5,713,000	194,000	60,000	235,000	452,000	(62,134,000)	-
<b>Total expenses</b>	<b>228,280,000</b>	<b>101,884,000</b>	<b>35,919,000</b>	<b>37,249,000</b>	<b>3,885,000</b>	<b>2,086,000</b>	<b>7,192,000</b>	<b>29,503,000</b>	<b>(842,000)</b>	<b>445,156,000</b>
<b>Income (loss) from operations</b>	<b>31,802,000</b>	<b>26,784,000</b>	<b>(1,502,000)</b>	<b>7,574,000</b>	<b>(1,587,000)</b>	<b>(645,000)</b>	<b>(4,527,000)</b>	<b>(14,496,000)</b>	<b>2,695,000</b>	<b>46,098,000</b>
<b>Nonoperating gains (losses), net</b>	<b>(3,521,000)</b>	<b>(1,461,000)</b>	<b>(113,000)</b>	<b>(1,237,000)</b>	<b>(1,000)</b>	<b>-</b>	<b>1,000</b>	<b>(31,000)</b>	<b>11,179,000</b>	<b>4,816,000</b>
<b>Excess (deficiency) of revenues and net nonoperating gains over expenses</b>	<b>\$28,281,000</b>	<b>\$25,323,000</b>	<b>(\$1,615,000)</b>	<b>\$6,337,000</b>	<b>(\$1,588,000)</b>	<b>(\$645,000)</b>	<b>(\$4,526,000)</b>	<b>(\$14,527,000)</b>	<b>\$13,874,000</b>	<b>\$50,914,000</b>

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

**Combining Statement of Revenue and Expenses  
Quarter ended April 30, 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
<b>Revenue:</b>										
Net patient service revenue	\$206,734,000	\$124,593,000	\$32,640,000	\$38,865,000	\$2,345,000	\$1,792,000	\$501,000	\$13,096,000	-	\$420,566,000
Disproportionate share distributions	13,097,000	4,921,000	2,058,000	2,464,000	-	36,000	308,000	-	168,000	23,052,000
Other revenue	4,666,000	1,502,000	348,000	397,000	10,000	-	2,322,000	1,016,000	5,515,000	15,776,000
<b>Total revenue</b>	<b>224,497,000</b>	<b>131,016,000</b>	<b>35,046,000</b>	<b>41,726,000</b>	<b>2,355,000</b>	<b>1,828,000</b>	<b>3,131,000</b>	<b>14,112,000</b>	<b>5,683,000</b>	<b>459,394,000</b>
<b>Expenses:</b>										
Salaries and wages	82,475,000	38,152,000	13,514,000	14,567,000	2,007,000	1,184,000	2,474,000	19,545,000	24,041,000	197,959,000
Employee benefits	15,799,000	7,066,000	2,538,000	2,789,000	436,000	226,000	500,000	1,998,000	5,918,000	37,268,000
Professional fees	5,282,000	1,777,000	566,000	633,000	28,000	1,000	821,000	(4,000)	2,835,000	12,039,000
Supplies	40,693,000	20,415,000	4,593,000	4,503,000	759,000	163,000	369,000	808,000	991,000	73,294,000
Purchased services	4,998,000	4,630,000	2,369,000	1,346,000	208,000	164,000	1,400,000	441,000	13,044,000	28,500,000
Facilities	6,236,000	2,820,000	2,514,000	1,544,000	106,000	41,000	292,000	1,276,000	3,220,000	18,049,000
Depreciation and amortization	9,706,000	3,712,000	1,235,000	1,662,000	81,000	5,000	11,000	425,000	11,152,000	27,989,000
Other	7,365,000	3,571,000	1,268,000	1,303,000	104,000	101,000	295,000	1,717,000	9,051,000	24,775,000
Intrasystem allocation	37,919,000	17,451,000	4,650,000	4,178,000	265,000	109,000	203,000	569,000	(65,344,000)	-
<b>Total expenses</b>	<b>210,473,000</b>	<b>99,494,000</b>	<b>33,247,000</b>	<b>32,525,000</b>	<b>3,994,000</b>	<b>1,994,000</b>	<b>6,365,000</b>	<b>26,773,000</b>	<b>5,008,000</b>	<b>419,873,000</b>
<b>Income (loss) from operations</b>	<b>14,024,000</b>	<b>31,522,000</b>	<b>1,799,000</b>	<b>9,201,000</b>	<b>(1,639,000)</b>	<b>(166,000)</b>	<b>(3,234,000)</b>	<b>(12,661,000)</b>	<b>675,000</b>	<b>39,521,000</b>
<b>Nonoperating gains (losses), net</b>	<b>(2,552,000)</b>	<b>(1,408,000)</b>	<b>(106,000)</b>	<b>(1,215,000)</b>	<b>-</b>	<b>-</b>	<b>(977,000)</b>	<b>9,000</b>	<b>2,304,000</b>	<b>(3,945,000)</b>
<b>Excess (deficiency) of revenues and net nonoperating gains over expenses</b>	<b>\$11,472,000</b>	<b>\$30,114,000</b>	<b>\$1,693,000</b>	<b>\$7,986,000</b>	<b>(\$1,639,000)</b>	<b>(\$166,000)</b>	<b>(\$4,211,000)</b>	<b>(\$12,652,000)</b>	<b>\$2,979,000</b>	<b>\$35,576,000</b>

