



QUARTERLY FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
July 31, 2020

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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 July 31, 2020. 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**

	July 31,	
	2020	2019
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	\$ 525,881	\$ 521,726
Investments	2,022,660	1,589,011
Patient accounts receivable, net of estimated uncollectibles	216,231	253,019
Inventories	48,613	39,794
Other current assets	81,741	74,581
Restricted assets:		
Under indenture agreements for debt service	9,615	9,603
Total current assets	2,904,741	2,487,734
Noncurrent assets:		
Designated investments for employee disability	20,432	18,860
Investments restricted under self-insurance trust agreements	48,571	44,768
Capital assets, net	870,602	900,957
Other assets	50,788	44,877
Total assets	3,895,134	3,497,196
Deferred outflows of resources:		
Deferred outflows – pension related items	114,799	67,100
Loss on defeasance, net	19,530	20,804
Total deferred outflows of resources	134,329	87,904
Total assets and deferred outflows of resources	\$ 4,029,463	\$ 3,585,100
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable and accrued expenses	90,453	68,278
Accrued compensation and payroll taxes	153,081	147,356
Estimated third-party payor settlements	59,669	55,982
Current installments of long-term debt	12,185	11,665
Current portion of estimated claims liability	21,893	18,189
Medicare advance payments	106,690	-
Other current liabilities	100,677	34,838
Total current liabilities	544,648	336,308
Long-term portion of estimated claims liability	30,253	27,529
Net pension liability	165,811	137,276
Other noncurrent liabilities	44,638	46,338
Long-term debt	664,326	678,222
Total liabilities	1,449,676	1,225,673
Deferred inflows – pension related items	56,359	54,065
Total deferred inflows of resources	56,359	54,065
Net position:		
Net investment in capital assets	211,995	231,870
Restricted for debt service	9,615	9,603
Unrestricted	2,301,818	2,063,889
Total net position	2,523,428	2,305,362
Total liabilities, deferred inflows of resources and net position	\$ 4,029,463	\$ 3,585,100

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**

	First Quarter ended July 31,	
	2020	2019
Operating revenue:		
Net patient service revenue	\$ 477,714	\$ 505,651
Disproportionate share distributions	13,136	13,945
Other operating revenues	32,665	33,713
Total operating revenue	<u>523,515</u>	<u>553,309</u>
Operating expenses:		
Salaries and wages	264,343	257,656
Employee benefits	41,979	43,239
Professional fees	13,083	11,807
Supplies	108,533	107,480
Purchased services	34,398	34,245
Facilities	21,637	19,007
Depreciation and amortization	21,612	22,820
Other	22,048	24,391
Total operating expenses	<u>527,633</u>	<u>520,645</u>
Income (loss) from operations	(4,118)	32,664
Nonoperating revenues (expenses), net *	<u>123,890</u>	<u>25,548</u>
Income (loss) before capital contributions and grants	119,772	58,212
Capital contributions and grants	-	100
Increase (decrease) in net position	<u>119,772</u>	<u>58,312</u>
Net position at the beginning of the period	2,403,656	2,247,050
Net position at the end of the period	<u>\$ 2,523,428</u>	<u>\$ 2,305,362</u>
Net Margin	<u>22.9%</u>	<u>10.5%</u>
* Includes as follows:		
Interest expense	\$ (6,264)	\$ (6,433)
COVID-19 relief funds	<u>\$ 89,996</u>	<u>\$ -</u>

South Broward Hospital District
d/b/a Memorial Healthcare System
Hospitals and Primary Care
Combining Statement of Revenue and Expenses
Quarter ended July 31, 2020
(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	\$162,529	\$21,840	\$53,971	\$138,260	\$35,193	\$45,287	\$978	\$458,058
Disproportionate share distributions	7,218	1,067	302	2,301	1,599	649	-	13,136
Other operating revenues	2,173	428	487	763	199	317	1,997	6,364
Total operating revenue	171,920	23,335	54,760	141,324	36,991	46,253	2,975	477,558
Operating expenses:								
Salaries and wages	73,275	11,775	23,494	50,044	16,542	17,562	2,763	195,455
Employee benefits	11,638	2,099	3,939	8,114	2,420	3,026	542	31,778
Professional fees	3,016	271	843	3,312	1,084	1,418	278	10,222
Supplies	38,943	4,506	8,211	26,997	5,091	5,686	39	89,473
Purchased services	5,208	(1,096)	1,585	6,253	3,429	3,244	776	19,399
Facilities	6,131	1,008	2,390	3,628	2,392	1,766	381	17,696
Depreciation and amortization	5,129	1,070	2,287	4,454	834	1,716	4	15,494
Other	5,095	763	1,623	3,763	1,092	1,360	115	13,811
Intrasystem allocation	21,747	2,989	6,204	17,515	5,070	5,523	180	59,228
Total operating expenses	170,182	23,385	50,576	124,080	37,954	41,301	5,078	452,556
Income (loss) from operations	1,738	(50)	4,184	17,244	(963)	4,952	(2,103)	25,002
Nonoperating revenues (expenses), net	26,605	6,434	7,551	21,715	8,218	9,436	-	79,959
Income (loss) before capital contributions and grants	\$28,343	\$6,384	\$11,735	\$38,959	\$7,255	\$14,388	(\$2,103)	\$104,961

