KPMG

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Financial Statements, Required Supplementary Information, and Schedules

September 30, 2015

(With Independent Auditors' Report Thereon)

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

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KPMG LLP
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Independent Auditors' Report

The Board
Public Health Trust of
Miami-Dade County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit and the pension trust fund of the Public Health Trust of Miami-Dade County (the Trust), a department of Miami-Dade County, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jackson Memorial Foundation, Inc., which statements reflect 100% of the aggregate discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jackson Memorial Foundation, Inc., is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The financial statements of the Jackson Memorial Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. According, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the pension trust fund of the Public Health Trust of Miami-Dade County, Florida, a department of Miami-Dade County, Florida, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As disclosed in note 1, the financial statements of the Trust are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities, the aggregate discretely presented component unit and the pension trust fund that is attributable to the transactions of the Trust. They do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida as of September 30, 2015, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As disclosed in note 2 to the financial statements, the Trust adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Adoption of the new accounting guidance resulted in a restatement of beginning net position associated with net pension liability, deferred outflows of resources and deferred inflows of resources. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 to 15, the Florida Retirement System (FRS) Schedule of Employer Contributions, and Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios on pages 76 through 77, and Supplemental Health Insurance Subsidy Pension Information Schedule of Employer Contributions, and Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios on pages 78 through 79, and Defined-Benefit Retirement Plan Schedule of Employer Contributions, Schedule of Net Pension Asset (Liability), Schedule of Changes in Net Pension Asset (Liability) and Related Ratios, and Schedule of Investment Returns on pages 80 through 83, and the Postemployment Benefits Other Than Pensions Schedule of Funding Progress on page 84, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements. The accompanying other financial information on pages 85 to 87 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying other financial information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2016 on our consideration of the Trust's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

KPMG LLP

Miami, Florida
April 25, 2016
Certified Public Accountants

Financial and Operating Performance

This section of the Public Health Trust of Miami-Dade County, Florida's (the Trust) annual financial report presents management's discussion and analysis of the financial position and performance of the Trust for the years ended September 30, 2015 and 2014. This discussion has been prepared along with the basic financial statements and related note disclosures, and should be read in conjunction therewith. The purpose of this section is to provide an objective analysis of the financial and operating activities of the Trust based on currently known facts, decisions, and conditions. Financial and operating data have been prepared on the same basis as the audited financial statements.

Effective October 1, 1973, the Trust was created by county ordinance to provide for an independent governing body (the board of trustees or Board) responsible for the operation, governance, and maintenance of "designated facilities." Currently, the Trust operates six hospitals: Jackson Memorial Hospital, Holtz Children's Hospital, Jackson South Community Hospital, Jackson North Medical Center, Jackson Rehabilitation Hospital, and Jackson Behavioral Health Hospital; two skilled nursing facilities, Jackson Memorial Long-Term Care Center and Jackson Memorial Perdue Medical Center; several primary care centers, Jefferson Reaves Senior Health Center, North Dade Health Center, Rosie Lee Wesley Health Center, Dr. Rafael Peйalver clinic; as well as multiple specialty care centers; corrections health services for Miami-Dade County; and one insurance organization, JMH Health Plan. At September 30, 2015, the Trust operates a total of 2,101 licensed hospital beds and 343 licensed nursing home beds.

Jackson Memorial Hospital is a teaching hospital operating in association with the University of Miami School of Medicine, which provides staff and services under an annual operating agreement.

The Trust is a department of Miami-Dade County (the County). It is the intent of the Miami-Dade Board of County Commissioners (the Commission) to promote, protect, maintain, and improve the health and safety of all residents and visitors of Miami-Dade County through a fully functioning and sustainable public health trust. The Commission finds that it is in the best interest of the public it serves to take action to preserve the Trust and to ensure its financial sustainability by requiring the Trust to notify the Commission, the Mayor, and the Commission Auditor when certain financial conditions as outlined in Chapter 25A of Miami-Dade County Code of Ordinances occur. During the current year, none of the financial conditions were met that required notification. The Public Health Trust is overseen by a seven-member board that was established to serve as the governing body of the Trust.

Condensed statements of net position as of September 30, 2015 and 2014 are presented below:

Condensed Summary of Net Position – Trust

September 30, 2015 and 2014

	2015	2014(*)	2015 vs. 2014	
Assets:				
Current assets	$ 539,701,082	523,503,903	16,197,179	3%
Capital assets, net	533,173,900	460,591,824	72,582,076	16
Other assets	87,437,253	88,273,905	(836,652)	(1)
Total assets	$ 1,160,312,235	1,072,369,632	87,942,603	8
Deferred outflows of resources:				
Deferred loss on bond refunding	$ 3,080,333	3,920,424	(840,091)	(21)%
Deferred outflows – pension	89,731,549	—	89,731,549	100
Total deferred outflows of resources	$ 92,811,882	3,920,424	88,891,458	2,267
Liabilities:				
Current liabilities	$ 457,816,110	503,428,805	(45,612,695)	(9)%
Long-term liabilities	326,127,603	339,386,480	(13,258,877)	(4)
Net pension liability	149,589,060	—	149,589,060	100
Other liabilities	53,415,048	48,557,983	4,857,065	10
Total liabilities	$ 986,947,821	891,373,268	95,574,553	10.72
Deferred inflows of resources:				
Deferred gain on bond refunding	$ 7,076,466	—	7,076,466	100%
Deferred inflows – pension	49,669,081	—	49,669,081	100%
Total deferred inflows of resources	$ 56,745,547	—	56,745,547	100
Net position:				
Net investment in capital assets	$ 260,511,809	166,900,261	93,611,548	56%
Restricted	11,223,186	15,129,851	(3,906,665)	(26)
Unrestricted (deficit)	(62,304,246)	2,886,676	(65,190,922)	(2,258)
Total net position	$ 209,430,749	184,916,788	24,513,961	13

(*) 2014 amounts do not reflect the adoption of GASB Statement No. 68.

Total assets increased by approximately $87.9 million. This increase is primarily attributed to an increase in capital assets of $72.6 million, as a result of an increase in capital expenditures funded by Miracle Building GOB Bond program, which included the land purchased for the construction of Jackson West. Current assets increased by $16.2 million mainly related to an increase in inventories of $3.4 million and an increase in prepaid expenses of $3.0 million. In addition, unrestricted cash increased by $53.9 million offset by estimated third-party receivable, which decreased by $50.4 million.

Day's unrestricted cash on hand was at approximately 53 days at September 30, 2015 as compared to 41 days at September 30, 2014. Days net in accounts receivable at September 30, 2015 and 2014 were 40 days and 42 days, respectively.

Deferred outflows and inflows of resources increased due to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68 and 71 in fiscal year 2015. During fiscal year 2015, the Trust recorded $89.7 million and $49.7 million in deferred outflows and inflows respectively related to pension in accordance with the implementation of GASB Statement No. 68 and 71.

Total liabilities increased by approximately $95.6 million. Current liabilities decreased by approximately $45.6 million primarily as a result of a decrease of $33.9 million in estimated payables due to third-party payors. The decrease in third-party payors liability was primarily due to a decrease in the last quarter in Low Income Pool (LIP) payables. Long-term debt decreased by approximately $13.3 million due to the refinancing of the 2005 Bond with the 2015A Bond and other liabilities decrease was insignificant. Net pension liability increased $149.6 million due to the adoption of GASB Statement No. 68 in fiscal year 2015. In fiscal year 2014, the net pension liability amount was not restated to reflect the adoption of GASB Statement No. 68.

The Series 2005 Bonds, Series 2009 Bonds, and 2015A Bond (collectively, the Bonds) are secured by the gross revenues of the Trust. The Bonds are subject to certain covenants included in Ordinances Nos. 05–49 and Nos. 15–46 (the Ordinance) together with certain ordinances and board resolutions, which authorize and issue the Bonds by and between the Trust and the County. In addition, the Trust must comply with certain covenants included in the related insurance agreements.

The Ordinance contains restrictive covenants that must be met by the Trust, including, among other items, the requirement to maintain a minimum long-term debt service coverage ratio, the requirement to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust's facilities, and limitations on the incurrence of additional debt.

At September 30, 2015, the Trust was in compliance with the debt service coverage ratio covenant contained in the Ordinance.

The Trust reported an increase in net position of $132.1 million for the year ended September 30, 2015 and an increase in net position of approximately $50.6 million for the prior year ended September 30, 2014. The increase for the current fiscal year consisted of $335.8 million from operating loss offset by $467.9 million from nonoperating revenues, of which $49.3 million were contributions from Miami-Dade County related to the PHT-GOB 2015 Bond, $18.8 million from GOB 2005 bond, $242.1 million in sales tax revenues, and $147.2 million in County funding.

Summary of Revenues, Expenses, and Changes in Net Position – Trust

Years ended September 30, 2015 and 2014

	2015	2014(*)	2015 vs. 2014	
Operating revenues:				
Net patient service revenue	$ 930,663,133	849,690,135	80,972,998	10%
Managed care revenue	684,940	24,992,524	(24,307,584)	(97)
Other revenue	293,045,805	272,122,030	20,923,775	8
Grants and other	28,157,576	26,352,934	1,804,642	7
Total operating revenues	1,252,551,454	1,173,157,623	79,393,831	7
Operating expenses:				
Salaries and related costs	923,030,377	867,238,586	55,791,791	6
Contractual and purchased services	373,129,328	368,267,572	4,861,756	1
Supplies and other	229,205,603	210,255,332	18,950,271	9
PMATF(1)	10,922,065	11,235,817	(313,752)	(3)
Depreciation and amortization	52,041,398	49,816,775	2,224,623	4
Total operating expenses	1,588,328,771	1,506,814,082	81,514,689	5
Operating loss	(335,777,317)	(333,656,459)	(2,120,858)	1

Summary of Revenues, Expenses, and Changes in Net Position – Trust

Years ended September 30, 2015 and 2014

		2015	2014(*)	2015 vs. 2014	
Nonoperating revenues (expenses):					
Miami-Dade County funding	$	147,220,000	137,402,000	9,818,000	7
Sales tax revenue		242,080,269	228,041,287	14,038,982	6
Investment income		857,294	517,926	339,368	66
Interest expense		(18,080,871)	(16,072,869)	(2,008,002)	12
Other income		95,778,894	34,318,419	61,460,475	179
Total nonoperating revenues, net		467,855,586	384,206,763	83,648,823	22
Change in net position		132,078,269	50,550,304	81,527,965	161
Net position, beginning of year, as restated for 2015		77,352,480	134,366,484	(57,014,004)	(42)
Net position, end of year	$	209,430,749	184,916,788	24,513,961	13

(*) 2014 amounts do not reflect the adoption of GASB Statement No. 68

(1) Public Medical Assistance Trust Fund Assessment

Net Patient Service Revenue

Net patient revenue for the fiscal year ended September 30, 2015 was approximately $931 million, an increase of $80.9 million or 10% from the prior fiscal year. The majority of the increase is a result of low income pool (LIP) dollars received through patient revenue in fiscal year 2015, the result of strengthening of patient cash collections and improved revenue cycle processes. The Trust's adjusted admissions for the current fiscal year were at 79,644 or 659 (0.8%) more adjusted admissions than the prior year.

The Trust's patient volumes, net patient service revenue, and overall financial results are highly dependent upon the state and federal governments. Over the past several years, the Medicare rate increases have not kept pace with the overall medical expense increases. The Trust is also highly dependent upon patients who are covered by health insurance, which to a large extent is dependent on the employment status of individuals treated at the Trust. Medicaid converted most beneficiary population into Medicaid Managed Care. These types of payor mix changes could cause an adverse effect by decreasing the net patient revenue due to an increase in denials. The Trust management is constantly reviewing and anticipating these adverse changes to adapt and make the necessary adjustments to maintain growth in the organization.

The payor mix below is based on patient days:

	2015	2014
Medicare	15.6%	15.5%
Managed care Medicare	10.5	9.1
Medicaid	7.2	17.0
Managed care Medicaid	20.3	10.6
Medicaid pending	14.5	15.7
Commercial insurance	1.2	1.4
Managed care others	12.8	11.0
Self-pay and other	17.9	19.7
	100.0%	100.0%

Net patient service revenue for the Trust includes payments from government programs such as Medicare and Medicaid, from managed care companies under negotiated contracts, from commercial insurance companies with no negotiated contract, and directly from patients.

Medicare

Medicare is a federal program that provides certain hospital and medical insurance benefits to persons age 65 and over, some disabled persons, and persons with end-stage renal disease and is provided without regard to income or assets. Medicare patient days as a percentage of total in fiscal year 2015 were 15.6%, slightly higher than fiscal year 2014 percentage of 15.5%.

Inpatient

Disproportionate share hospital (DSH) payments are determined annually based on certain statistical information and are calculated as a percentage addition to Medical/Surgical-Diagnosis Related Groups (MS-DRG) payments. The primary method used by a hospital to qualify for Medicare DSH payments is a complex statutory formula that results in a DSH percentage that is applied to payments on MS-DRGs.

Outpatient

Hospital outpatient services paid under prospective payment system (PPS) are classified into groups called ambulatory payment classifications (APCs). Services for each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC. Depending on the services provided, a hospital may be paid for more than one APC for a patient visit.

Rehabilitation

The Center for Medicare and Medicaid Services (CMS) reimburses inpatient rehabilitation facilities (IRFs) on a Diagnosis Related Group (DRG) basis. Under IRF DRG, reimbursement of patients is based on the patients acuity and individual hospital characteristics, including classification as a children's hospital, rural hospital, trauma center, and other characteristics that would warrant reimbursement.

Psychiatric

Inpatient hospital services furnished in psychiatric hospitals and psychiatric units of general, acute care hospitals are reimbursed under inpatient psychiatric facility DRG basis. DRG reimbursement of patients is based on the patients acuity and individual hospital characteristics, including classification as a children’s hospital, rural hospital, trauma center, and other characteristics that would warrant reimbursement.

Physician Services

Physician services are reimbursed under the physician fee schedule (PFS) system, under which CMS has assigned a national relative value unit (RVU) to most medical procedures and services that reflects the various resources required by a physician to provide the services relative to all other services. Each RVU is calculated based on a combination of work required in terms of time and intensity of effort for the service, practice expense (overhead) attributable to the service, and malpractice insurance expense attributable to the service. These three elements are each modified by a geographic adjustment factor to account for local practice costs then aggregated. The aggregated amount is multiplied by a conversion factor that accounts for inflation and targeted growth in Medicare expenditures (as calculated by the sustainable growth rate) (SGR) to arrive at the payment amount for each service.

Other

Under PPS, the payment rates are adjusted for the area differences in wage levels by a factor (wage index) reflecting the relative wage level in the geographic area compared to the national average wage level.

Medicaid

Medicaid is a federal-state program, administered by the State of Florida, which provides hospital and medical benefits to qualifying individuals who are unable to afford healthcare. Effective July 1, 2013, the State of Florida moved from a per diem-based payment to a fixed DRG payment per case. Effective July 1, 2014, the majority of Medicaid patients were transitioned into Managed care plans.