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

**Combining Statement of Revenue and Expenses  
Twelve Months ended April 30, 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
<b>Revenue:</b>										
Net patient service revenue	\$930,784,000	\$493,949,000	\$127,864,000	\$180,108,000	\$10,207,000	\$6,787,000	\$2,224,000	\$54,252,000	\$383,000	\$1,806,556,000
Disproportionate share distributions	33,383,000	7,649,000	2,548,000	3,074,000	-	24,000	206,000	-	112,000	46,997,000
Other revenue	16,507,000	3,575,000	1,106,000	1,052,000	40,000	-	8,365,000	2,920,000	9,958,000	43,521,000
<b>Total revenue</b>	<b>980,674,000</b>	<b>505,173,000</b>	<b>131,519,000</b>	<b>184,232,000</b>	<b>10,247,000</b>	<b>6,811,000</b>	<b>10,795,000</b>	<b>57,172,000</b>	<b>10,451,000</b>	<b>1,897,074,000</b>
<b>Expenses:</b>										
Salaries and wages	359,583,000	158,828,000	56,600,000	62,068,000	8,250,000	4,980,000	10,017,000	85,652,000	86,098,000	842,174,000
Employee benefits	68,727,000	30,958,000	10,767,000	12,027,000	1,852,000	951,000	1,677,000	9,043,000	22,830,000	157,832,000
Professional fees	16,263,000	6,173,000	3,435,000	2,872,000	97,000	1,000	3,246,000	(231,000)	12,465,000	44,321,000
Supplies	180,227,000	78,614,000	18,750,000	19,195,000	1,750,000	579,000	1,728,000	1,598,000	2,971,000	305,412,000
Purchased services	20,862,000	16,424,000	8,760,000	5,789,000	978,000	582,000	5,502,000	1,787,000	47,852,000	108,536,000
Facilities	28,956,000	10,330,000	9,314,000	5,764,000	348,000	179,000	1,225,000	4,722,000	11,815,000	72,653,000
Depreciation and amortization	39,599,000	14,220,000	4,507,000	6,332,000	323,000	21,000	41,000	1,975,000	34,207,000	101,225,000
Other	27,294,000	11,748,000	4,213,000	4,107,000	278,000	376,000	788,000	3,471,000	17,018,000	69,293,000
Intrasytem allocation	123,442,000	68,517,000	20,406,000	22,342,000	734,000	220,000	855,000	1,686,000	(238,202,000)	-
<b>Total expenses</b>	<b>864,953,000</b>	<b>395,072,000</b>	<b>136,752,000</b>	<b>140,494,000</b>	<b>14,610,000</b>	<b>7,889,000</b>	<b>25,079,000</b>	<b>109,703,000</b>	<b>7,054,000</b>	<b>1,701,546,000</b>
Income (loss) from operations	115,721,000	110,161,000	(5,233,000)	43,738,000	(4,363,000)	(1,078,000)	(14,284,000)	(52,531,000)	3,397,000	195,528,000
Nonoperating gains (losses), net	(13,129,000)	(5,728,000)	(460,000)	(4,920,000)	(4,000)	-	5,000	(109,000)	16,842,000	(7,503,000)
<b>Excess (deficiency) of revenues and net nonoperating gains over expenses</b>	<b>\$102,592,000</b>	<b>\$104,433,000</b>	<b>(\$5,693,000)</b>	<b>\$38,818,000</b>	<b>(\$4,367,000)</b>	<b>(\$1,078,000)</b>	<b>(\$14,279,000)</b>	<b>(\$52,640,000)</b>	<b>\$20,239,000</b>	<b>\$188,025,000</b>

