



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

**July 31, 2024**

Memorial Healthcare System Disclosure Representative:

David M. Smith

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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, 2024. 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.

### **Information about COVID Relief Funds**

During the three months ended July 31, 2024, the Issuer recognized \$76.9 million of COVID-19 related relief funds from the Federal Emergency Management Agency for expenses incurred during the pandemic. The COVID-19 funding recognized for the three months ended July 31, 2024 are shown as part of non-operating revenue in the Statements of Revenue and Expenses and Changes in Net Position contained in this report.

### **Directed Payment Program**

During the three months ended July 31, 2024 and 2023, the Issuer recognized \$28.3 million and \$3.2 million, respectively, of net patient service revenue under the Medicaid supplemental financing initiative called the Hospital Directed Payment Program (DPP). DPP is administered regionally and is intended to bridge the difference between Medicaid reimbursement rates and the costs of providing the care. Florida’s DPP provides a financial incentive for all hospitals to engage in quality initiatives with the Medicaid managed care plans in their region. Hospitals that participate receive their DPP funding via their local Medicaid managed care plans. The DPP funds recognized for the three months ended July 31, 2024 and 2023, are included under net patient service revenue in the Statements of Revenue and Expenses and Changes in Net Position contained in this report.

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

**Combined Balance Sheets  
In Thousands**

	<b>July 31,</b>	
	2024	2023 (*)
<b>Assets and Deferred Outflows of Resources</b>		
Current assets:		
Cash and cash equivalents	\$ 308,250	\$ 133,079
Investments	2,441,356	2,291,804
Patient accounts receivable, net of estimated uncollectibles	366,717	348,533
Inventories	59,337	54,834
Other current assets	330,672	244,565
Restricted assets:		
Investments under indenture agreements for debt service	12,475	12,283
Investments under self-insurance agreements	13,215	13,589
Total Current Assets	3,532,022	3,098,687
Noncurrent assets:		
Designated investments for employee disability	20,695	19,507
Capital assets, net	1,258,843	1,206,703
Right-to-use lease assets, net	58,377	68,108
Right-to-use subscription assets, net	112,010	-
Other assets	45,881	42,227
Restricted assets, net of current portion:		
Investments under self-insurance agreements	50,663	46,964
Total Assets	5,078,491	4,482,196
Deferred outflows of resources:		
Pension related items	165,166	202,446
Loss on defeasance	14,433	15,707
Total deferred outflows of resources	179,599	218,153
Total assets and deferred outflows of resources	\$ 5,258,090	\$ 4,700,349
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 148,247	\$ 116,194
Accrued compensation and payroll taxes	228,871	217,580
Estimated third-party payor settlements	127,543	111,257
Current installments of long-term debt	18,280	12,935
Current portion of estimated claims liability	15,567	18,274
Current portion of lease payable	14,927	15,699
Current portion of subscription liability	24,169	-
Other current liabilities	83,519	53,581
Total current liabilities	661,123	545,520
Noncurrent liabilities:		
Long-term portion of estimated claims liability	28,795	29,108
Net pension liability	58,496	144,251
Other noncurrent liabilities	62,072	56,153
Lease payable	47,521	55,177
Subscription liability	48,261	-
Long-term debt	862,985	883,449
Total liabilities	1,769,253	1,713,658
Deferred inflows of resources:		
Pension related items	127,703	87,767
Lease related items	13,989	13,129
Total deferred inflows of resources	141,692	100,896
Net position:		
Net investment in capital assets	401,677	284,405
Restricted	13,565	13,259
Unrestricted	2,931,903	2,588,131
Total net position	3,347,145	2,885,795
Total liabilities, deferred inflows of resources and net position	\$ 5,258,090	\$ 4,700,349

\* July 31, 2023 amounts do not reflect the adoption of GASB Statement No. 96

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

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

	<b>First Quarter ended July 31,</b>	
	<b>2024</b>	<b>2023 (**)</b>
Operating revenue:		
Net patient service revenue	\$ 771,764	\$ 693,209
Disproportionate share distributions	8,401	20,604
Other operating revenues	63,093	46,654
Total operating revenue	<u>843,258</u>	<u>760,467</u>
Operating expenses:		
Salaries and wages	396,974	365,818
Employee benefits	67,798	58,973
Professional fees	22,036	19,699
Supplies	176,412	155,841
Purchased services	56,223	68,896
Facilities	22,342	21,371
Depreciation and amortization	39,461	28,966
Other	28,048	24,721
Total operating expenses	<u>809,294</u>	<u>744,285</u>
Income from operations	33,964	16,182
Nonoperating revenues (expense), net*	<u>172,226</u>	<u>(4,581)</u>
Excess of revenues over expenses	206,190	11,601
Capital contributions and grants	68	10,000
Increase in net position	<u>206,258</u>	<u>21,601</u>
Net position at the beginning of the period	3,140,887	2,864,194
Net position at the end of the period	<u>\$ 3,347,145</u>	<u>\$ 2,885,795</u>
Net Margin	<u>24.5%</u>	<u>1.5%</u>
* Includes as follows:		
Interest expense	\$ 8,533	\$ 8,089
COVID-19 relief funds	<u>\$ 76,923</u>	<u>\$ -</u>