Hospitals that provide care to a disproportionately high number of low-income patients may receive Medicaid DSH payments. The federal government distributes federal Medicaid DSH funds to each state based on a statutory formula. Florida utilizes a supplemental reimbursement program for the purpose of providing reimbursement to providers to offset a portion of the cost of providing care to Medicaid and indigent patients.

Medicaid Pending

Medicaid pending represents patients that have applied for state funding and are waiting for approval by the state. Once approved, the patients are reclassified to Medicaid. As of September 30, 2015, Medicaid Pending represents 14.5% of the overall payor mix compared to 15.7% for prior year.

Commercial Insurance

Private insurance carriers pay the Trust based upon the hospital’s established charges and the coverage provided in the insurance policy. Commercial insurers try to limit the costs of hospital services by negotiating discounts.

Managed Care and Other Discounted Plans

The Trust's managed care agreements offer discounts from established charges to health maintenance organizations, preferred provider organizations, and other managed care plans.

Self-Pay and Other

The primary collection risks of accounts receivable relate to the uninsured patient accounts and patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. The provision for doubtful accounts relates primarily to amounts due directly from patients.

Utilization

The Trust has experienced an increase in inpatient utilization.

	September 30	
	2015	**2014**
Inpatient services:		
Number of beds – licensed:		
Jackson Memorial Hospital	1,493	1,498
Jackson South Community Hospital	226	226
Jackson North Medical Center	382	382
Nursing Homes	343	343
Total	2,444	2,449
Hospital admissions (excluding newborn):		
Jackson Memorial Hospital	39,875	38,982
Jackson South Community Hospital	9,852	9,063
Jackson North Medical Center	8,365	8,387
Total	58,092	56,432

In an effort to increase patient volumes, the Trust continues to focus on physician alignment and satisfaction, targeting capital spending on critical growth opportunities for hospitals, and improving the quality metrics of hospitals.

	September 30	
	2015	**2014**
Inpatient services:		
Average daily census (excluding newborn):		
Jackson Memorial Hospital	873	833
Jackson South Community Hospital	99	91
Jackson North Medical Center	141	140
Total	1,113	1,064
Total surgical cases:		
Jackson Memorial Hospital	14,548	13,522
Jackson South Community Hospital	3,914	3,576
Jackson North Medical Center	2,485	2,504
Total	20,947	19,602
Organ transplants (includes kidney, liver, heart, lung, pancreas, and multiorgan)	479	477
Outpatient services:		
Visits to emergency services (adults and pediatric):		
Jackson Memorial Hospital	127,084	121,216
Jackson Memorial Hospital Trauma	4,179	4,165
Jackson South Community Hospital	40,465	40,887
Jackson North Medical Center	44,099	41,498
Total	215,827	207,766
Observations:		
Jackson Memorial Hospital	12,615	9,362
Jackson South Community Hospital	2,001	2,040
Jackson North Medical Center	4,140	2,758
Total	18,756	14,160

Managed Care Revenue

The JMH Health Plan’s premium revenue for the fiscal years ended September 30, 2015 and 2014 was $685 thousand and $25 million, respectively, a decrease of approximately $24 million. The decrease was a result of the termination of all lines of business to mitigate previously reported financial losses in the JMH Health Plan and to the Public Health Trust as a whole. The JMH Health Plan ceased providing the last lines of business on June 30, 2014. The JMH Health Plan will remain open until medical claims payments to its providers are completed.

(Continued)

On January 15, 2014, Resolution No. PHT 01/14–007 was approved to surrender the JMH Health Plan's health maintenance organization (HMO) license and HMO healthcare provider certificate of authority to the State of Florida. The Resolution authorizes the President and Chief Executive Officer or his designee to take all actions necessary to implement the Resolution. The JMH Health Plan will retain the license until obligations with its providers have been resolved.

Other Revenue

Other revenue, which consists primarily of disproportionate share revenue, low income pool, and specialty pharmacy, increased by $20.9 million for the fiscal year ended September 30, 2015.

Disproportionate Share revenue, which is revenue that the Trust receives from the state government, provides financial assistance to hospitals that serve a large number of low-income patients, increased by approximately $7 thousand and decreased $2.3 million for the fiscal years ended September 30, 2015 and 2014, respectively. The revenue was $6.41 million and $6.41 million for the fiscal years ended September 30, 2015 and 2014, respectively.

Low Income Pool revenue, which is revenue that the Trust receives from the state and federal governments that provides financial assistance to hospitals that serve a large number of low-income patients, increased by approximately $24.8 million in 2015 and increased by $14.8 million in 2014, which revenue was $211.9 million and $187.1 million for the fiscal years ended September 30, 2015 and 2014, respectively.

Specialty Pharmacy revenue was $15 million and $17 million for the year ended September 30, 2015 and 2014, respectively.

Total Operating Expenses

For the fiscal year ended September 30, 2015, total operating expenses increased by $81.5 million or 5% from 2014. Operating costs as a percentage of operating revenue for the fiscal years ended September 30, 2015 and 2014:

	Year ended September 30	
	2015	**2014**
Operating expenses:		
Salaries and related costs	73.7%	73.9%
Contractual and purchased services	29.8	31.4
Supplies and other	18.3	17.9
PMATF(1)	0.9	1.0
Depreciation and amortization	4.2	4.2
	126.9%	128.4%

Salaries and Related Costs

The Trust employed 10,668 full-time equivalents (FTE) at September 30, 2015, a 5.3% increase from the prior year, which relates to several key operating initiatives to align the staffing needs of the organization to volume.

Salaries and related costs were approximately $923.0 million and $867.2 million for the fiscal years ended September 30, 2015 and 2014, respectively. For the year ended September 30, 2015, FTE per adjusted occupied bed was 7.0 compared to 6.83 for prior year.

Approximately 91% of the Trust's workforce is represented by SEIU, GSAF, or AFSCME unions at September 30, 2015. The Trust, like the healthcare industry as a whole, has experienced a rate of labor inflation that is higher than general inflation. The Trust augments staff with temporary or contract personnel due to labor shortages.

Contractual and Purchased Services

Contractual and purchased services for the year ended September 30, 2015 was $373.1 million, an increase of $4.9 million (1%) over the same period in the prior year. Medical claims related to the JMH Health Plan are included in contractual and purchased services. Effective June 30, 2014, the JMH Health Plan terminated all remaining lines of business. The termination of these remaining lines of business resulted in a decline in medical claims expense of approximately $15.5 million from prior year offset by an increase in the annual operating agreement with the University of Miami (AOA) expenses of approximately $18.7 million and an increase in other purchased services of approximately $1.7 million.

Supplies and Other

Supplies and other related cost for the year ended September 30, 2015 was $229.2 million, an increase of $18.9 million (9%) over the same period in the prior year.

The Trust experienced an unfavorable supply expense as a percentage of net patient service revenue, and increased its supplies per adjusted patient day from prior year. Higher specialized implant and drug costs were the primary reasons for the significant increase in supply costs for the fiscal year ended September 30, 2015.

	Fiscal year ended September 30		
	2015	**2014**	**Variance**
Supplies per adjusted patient day	$ 407	388	19.00
Supplies as percentage of net patient service revenue	24.4%	24.3%	0.1%

The Trust has standardized and centralized the procurement operations to reduce total supply expense across operations with a comprehensive contract portfolio, featuring solutions for medical/surgical, pharmacy, laboratory, capital equipment, radiology, facilities and construction, food and nutrition, and purchased services.

Capital Assets and Debt Administration

As of September 30, 2015 and 2014, the Trust had capital assets of $533.1 million and $460.6 million, respectively. The increase is due to projects and construction in progress as part of the system upgrades, new equipment, expansion of urgent care centers and land for the Jackson West hospital.

As of September 30, 2015 and 2014, the Trust had bonds payable outstanding of $315.3 million and $339.7 million, respectively. The increase is due to the issuance of Series 2015A Bonds to refund the 2005 Bonds and to reimburse the Trust for certain capital assets.

Risk Management

The Trust provides for self-insured funding related to medical professional and general liability claims, as well as workers' compensation claims, which are included in supplies and other operating expenses. The establishment of a self-insurance funding vehicle does not result in any transfer of risk similar to that, which occurs when commercial insurance is purchased. The Trust does not carry any commercial excess insurance. Based on the results of an actuarially determined reserve analysis, the Trust reduced the liability for medical professional and general liability claims by approximately $0.8 million during the fiscal year ended September 30, 2015.

Economic Outlook

On November 3, 2014 and December 11, 2014, the Board of Trustees of the Public Health Trust (PHT) approved the 2014–2017 collective bargaining agreements between Miami-Dade County, the PHT, and Service Employees International Union (SEIU) and American Federation of State County and Municipal Employees (AFSCME). These agreements were forwarded to and ratified by the Board of County Commissioners for Miami-Dade County. These agreements cover four bargaining units and include over 7,000 employees of the PHT.

The impact of these agenda items affects all full-time and part-time employees, and eligible per diem employees of the Jackson Health System that are members of the SEIU and AFSCME. The fiscal impact of this Agreement would be an estimated increase of $56.9 million dollars for the three-year term of the contract. It would be funded from operating revenues. In no event would capital revenues, including proceeds from any general obligation bond, be used to fund this program.

These Agreements are a product of good-faith negotiations between management's negotiating team and SEIU and AFSCME. All the parties recognize the financial challenges faced by the PHT, and have thus agreed to work collaboratively to address them. As a result, the parties have agreed to forego previously negotiated terms in the 2011–2014 Collective Bargaining Agreement, which were due to be effective September 30, 2014.

This is a three-year Agreement covering the period of October 1, 2014 through September 30, 2017.

Request for Information

This report is designed to provide a general overview of Trust's finances. Questions or requests for additional information should be made in writing to the Chief Financial Officer at 1611 N.W. 12th Avenue, Miami, Florida 33136.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statement of Net Position – Trust

September 30, 2015

Current assets:		
Cash and cash equivalents	$	217,379,075
Restricted cash and cash equivalents		3,801,896
Restricted short-term investments		8,318,676
Assets limited as to use – cash and investments		2,804,941
Patients' accounts receivable, less allowances for doubtful accounts and contractual adjustments of approximately $608,605,000		102,399,533
Estimated receivables due from other third-party payors		114,227,452
Due from Miami-Dade County		39,633,424
Other receivables – unrestricted		10,357,107
Other receivables – restricted		3,808,558
Supplies		29,246,341
Prepaid expenses and other current assets		7,724,079
Total current assets		539,701,082
Assets limited as to use – cash and investments		35,277,642
Restricted long-term investments		47,425,084
Other assets		4,734,527
Capital assets, net		533,173,900
Total noncurrent assets		620,611,153
Total assets		1,160,312,235
Deferred outflows of resources:		
Deferred loss on bond refunding		3,080,333
Deferred outflows – pension		89,731,549
Total deferred outflows of resources	$	92,811,882

(Continued)

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statement of Net Position – Trust

September 30, 2015

Current liabilities:		
Accounts payable and accrued expenses	$	99,790,115
Accrued interest payable		4,497,434
Accrued salaries and payroll taxes withheld		41,695,335
Accrued vacation and sick pay benefits		86,986,013
Refunds due for patient services		7,538,212
Current portion of estimated self-insured liability		7,021,971
Estimated payables due to other third-party payors		145,957,787
Due to Miami-Dade County		15,313,040
Due to University of Miami		29,993,533
Other – unrestricted		8,393,859
Other – restricted		1,773,811
Current portion of long-term debt		8,855,000
Total current liabilities		457,816,110
Long-term debt, excluding current portion		326,127,603
Estimated self-insured liability, excluding current portion		35,207,441
Net pension liability		149,589,060
Due to University of Miami, excluding current portion		11,922,295
Other		6,285,312
Total noncurrent liabilities		529,131,711
Total liabilities	$	986,947,821
Deferred inflows of resources:		
Deferred gain on bond refunding	$	7,076,466
Deferred inflows – pension		49,669,081
Total deferred inflows of resources	$	56,745,547
Net position:		
Net investment in capital assets	$	260,511,809
Restricted for:		
Debt service		8,318,676
Capital projects		801,043
Federal and donor programs		2,103,467
Unrestricted (deficit)		(62,304,246)
Total net position	$	209,430,749

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statement of Revenues, Expenses, and Changes in Net Position – Trust

Year ended September 30, 2015

Operating revenues:	
Net patient service revenue	$ 930,663,133
Managed care revenue	684,940
Other revenue	293,045,805
Grants and other	28,157,576
Total operating revenues	1,252,551,454
Operating expenses:	
Salaries and related costs	923,030,377
Contractual and purchased services	373,129,328
Supplies and other operating expenses	229,205,603
Public Medical Assistance Trust Fund assessment	10,922,065
Depreciation and amortization	52,041,398
Total operating expenses	1,588,328,771
Operating loss	(335,777,317)
Nonoperating revenues (expenses):	
Miami-Dade County funding	147,220,000
Sales tax revenue	242,080,269
Investment income	857,294
Interest expense	(18,080,871)
Other income	95,778,894
Total nonoperating revenues, net	467,855,586
Increase in net position	132,078,269
Net position, beginning of the year, as restated (note 2)	77,352,480
Net position, end of the year	$ 209,430,749

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Statement of Cash Flows – Trust

Year ended September 30, 2015

Operating activities:	
Cash received from patients, tenants, and third-party payors	$ 1,296,454,902
Cash payments for interfund services used	(43,297,011)
Cash paid to suppliers	(585,006,055)
Cash paid to employees for services	(954,201,514)
Net cash used in operating activities	(286,049,678)
Noncapital financing activities:	
Funds contributed by Miami-Dade County	147,220,000
Funds contributed from sales tax revenue	241,865,833
Funds contributed by federal, state, and miscellaneous sources	27,346,634
Net cash provided by noncapital financing activities	416,432,467
Capital and related financing activities:	
Principal payments on long-term debt	(8,005,000)
Refunding of bonds	(221,780,000)
Issuance of long-term debt	225,179,681
Interest paid	(21,494,709)
Contribution from the Miami-Dade County	68,432,260
Purchases of capital assets	(123,427,308)
Net cash used in capital and related financing activities	(81,095,076)
Investing activities:	
Proceeds from sales and maturities of investments	4,386,292
Realized gains on investments, interest, and dividends	831,712
Net cash provided by investing activities	5,218,004
Net increase in cash and cash equivalents	54,505,717
Cash and cash equivalents, beginning of year	166,675,254
Cash and cash equivalents, end of year	$ 221,180,971
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (335,777,317)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	52,041,398
Provision for doubtful accounts	553,482,653
(Increase) decrease in assets	
Patients – accounts receivables and other receivables	(508,735,941)
Supplies	(3,386,207)
Prepaid expenses and other assets	(6,361,589)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	(16,028,493)
Due to Miami-Dade County	(5,596,040)
Due to other third-party payors	(33,940,595)
Other current liabilities	11,027,507
Estimated self-insurance liability	213,907
Net pension liability and related deferred outflows and inflows	1,962,284
Other long-term liabilities	5,048,755
Total adjustments	49,727,639
Net cash used in operating activities	$ (286,049,678)
Noncash investing and capital and related financing activities:	
Net increase in the fair value of investments	$ (25,582)
Interest capitalized on construction in progress	1,253,406
Accruals in construction in progress and project in progress	1,196,166
Unamortized bond premium and discount	(57,131)
Bond deferment refunding	(840,091)

