



QUARTERLY FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED
January 31, 2018

Memorial Healthcare System Disclosure Representative:
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Important Information

In accordance with undertakings of the South Broward Hospital District (the “Issuer”), regarding secondary market disclosure made pursuant to SEC Rule 15c2-12(b)(5)(i), by various continuing disclosure certificates, attached is the quarterly financial information (hereinafter collectively called the “Fiscal Quarter Information”) and operating data for the Fiscal quarter ended January 31, 2018. All of the information provided herein is unaudited.

The provision of this information is not intended as an offer to sell any security. It is being provided solely to comply with the contractual undertakings made by the Issuer with respect to certain outstanding obligations of the Issuer, which contractual undertaking require the provision of limited financial information and operating data with respect to the Issuer. It is not intended to be and is not an update of all of the information included in the Issuer’s prior Official Statements. Other events may have occurred since the date of the Issuer’s prior Official Statements which might be material to investors in the Issuer’s bonds including, without limitation, changes in regulation of the health care industry and certain other risk factors. No representation is made as to whether any such other events have occurred with respect to the Issuer or its outstanding debt that might be material or important to owners of the Issuer’s outstanding debt. No representation is made as to the materiality or completeness of the quarterly information contained herein and no representation is made that such information is indicative of financial or operating results of the Issuer since the end of the last fiscal year or of future financial or operating results.

In connection with the sale of each bond issue, the Issuer delivered Official Statements. Capitalized terms used herein shall have the meanings ascribed to such terms in the applicable Official Statement.

This report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and any expression of opinion contained herein are subject to change without notice, and the delivery of this report will not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or other matters described.

This report may contain additional information that is not required to be provided under the terms of the continuing disclosure undertakings entered into by the Issuer. Any such additional information is provided on a voluntary basis and may be excluded from future reports without notice.

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

Combined Balance Sheets

	January 31,	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 254,006,000	\$ 348,649,000
Investments	1,595,689,000	1,427,956,000
Designated investments for capital improvements	1,828,000	331,000
Designated investments for employee disability	18,307,000	18,101,000
Patient accounts receivable, net of estimated uncollectibles	253,518,000	250,276,000
Ad valorem taxes receivable	784,000	875,000
Inventories	34,238,000	33,157,000
Other current assets	54,422,000	96,961,000
Total current assets	2,212,792,000	2,176,306,000
Assets whose use is limited:		
Under self-insurance trust agreements	47,544,000	47,799,000
Restricted assets, net of current portion:		
Under indenture agreement	168,572,000	176,781,000
Under indenture - project funds	-	44,322,000
Total restricted assets	168,572,000	221,103,000
Capital assets, net	822,196,000	758,051,000
Other assets	34,863,000	25,021,000
Total assets	3,285,967,000	3,228,280,000
Unrealized pension contributions	38,146,000	37,855,000
Unrealized pension losses	34,259,000	45,591,000
Deferred outflows - changes in assumptions	18,479,000	22,506,000
Loss on defeasance, net	22,715,000	23,632,000
Total deferred outflows	113,599,000	129,584,000
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	70,316,000	72,666,000
Accrued compensation and payroll taxes	138,111,000	119,772,000
Estimated third-party payor settlements	36,840,000	43,386,000
Current installments of long-term debt	11,060,000	10,285,000
Current portion of capital lease obligations	743,000	2,396,000
Current portion of estimated claims liability	16,559,000	17,538,000
Other current liabilities	25,131,000	51,723,000
Total current liabilities	298,760,000	317,766,000
Long-term portion of estimated claims liability	25,184,000	28,110,000
Net pension liability	196,084,000	221,164,000
Other noncurrent liabilities	47,774,000	49,021,000
Long-term portion of capital lease obligations	301,000	541,000
Long-term debt	753,188,000	766,788,000
Total liabilities	1,321,291,000	1,383,390,000
Deferred inflows - changes in experience	1,900,000	1,375,000
Other deferred inflows	15,633,000	-
Total deferred inflows	17,533,000	1,375,000
Net position:		
Invested in capital assets, net of related debt	240,240,000	151,672,000
Restricted:		
For debt service	18,572,000	71,104,000
Unrestricted	1,801,930,000	1,750,323,000
Total net position	\$ 2,060,742,000	\$ 1,973,099,000