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
Quarter ended July 31, 2020
(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	\$2,101	\$956	\$15,510	\$306	\$373	\$410	\$458,058	\$477,714
Disproportionate share distributions	-	-	-	-	-	-	13,136	13,136
Other operating revenues	22	-	1,691	15,874	-	8,714	6,364	32,665
Total operating revenue	<u>2,123</u>	<u>956</u>	<u>17,201</u>	<u>16,180</u>	<u>373</u>	<u>9,124</u>	<u>477,558</u>	<u>523,515</u>
Operating expenses:								
Salaries and wages	2,022	1,156	32,490	2,113	530	30,577	195,455	264,343
Employee benefits	438	203	2,999	303	70	6,188	31,778	41,979
Professional fees	22	-	2	-	8	2,829	10,222	13,083
Supplies	348	34	1,102	15,575	18	1,983	89,473	108,533
Purchased services	209	80	381	370	32	13,927	19,399	34,398
Facilities	60	37	2,154	186	81	1,423	17,696	21,637
Depreciation and amortization	85	3	1,027	208	83	4,712	15,494	21,612
Other	67	62	908	42	29	7,129	13,811	22,048
Intrasystem allocation	150	65	603	195	22	(60,263)	59,228	-
Total operating expenses	<u>3,401</u>	<u>1,640</u>	<u>41,666</u>	<u>18,992</u>	<u>873</u>	<u>8,505</u>	<u>452,556</u>	<u>527,633</u>
Income (loss) from operations	(1,278)	(684)	(24,465)	(2,812)	(500)	619	25,002	(4,118)
Nonoperating revenues (expenses), net	349	93	4,191	-	-	39,298	79,959	123,890
Income (loss) before capital contributions and grants	<u>(\$929)</u>	<u>(\$591)</u>	<u>(\$20,274)</u>	<u>(\$2,812)</u>	<u>(\$500)</u>	<u>\$39,917</u>	<u>\$104,961</u>	<u>\$119,772</u>

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Joe DiMaggio Children's Outpatient Surgery Center, Broward Guardian (acquired May 1, 2020) 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.

**South Broward Hospital District
d/b/a Memorial Healthcare System
Hospitals and Primary Care
Combining Statement of Revenue and Expenses
Quarter ended July 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	\$164,065	\$22,538	\$67,251	\$147,271	\$34,098	\$47,602	\$862	\$483,687
Disproportionate share distributions	7,226	956	258	2,849	1,847	809	-	13,945
Other operating revenues	2,723	312	564	869	298	234	2,046	7,046
Total operating revenue	174,014	23,806	68,073	150,989	36,243	48,645	2,908	504,678
Operating expenses:								
Salaries and wages	71,139	11,591	23,415	48,604	15,084	17,062	2,859	189,754
Employee benefits	12,014	2,105	4,010	8,418	2,473	3,113	565	32,698
Professional fees	2,775	305	882	3,539	999	945	336	9,781
Supplies	39,911	3,639	9,723	26,735	5,081	5,790	185	91,064
Purchased services	4,391	(371)	1,495	6,674	2,509	2,659	944	18,301
Facilities	4,535	1,086	1,616	3,242	2,303	1,569	393	14,744
Depreciation and amortization	5,382	1,193	2,426	4,748	817	1,719	5	16,290
Other	5,031	706	1,731	3,540	1,036	1,219	76	13,339
Intrasystem allocation	21,814	3,073	6,514	17,613	4,956	5,759	188	59,917
Total operating expenses	166,992	23,327	51,812	123,113	35,258	39,835	5,551	445,888
Income (loss) from operations	7,022	479	16,261	27,876	985	8,810	(2,643)	58,790
Nonoperating revenues (expenses), net	(2,193)	(161)	(452)	(2,261)	(93)	(450)	-	(5,610)
Income (loss) before capital contributions and grants	\$4,829	\$318	\$15,809	\$25,615	\$892	\$8,360	(\$2,643)	\$53,180

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**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Quarter ended July 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	\$2,533	\$1,215	\$17,317	\$406	\$456	\$37	\$483,687	\$505,651
Disproportionate share distributions	-	-	-	-	-	-	13,945	13,945
Other operating revenues	38	-	865	14,351	-	11,413	7,046	33,713
Total operating revenue	2,571	1,215	18,182	14,757	456	11,450	504,678	553,309
Operating expenses:								
Salaries and wages	2,411	1,256	31,686	1,985	503	30,061	189,754	257,656
Employee benefits	480	237	2,952	279	56	6,537	32,698	43,239
Professional fees	15	-	5	-	8	1,998	9,781	11,807
Supplies	441	43	511	13,565	23	1,833	91,064	107,480
Purchased services	266	70	472	328	27	14,781	18,301	34,245
Facilities	114	35	2,092	218	64	1,740	14,744	19,007
Depreciation and amortization	85	3	999	169	71	5,203	16,290	22,820
Other	71	95	850	47	9	9,980	13,339	24,391
Intrasystem allocation	151	65	631	194	25	(60,983)	59,917	-
Total operating expenses	4,034	1,804	40,198	16,785	786	11,150	445,888	520,645
Income (loss) from operations	(1,463)	(589)	(22,016)	(2,028)	(330)	300	58,790	32,664
Nonoperating revenues (expenses), net	(1)	-	(26)	-	(1)	31,186	(5,610)	25,548
Income (loss) before capital contributions and grants	(\$1,464)	(\$589)	(\$22,042)	(\$2,028)	(\$331)	\$31,486	\$53,180	\$58,212

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Joe DiMaggio Children's Outpatient Surgery Center, Broward Guardian (acquired May 1, 2020) and Eliminations

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