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statement of Financial Position – Foundation (Component Unit)

September 30, 2015

Assets		
Current assets:		
Cash and cash equivalents	$	1,833,244
Pledges receivable – current portion, net		1,380,266
Other current assets		140,542
Total current assets		3,354,052
Pledges receivable less current portion, net		2,885,342
Trust agreement receivable – charitable remainder trust		74,000
Investments		5,112,752
Deposits		16,101
Property and equipment, net		395,831
Total assets	$	11,838,078
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$	498,468
Total current liabilities		498,468
Commitments and contingencies		
Net assets:		
Unrestricted		573,452
Temporarily restricted		10,766,158
Total net assets		11,339,610
Total liabilities and net assets	$	11,838,078

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statement of Activities – Foundation (Component Unit)

Year ended September 30, 2015

	Unrestricted	Temporarily restricted	Total
Public support and revenues:			
Donations for International Kids Fund program	$ —	2,984,203	2,984,203
General gifts revenues	3,691,052	720,485	4,411,537
Provision for estimated uncollectible pledges and change in present value discount of pledges receivable	(1,015,927)	(823,367)	(1,839,294)
Special events, net of direct costs totaling $834,452	—	466,445	466,445
Other	60,000	—	60,000
Net public support	2,735,125	3,347,766	6,082,891
Interest income and dividends, net of investment fee	61,731	86,825	148,556
Net realized and unrealized loss on investments	(128,079)	(181,282)	(309,361)
Total public support and revenues before net assets released from restrictions	2,668,777	3,253,309	5,922,086
Net assets released from restrictions:			
Satisfaction of program restrictions	3,950,627	(3,950,627)	—
Total public support and revenues	6,619,404	(697,318)	5,922,086
Expenses including direct support payments:			
Program services:			
Jackson Health System	1,005,621	—	1,005,621
International Kids Fund	2,641,653	—	2,641,653
Other programs	302,926	—	302,926
Total program services	3,950,200	—	3,950,200
Management and general	779,988	—	779,988
Fund-raising	1,032,807	—	1,032,807
Total expenses including direct support payments	5,762,995	—	5,762,995
Change in net assets	856,409	(697,318)	159,091
Net assets at beginning of year (note 1(u))	(282,957)	11,463,476	11,180,519
Net assets at end of year	$ 573,452	10,766,158	11,339,610

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statement of Fiduciary Net Position – Pension Trust Fund

September 30, 2015

Assets:		
Cash	$	20,341,543
Investments:		
Domestic:		
Mutual funds		40,088,983
Equities		293,131,052
Corporate debt securities		33,333,563
U.S. government securities		16,409,621
Total domestic investments		382,963,219
International:		
Mutual funds		35,114,570
Equities		60,896,841
Corporate debt securities		8,874,187
Total international investments		104,885,598
Venture Capital and Limited Partnership		26,075,562
Hedge funds		21,080,344
Total assets	$	555,346,266
Net position held in trust for employees' pension benefits	$	555,346,266

See accompanying notes to financial statements.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Statement of Changes in Fiduciary Net Position – Pension Trust Fund

September 30, 2015

Net position held for employees' pension benefits:		
Additions:		
Employer contributions	$	13,366,586
Employee contributions		13,885,025
Total contributions		27,251,611
Investment income:		
Interest income		2,973,014
Dividends		5,150,604
Undistributed capital gain		131,293
Net realized and unrealized losses on pension trust fund investments		(23,816,491)
Total investment loss		(15,561,580)
Less investment expense:		
Investment managers and custodial fees		(126,132)
Net investment loss		(15,687,712)
Total additions		11,563,899
Deductions:		
Participants benefit expense		18,585,971
Administrative expenses		1,804,760
		20,390,731
Net decrease in net position held in trust for employees' pension benefits		(8,826,832)
Net position held in trust for employee's pension benefits, at beginning of year		564,173,098
Net position held in trust for employee's pension benefits, at end of year	$	555,346,266

See accompanying notes to financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Effective October 1, 1973, the Public Health Trust of Miami-Dade County, Florida (the Trust) was created by county ordinance to provide for an independent governing body (the board of trustees or Board) responsible for the operation, governance, and maintenance of “designated facilities.” Currently, the Trust operates six hospitals: Jackson Memorial Hospital, Holtz Children’s Hospital, Jackson South Community Hospital, Jackson North Medical Center, Jackson Rehabilitation Hospital, and Jackson Behavioral Health Hospital; two skilled nursing facilities, Jackson Memorial Long-Term Care Center and Jackson Memorial Perdue Medical Center; several primary care centers, Jefferson Reaves Senior Health Center, North Dade Health Center, and Rosie Lee Wesley Health Center; Dr. Rafael Peйalver Center, one insurance organization, JMH Health Plan (the Health Plan); as well as multiple specialty care centers, and the corrections health services for Miami-Dade County. At September 30, 2015, the Trust operated a total of 2,101 licensed hospital beds and 343 licensed nursing home beds.

Jackson Memorial Hospital is a teaching hospital operating in association with the University of Miami School of Medicine, which provides staff and services under an annual operating agreement.

The Trust is a department of Miami Dade County (the County). It is the intent of the Miami-Dade Board of County Commissioners (the Commission) to promote, protect, maintain, and improve the health and safety of all residents and visitors of Miami-Dade County through a fully functioning and sustainable Public Health Trust. The Commission finds that it is in the best interest of the public it serves to take action to preserve the Trust and to ensure its financial sustainability by requiring the Trust to notify the Commission, the Mayor, and the Commission Auditor when certain financial conditions as outlined in Chapter 25A of Miami-Dade County Code of Ordinances occur.

The accompanying financial statements are not intended to be a complete presentation of the financial position of the County and the results of its operations and cash flows of its proprietary fund types, in conformity with accounting principles generally accepted in the United States (GAAP). Transactions between entities that make up the Trust are eliminated in the accompanying financial statements. Separate financial statements of the Pension Trust Fund are not prepared.

(b) Basis of Accounting and Presentation

The accounting policies of the Trust conform to U.S. GAAP as applicable to governmental agencies. The Trust’s accounts are used to account for the Trust’s activities that are financed and operated in a manner similar to a private business enterprise. Accordingly, the Trust maintains its records on the accrual basis of accounting. Revenues from operations, investments, and other sources are recorded when earned. Expenses (including depreciation and amortization) of providing services to the public are accrued when incurred.

Nonexchange transactions, in which the Trust receives value without directly giving equal value in return, include grants from federal, state, and local governments. On an accrual basis, revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, and expenditure requirements, in which the resources are provided to the Trust on a reimbursement basis.

Jackson Memorial Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the Trust governed by a separate independent board of directors. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the Trust in support of its programs. The board of the Foundation is self-perpetuating and consists of community members. Although the Trust does not control the timing or amount of receipts from the Foundation, the majority of resources or income that the Foundation holds and invests are restricted to the activities of the Trust by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the Trust, the Foundation is considered a component unit of the Trust and is discretely presented in the Trust's financial statements.

During the year ended September 30, 2015, the Foundation distributed approximately $1,833,000 to the Trust. Complete financial statements of the Foundation can be obtained from the Foundation at 1501 NW North River Drive, Miami, Florida 33125.

The Pension Trust Fund is a fiduciary fund used to account for assets held by Northern Trust Bank for the benefits of employees of the Trust who participate in the Public Health Trust Defined-Benefit Retirement Plan (the Plan). The financial statements of the pension trust fund use the full-accrual basis of accounting, whereby employer and employee contributions to the Plan are recognized when due, and benefits are recognized when due and payable to the plan participants in accordance with the terms of the Plan. The Plan operates on a calendar year with a year-end of December 31.

(c) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

The Trust considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Trust invests its surplus operating funds in money market mutual funds and overnight repurchase agreements. These funds generally invest in highly liquid U.S. government and agency obligations.

(e) Investments

Investments include U.S. government securities, U.S. government agency securities, commercial paper, U.S. Treasury bills, and Venture Capital/Limited Partnership, which are reported at fair value based upon quoted market prices or estimated fair value as determined by the general partner using the latest available information at the valuation date.

(f) Assets Limited as to Use – Cash and Investments

Assets limited as to use include self-insurance trust arrangements; designated assets set aside by the Board or the County for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes; and assets set aside in accordance with agreements with third-party payors, the County, and the Florida Department of Financial Services Office of Insurance Regulation. Amounts required to meet current liabilities have been classified as current assets in the accompanying statement of net position.

(g) Supplies

Supplies, consisting primarily of pharmaceutical and medical-surgical supplies, are principally determined using average cost or market.

(h) Capital Assets

The Trust capitalizes all items with an initial cost of $5,000 or greater and an expected useful life of two years or more, or groups of 10 or more like items with a cost of $1,000 or greater. The Trust's capital assets are stated at cost or if donated, at fair value at the date of donation. Assets under capital leases are stated at the present value of future minimum lease payments at the inception of the lease and are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the respective lease or the life of the related asset. Such amortization is included in depreciation and amortization in the financial statements. Routine maintenance and repairs that do not extend the life of the assets are charged to expense as incurred and major renovations or improvements are capitalized.

Commencing in fiscal year 2012, depreciation is provided for using the half-year convention for the first and final year with a straight-line method over the estimated useful lives of the related assets based on the American Hospital Association guidelines as summarized below:

	Useful life
Land improvements	2–25 years
Buildings	5–40 years
Fixed equipment	5–20 years
Movable equipment	3–20 years

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Interest costs associated with that portion of the Trust's revenue bonds used to construct qualifying assets, less interest earned on the temporary investment of the unexpended proceeds of those borrowings, are also capitalized as a component of the cost of acquiring the qualifying assets. The amount of interest cost capitalized during the year ended September 30, 2015 was approximated $1,253,000.

Management evaluates whether there has been a significant unexpected decline in the utility of a capital asset that could indicate an impairment in the capital asset. If there is an indication that an asset may be impaired, the Trust follows GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, to determine whether an impairment should be recognized. The Trust concluded that no impairment exists as of September 30, 2015.

(i) Bonds Payable

The Trust is not empowered to borrow funds. Long-term financing is generally accomplished by the issuance of bonds or other debt by the County, which is reflected as long-term debt in the accompanying financial statements.

(j) Bond Premium, Discounts, and Refundings of Debt

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method and are reflected as an element of the carrying cost of the debt. Current and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such deferred amounts on refundings of debt are classified as deferred outflows and inflows of resources in the accompanying financial statements.

(k) Self-Insurance Programs

The provision for estimated self-insured programs – general professional liability claims and workers' compensation includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. The estimates for self-insured claims are continually reviewed and adjusted as necessary as experience develops or new information becomes known.

(l) Net Position Classification

Net position is classified and displayed in three components:

- Net investment in capital assets – consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other

governments or (2) law through constitutional provisions or enabling legislation. The Trust first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

- Unrestricted net position – consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

(m) Deferred Outflows of Resources and Deferred Inflows of Resources

The Trust records deferred outflows of resources, which represent the consumption of net position by the Trust that is applicable to a future reporting period. At September 30, 2015, deferred outflows of resources represent deferred charge on refunding and pension related items.

The Trust records deferred inflows of resources, which represent an acquisition of net position that applies to future periods. At September 30, 2015, deferred inflows of resources represent deferred charge on refunding and pension related items.

(n) Classification of Revenues and Expenses

All transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are considered to be operating activities and are reported as operating revenue and operating expenses. Investment income, interest expense, sales tax revenue, funding from the County, and peripheral or incidental transactions are reported as nonoperating revenues and expenses.

(o) Net Patient Service Revenue

The Trust has agreements with third-party payors that provide for payments to the Trust at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in the year of final settlement as an adjustment to net patient service revenue in that year's statement of revenues, expenses, and changes in net position. Final settlements under these programs are subject to administrative review and audit by third-party payors. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenues, related to prior periods decreased net patient service revenue by approximately $553,000 for the year ended September 30, 2015. In the opinion of management, adequate provision has been made in the accompanying financial statements for adjustments that may result from such reviews and audits.

(p) Charitable Services

In pursuing its mission, the Trust provides services to financially disadvantaged individuals in the community in which it operates, despite the lack, or adequacy of reimbursement for those services.

(Continued)

The Trust maintains records to identify and monitor the level of such services as follows:

The Trust provides care to patients regardless of their ability to pay. All, or a portion, of the charges incurred at established rates are classified as charity by reference to the Trust's established policies. Essentially, these policies define charitable services as those for which no payment is anticipated. In assessing a patient's ability to pay, the Trust uses generally recognized poverty income levels for the community but also includes certain cases where incurred charges are considered to be beyond the patient's ability to pay. Because the Trust does not pursue the collection of amounts determined to meet the criteria under its charity care policy, such amounts are not reported as revenue.

The Trust provides services to other indigent patients under various State of Florida programs that pay healthcare providers amounts that are less than the cost of the services provided to the recipients. The difference between the cost of services provided to these indigent persons and the expected reimbursement is also considered to be charitable service.

In addition to the services that are provided to financially disadvantaged individuals, the Trust provides certain community health services at no charge to the public, including various educational programs. Costs related to these services are included in operating expenses.

(q) Managed Care Revenue

Primarily consists of premium revenue, which is recognized by the JMH Health Plan during the period in which the JMH Health Plan is obligated to provide services to its members.

(r) Other Revenue

Other revenue primarily consists of Disproportionate Share (DSH), Low Income Pool (LIP) revenue, parking, rent, physician billing, specialty pharmacy, and miscellaneous billing and is recognized when earned.

(s) Unpaid Medical Claims

The unpaid medical claims related to the JMH Health Plan are included in accounts payable and accrued expenses. The unpaid medical claims include accruals for hospital and other medical claims incurred as well as those incurred but not reported. The accrual is based on a per diem rate for outstanding bed days for inpatient claims and on experience trends for inpatient, outpatient, and other medical claims.

(t) Income Taxes

The Trust is an integral part of Miami-Dade County, Florida, and as such, is not subject to income tax. The Foundation is exempt from income taxes under Internal Revenue Code (IRC) Section 501(a) as an entity described in IRC Section 501(c)(3).

(Continued)

(u) Significant Accounting Policies – Foundation

The Foundation is a private, nonprofit organization that reports under the standards of the Financial Accounting Standards Board (FASB), including the Accounting Standards Codification 958-605. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the Trust's financial statements for these differences.

During 2015, the Foundation recorded an immaterial correction of an error, which resulted in a correction to previously reported net assets to increase unrestricted net assets by $495,000 and reduce temporarily restricted net assets by $495,000.

Contributions

In accordance with an accounting standard issued by the FASB, contributions received or made, including promises to give or pledges, are recognized at fair value in the period in which they are received or made.