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

Statements of Revenue and Expenses and Changes in Net Position

	Third Quarter ended January 31,		Nine Months ended January 31,	
	2018	2017	2018	2017
Revenue:				
Net patient service revenue	\$491,364,000	\$477,414,000	\$1,426,114,000	\$1,392,136,000
Disproportionate Share Distributions	4,503,000	12,025,000	14,918,000	20,151,000
Other revenue	20,453,000	13,766,000	59,739,000	35,512,000
Total revenue	516,320,000	503,205,000	1,500,771,000	1,447,799,000
Expenses:				
Salaries and wages	243,194,000	226,448,000	711,003,000	668,976,000
Employee benefits	42,707,000	44,273,000	131,605,000	132,340,000
Professional fees	10,970,000	9,833,000	33,426,000	28,108,000
Supplies	100,137,000	86,481,000	290,619,000	249,393,000
Purchased services	29,874,000	28,336,000	87,777,000	84,718,000
Facilities	19,465,000	18,080,000	58,815,000	53,722,000
Depreciation and amortization	22,150,000	20,275,000	66,312,000	65,000,000
Other	19,601,000	23,468,000	64,789,000	59,626,000
Total expenses	488,098,000	457,194,000	1,444,346,000	1,341,883,000
Income (loss) from operations	28,222,000	46,011,000	56,425,000	105,916,000
Nonoperating gains (losses), net *	(13,728,000)	(17,646,000)	(12,901,000)	(17,657,000)
Income before capital contributions and grants	14,494,000	28,365,000	43,524,000	88,259,000
Capital contributions and grants	(720,000)	1,378,000	351,000	2,111,000
Increase in net position	13,774,000	29,743,000	43,875,000	90,370,000
Net position at the beginning of the period	2,046,968,000	1,943,356,000	2,016,867,000	1,882,729,000
Net position at the end of the period	\$2,060,742,000	\$1,973,099,000	\$2,060,742,000	\$1,973,099,000
Net Margin	2.8%	5.6%	2.9%	6.1%

* Includes interest expense as follows: (7,890,000) (9,710,000) (23,638,000) (26,155,000)