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

**Combining Statement of Revenue and Expenses  
Twelve Months ended April 30, 2015**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services	Memorial Healthcare System
<b>Revenue:</b>										
Net patient service revenue	\$ 805,755,000	\$ 462,857,000	\$ 119,457,000	\$ 163,850,000	\$ 9,675,000	\$ 5,586,000	\$ 1,530,000	\$ 41,994,000	\$ -	\$ 1,630,804,000
Disproportionate share distributions	47,751,000	17,028,000	7,690,000	6,760,000	70,000	143,000	1,309,000	-	669,000	83,420,000
Other revenue	15,983,000	5,294,000	1,486,000	1,618,000	39,000	-	8,237,000	1,656,000	15,670,000	49,983,000
<b>Total revenue</b>	<b>869,489,000</b>	<b>505,279,000</b>	<b>128,633,000</b>	<b>174,228,000</b>	<b>9,784,000</b>	<b>5,729,000</b>	<b>11,076,000</b>	<b>43,650,000</b>	<b>16,339,000</b>	<b>1,764,207,000</b>
<b>Expenses:</b>										
Salaries and wages	319,544,000	146,128,000	51,140,000	56,920,000	7,639,000	4,273,000	9,369,000	66,898,000	92,136,000	756,247,000
Employee benefits	64,577,000	28,804,000	10,268,000	11,410,000	1,838,000	883,000	1,871,000	5,847,000	24,631,000	151,129,000
Professional fees	15,782,000	4,933,000	2,592,000	2,077,000	104,000	1,000	3,303,000	191,000	9,221,000	38,204,000
Supplies	155,438,000	75,379,000	16,371,000	17,745,000	2,054,000	427,000	1,333,000	1,344,000	2,870,000	272,959,000
Purchased services	17,688,000	15,843,000	7,516,000	5,544,000	925,000	381,000	4,428,000	1,246,000	46,220,000	99,791,000
Facilities	31,033,000	10,878,000	9,499,000	5,336,000	357,000	163,000	1,067,000	3,580,000	11,673,000	73,586,000
Depreciation and amortization	38,391,000	14,358,000	4,996,000	7,254,000	324,000	19,000	44,000	1,467,000	44,355,000	111,208,000
Other	24,271,000	12,877,000	3,908,000	4,389,000	276,000	332,000	687,000	3,727,000	18,302,000	66,749,000
Intrastatement allocation	137,297,000	61,250,000	16,301,000	14,654,000	931,000	384,000	712,000	2,083,000	(233,562,000)	-
<b>Total expenses</b>	<b>804,019,000</b>	<b>372,450,000</b>	<b>122,591,000</b>	<b>125,309,000</b>	<b>14,646,000</b>	<b>6,863,000</b>	<b>22,814,000</b>	<b>87,333,000</b>	<b>15,846,000</b>	<b>1,571,873,000</b>
<b>Income (loss) from operations</b>	<b>65,470,000</b>	<b>132,829,000</b>	<b>6,042,000</b>	<b>48,919,000</b>	<b>(4,864,000)</b>	<b>(1,134,000)</b>	<b>(11,738,000)</b>	<b>(43,683,000)</b>	<b>493,000</b>	<b>192,334,000</b>
<b>Nonoperating gains (losses), net</b>	<b>(10,212,000)</b>	<b>(5,701,000)</b>	<b>(427,000)</b>	<b>(4,886,000)</b>	<b>(1,000)</b>	<b>2,000</b>	<b>5,000</b>	<b>22,000</b>	<b>18,615,000</b>	<b>(2,583,000)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER NET nonoperating gains over expenses</b>	<b>\$ 55,258,000</b>	<b>\$ 127,128,000</b>	<b>\$ 5,615,000</b>	<b>\$ 44,033,000</b>	<b>\$ (4,865,000)</b>	<b>\$ (1,132,000)</b>	<b>\$ (11,733,000)</b>	<b>\$ (43,661,000)</b>	<b>\$ 19,108,000</b>	<b>\$ 189,751,000</b>