Contributions received, including unconditional promises to give, are recognized as revenues when the donor's commitment is received. Conditional promises are recorded when donor stipulations are substantially met. Unconditional promises are recognized at the estimated present value of the future cash flows using a risk-free rate. Promises and contributions of noncash assets are recorded at their fair value.

During the year ended September 30, 2015, two donors accounted for 41% of total public support and revenues.

Donated Services

Board members and volunteers have donated significant time to the Foundation's activities. However, the value of these services is not reflected in the accompanying financial statements of the Foundation, since such services are not the type that would qualify for recognition.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds at various financial institutions. The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

The Foundation reports its investments under an accounting standard issued by the FASB on accounting for certain investments held by not-for-profit organizations. Under the standard, a not-for-profit organization is required to report investments in equity securities with readily determinable fair values and all investments in debt securities at fair value.

(Continued)

Purchased securities are stated at fair value based on the most recently traded price of the security at the financial statement date. Donated securities are recorded at fair value and sold immediately. Realized and unrealized gains and losses are recorded in the statement of activities.

Pledges Receivable

Pledges receivable, less an estimate for uncollectible amounts, represent uncollected promises and are stated at the estimated present value of the future cash flows using a rate of return appropriate for the expected term of the promise to give at the time initially recognized. The majority of pledges are designated by the donors for distribution to Jackson Health System (JHS). Such amounts subject to collection and fund-raising costs and administration fees, when applicable, are distributed to JHS as designated by the donor. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Additions and major improvements are capitalized, and repairs and maintenance costs are expensed. Upon retirement or sale, any resulting gain or loss is recognized in the appropriate period. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

(v) New Accounting Pronouncements

Effective for periods beginning after June 15, 2014, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of GASB Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The impact to the financial statements related to the adoption of GASB Statement No. 68 was the restatement of beginning net position and the recording of the net pension liability and associated pension expenses, deferred outflows of resources, and deferred inflows of resources for the defined-benefits plans. New disclosures and required supplementary informations are added to the pension note.

Effective for periods beginning after June 15, 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date–an amendment of GASB Statement No. 68*. The provisions of this statement should apply simultaneously with the provisions of GASB Statement No. 68. The objective of this Statement is to address an issue related to the amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined-benefit pension plan after the measurement date of the government's beginning net pension liability. If it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition.

This Statement amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The impact on the financial statements related to the adoption of GASB Statement No. 71 was recorded in conjunction with GASB Statement No. 68.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*, which establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. GASB Statement No. 72 is effective for fiscal years beginning after June 15, 2015. The Trust has not elected to implement this statement early; however, management will evaluate the impact of this statement in the year of adoption.

Effective for periods beginning after June 15, 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement establishes requirements for defined benefit-pensions that are not within the scope of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined-contribution pensions that are not within the scope of GASB Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in GASB Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in GASB Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by GASB Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

This Statement also clarifies the application of certain provisions of GASB Statements No. 67 and No. 68 with regard to the following issues: 1) Information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported; 2) Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined-benefit pensions; and 3) Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation. The Trust has not elected to implement this statement early; however, management will evaluate the impact of this statement in the year of adoption.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which replaced the requirement of GASB Statement No. 45. GASB Statement No. 75 requires governmental agencies to report a liability on the financial statement of OPEB. GASB Statement No. 75 provides additional requirements for notes disclosures and required supplementary information. Among the new required supplementary information is a schedule comparing a government's actual OPEB contributions to its contribution requirements. GASB Statement No. 75 is effective for fiscal years beginning after June 15, 2017. The Trust has not elected to implement this statement early; however, management will evaluate the impact of this statement in the year of adoption.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*, which establishes financial reporting standards for tax abatement agreements entered into by state and local governments. GASB Statement No. 77 is effective for fiscal years beginning after December 15, 2015. The adoption of this statement is not expected to have material impact on the financial statements.

(2) Impact of Adoption of New Accounting Standard

GASB Statement No. 68 requires governments providing defined-benefit pensions to their employees to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual cost of pension benefits. The beginning net position is restated to give a retroactive effect to the implementation of GASB Statement No. 68. The net pension liability measurement date adopted in the first year of implementation was September 30, 2015 and the information is provided by the actuary.

The effect of adopting GASB Statement No. 68 was as follows:

Net position at September 30, 2014 (as previously reported)	$	184,916,788
Net pension liability		(61,585,780)
Deferred outflows – pension		9,644,554
Deferred inflows – pension		(55,623,082)
Net position at September 30, 2014 (as restated)	$	77,352,480

(3) Financial Condition

The Trust's net position increased approximately $132,078,000 during fiscal year 2015, and at September 30, 2015, the Trust has a working capital surplus of approximately $81,885,000. Days cash on hand was approximately 53 days at September 30, 2015. As of September 30, 2015, the Trust was in compliance with the required debt service coverage ratio covenant related to the outstanding long-term debt. See note 11 for discussion.

Historically, the Trust has relied on funding from the County and sales tax revenue to defray the costs of its general operations. The amount of future funding from the County is dependent, in part, on the availability of ad valorem and nonad valorem taxes to do so, while the level of sales tax revenue is dependent on general economic conditions.

The Trust entered into a Consent Order with the Office of Insurance Regulation (OIR) in October 2011. Pursuant to the Consent Order, the Trust agreed, among other things, that: (i) if JMH Health Plan does not report year-to-date profitability by December 31, 2012, JMH Health Plan will wind down its operations and voluntarily surrender its Certificate of Authority; (ii) file monthly financial statements and other requested reports until the OIR provides written documentation indicating monthly reports are no longer required; and (iii) provide necessary capital infusion should the JMH Health Plan experience impaired statutory surplus as evidenced by the monthly required reporting. On August 26, 2014, JMH Health Plan requested to OIR seeking approval to cease filing monthly financial statements. The request has been approved. JMH Health Plan must file only quarterly and calendar financial statements through the final run out of claim payments. As of September 30, 2015, the Plan has been in compliance with the OIR Consent Order.

The Medicare Advantage contract within the Public Health Trust doing business as JMH Health Plan and the Centers for Medicare and Medicaid Services (CMS) was terminated September 30, 2013; claims liability reserve has been established.

The Trust continues to evaluate cost reduction initiatives directed at reducing operating expenses. Operating revenues improved over the prior year. The improvements in revenue are results of management's ongoing efforts to increase volumes and to manage the constant changing in the reimbursement environment at both federal and state levels.

(4) Cash, Cash Equivalents, and Investments

At September 30, 2015, cash, cash equivalents, and investments, including assets limited as to use, at fair value included the following:

Security and commercial paper:	
Federal Farm Credit Banks	$ 12,882,383
Federal Home Loan Banks	13,952,663
Federal National Mortgage Association	12,475,453
Federal Home Loan Mortgage Corporation	11,405,173
Commercial paper	2,586,511
Money market accounts	2,441,577
Total investments	55,743,760
Deposits	259,263,554
Total cash, cash equivalents, and investments	$ 315,007,314

The Trust and the County pooled cash and investment accounts are required to be maintained in accordance with legal restrictions. The Trust's equity share of the County total pooled cash and investments is included in restricted short-term and long-term investments in the accompanying statements of net position.

(a) Deposits

The Trust's investment authority is derived from Florida Statutes, Chapter 218.415, and by county ordinance. Time deposits made in banks and savings and loans associations must be made with qualified public depositories in accordance with Chapter 280, *Florida Statutes*. All qualified public depositories, as defined under Florida Statutes, are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. At September 30, 2015, the Trust's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Policy requires that bank deposits be secured per Chapter 280, *Florida Statutes*. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public

Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. The Policy requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the Trust in an account separate and apart from the assets of the financial institution.

The carrying value of the Trust's bank deposit accounts was approximately $259,264,000 at September 30, 2015.

Assets Limited as to Use – Cash and Investments

The composition of assets limited as to use at September 30, 2015 is set forth in the following table. Investments are stated at fair value based on quoted market prices.

Assets limited as to use – cash and investments:		
By board for self-insurance program	$	32,594,182
By board for other needs		112,460
By board and/or regulators for the health plan		5,375,941
Total assets limited as to use		38,082,583
Less current portion		(2,804,941)
	$	35,277,642

(b) Restricted Investments

At September 30, 2015, approximately $55,744,000, of the Trust's deposits and investments were held in a pool account at the County. Earnings generated by the investment pool are allocated based on each investing organization's balance as a percentage of total investments held in the pool.

The Trust's share in the County's investments included the following at September 30, 2015:

		Fair value
Investment type:		
Federal Farm Credit Banks	$	12,882,383
Federal Home Loan Banks		13,952,663
Federal National Mortgage Association		12,475,453
Federal Home Loan Mortgage Corporation		11,405,173
Commercial paper		2,586,511
Money market accounts		2,441,577
Total restricted investments	$	55,743,760

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Trust's Investment Policy (the Policy) minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund (the Pool) or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act; money market funds registered with the Securities and Exchange Commission (SEC) that have the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to *Florida Statutes*, Chapter 280.02, which are defined as banks, savings banks, or savings associations organized under the laws of the United States with an office in Florida that is authorized to receive deposits and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; bankers' acceptances that have a stated maturity of 180 days or less from the date of their issuance, have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and that are eligible for purchase by the Federal Reserve Bank; and investments in repurchase agreements collateralized by securities authorized by the Policy.

At September 30, 2015, the Trust's restricted investment securities had the following credit ratings:

	Fair value	Credit rating (S&P*/ Moody's/Fitch) (N/A = not rated)
Money market accounts	$ 2,441,577	N/A
U.S. government agency securities, by issuer:		
Federal Farm Credit Banks	12,882,383	AA+/A-1+
Federal Home Loan Banks	13,952,663	AA+/A-1+
Federal National Mortgage Association	12,475,453	AA+/A-1+
Federal Home Loan Mortgage Corporation	11,405,173	AA+/A-1+
Commercial paper	2,586,511	A-1
	$ 55,743,760	

* Standard and Poor's

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of investments in a single issuer. The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the Pool; however, bond proceeds may be temporarily deposited in the Pool until other investments have been purchased. Prior to any investment in the Pool, approval must be received by the Board; a maximum of 30% of the portfolio may be invested in SEC-registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in nonnegotiable, interest-bearing time certificates of deposit savings accounts with no more than 5% deposited with any one issuer, with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio). There is no limit on the percentage of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies, and instrumentalities; a maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer; a maximum of 20% of the portfolio may be invested in bankers’ acceptances with a maximum of 25% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers’ acceptances; and a maximum of 10% of the portfolio may be invested with any one institution.

At September 30, 2015, the composition of the Trust’s restricted investments by investment type was as follows:

	Percentage of portfolio
U.S. government agency securities, by issuer:	
Federal Farm Credit Banks	23.1%
Federal Home Loan Banks	25.0
Federal National Mortgage Association	22.4
Federal Home Loan Mortgage Corporation	20.5
Commercial paper	4.6
Money market accounts	4.4

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements, following historical spread relationships between different security types and issuers, and evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average maturity of no longer than one year. Investments for bond reserves, construction funds, and other nonoperating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of five years.

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As of September 30, 2015, the Trust had the following restricted investments weighted average maturity:

	Weighted average maturity (years)
U.S. government agency securities, by issuer:	
Federal Farm Credit Banks	0.77
Federal Home Loan Banks	0.64
Federal National Mortgage Association	0.54
Federal Home Loan Mortgage Corporation	0.50
Commercial paper	0.03

(5) Net Patient Service Revenue

The Trust has agreements with third-party payors that provide for payments to the Trust at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Trust's established rates for services and amounts reimbursed by third-party payors. A summary of the payment arrangements with major third-party payors is as follows:

Medicare and Medicare Managed Care – Approximately 35% of the Trust's patient service revenue was derived from services rendered to patients under the Medicare program during fiscal year 2015. Medicare inpatient services for acute and rehabilitation services are paid at diagnostic related groups (DRG) bases. These rates vary according to a patient classification system based on clinical, diagnostic, and treatment factors. Psychiatric services are also reimbursed based on DRG. Outpatient services are reimbursed on a prospectively determined fee schedule with final settlement determined after audit of the annual cost report submitted by the Trust.

The Trust's annual Medicare cost reports are subject to audit and approval of the Medicare program authorities. In connection with this audit and approval process, the Trust may be required to revise its previous estimate of amounts due to or from the Medicare program. Differences between the Trust's original estimate and estimates based on subsequent determinations, resulting from the audit and approval process mentioned above, are recorded in operations by the Trust in the period the determination is made. The Trust's Medicare cost reports have been audited and settled by the Medicare fiscal intermediary through September 30, 2011. The Trust has filed Medicare cost reports through September 30, 2014. Estimated provisions, if any, have been made for years through September 30, 2015 and have been reflected in the accompanying financial statements.

Medicaid and Medicaid Managed Care – Approximately 32% of the Trust's patient service revenue was derived from services rendered to patients under the Medicaid program for fiscal year 2015. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed prospectively for covered services on the basis of historical cost as determined under regulations of the Medicaid program. Effective with admissions on or after July 1, 2013, the Medicaid program changed the reimbursement for inpatient stays to a DRG-based methodology. The Trust is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Trust and audits thereof by the Medicaid fiscal intermediary. The Trust's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 2007. The Trust has filed Medicaid cost reports through September 30, 2014. Estimated provisions, if any, have been made for years through September 30, 2015 and have been reflected in the accompanying financial statements. Effective July 1, 2014, the majority of Medicaid patients were transitioned into Managed care plans. The 32% in patient service revenue in fiscal year 2015 is a combination of 13% Medicaid and 19% Manage Care Medicaid in fiscal year 2015.

Other – Approximately 31% of the Trust's patient service revenue was derived from services rendered under various other provider agreements during fiscal year 2015. The Trust has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the Trust under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. The remaining 2% for fiscal year 2015 represents revenue derived from self-pay and patients that may qualify for state assistance on the condition that state funding is available.

Net patient service revenue consisted of the following for the year ended September 30, 2015:

Patient service revenue:		
Inpatient service	$	3,337,641,548
Ambulatory services		1,248,065,957
Total gross patient charges		4,585,707,505
Charity care		(340,464,780)
Provision for doubtful accounts		(553,482,653)
Contractual adjustments		(2,761,096,939)
Total deductions		(3,655,044,372)
Net patient service revenue	$	930,663,133

(6) Concentration of Credit Risk

Patients' accounts receivable consist primarily of receivables from patients and third-party payors. In the course of providing healthcare services, the Trust grants credit to patients, substantially, all of whom are residents of the County. The Trust generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, health maintenance organizations, preferred provider organizations, and commercial insurance policies).

The mix of receivables from patients and third-party payors based on gross patient charges at September 30, 2015 as follows:

Medicaid	25%
Medicare	9
Patients	26
Managed care	36
Commercial	4
	100%

The allowance for doubtful accounts represents amounts, which, in the Trust's judgment, will be adequate to absorb write-offs of existing patient receivable balances, which may become uncollectible. Estimation of the allowance for doubtful accounts is based on several factors, which include, but are not limited to, analytical review of loss experience of the various payor classes in relation to outstanding receivables and judgment with respect to the impact of current economic conditions. The Trust believes that the allowance for doubtful accounts is adequate.