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

**Combining Statement of Revenue and Expenses
Quarter ended January 31, 2018**

	Memorial Regional Hospital	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:											
Net patient service revenue	\$187,197,000	\$64,422,000	\$134,754,000	\$35,745,000	\$48,093,000	\$2,416,000	\$1,512,000	\$617,000	\$16,279,000	\$329,000	\$491,364,000
Disproportionate share distributions	1,601,000	63,000	1,274,000	1,062,000	447,000	-	-	-	-	56,000	4,503,000
Other revenue	3,012,000	363,000	755,000	168,000	242,000	10,000	-	2,333,000	1,038,000	12,532,000	20,453,000
Total revenue	191,810,000	64,848,000	136,783,000	36,975,000	48,782,000	2,426,000	1,512,000	2,950,000	17,317,000	12,917,000	516,320,000
Expenses:											
Salaries and wages	79,509,000	21,276,000	44,667,000	15,774,000	17,396,000	2,376,000	1,299,000	2,710,000	28,790,000	29,397,000	243,194,000
Employee benefits	15,140,000	3,980,000	8,485,000	3,015,000	3,360,000	509,000	235,000	477,000	3,027,000	4,479,000	42,707,000
Professional fees	3,580,000	667,000	2,404,000	900,000	889,000	27,000	-	396,000	12,000	2,095,000	10,970,000
Supplies	43,900,000	8,514,000	24,239,000	5,396,000	5,711,000	441,000	44,000	148,000	559,000	11,185,000	100,137,000
Purchased services	2,928,000	1,140,000	5,594,000	2,412,000	1,893,000	269,000	71,000	1,001,000	566,000	14,000,000	29,874,000
Facilities	6,195,000	1,601,000	2,660,000	2,356,000	1,439,000	124,000	26,000	310,000	1,586,000	3,168,000	19,465,000
Depreciation and amortization	7,277,000	2,543,000	3,478,000	958,000	1,667,000	95,000	7,000	8,000	827,000	5,290,000	22,150,000
Other	5,300,000	1,556,000	3,888,000	999,000	1,122,000	52,000	79,000	60,000	1,176,000	5,369,000	19,601,000
Intrasystem allocation	24,484,000	6,414,000	16,245,000	5,130,000	5,686,000	159,000	66,000	198,000	695,000	(59,077,000)	-
Total expenses	188,313,000	47,691,000	111,660,000	36,940,000	39,163,000	4,052,000	1,827,000	5,308,000	37,238,000	15,906,000	488,098,000
Income (loss) from operations	3,497,000	17,157,000	25,123,000	35,000	9,619,000	(1,626,000)	(315,000)	(2,358,000)	(19,921,000)	(2,989,000)	28,222,000
Nonoperating gains (losses), net	(2,288,000)	(871,000)	(876,000)	(102,000)	(481,000)	(1,000)	1,000	-	(23,000)	(9,087,000)	(13,728,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$1,209,000	\$16,286,000	\$24,247,000	(\$67,000)	\$9,138,000	(\$1,627,000)	(\$314,000)	(\$2,358,000)	(\$19,944,000)	(\$12,076,000)	\$14,494,000

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, Outpatient Pharmacy Services, Urgent Care Centers, and Eliminations

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

**Combining Statement of Revenue and Expenses
Quarter ended January 31, 2017**

	Memorial Regional Hospital	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:											
Net patient service revenue	\$176,965,000	\$61,928,000	\$132,755,000	\$36,770,000	\$49,122,000	\$2,561,000	\$1,560,000	\$790,000	\$14,902,000	\$61,000	\$477,414,000
Disproportionate share distributions	15,276,000	(575,000)	(1,833,000)	(60,000)	(1,045,000)	-	-	-	-	262,000	12,025,000
Other revenue	4,999,000	352,000	1,436,000	552,000	507,000	11,000	-	1,809,000	726,000	3,374,000	13,766,000
Total revenue	197,240,000	61,705,000	132,358,000	37,262,000	48,584,000	2,572,000	1,560,000	2,599,000	15,628,000	3,697,000	503,205,000
Expenses:											
Salaries and wages	75,981,000	20,621,000	41,761,000	15,174,000	16,659,000	2,240,000	1,303,000	2,763,000	24,660,000	25,286,000	226,448,000
Employee benefits	14,934,000	4,067,000	8,290,000	3,101,000	3,308,000	528,000	267,000	470,000	2,950,000	6,358,000	44,273,000
Professional fees	3,213,000	592,000	1,483,000	893,000	768,000	23,000	-	706,000	(88,000)	2,243,000	9,833,000
Supplies	41,366,000	8,262,000	20,877,000	5,281,000	5,673,000	463,000	166,000	607,000	534,000	3,252,000	86,481,000
Purchased services	3,716,000	1,107,000	4,195,000	2,282,000	1,729,000	272,000	192,000	1,263,000	529,000	13,051,000	28,336,000
Facilities	5,921,000	1,335,000	2,437,000	2,062,000	1,413,000	89,000	31,000	278,000	1,522,000	2,992,000	18,080,000
Depreciation and amortization	6,449,000	2,623,000	3,455,000	989,000	1,636,000	69,000	6,000	8,000	678,000	4,362,000	20,275,000
Other	6,403,000	2,095,000	3,402,000	1,081,000	1,413,000	84,000	107,000	101,000	1,009,000	7,773,000	23,468,000
Intrasystem allocation	23,883,000	7,486,000	16,705,000	4,969,000	5,499,000	189,000	66,000	241,000	787,000	(59,825,000)	-
Total expenses	181,866,000	48,188,000	102,605,000	35,832,000	38,098,000	3,957,000	2,138,000	6,437,000	32,581,000	5,492,000	457,194,000
Income (loss) from operations	15,374,000	13,517,000	29,753,000	1,430,000	10,486,000	(1,385,000)	(578,000)	(3,838,000)	(16,953,000)	(1,795,000)	46,011,000
Nonoperating gains (losses), net	(3,624,000)	(920,000)	(1,756,000)	(161,000)	(691,000)	(1,000)	-	1,000	(34,000)	(10,460,000)	(17,646,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$11,750,000	\$12,597,000	\$27,997,000	\$1,269,000	\$9,795,000	(\$1,386,000)	(\$578,000)	(\$3,837,000)	(\$16,987,000)	(\$12,255,000)	\$28,365,000