\*\* First quarter ended July 31, 2023 amounts do not reflect the adoption of GASB Statement No. 96

**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Hospitals and Primary Care  
Combining Statement of Revenue and Expenses  
Quarter ended July 31, 2024  
(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	\$252,085	\$35,909	\$97,993	\$216,779	\$51,560	\$78,860	\$2,779	\$735,965
Disproportionate share distributions	4,001	589	201	2,076	937	597	-	8,401
Other operating revenues	7,875	493	1,166	4,032	244	375	2,708	16,893
Total operating revenue	263,961	36,991	99,360	222,887	52,741	79,832	5,487	761,259
Operating expenses:								
Salaries and wages	105,137	16,291	38,637	75,384	22,131	26,351	4,512	288,443
Employee benefits	17,636	3,207	6,783	13,463	3,839	4,884	812	50,624
Professional fees	3,734	312	3,880	4,706	1,265	1,434	380	15,711
Supplies	62,782	5,804	14,440	45,299	7,290	8,737	337	144,689
Purchased services	10,800	2,698	4,484	12,168	3,697	5,261	640	39,748
Facilities	6,437	1,620	2,936	4,103	1,440	2,359	379	19,274
Depreciation and amortization	6,037	1,451	4,522	6,327	2,849	2,007	303	23,496
Other	6,159	963	2,331	5,158	1,333	1,886	189	18,019
Intrasystem allocation	34,154	4,833	11,344	28,117	6,922	8,641	588	94,599
Total operating expenses	252,876	37,179	89,357	194,725	50,766	61,560	8,140	694,603
Income (loss) from operations	11,085	(188)	10,003	28,162	1,975	18,272	(2,653)	66,656
Nonoperating revenues (expenses), net	25,714	843	1,030	18,038	9,795	10,309	(13)	65,716
Excess (deficit) of revenues over (under) expenses	\$36,799	\$655	\$11,033	\$46,200	\$11,770	\$28,581	(\$2,666)	\$132,372

**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Ancillary Services  
Combining Statement of Revenue and Expenses  
Quarter ended July 31, 2024  
(In Thousands)**

	<b>Memorial Manor Nursing Home</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	\$3,702	\$29,421	\$1,318	\$1,234	\$124	\$735,965	\$771,764
Disproportionate share distributions	-	-	-	-	-	8,401	8,401
Other operating revenues	47	6,477	33,729	6.00	5,941	16,893	63,093
Total operating revenue	<u>3,749</u>	<u>35,898</u>	<u>35,047</u>	<u>1,240</u>	<u>6,065</u>	<u>761,259</u>	<u>843,258</u>
Operating expenses:							
Salaries and wages	3,023	52,174	3,269	981	49,084	288,443	396,974
Employee benefits	624	5,836	584	138	9,992	50,624	67,798
Professional fees	15	16	-	12	6,282	15,711	22,036
Supplies	602	5,026	24,246	58	1,791	144,689	176,412
Purchased services	329	725	203	58	15,160	39,748	56,223
Facilities	169	2,573	272	45	9	19,274	22,342
Depreciation and amortization	106	1,622	247	155	13,835	23,496	39,461
Other	149	1,140	122	34	8,584	18,019	28,048
Intrasystem allocation	302	2,769	798	89	(98,557)	94,599	-
Total operating expenses	<u>5,319</u>	<u>71,881</u>	<u>29,741</u>	<u>1,570</u>	<u>6,180</u>	<u>694,603</u>	<u>809,294</u>
(Loss) income from operations	(1,570)	(35,983)	5,306	(330)	(115)	66,656	33,964
Nonoperating revenues (expenses), net	31	(194)	(8)	(23)	106,704	65,716	172,226
(Deficit) excess of revenues (under) over expenses	<u>(\$1,539)</u>	<u>(\$36,177)</u>	<u>\$5,298</u>	<u>(\$353)</u>	<u>\$106,589</u>	<u>\$132,372</u>	<u>\$206,190</u>

\* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Broward Guardian, Memorial Assurance, and Eliminations.