(7) Transactions with the County

Under the terms of the 2015 operating agreement (the Agreement) between the County and the Trust, the County funded the Trust approximately $147,220,000, from ad valorem and nonad valorem taxes to defray the costs of its general operations. Such amounts have been included in nonoperating revenues in the accompanying statement of revenues, expenses, and changes in net position. The amounts of future funding from the County are dependent, in part, on the availability of ad valorem and nonad valorem taxes to do so.

The County provided various services to the Trust under the terms of the Agreement, such as legal, direct, and indirect costs, which for 2015 amounted to approximately $2,462,000. These services are billed at cost. At September 30, 2015, the Trust's accumulated payables to the County for these and other services were approximately $313,000, which is included in due to Miami-Dade County in the accompanying statement of net position.

In addition to the above matters, at September 30, 2015, due to Miami-Dade County in the accompanying statement of net position included $15,000,000 due from the Trust to the County under the agreement to partially fund the County's obligation to the State of Florida under the Medicaid program.

As of September 30, 2015, the Trust recorded a receivable from the County of approximately $39,633,000, as due from Miami-Dade County in the accompanying statements of net position for sales taxes receivable.

In December 2012, Miami-Dade County entered into a $75 million revolving line of credit on behalf of the Public Health Trust. The line-of-credit facility was requested by the Trust to (a) assist with cash flow needs in anticipation of reimbursements from the State of Florida, (b) pay any cost of issuance, finance charges, late charges, collection costs, or other amounts due under the line of credit, and (c) pay other short-term working capital needs. The facility is secured by the County covenant to annually budget and appropriate from all legally available nonad valorem revenues. Pursuant to the Memorandum of Understanding between the County and the Trust, the Trust shall pay all principal and interest and all costs associated with the line

(Continued)

of credit within the time lines set forth in the terms of the line of credit. No outstanding balance is due as of September 30, 2015. In the event the Trust fails to pay the principal and interest and/or issuance costs, the County has the right (i) to pay such principal and interest and issuance costs from the (a) one-half cent (0.05%) discretionary sales surtax imposed pursuant to Chapter 212, Florida Statutes collected by the County before it is remitted to the Trust and/or (b) County funds and such amounts shall be deducted from the County funds to be remitted to the Trust pursuant to the maintenance-of-effort requirement imposed pursuant to Chapter 212, Florida Statutes and (ii) not to approve additional draw requests.

During 2015, the Trust recorded approximately $18,755,000 in other nonoperating revenues in the accompanying statement of revenues, expenses, and changes in net position related to contribution from the County from the PHT-GOB 2015.

In November 2013, voters of Miami Dade County approved in a referendum the issuance of General Obligation Bonds (PHT-GOB) for $830 million. The PHT-GOB is a general obligation of the County and is payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the County. These funds are utilized for upgrades, new equipment, the expansion of the urgent care centers, and the land for the construction of Jackson West hospital. At September 30, 2015, the Trust recorded approximately $49,319,000 in other nonoperating revenues in the accompanying statement of revenues, expenses, and changes in net position for PHT-GOB contributions from the County. The contributions included approximately $23,500,000 in land acquisition, $17,510,000 in Cerner and other software installations, and $8,309,000 in equipment.

(8) Sales Tax Revenue

On September 3, 1991, the voters of the County approved a half-cent sales tax to support the operations of the Trust, effective January 1, 1992. During the year ended September 30, 2015, the Trust recognized approximately $242,080,000, of sales tax revenue, which is included in nonoperating revenues in the accompanying statements of revenues, expenses, and changes in net position.

(Continued)

(9) Capital Assets

A summary of the activity in the capital assets and the related accumulated depreciation account for the year ended September 30, 2015 is as follows:

	Balance at September 30, 2014	Additions	Transfers	Sales, retirement, and adjustments	Balance at September 30, 2015
Land improvements	$ 35,018,531	38,388,948	377,247	—	73,784,726
Buildings	725,502,770	3,596,009	37,759,391	—	766,858,170
Fixed equipment	101,313,129	1,393,316	199,222	—	102,905,667
Movable equipment	382,711,023	23,952,533	28,827,079	(524,905)	434,965,730
Depreciable assets	1,244,545,453	67,330,806	67,162,939	(524,905)	1,378,514,293
Accumulated depreciation	(885,173,780)	(52,041,398)	—	491,600	(936,723,578)
Net depreciable assets	359,371,673	15,289,408	67,162,939	(33,305)	441,790,715
Land	36,634,927	—	—	—	36,634,927
Construction in progress	35,615,959	36,523,817	(42,210,569)	(258,251)	29,670,956
Projects in progress	28,969,265	21,060,407	(24,952,370)	—	25,077,302
Capital assets, net	$ 460,591,824	72,873,632	—	(291,556)	533,173,900

(10) Long-Term Obligations

Activity with respect to long-term debt and other liabilities for the year ended September 30, 2015 was as follows:

	Balance at September 30, 2014 (as restated)	Additions	Refunding/ reductions	Balance at September 30, 2015	Amount due within one year
Bonds payable	$ 339,725,000	205,350,000	(229,785,000)	315,290,000	8,855,000
Less deferred amounts:					
For issuance discount	(310,154)	—	(518,520)	(828,674)	—
Add deferred amounts:					
For issuance premium	7,976,634	19,829,680	(7,285,037)	20,521,277	—
Payable, net	347,391,480	225,179,680	(237,588,557)	334,982,603	8,855,000
Estimated self-insurance	42,015,505	8,240,771	(8,026,864)	42,229,412	7,021,971
Other liabilities	8,430,315	5,385,000	(7,530,003)	6,285,312	—
Net pension liability	61,585,780	88,003,280	—	149,589,060	—
	$ 459,423,080	326,808,731	(253,145,424)	533,086,387	15,876,971

(11) Long-Term Debt and Interest Expense

The composition of long-term debt at September 30, 2015 is set forth in the following table:

Public Facilities Revenue Bonds (Series 2005A), net of unamortized bond discount of approximately $531,000 at September 30, 2015. Interest rate of 4.375%.	$	17,763,966
Public Facilities Revenue Refunding Bonds (Series 2005B), net of unamortized bond premium of approximately $927,000 at September 30, 2015. Interest rate of 5%.		16,827,731
Public Facilities Revenue Bonds (Series 2009), net of unamortized bond discount of approximately $298,000 at September 30, 2015. Interest rate from 4% to 5.75%.		75,447,294
Public Facilities Revenue and Revenue Refunding bonds (series 2015A) net of amortized bond premium of approximately $19,594,000 at September 30, 2015. Interest rate from 3% to 5%.		224,943,612
		334,982,603
Less current portion		(8,855,000)
	$	326,127,603

On September 27, 2005, the County issued Public Facilities Revenue Bonds and Public Facilities Revenue Refunding Bonds in the original combined amount of $300,000,000 (Series 2005 Bonds) to (i) pay or reimburse the Trust for the cost of certain additions to the Trust's healthcare facilities; (ii) fund a Debt Service Reserve Fund; (iii) refund all of the County's outstanding Public Facilities Revenue Bonds (Jackson Memorial Hospital), Series 1993 Public Facilities Revenue Refunding Bonds (Jackson Memorial Hospital), Series 1993A and Series 1998 Public Facilities Revenue Bonds (Jackson Memorial Hospital); and (iv) pay certain costs incurred in connection with the issuance of the Series 2005 Bonds, including the premium for a municipal bond insurance policy.

On September 2, 2009, the County issued Public Facilities Revenue Bonds in the original amount of $83,315,000 (Series 2009 Bonds) to provide funds to (i) pay or reimburse the Trust for the cost of certain additions to the Trust's healthcare facilities, including infrastructure; (ii) fund a deposit to the Debt Service Reserve Fund established under the Master Ordinance; and (iii) pay certain costs incurred in connection with the issuance of the Series 2009 Bonds, including the premium for a financial guaranty insurance policy.

On July 9, 2015, the County issued Public Facilities Revenue and Revenue Refunding Bonds in the original combined amount of $205,350,000 (Series 2015A) to (1) refund, defease, and redeem a portion of the County's outstanding Series 2005 Bonds and (2) pay or reimburse PHT for the cost of certain additions to PHT's healthcare facilities; and pay certain costs incurred in connection with the issuance of series 2015 Bonds. The computation performed in accordance with GASB Statement No. 23 for the current refunding of the Series 2005A and 2005B resulted in a gain on defeasance of approximately $7,166,000, which is recorded as deferred inflows of resources in the accompanying statement of net position. This deferred amount is being amortized through 2036 using the straight-line amortization method. The refunding produced an aggregate present value savings of approximately $21,381,308. The Series 2015A bear interest ranging between 3% and 5% and mature serially through 2036.

The Series 2005 Bonds, Series 2009 Bonds, and Series 2015 Bonds (collectively, the Bonds) are secured by the gross revenues of the Trust. The Bonds are subject to certain covenants included in Ordinance No. 05-49 (the Ordinance), together with certain ordinances and board resolutions, which authorize and issue the Bonds by and between the Trust and the County. In addition, the Trust must comply with certain covenants included in the related insurance agreements.

The Ordinance contains restrictive covenants that must be met by the Trust, including, among other items, the requirement to maintain a minimum long-term debt service coverage ratio, the requirement to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust's facilities, and limitations on the incurrence of additional debt.

At September 30, 2015, the Trust was in compliance with the debt service coverage ratio covenant contained in the Ordinance No. 05-49, Section 8.18, paragraph B.

The approximate maturities of long-term debt for the next five years and thereafter are as follows:

	Principal payments	Interest payments	Total debt service
Year(s) ending September 30:			
2016	$ 8,855,000	14,533,212	23,388,212
2017	8,175,000	15,219,138	23,394,138
2018	8,555,000	14,831,638	23,386,638
2019	8,985,000	14,405,138	23,390,138
2020	9,665,000	13,965,513	23,630,513
2021–2025	55,960,000	62,078,500	118,038,500
2026–2030	70,335,000	46,611,800	116,946,800
2031–2035	90,110,000	26,815,113	116,925,113
2036–2040	54,650,000	5,233,913	59,883,913
	$ 315,290,000	213,693,965	528,983,965

(Continued)

Interest expense for the year ended September 30, 2015 is summarized as follows:

Interest on bonds	$	18,027,538
Other interest		53,333
	$	18,080,871

The Trust did not have any outstanding amounts previously defeased held in escrow during fiscal year 2015.

(12) Risk Management

The Trust is exposed to various risks of loss related to professional liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Trust manages its risks for professional and general liability internally and sets aside assets for claims settlement.

(a) Professional and General Liability

The Trust established a self-insurance program for professional and general liability claims beginning in 1975. As an agency of a political subdivision of the State of Florida, the Trust has sovereign immunity from such claims, except for the waiver of such immunity, to the extent of $200,000 per claimant or $300,000 per incident. The maximum limitation has been considered in estimating the reserve for self-insured claims. The Board, at its discretion, has funded approximately $32,594,000 at September 30, 2015, of its estimated liability. Such amounts are reflected in the accompanying statement of net position as assets limited as to use.

Incidents that might result in claims are required to be reported to the risk management department of the Trust for investigation. At any one time, claims are in various stages of processing, including being handled by counsel. In addition, claims may not have been presented for all reported incidents. Management of the Trust, based on advice of counsel and its consulting actuaries and determinations made by the risk management department, estimates the reserve necessary to provide for claims based on incidents that have occurred based on the appropriate sovereign immunity limitation. Accrued professional and general liabilities losses have been discounted using a rate of 3% at September 30, 2015. The total liability as of September 30, 2015 approximated $18,534,000, of which approximately $15,777,000 is included in long-term estimated self-insured liability, and approximately $2,757,000 is included in current estimated self-insured liability in the accompanying statement of net position.

(b) Workers' Compensation

The Trust participated in the County's self-insured workers' compensation program until the first quarter of fiscal year 2008, at which time a third-party administrator began processing claims, and the Trust established its own self-insurance program for workers' compensation. The workers' compensation assessment resulted in a liability at September 30, 2015 of approximately $23,695,000, of which approximately $19,430,000 is included in long-term estimated self-insured liability, and approximately $4,265,000 is included in current estimated self-insured liability in the accompanying statement of net position. No stop-loss insurance policy has been purchased for claims exceeding a certain dollar amount.

The changes in the self-insurance programs for the year ended September 30, 2015 are as follows:

		Workers' compensation	Professional liability	Total
Balance at September 30, 2014	$	22,657,661	19,357,844	42,015,505
Claims paid		(4,909,560)	(3,117,304)	(8,026,864)
Claims and changes in estimates		5,946,943	2,293,828	8,240,771
Balance at September 30, 2015	$	23,695,044	18,534,368	42,229,412

(13) Leases

The Trust leases various equipment and facilities under operating leases. Rent expense for all operating leases was approximately $9,637,951 in fiscal year 2015, and is included in contractual and purchased services in the accompanying financial statements. At September 30, 2015, future minimum lease payments by year under noncancelable operating leases are as follows:

Year ending September 30:		
2016	$	8,913,724
2017		6,196,269
2018		5,054,403
2019		3,900,690
2020		140,593
	$	24,205,679

(14) Public Medical Assistance Trust Fund Assessment

The State of Florida's Health Care Consumer Protection Awareness Act (the Act) calls for an assessment equal to 1.5% of hospital net patient revenue, as defined, to be provided for care of indigents in the State of Florida. The Florida Legislative session of 2000 passed the Patient Protection Act of 2000, which provided that the assessment be lowered to 1% for certain services. The assessments are paid to the State of Florida in quarterly increments with the first installment due no more than six months after the Trust's fiscal year-end. The assessment was approximately $10,922,000 in fiscal year 2015.

(15) Pension Plans

(a) Florida Retirement System

Summary of Significant Accounting Policies

Pensions For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are report at fair value.

General Information about the Pension Plan

Plan description The Florida Retirement System (FRS) Pension Plan and Other-State Administrative Systems (the Systems) are administered by the Florida Department of Management Services, Division of Retirement, and is a part of the primary government of the State of Florida.

The State Board of Administration of Florida (SBA) manages the assets of the Florida Retirement System (FRS). The primary investment objectives for the FRS Pension Plan are to provide investment returns sufficient to ensure timely payment of promised benefits and keep plan costs at a reasonable level. The portfolio consists of a highly diversified asset mix of investments, which includes government and corporate bonds, common stock, income-producing real estate, alternative investments, and short-term money market instruments.

The FRS Retirement System Pension Plan (Plan) was created in Chapter 12, Florida Statutes in 1970 by consolidating several employee retirement systems. All eligible employees (as defined by the State of Florida) who were hired after 1970 and those employed prior to 1970 who elect to be enrolled are cover by the Plan. Employees in the Pension Plan vest at six years of service if enrolled in the plan prior to July 1, 2011. Enrollment after July 1, 2011 requires eight years of service to vest. Members initially enrolled in FRS before July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, regardless of age. For enrollees prior to July 1, 2011, pension plan benefit payments are based on the member’s highest five-year average annual salary (average final compensation) times the number of years of service. Enrollees after July 1, 2011 are eligible for normal retirement benefits at age 65, or after completing the eight years of credible service any age, if after 65 and have benefit payments based on the member’s highest eight-year average annual salary. The annual final compensation (regardless of whether it is the highest five or highest eight) is multiplied by a percentage ranging from 1.60% at either 62 or with 30 years of service to 1.68% at age 65 or with 33 years of service. Members are eligible for early retirement after six years of service, however, normal benefits are reduced by 5% for each year a member retires before normal retirement age.