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, Specialty Pharmacy, Urgent Care Centers, and Eliminations

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

**Combining Statement of Revenue and Expenses
Nine Months ended January 31, 2018**

	Memorial Regional Hospital	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:											
Net patient service revenue	\$543,016,000	\$187,760,000	\$387,625,000	\$105,355,000	\$140,729,000	\$7,577,000	\$4,415,000	\$1,587,000	\$47,433,000	\$617,000	\$1,426,114,000
Disproportionate share distributions	8,168,000	52,000	3,572,000	2,325,000	494,000	-	-	-	-	307,000	14,918,000
Other revenue	7,944,000	926,000	2,229,000	527,000	748,000	27,000	-	7,124,000	2,672,000	37,542,000	59,739,000
Total revenue	559,128,000	188,738,000	393,426,000	108,207,000	141,971,000	7,604,000	4,415,000	8,711,000	50,105,000	38,466,000	1,500,771,000
Expenses:											
Salaries and wages	234,146,000	63,393,000	129,601,000	46,859,000	50,942,000	6,914,000	3,689,000	7,824,000	82,455,000	85,180,000	711,003,000
Employee benefits	45,985,000	13,031,000	25,816,000	9,215,000	10,317,000	1,552,000	710,000	1,398,000	7,802,000	15,779,000	131,605,000
Professional fees	10,900,000	2,127,000	6,603,000	2,746,000	2,624,000	68,000	1,000	1,403,000	32,000	6,922,000	33,426,000
Supplies	125,043,000	28,272,000	70,828,000	16,977,000	16,877,000	1,294,000	116,000	445,000	1,747,000	29,020,000	290,619,000
Purchased services	10,027,000	3,561,000	14,574,000	6,863,000	5,290,000	860,000	181,000	2,922,000	1,486,000	42,013,000	87,777,000
Facilities	18,991,000	5,052,000	8,048,000	6,942,000	4,414,000	383,000	80,000	957,000	4,819,000	9,129,000	58,815,000
Depreciation and amortization	21,403,000	7,634,000	10,317,000	2,991,000	5,050,000	280,000	21,000	25,000	2,281,000	16,310,000	66,312,000
Other	17,459,000	5,126,000	10,483,000	3,113,000	3,517,000	232,000	239,000	313,000	2,946,000	21,361,000	64,789,000
Intrasystem allocation	72,816,000	19,006,000	48,142,000	15,245,000	16,909,000	445,000	183,000	556,000	1,882,000	(175,184,000)	-
Total expenses	556,770,000	147,202,000	324,412,000	110,951,000	115,940,000	12,028,000	5,220,000	15,843,000	105,450,000	50,530,000	1,444,346,000
Income (loss) from operations	2,358,000	41,536,000	69,014,000	(2,744,000)	26,031,000	(4,424,000)	(805,000)	(7,132,000)	(55,345,000)	(12,064,000)	56,425,000
Nonoperating gains (losses), net	(6,514,000)	(2,627,000)	(2,901,000)	(305,000)	(1,458,000)	(2,000)	-	(1,000)	(70,000)	977,000	(12,901,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	(\$4,156,000)	\$38,909,000	\$66,113,000	(\$3,049,000)	\$24,573,000	(\$4,426,000)	(\$805,000)	(\$7,133,000)	(\$55,415,000)	(\$11,087,000)	\$43,524,000