**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Hospitals and Primary Care  
Combining Statement of Revenue and Expenses  
Quarter ended July 31, 2023  
(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	227,197	\$32,963	\$77,684	\$201,017	\$48,641	\$71,176	\$2,574	\$661,252
Disproportionate share distributions	11,172	1,462	406	4,182	1,838	1,544	-	20,604
Other operating revenues	3,731	499	835	3,217	184	301	2,387	11,154
Total operating revenue	<u>242,100</u>	<u>34,924</u>	<u>78,925</u>	<u>208,416</u>	<u>50,663</u>	<u>73,021</u>	<u>4,961</u>	<u>693,010</u>
Operating expenses:								
Salaries and wages	97,367	15,925	34,579	69,541	21,147	24,227	3,762	266,548
Employee benefits	15,869	2,950	5,670	11,830	3,336	4,317	762	44,734
Professional fees	3,836	350	1,791	5,104	1,252	1,474	280	14,087
Supplies	50,986	5,063	13,075	41,477	7,527	7,876	290	126,294
Purchased services	12,261	2,512	6,911	13,821	4,404	5,152	643	45,704
Facilities	6,258	1,369	2,330	4,133	1,345	1,947	369	17,751
Depreciation and amortization	6,167	1,286	4,188	5,324	2,808	2,045	165	21,983
Other	6,012	897	1,896	4,117	1,305	1,295	155	15,677
Intrasystem allocation	30,541	4,326	9,960	25,648	6,569	8,063	467	85,574
Total operating expenses	<u>229,297</u>	<u>34,678</u>	<u>80,400</u>	<u>180,995</u>	<u>49,693</u>	<u>56,396</u>	<u>6,893</u>	<u>638,352</u>
Income (loss) from operations	12,803	246	(1,475)	27,421	970	16,625	(1,932)	54,658
Nonoperating (expenses), net	(2,158)	(177)	(1,186)	(2,546)	(178)	(757)	(15)	(7,017)
Excess (deficit) of revenues over (under) expenses	<u>\$10,645</u>	<u>\$69</u>	<u>(\$2,661)</u>	<u>\$24,875</u>	<u>\$792</u>	<u>\$15,868</u>	<u>(\$1,947)</u>	<u>\$47,641</u>

*First quarter ended July 31, 2023 amounts do not reflect the adoption of GASB Statement No. 96*

**South Broward Hospital District  
d/b/a Memorial Healthcare System  
Ancillary Services  
Combining Statement of Revenue and Expenses  
Quarter ended July 31, 2023  
(In Thousands)**

	<b>Memorial Manor Nursing Home</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	\$3,152	\$26,849	\$986	\$858	\$112	\$661,252	\$693,209
Disproportionate share distributions	-	-	-	-	-	20,604	20,604
Other operating revenues	3	4,948	23,837	7	6,705	11,154	46,654
Total operating revenue	<u>3,155</u>	<u>31,797</u>	<u>24,823</u>	<u>865</u>	<u>6,817</u>	<u>693,010</u>	<u>760,467</u>
Operating expenses:							
Salaries and wages	2,806	47,134	3,106	686	45,538	266,548	365,818
Employee benefits	585	4,651	497	103	8,403	44,734	58,973
Professional fees	13	1	-	14	5,584	14,087	19,699
Supplies	545	3,582	23,786	53	1,581	126,294	155,841
Purchased services	309	947	277	55	21,604	45,704	68,896
Facilities	187	2,060	241	48	1,084	17,751	21,371
Depreciation and amortization	95	1,489	252	116	5,031	21,983	28,966
Other	156	1,021	84	39	7,744	15,677	24,721
Intrasystem allocation	275	2,149	824	75	(88,897)	85,574	-
Total operating expenses	<u>4,971</u>	<u>63,034</u>	<u>29,067</u>	<u>1,189</u>	<u>7,672</u>	<u>638,352</u>	<u>744,285</u>
(Loss) income from operations	(1,816)	(31,237)	(4,244)	(324)	(855)	54,658	16,182
Nonoperating (expenses) revenues, net (Deficit) excess of revenues (under) over expenses	<u>(1)</u>	<u>(144)</u>	<u>(8)</u>	<u>(19)</u>	<u>2,608</u>	<u>(7,017)</u>	<u>(4,581)</u>
	<u>(\$1,817)</u>	<u>(\$31,381)</u>	<u>(\$4,252)</u>	<u>(\$343)</u>	<u>\$1,753</u>	<u>\$47,641</u>	<u>\$11,601</u>

\* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Broward Guardian, Memorial Assurance, and Eliminations.

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