The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustment, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) was established effective July 1, 1998. It permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust fund and accrue interest.

Eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the defined-benefit Plan. Trust employees participating in DROP are not eligible to participate in the FRS Investment Plan. This plan is funded by employer contributions that are based on salary and membership class. Contributions are directed to individual member accounts and the ultimate benefit depends in part on the performance of investment funds chosen. Employees in the FRS investment Plan vest after one year of service.

The benefit provisions and all other requirements of the Plan are established by Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefits of the Plan.

The contribution rates for the Plan are established by section 121.71 of the Florida State Statutes and may be amended, by the State of Florida. The uniform rates for the Plan fiscal year 2014-2015 were as follows:

	Percentage of gross salary	
Class or Plan	**Employee**	**Employer (A)**
Florida Retirement System, Regular	3.00	7.73

Notes: (A) Employer rates include the postretirement health insurance supplement, which was increased on July 1, 2015 to 1.66%.

The Trust's contributions to the Plan, net of employee contributions, for the fiscal year ending September 30, 2015 was approximately $9,789,000. Effective July 1, 2011, all members of FRS, except for DROP participants and reemployed retirees who are not eligible for renewed membership, are required to contribute 3% of their compensation to FRS. Amounts collected by the Trust and remitted to the Plan, related to employee contributions are not considered employer contributions by the Plan.

Benefits are computed on the basis of age and/or years of service, average final compensation and service credit.

Pension Liabilities, Pensions Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Section 121.031(3), Florida Statements, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions.

At September 30, 2015, the Trust reported a liability of approximately $53,222,000 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The Trust's proportionate share of the FRS net pension liability was based on a projection of the Trust's long-term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2014. At June 30, 2015, the Trust's proportionate share was 0.4121%, which was a decrease of 11.96% from its proportionate share of 0.4681% measured as of June 30, 2014.

For the year ended September 30, 2015, the Trust recognized pension expense of $(7,682,000) for the FRS Pension Plan. At September 30, 2015, the Trust reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

		Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$	5,618,616	(1,262,252)
Changes in assumptions		3,532,490	—
Net difference between projected and actual earnings on pension plan investments		18,746,091	(31,454,498)
Changes in proportion and differences between Trust contributions and proportionate share of contributions		—	(8,687,583)
Trust contributions subsequent to the measurement date		2,078,560	—
Total	$	29,975,757	(41,404,333)

The deferred outflows of resources related to pensions totaling $2,078,560 resulting from Trust contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		Amount recognized
Fiscal year ending September 30:		
2016	$	(5,907,956)
2017		(5,907,954)
2018		(5,907,954)
2019		4,576,879
2020		(261,975)
Thereafter		(98,176)
Total	$	(13,507,136)

Actuarial assumptions. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation date calculated on the assumptions listed below:

Valuation date	July 1, 2015
Measurement date	June 30, 2015
Discount rate	7.65%
Long-term expected rate of return net of investment expense	7.65
Inflation	2.60
Salary increase, including inflation	3.25
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2015 were based on the results of an actuarial experience study for the period ended July 1, 2008 through June 30, 2013.

The changes in actuarial assumptions for demographic and economic assumptions (all of the above assumptions except actuarial cost methods) correspond to changes in the same assumptions in the FRS actuarial study for funding purposes. These changes were approved in October 2015 at the FRS Actuarial Assumptions Conference. The changes are explained below:

- The discount rate and long-term expected rate of return, net of investment expense were both at 7.65%.
- The assumed inflation rate was 2.60% in June 30, 2015 valuation.
- The salary increase assumption, including inflation was 3.25%.

Long-term expected rate of return. To develop an analytical basis for the selection of the long-term expected rate of return assumption for the FRS Pension Plan, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's Capital market assumptions team and by a capital market assumptions team from Aon Hewitt consulting. The table below shows resulting Milliman assumptions for each of the asset classes in which the FRS pension plan was invested based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market model. The expected real rate of return is presented in arithmetic means.

Asset class	**Target allocation**	**Annual arithmetic of return**
Cash	1.00%	3.2%
Fixed income	18.00	4.8
Global equity	53.00	8.5
Strategic investment	12.00	6.7
Private equity	6.00	11.9
Real estate (property)	10.00	6.8
Total	100.00%	

Discount rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65% and was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Trust's proportionate share of the net position liability to changes in the discount rate. The following presents the Trust's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.65%. Also presented is what the Trust's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease (6.65)%	**Current discount rate** (7.65)%	**1% Increase** (8.65)%
Trust's proportioned share of the FRS Pension Plan net pension liability	$ 137,908,977	53,221,513	(17,252,367)

Pension Plan fiduciary net position. Detailed information about FRS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399, by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (http://www.dms.myflorida.com).

General Information about the Health Insurance Subsidy (HIS)

HIS plan description. The HIS Pension is a cost-sharing multiple-employer defined-benefit pension plan established under Section 112.363, Florida Statutes to provide a monthly payment to assist retirees and beneficiaries of any state-administered retirement system.

HIS benefits provided. The benefit of the HIS Pension Plan is a monthly payment to assist retirees in paying their health insurance costs. This plan is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation.

Eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service complete at the time of retirement multiplied by $5. The payments are a minimum of $30 but not more than $150 monthly per Florida Statutes 112.263.

HIS Contributions. The HIS Pension Plan is funded by required contributions from FRS participating employers. The funds are deposited in a separate trust fund and consequently paid from that trust fund. Employer contributions are a percentage of gross compensation for all FRS members. For the fiscal year ended September 30, 2015, the contribution rate was 1.66% of payroll per Florida Statutes 112.363. Employees do not contribute to this plan.

The Trust's contributions to the HIS Pension Plan totaled approximately $2,058,000 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS Pensions

At September 30, 2015, the Trust reported a liability of approximately $51,980,000 for its proportionate share of the HIS Pension net pension liability. The net pension liability as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the July 1, 2014. The July 1, 2014 HIS valuation is the most recent actuarial valuation which was used to develop the liabilities at June 30, 2015. The Trust's proportionate share of the net pension liability was based on a projection of the Trust's long-term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2015. At June 30, 2015, the Trust's proportionate share was 0.5097%, which was a decrease of 10.1% from its proportionate share of 0.5668% measured as of June 30, 2014.

For the year ended September 30, 2015, the Trust recognized pension expense of approximately $2,421,000 for the HIS Pension Plan. At September 30, 2015, the Trust reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

		Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$	—	—
Changes in assumptions		4,089,436	—
Net difference between projected and actual earnings on pension plan investments		28,138	—
Changes in proportion and differences between Trust contributions and proportionate share of contributions		—	(8,264,748)
Trust contributions subsequent to the measurement date		561,738	—
Total	$	4,679,312	(8,264,748)

The deferred outflows of resources related to pensions totaling $561,738 resulting from Trust contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported for the HIS Pension Plan as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Fiscal year ending September 30:		Amount recognized
2016	$	(739,719)
2017		(739,719)
2018		(739,719)
2019		(745,439)
2020		(748,184)
Thereafter		(434,394)
Total	$	(4,147,174)

Actuarial assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

Valuation date	July 1, 2014
Measurement date	June 30, 2015
Discount rate	3.80%
Long-Term expected rate of return net of investment expense	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.8%
Inflation	2.60
Salary increase, including inflation	3.25
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age Normal

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2015, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Long-term expected rate of return. Because the HIS Pension Plan is funded on a pay-as-you-go basis funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for that program.

Discount Rate. Because the HIS Pensions Plan uses a pay as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program.

Sensitivity of the Trust's proportionate share of the net pension liability to changes in the discount rate. The following presents the Trust's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.80%. Also presented is what the Trust's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

		1% Decrease (2.80)%	**Current discount rate** (3.80)%	**1% Increase** (4.80)%
Trust's proportioned share of the HIS Pension Plan net pension liability	$	59,228,316	51,979,583	45,935,229

Pension plan fiduciary net position. Detailed information about HIS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (http://www.dms.myflorida.com).

(b) Public Health Trust of Miami-Dade County, Florida, Defined-Benefit Retirement Plan

The Plan was created in 1996. The Plan has a calendar year-end of December 31 and does not issue stand-alone financial statements.

Defined-Benefit Retirement Plans

The Trust follows GASB Statement No. 67, *Financial Reporting for Pension Plans,* that replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan. GASB Statement No. 67 requires plans to calculate a net pension asset (liability) to be measured as the total pension liability less the amount of the pension plan's fiduciary net position.

GASB Statement No. 68 was implemented in fiscal year 2015, and required employers and nonemployer contributing entities to report their net pension liability on their financial statements. Under previous standards (GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*), the employer reports a net pension obligation (or NPO), which allows the employer to amortize the past service cost of the pension liability over a period of time. Implementing GASB Statement No. 68 resulted in a restatement of beginning net position in order to record the net pension liability (assets) at the measurement date of September 30, 2015.

While GASB Statement No. 68 changed the amount of the net pension liability (asset) that is reported on the financial statements, governments may continue to fund their plans by calculating an actuarially determined contribution and measuring their funded status as it relates to that actuarially determined contribution.

In order to provide the necessary disclosures that are required under the various GASB Statements, the disclosures below are separated into four sections. The first section, General Information about the Defined-Benefit Retirement Plan, offers disclosures about the plan itself – descriptions of the plan and who is covered; an analysis of the membership of the plan as of the end of the fiscal year; and a discussion of benefits provided, and the financial statements. The second section, Net Pension Asset (Liability) and Disclosures required by GASB Statement No. 67, provides the information that is required by GASB Statement No. 67 – the calculation of the net pension asset (liability); the actuarial assumptions and census data that were used in calculating that net pension asset (liability); the discount rate that was used in the calculations; and the sensitivity of the net pension asset (liability) to changes in the discount rate. The third section, Pension Expenses and Deferred Outflows/Inflows of Resources, required by GASB Statement No. 68, provides information about the pension expense calculation, deferred outflows and inflows balances, and current and future years amortization of the inflows and outflows balances.

(i) General Information about the Defined-Benefit Retirement Plan

Eligibility

All employees working in a full time or part time regularly established position who were hired after January 1, 1996 are covered by the Plan.

Contributions

The Trust intends to make contributions to fund the Plan at such times and in such amounts as certified by an independent actuary as being no less than amounts required to be contributed under Section 112, Florida Statutes; any actuarial gain arising under the Plan shall be used to reduce future Trust contributions to the Plan and shall not be applied to increase retirement benefits to participants. Effective April 1, 2012, all plan members were required to make a 3% pretax employee contribution.

Benefits

Benefits under the Plan vest after six years of service. The normal retirement age for employees hired before April 1, 2012 is age 62 with six years of credited service or completion of 30 years of continuous service. The normal retirement age for employees hired after March 31, 2012 is age 65 with six year of credited service or completion of 30 years of continuous service. All employees are entitled to either an annual retirement benefit payable monthly for life or one lump-sum payment. The lump-sum payment option became effective for plan members as of October 1, 2013. The Plan also provides for early retirement at reduced benefits and death and disability benefits.

Payment of Expenses

Expenses associated with administering the Plan will be paid out of the Plan’s assets unless, at the discretion of the Trust, paid by the Trust.

Plan Termination

The Trust has the right to terminate this Plan at any time. In the event of such termination, all affected participants shall be 100% vested.

(Continued)

Membership

Membership of the Plan consisted of the following at January 1, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	$	583
Terminated plan members entitled to but not yet receiving benefits		1,016
Active plan members		6,668
Total	$	8,267
Number of participating employers		1

Deposits and Investments

The Plan's investment authority is derived from the authorization of the Board and is in accordance with Florida Statute 215.47 (the Statute) and the Employment Retirement Income Security Act of 1974, as amended.

The following is a summary of the fair value of assets held in the pension trust fund at September 30, 2015:

Cash and short-term investments	$	20,341,543
Investments, at fair value:		
Domestic investments:		
Mutual funds		40,088,983
Equities		293,131,052
Corporate debt securities		33,333,563
U.S. government and agency obligations		16,409,621
Total domestic investments		382,963,219
International investments:		
Mutual funds		35,114,570
Equities		60,896,841
Corporate debt securities		8,874,187
Total international investments		104,885,598
Venture Capital and Limited Partnership		26,075,562
Hedge funds		21,080,344
Total	$	555,346,266

Credit Risk

The Plan's investment policy (the Investment Policy) is designed to minimize credit risk by restricting authorized investments to only those investments permitted by the Statute, subject to certain additional limitations. These additional limitations consist of prohibitions against investments in derivative securities, options, futures, or short positions; however, the Investment Policy allows for investments in mortgage pass-through securities. Generally, the Statute permits investments in the Florida State Board of Administration Pooled Investment account (the SBA Pool), U.S. government and agency securities, common and preferred stock of domestic and foreign corporations, repurchase agreements, commercial paper and other corporate obligations, bankers' acceptances, state or local government taxable or tax-exempt debt, real estate and real estate securities, venture capital, private equity, hedge equity, multimanager/multistrategy funds, and money market funds. With the exception of obligations directly issued or guaranteed by the U.S. government, investments in the SBA Pool, and certain state or local government debt instruments, the Statute provides limits as to the maximum portion of the Plan's portfolio that can be invested in any one investment category or issuer.

At September 30, 2015, the Plan's investment securities had the following credit ratings:

Investment type	Fair value	Credit rating*
Domestic investments:		
Mutual funds	$ 40,088,983	NR
U.S. government agency securities, by issuer:		
Federal National Mortgage Association	1,230,883	AA+
Federal National Mortgage Association	3,654,957	NR
Municipal/Provincial	324,073	AA+
U.S. Treasury bills	10,916,742	AAA**
Federal Home Loan Mortgage Corporation	282,966	AA+
Total U.S. government and agency obligations	16,409,621	
Equities – common stock	293,131,052	NR
Corporate debt securities:		
Corporate bonds	1,351,383	AAA
Corporate bonds	314,112	AA+
Corporate bonds	2,699,175	AA
Corporate bonds	693,999	AA-
Corporate bonds	1,822,127	A+
Corporate bonds	2,928,170	A
Corporate bonds	4,330,638	A-
Corporate bonds	3,667,717	BBB+
Corporate bonds	3,353,939	BBB
Corporate bonds	6,996,909	BBB-

(Continued)

Investment type		Fair value	Credit rating*
Corporate bonds	$	1,595,453	BB+
Corporate bonds		373,123	BB
Corporate bonds		902,044	BB-
Corporate bonds		491,317	B+
Corporate bonds		56,368	B
Corporate bonds		247,886	B-
Corporate bonds		209,792	CCC+
Corporate bonds		104,389	A3**
Corporate bonds		363,523	AA1**
Corporate bonds		63,314	AA3**
Corporate bonds		301,031	AAA**
Corporate bonds		255,881	Baa1**
Corporate bonds		80,161	Baa2**
Corporate bonds		131,112	NR
Total corporate debt securities		33,333,563	
International investments:			
Mutual funds		35,114,570	NR
Equities – common stock		60,896,841	NR
Corporate debt securities:			
International bonds		353,650	AA
International bonds		462,257	AA-
International bonds		1,073,667	A
International bonds		875,908	A-
International bonds		49,429	B
International bonds		871,053	BBB+
International bonds		2,361,846	BBB
International bonds		1,805,159	BBB-
International bonds		294,248	BB+
International bonds		678,579	BB
International bonds		48,391	BB-
Total corporate debt securities		8,874,187	
Venture Capital and Limited Partnership		26,075,562	NR
Hedge funds		21,080,344	NR
Cash		20,341,543	NR
Total	$	555,346,266	

* Standards and Poor's ratings
**Moody's investor services ratings

Custodial Credit Risk

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of September 30, 2015, the Plan's investment portfolio was held with a single third-party custodian.