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, Outpatient Pharmacy Services, Urgent Care Centers, and Eliminations

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

**Combining Statement of Revenue and Expenses
Nine Months ended January 31, 2017**

	Memorial Regional Hospital	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:											
Net patient service revenue	\$530,820,000	\$182,665,000	\$383,844,000	\$98,928,000	\$137,376,000	\$7,614,000	\$4,804,000	\$2,152,000	\$43,780,000	\$153,000	\$1,392,136,000
Disproportionate share distributions	18,918,000	1,982,000	(907,000)	227,000	(692,000)	-	-	-	-	623,000	20,151,000
Other revenue	12,551,000	831,000	2,867,000	849,000	973,000	32,000	-	5,896,000	2,106,000	9,407,000	35,512,000
Total revenue	562,289,000	185,478,000	385,804,000	100,004,000	137,657,000	7,646,000	4,804,000	8,048,000	45,886,000	10,183,000	1,447,799,000
Expenses:											
Salaries and wages	225,706,000	61,091,000	123,497,000	44,248,000	48,540,000	6,632,000	3,774,000	8,176,000	71,580,000	75,732,000	668,976,000
Employee benefits	46,156,000	12,226,000	24,858,000	9,251,000	9,864,000	1,585,000	788,000	1,376,000	7,655,000	18,581,000	132,340,000
Professional fees	8,977,000	2,182,000	4,499,000	2,243,000	1,974,000	75,000	1,000	2,207,000	(218,000)	6,168,000	28,108,000
Supplies	119,434,000	24,564,000	61,043,000	14,269,000	15,989,000	1,323,000	527,000	1,787,000	1,468,000	8,989,000	249,393,000
Purchased services	12,382,000	3,216,000	12,203,000	6,645,000	4,969,000	893,000	529,000	3,801,000	1,605,000	38,475,000	84,718,000
Facilities	17,326,000	4,088,000	7,310,000	6,388,000	4,240,000	254,000	110,000	901,000	4,216,000	8,889,000	53,722,000
Depreciation and amortization	19,814,000	8,216,000	10,422,000	3,077,000	4,875,000	227,000	17,000	28,000	1,787,000	16,537,000	65,000,000
Other	18,217,000	5,794,000	9,746,000	2,916,000	3,745,000	229,000	281,000	317,000	2,674,000	15,707,000	59,626,000
Intrasystem allocation	69,725,000	21,525,000	48,644,000	14,492,000	16,115,000	548,000	190,000	652,000	2,106,000	(173,997,000)	-
Total expenses	537,737,000	142,902,000	302,222,000	103,529,000	110,311,000	11,766,000	6,217,000	19,245,000	92,873,000	15,081,000	1,341,883,000
Income (loss) from operations	24,552,000	42,576,000	83,582,000	(3,525,000)	27,346,000	(4,120,000)	(1,413,000)	(11,197,000)	(46,987,000)	(4,898,000)	105,916,000
Nonoperating gains (losses), net	(8,941,000)	(2,665,000)	(4,967,000)	(405,000)	(2,121,000)	(3,000)	(1,000)	4,000	(101,000)	1,543,000	(17,657,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$15,611,000	\$39,911,000	\$78,615,000	(\$3,930,000)	\$25,225,000	(\$4,123,000)	(\$1,414,000)	(\$11,193,000)	(\$47,088,000)	(\$3,355,000)	\$88,259,000

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, Specialty Pharmacy, Urgent Care Centers, and Eliminations