Concentration of Credit Risk

The Investment Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Investment Policy in place at September 30, 2015 was as follows:

Asset class/style	Policy target	Allowable range
U.S. equity	38%	+/-5%
Large cap total:		80% of U.S. equity +/-5%
Passive/index management	—	20% of U.S. equity +/-5%
Growth	—	30% of U.S. equity +/-5%
Value	—	30% of U.S. equity +/-5%
Small cap total	—	20% of U.S. equity +/-5%
Non-U.S. equity	23	+/-5%
Fixed income	24	+/-5%
Alternative investments:		
High yield	7	+/-2%
Hedge fund of funds	5	+/-2%
REITs (real estate)	10	+/-3%

At September 30, 2015, the composition of the Plan's investments by investment type as a percentage of total investments was as follows:

	Percentage of portfolio
Domestic investments:	
Mutual funds	7.1%
Equities	52.8
Venture Capital and Limited Partnership	4.7
Hedge funds	3.8
Corporate debt securities	6.0
U.S. government and agency obligations	3.0
International investments:	
Mutual funds	6.3%
Equities	11.0
Corporate debt securities	1.6
Other:	
Cash and short-term investments	3.7%

There were no individual investments in excess of 5%.

Interest Rate Risk

The Plan manages its exposure to rising interest rate risk in fair value by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

As of September 30, 2015, the Plan had the following investments with the respective weighted average maturity in years:

Domestic investments:	
Corporate debt securities:	
Corporate bonds	8.24
U.S. government and agency obligations:	
Federal National Mortgage Association	26.94
Federal Home Loan Mortgage Corporation	21.49
U.S. treasury bills	0.92
Municipal/provincial	30.14
International investments:	
Corporate debt securities	5.75

Foreign Currency Risk

GASB Statement No. 40 requires governments to disclose deposits or investments exposed to foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The Plan's exposure to foreign currency risk at September 30, 2015 is as follows (in U.S. dollars):

	Currency		Fair value
International equities:			
Common stock	Canadian dollar	$	716,392
Common stock	Australian dollar		2,254,043
Common stock	Japanese yen		2,550,094
Common stock	Euros		7,987,034
Common stock	Israeli new shekel		954,744
Common stock	New Zealand dollar		344,733
Common stock	Singapore dollar		899,867
Common stock	Chinese yuan renminbi		6,078,379
Common stock	British pounds		2,375,636
		$	24,160,922
International corporate debt securities:			
Corporate bonds	Canadian dollar	$	1,284,990
Corporate bonds	Euros		1,702,168
Corporate bonds	Japanese yen		201,252
Corporate bonds	Swiss franc		289,952
Corporate bonds	Bermudian dollar		275,625
Corporate bonds	Colombian peso		252,884
Corporate bonds	Brazilian real		284,266
Corporate bonds	Mexican peso		737,485
Corporate bonds	British pounds		2,664,747
Corporate bonds	Australian dollar		435,851
Corporate bonds	Chilean peso		744,967
		$	8,874,187

In addition, at September 30, 2015, the Plan's investments include approximately $40,089,000 in mutual funds that principally invest in international stocks and other international securities. Although these mutual funds are U.S. dollar-denominated and U.S. exchange-traded, the underlying investments expose the Plan to an additional degree of foreign currency risk.

The Plan's financial statements as of and for the year ended September 30, 2015 are as follows:

Statement of fiduciary net position:		
Cash and short-term investments	$	20,341,543
Investments:		
Domestic:		
Mutual funds		40,088,983
Equities		293,131,052
Corporate debt securities		33,333,563
U.S. government securities		16,409,621
		382,963,219
International:		
Mutual funds		35,114,570
Equities		60,896,841
Corporate debt securities		8,874,187
Total international		104,885,598
Venture Capital and Limited Partnership		26,075,562
Hedge Funds		21,080,344
Total assets	$	555,346,266
Net position held in trust for employees	$	555,346,266

(Continued)

Statement of changes in fiduciary net position:		
Additions:		
Employer contributions	$	13,366,586
Employee contributions		13,885,025
Total contributions made		27,251,611
Investment income:		
Interest income		2,973,014
Dividends		5,150,604
Undistributed capital gain		131,293
Net realized and unrealized loss on pension trust fund investments		(23,816,491)
Total investment loss		(15,561,580)
Less investment expense:		
Investment managers and custodial fees		(126,132)
Net investment loss		(15,687,712)
Total additions		11,563,899
Deductions:		
Participants benefit expense		18,585,971
Administrative expenses		1,804,760
Total deductions		20,390,731
Change in net position		(8,826,832)
Net position held in trust for employees pension benefits, at beginning of year		564,173,098
Net position held in trust for employees pension benefits, at end of year	$	555,346,266

(ii) Net Pension Asset (Liability)

As a result of the adoption of GASB Statement No. 68, the Trust recorded the net pension liability as a long-term liability on the statement of net position.

The components of the net pension liability at September 30, 2015 are as follow:

Total pension liability	$	(599,734,230)
Plan fiduciary net position		555,346,266
Net pension liability	$	(44,387,964)
Plan fiduciary net position a percentage of total pension liability		92.6%

Additional information regarding changes in the net pension asset (liability) for the year ended September 30, 2015 can be found in the Required Supplementary Information section of these financial statements.

Actuarial Assumptions

The actuarial cost method is the aggregate actuarial cost method. Under this method, the excess of the present value of projected benefits over the actuarial value of assets is spread evenly over the expected future compensation of active participants presently under normal retirement age. Gains and losses resulting from fluctuations in Plan experience are similarly amortized as part of the normal cost. The total pension liability was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods including in the measurement:

Valuation date	January 1, 2015
Measurement date	September 30, 2015
Actuarial cost method	Aggregate
Actuarial valuation method	Market value
Inflation assumptions	2.5%
Investment rate of return	7.5%
Projected salary increases	4.0% per year for employees with less than 10 years and 3.0% for employees with more than 10 years
Assumed annual rate of cost-of-living increases	3.0% for benefits earned prior to April 1, 2012

Mortality rates are based on RP 2000 mortality table, sex-distinct, with a 25-year projection using Scale AA.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period from January 1, 2009 through January 1, 2014. Actuarial valuations attempt to estimate costs associated with the plan based on a number of demographic, economic, and retirement experience assumptions. To the extent assumptions are at variance to experience, this can result in actuarial gains and losses ultimately impacting contribution rates and the development of the actuarially required contribution. Experience studies are performed every three years to review actual experience in comparison to these assumptions and to provide recommended changes to assumptions.

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future nominal rates of return (expected returns, net of investment expense, and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. These best estimate ranges were combined to produce forecasts of the short-, intermediate-, and longer-term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of September 30, 2015 are summarized in the following table:

Asset class	Target asset allocation	Long-term expected real rate of return
Equity	61.00%	6.42%
Fixed income	24.00	2.21
Alternatives	15.00	5.38

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate of 3.0%.

Total Pension Liability

The Trust pension liability at September 30, 2015 is as follows:

Service cost	$	24,182,657
Interest cost		42,349,046
Differences between expected and actual experience		7,585,736
Benefit payments, including refunds of member contributions		(18,585,971)
Total change in pension liability		55,531,468
Total pension liability, beginning of year		544,202,762
Total pension liability, end of year	$	599,734,230

Discount Rate

The discount rate used to measure the net pension liability was 7.5% at September 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current Plan members, through the fiscal year ending September 30, 2019. Therefore, a blended rate incorporating a municipal bond rate is not needed.

The annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expenses for the year ended September 30, 2015 was (2.76)%. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rates determined above, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

One-percent decrease:		
Discount rate		6.5%
Net pension liability	$	(146,800,516)
Net pension asset (liability), as reported:		
Discount rate		7.5%
Net pension liability	$	(44,387,964)
On-percent increase:		
Discount rate		8.5%
Net pension asset (liability)	$	38,811,733

Funding Policy

The Trust's funding policy provides for actuarially determined rates deemed sufficient to pay benefits as due; the rate was 5.86% at January 1, 2015, of covered payroll. Effective April 1, 2012, employees were required to contribute 3% of the required contribution, thus the employer contribution rate was 2.86% for the year ended September 30, 2015. The assumptions used to compute the contribution requirements are the same as those used to compute pension benefits earned. The Trust has traditionally contributed the annual required contribution.

(iii) Pension Expenses and Deferred Outflows (Inflows) of Resources

In accordance with GASB Statement No. 68, changes in the net pension liability are recognized in pension expenses in the current measurement period, with some exceptions. For each of the following, a portion is recognized in pension expense in the current measurement period, for which the Trust decided to use a measurement date of September 30, 2015, and the balance is amortize as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years.

Pension Expense

Service cost	$	24,182,657
Interest cost		42,349,046
Expected return on assets		(42,899,952)
Recognition of deferred amounts		12,901,679
Pension expense	$	36,533,430

Contributions to the pension plan from employees are not included in collective pension expense.

Deferred Inflows/Outflows of Resources

A summary of changes in deferred outflows and deferred inflows of resources during fiscal year 2015 is as follows:

	Year of of deferral	Amortiza-tion period		Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
Deferred outflows of resources:							
Difference in expected and actual return on assets	2015	5 years	$	—	60,392,423	(12,078,485)	48,313,938
Liability experience (gain) loss	2015	9.215 years		—	7,585,736	(823,194)	6,762,542
Total			$	—	67,978,159	(12,901,679)	55,076,480

(Continued)

Amounts of Deferred Outflows and Inflows to be recognized in pension expense

		Amount recognized
Fiscal year ending September 30:		
2016	$	12,901,679
2017		12,901,679
2018		12,901,679
2019		12,901,679
2020		823,194
Thereafter		2,646,570
Total	$	55,076,480

(16) Postemployment Benefits Other than Pensions

(a) Plan Description

The Trust administers a single-employer defined-benefit healthcare plan (the Benefit Plan) that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the Trust's group health insurance plan, which covers both active and retired members. The Benefit Plan does not issue a publicly available financial report.

Eligibility – To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the System or the Benefit Plan and pay required contributions.

Regular class (all employees not identified as members of the special risk class):

- Eligibility for unreduced pension benefits
  - Age 62 with 6 years of service if eligible prior to April 2012
  - Age 65 with 6 years of service if eligible following April 2012
  - 30 years of service (no age requirement)
- Eligibility for reduced pension benefits
  - 6 years of service

Benefits – The medical plans offered provide hospital, medical, and pharmacy coverage. Pre-65 retirees are able to select from the medical plans as follows:

- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option

- AvMed Select HMO

Post-65 retirees are able to select from the medical plans as follows. The Trust only contributes to post-65 retirees electing an AvMed Medicare Supplement Plan.

- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement Low Option with RX
- AvMed Medicare Supplement High Option without RX

Participation in the Benefit Plan consisted of the following at October 1, 2014, the date of the latest actuarial valuation:

Actives	$	7,610
Eligible spouses age 65 and over		26
Eligible spouses under age 65		68
Retirees age 65 and over		95
Retirees under age 65		509
Total covered participants	$	8,308

(b) Funding Policy

The Trust contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the Trust explicitly contributed an average of 15% of the cost for the AvMed POS plan and 33% for the AvMed HMO High and AvMed HMO Low plans. The JMH HMO plans receive no explicit contribution. However, it is the Trust's policy that after fiscal year 2008 its per capita contribution for retiree healthcare benefits will remain at the 2008-dollar level.

The pre-65 retirees also receive an implicit subsidy from the Trust since they are underwritten with the active employees. The implicit contribution is approximately 3% of the cost. The pre-65 cost is approximately 37% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier, with the Trust contributing an average of 30% of the entire plan cost.

For the year ended September 30, 2015, the Trust contributed approximately $7,430,000 to the Benefit Plan.

The postretirement medical and dental benefits are currently funded on a pay-as-you-go basis (i.e., the Trust funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits.

(Continued)

(c) Annual OPEB Cost and Net OPEB Obligation

The Trust's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The Trust's annual OPEB cost for fiscal year 2015, and related information, is as follows (dollar amounts in thousands):

Annual required contribution	$	5,390
Interest on net OPEB obligation		325
Amortization of net OPEB obligation		(331)
Annual OPEB cost		5,384
Contributions made		7,430
Decrease in net OPEB obligation		(2,046)
Net OPEB obligation – beginning of year		7,383
Net OPEB obligation – end of year	$	5,337

The Trust's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years 2015, 2014, and 2013 are as follows (dollar amounts in thousands):

Fiscal year ended		**Annual OPEB cost**	**Percentage of annual OPEB cost contributed**		**Net OPEB obligation**
September 30, 2015	$	5,384	138.00%	$	5,337
September 30, 2014		5,268	124.24		7,383
September 30, 2013		5,602	88.81		8,660

(d) Funded Status and Funding Progress

The table below shows the balance of the AAL, all of which was unfunded as of September 30, 2015 (dollar amounts in thousands) (unaudited):

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Estimated annual covered payroll (c)	UAAL as percentage of covered payroll ((b-a)/c)
October 1, 2014	$ —	68,543	68,543	—%	$ 506,411	13.54%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the Trust are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(e) Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Trust and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Starting in 2014 due to the Patient Protection and Affordable Care Act, the individuals who fail to maintain coverage face financial penalties. Due to these penalties, it is possible that more retirees will elect to stay on the PHT plan. However, the exchanges are expected to be a more attractive offer for some retirees, so the actuarial analysis made no changes to the pre-65 participation assumption.

The actuarial-cost method used in the valuation to determine the AAL and the ARC was the projected unit credit method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant’s total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant’s actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal costs were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

(Continued)

The following table summarizes other significant methods and assumptions used in valuing the AAL and benefits under the Plan:

Actuarial valuation date	October 1, 2013 projected to October 1, 2014
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Actuarial assumptions:	
Discount rate	4.4%
Payroll growth assumption	3.5
Healthcare cost trend rates	7.5% initial to 5% ultimate
Mortality table	RP 2000 projected to 2020

Furthermore, the valuation assumes that the Trust will continue to fund the liability on a pay-as-you-go basis and that the Trust's policy is that its per capita contribution for retiree benefits will remain at the 2008 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed Trust contributions.

(17) Commitments and Contingencies

(a) Construction and Equipment

The Trust has several construction projects currently in progress at September 30, 2015. The estimated total cost to complete such projects, exclusive of capitalized interest, is approximately $26,939,000.

(b) Annual Operating Agreement

In accordance with the annual operating agreement between the Trust and the University of Miami (the University), the Trust pays certain amounts for staff and services provided by the University to the Trust. Under the annual operating agreement, costs incurred by the Trust for the year ended September 30, 2015 was approximately $126,028,000, and are included in contractual and purchased services in the accompanying statements of revenues, expenses, and changes in net position. At September 30, 2015, the Trust had a liability to the University related to the annual operating agreement of approximately $29,993,000. In fiscal year 2012, the Trust and the University entered into an agreement for the payment of an old debt. In the agreement, a lease rental property was renegotiated. At September 30, 2015, the Trust had a deferred revenue balance in current liability of $189,000 and a balance of $11,922,000 in due to University of Miami in other long-term liabilities in the accompanying statement of net position.

(c) Litigation

The Trust is involved in litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Trust's financial position, results from operations, or liquidity.

(d) Healthcare Industry

The healthcare industry is highly regulated, and there can be no assurance that the regulatory environment in which the Trust operates will not change significantly and adversely in the future. In general, regulation of healthcare providers and companies is increasing.

Federal and state laws regulate the healthcare industry, the relationship between hospitals and physicians, and the relationship among physicians and other providers of healthcare services.

Several laws, including fee-splitting, anti-kickbacks laws, and prohibition of the corporate practice of medicine, have civil and criminal penalties and have been subject to limited judicial and regulatory interpretation. They are enforced by regulatory agencies vested with broad discretion in interpreting them. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Although the Trust believes that its operations are conducted so as to comply with all of the applicable laws, there can be no assurance such operations will not be challenged to be in violation of one or more of such laws.

There have been numerous initiatives at the federal and state levels for comprehensive reforms affecting the availability of, and payment for, healthcare. The Trust believes that such initiatives will continue during the foreseeable future. Certain proposed reforms could, if adopted, have a material effect on the Trust.

(18) Subsequent Events

The Trust is moving forward with its plan to open in fiscal year 2016 a network of urgent care centers to bring Jackson’s world-class medicine to communities throughout Miami-Dade. Four sites have been approved in North Miami, Country Walk, South Beach, and Cutler Bay. Jackson leadership has been working to strategically identify locations for the urgent care centers – focusing on areas that lack access to the existing Jackson network of hospitals or areas, which are underserved by urgent-care facilities, or are heavily populated with excess demand. The Trust is expecting to increase volumes and patient revenues with these additions of urgent care centers throughout Miami-Dade County.

In fiscal year 2015, the Trust acquired a 27.3-acre site at 7800 N.W. 29th Street to build the Jackson West facility. The Agency for Health Care Administration (AHCA) approved the certificate of need from the Trust to transfer 100 licensed unused beds from the main hospital to Jackson West. Within the plans for the Jackson West facility, management of the Trust is planning to open an outpatient facility on the site, including an emergency room and a pediatric care center.

On March 31, 2016, the Plan submitted a corrective action plan to the OIR explaining the reasons why the Plan did not meet the 2% revenue margin requirement. The corrective action plan includes operational changes and reduction of the administrative overhead until the Plan is authorized by the OIR to relinquish the HMO certificate. The Plan communicated to the OIR the explanation of the upcoming net losses.

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Florida Retirement System Pension Information

Schedule of Employer Contributions (Unaudited)

Last 10 Fiscal Years*

September 30, 2015

		2015
Contractually required contribution	$	10,046,078
Contributions in relation to the contractually required contribution		(10,046,078)
Contribution deficiency (excess)	$	—
Trust's covered-employee payroll	$	134,846,937
Contributions as a percentage of covered-employee payroll		7.45%

* The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Florida Retirement System Pension Information

Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios (Unaudited)

Last 10 Fiscal Years*

September 30, 2015

		2015
Employer's proportion of the net pension liability		0.4121%
Proportion of the pension liability:		
Trust's proportionate share of the net pension liability	$	53,221,513
Trust's covered payroll		134,846,937
Trust's proportionate share of the pension liability as a percentage of its covered-employee payroll		39.47%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

* The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

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See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

A Department of Miami-Dade County, Florida

Supplemental Health Insurance Subsidy Pension Information

Schedule of Employer Contributions (Unaudited)

Last 10 Fiscal Years*

September 30, 2015

		2015
Contractually required contribution	$	1,948,323
Contributions in relation to the contractually required contribution		(1,948,323)
Contribution deficiency (excess)	$	—
Trust's covered-employee payroll	$	154,639,917
Contributions as a percentage of covered-employee payroll		1.26%

* The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Supplemental Health Insurance Subsidy Pension Information

Schedule of Employer Proportionate Share of Net Pension Liability and Related Ratios (Unaudited)

Last 10 Fiscal Years*

September 30, 2015

		2015
Employer's proportion of the net pension liability		0.5097%
Proportion of the pension liability:		
Trust's proportionate share of the net pension liability	$	51,979,583
Trust's covered payroll		154,639,917
Trust's proportionate share of the pension liability as a percentage of its covered-employee payroll		33.61%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

* The amounts presented for each fiscal year were determined as of 6/30

Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedule of Employer Contributions (Unaudited)

September 30, 2015

(Dollars in thousands)

Year ended January 1,	Actuarially determined contributions	Annual required contribution	Percentage contributed	Covered payroll	Actual contribution as a percentage of covered payroll
2008	$ 34,956	34,956	100%	413,953	8.44%
2009	39,038	39,038	100	489,730	7.97
2010	42,000	42,000	100	507,365	8.28
2011	43,649	43,649	100	451,944	9.66
2012	40,363	40,363	100	439,993	9.17
2013	30,255	30,255	100	393,422	7.69
2014	24,478	24,478	100	402,411	6.08
2015	24,553	24,553	100	440,453	5.57

* Information prior to 2008 is not available.

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedule of Net Pension Asset (Liability)

September 30, 2015

September 30,		Total pension liability	Plan fiduciary net position	Net pension liability	Plan fiduciary net position as a percentage of total liability
2015	$	599,734,230	555,346,266	(44,387,964)	92.60%
2014		544,202,762	564,173,098	19,970,336	103.67

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedule of Changes in Net Pension Asset (Liability) and Related Ratios (Unaudited)

September 30, 2015

Total pension liability:		
Service cost	$	(24,182,657)
Interest		(42,349,046)
Differences between expected and actual experience		(7,585,736)
Benefit payments, including refunds of member contributions		18,585,971
Net change in total pension liability		(55,531,468)
Total pension liability, beginning of year		(544,202,762)
Total pension liability, end of year		(599,734,230)
Plan fiduciary net position:		
Contributions – employer		13,366,586
Contributions – member		13,885,025
Net investment income		(15,687,712)
Benefit payments, including refunds of member contributions		(18,585,971)
Administrative expense		(1,804,760)
Net change in plan fiduciary net position		(8,826,832)
Plan fiduciary net position, beginning of year		564,173,098
Plan fiduciary net position, end of year		555,346,266
Net pension asset (liability), end of year	$	(44,387,964)
Plan fiduciary net position as a percentage of the total pension asset (liability)		92.6%
Covered-employee payroll	$	440,453,000
Net pension asset (liability) as a percentage of covered-employee payroll		10.1%
Dollar weighted rate of return		2.76%

Notes to Schedule:
Benefit changes since September 30, 2014: None
Changes of assumptions since September 30, 2013: None

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Required Supplementary Information

Defined-Benefit Retirement Plan

Schedule of Investment Returns (Unaudited)

September 30, 2015

Annual money-weighted rate of return, net of investment expense	2.76%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Required Supplementary Information

Postemployment Benefits Other Than Pensions

Schedule of Funding Progress (Unaudited)

September 30, 2015

(Dollars in thousands)

Actuarial	Actuarial contribution assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Estimated covered payroll	UAAL as percentage of covered payroll
October 1, 2008	$ —	45,558	45,558	—	582,258	7.82%
October 1, 2009	—	55,230	55,230	—	617,718	8.94
October 1, 2010	—	59,065	59,065	—	636,249	9.28
October 1, 2011	—	61,575	61,575	—	493,981	12.47
October 1, 2012	—	62,531	62,531	—	508,800	12.29
October 1, 2013	—	70,061	70,061	—	489,286	14.32
October 1, 2014	—	68,543	68,543	—	506,411	13.54

See accompanying report of independent certified public accountants.

OTHER FINANCIAL INFORMATION

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedule of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

September 30, 2015

(Dollars in thousands)

Assets		(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Medical Towers	Eliminations	Total
Current assets:							
Cash and cash equivalents	$	217,106	8	132	133	—	217,379
Restricted cash and cash equivalents		3,802	—	—	—	—	3,802
Restricted short-term investments		8,319	—	—	—	—	8,319
Assets limited as to use		2,805	—	—	—	—	2,805
Patients' accounts receivable, less allowance for doubtful accounts of approximately $608,605		94,064	4,304	4,031	—	—	102,399
Estimated receivables due from other third-party payors		114,227	—	—	—	—	114,227
Due from Miami-Dade County		39,633	—	—	—	—	39,633
Other receivables – unrestricted		10,407	22	—	(72)	—	10,357
Other receivables – restricted		3,809	—	—	—	—	3,809
Due from restricted funds		510,232	3,013	—	199	(513,445)	(1)
Supplies		28,962	86	198	—	—	29,246
Prepaid expenses and other current assets		7,724	—	—	—	—	7,724
Total current assets		1,041,090	7,433	4,361	260	(513,445)	539,699
Assets limited as to use		35,278	—	—	—	—	35,278
Restricted long-term investments		47,425	—	—	—	—	47,425
Capital assets, net		524,845	814	3,383	4,133	—	533,175
Other assets:							
Unamortized bond costs		—	—	—	—	—	—
Other		4,273	—	—	462	—	4,735
Total noncurrent assets		611,821	814	3,383	4,595	—	620,613
Total assets	$	1,652,911	8,247	7,744	4,855	(513,445)	1,160,312
Deferred outflows of resources:							
Deferred loss on bond refunding	$	3,080	—	—	—	—	3,080
Deferred outflows – pension		89,732	—	—	—	—	89,732
Total deferred outflows of resources	$	92,812	—	—	—	—	92,812

(1) Includes Jackson Memorial Hospital, JMH Health Plan, Jackson South, Jackson North, and Community Medical Practices

(2) Includes North Dade Primary Health Care Facility, Infant Shelter, Home Health Care, Liberty City Medical Center, Downtown Family Medical Center, North Miami Center, Southeast Dental Medical Center, Corrections Health Services, and Juanita Mann Center

(3) Includes Perdue Medical Center and Human Resource Health Center

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedule of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

September 30, 2015

(Dollars in thousands)

Liabilities and Net Position (Deficit)	(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Medical Towers	Eliminations	Total
Current liabilities:						
Current portion of long-term debt	$ 8,855	—	—	—	—	8,855
Accounts payable and accrued expenses	99,790	—	—	—	—	99,790
Accrued interest payable	4,497	—	—	—	—	4,497
Accrued salaries and payroll taxes withheld	41,695	—	—	—	—	41,695
Accrued vacation and sick pay benefits	86,986	—	—	—	—	86,986
Refunds due for patient services	7,349	189	—	—	—	7,538
Current portion of estimated self-insured liability	7,022	—	—	—	—	7,022
Estimated payables due to other third-party payors	145,958	—	—	—	—	145,958
Due to Miami-Dade County	15,313	—	—	—	—	15,313
Due to University of Miami	29,994	—	—	—	—	29,994
Other – unrestricted	184,388	280,189	64,818	(7,556)	(513,445)	8,394
Other – restricted	1,774	—	—	—	—	1,774
Total current liabilities	633,621	280,378	64,818	(7,556)	(513,445)	457,816
Long-term debt, excluding current portion	326,128	—	—	—	—	326,128
Estimated self-insured liability, excluding current portion	35,207	—	—	—	—	35,207
Net pension liability	149,589	—	—	—	—	149,589
Due to University of Miami, excluding current portion	11,922	—	—	—	—	11,922
Other	6,286	—	—	—	—	6,286
Total noncurrent liabilities	529,132	—	—	—	—	529,132
Total liabilities	1,162,753	280,378	64,818	(7,556)	(513,445)	986,948
Deferred inflows of resources:						
Deferred gain on bond refunding	7,076	—	—	—	—	7,076
Deferred inflows – pension	49,669	—	—	—	—	49,669
Total deferred inflows of resources	56,745	—	—	—	—	56,745
Net position (deficit)	$ 526,225	(272,132)	(57,073)	12,411	—	209,431

See accompanying report of independent certified public accountants.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA
A Department of Miami-Dade County, Florida

Schedule by Account
Schedule of Revenues and Expenses

Year ended September 30, 2015

(Dollars in thousands)

	(1) Hospitals	(2) Primary Care Centers	(3) Skilled Nursing Facilities	Jackson Medical Towers	Eliminations	Total
Operating revenues:						
Net patient service revenue	$ 905,177	1,639	23,851	—	(4)	930,663
Other revenue	287,533	703	97	5,398	—	293,731
Grants and other	26,445	1,713	—	—	—	28,158
Total operating revenues	1,219,155	4,055	23,948	5,398	(4)	1,252,552
Operating expenses:						
Salaries and related costs	857,600	40,085	24,289	1,056	—	923,030
Contractual and purchased services	356,782	9,528	5,033	1,790	(4)	373,129
Supplies and other operating expenses	222,779	2,746	3,354	327	—	229,206
Public Medical Assistance Trust Fund assessment	10,922	—	—	—	—	10,922
Depreciation and amortization	51,035	139	478	390	—	52,042
Total operating expenses	1,499,118	52,498	33,154	3,563	(4)	1,588,329
Operating (loss) income	(279,963)	(48,443)	(9,206)	1,835	—	(335,777)
Nonoperating revenues (expenses):						
Miami-Dade County funding	147,220	—	—	—	—	147,220
Sales tax revenue	242,080	—	—	—	—	242,080
Investment income	857	—	—	—	—	857
Interest expense	(17,840)	—	—	(241)	—	(18,081)
Other income	95,779	—	—	—	—	95,779
Total nonoperating revenues (expenses), net	468,096	—	—	(241)	—	467,855
(Decrease) increase in net position	$ 188,133	(48,443)	(9,206)	1,594	—	132,078

(1) Includes Jackson Memorial Hospital, JMH Health Plan, Jackson South, Jackson North, and Community Medical Practices

(2) Includes North Dade Primary Health Care Facility, Home Health Care, Liberty City Medical Center, Downtown Family Medical Center, North Miami Center, Southeast Dental Medical Center, Corrections Health Services, and Juanita Mann Center

(3) Includes Perdue Medical Center and Human Resource Health Center

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