



QUARTERLY FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED
January 31, 2017

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, 2017. 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,	
	2017	2016 (*)
Assets		
Current assets:		
Cash and cash equivalents	\$ 348,649,000	\$ 533,013,000
Investments	1,427,956,000	1,161,818,000
Designated investments for capital improvements	331,000	640,000
Designated investments for employee disability	18,101,000	18,056,000
Patient accounts receivable, net of estimated uncollectibles	250,276,000	201,132,000
Ad valorem taxes receivable	875,000	872,000
Inventories	33,157,000	29,591,000
Other current assets	96,961,000	58,559,000
Total current assets	2,176,306,000	2,003,681,000
Assets whose use is limited:		
Under self-insurance trust agreements	47,799,000	47,408,000
Restricted assets, net of current portion:		
Under indenture agreement	176,781,000	11,483,000
Under indenture - project funds	44,322,000	51,599,000
Externally restricted by donors	-	48,000
Total restricted assets	221,103,000	63,130,000
Capital assets, net	758,051,000	724,016,000
Other assets	25,021,000	21,628,000
Total assets	3,228,280,000	2,859,863,000
Unrealized Pension Contributions	37,855,000	33,764,000
Unrealized Pension Losses	45,591,000	-
Deferred Outflows - Changes in Assumptions	22,506,000	-
Other Deferred Outflows	23,632,000	14,331,000
Total Deferred Outflows	129,584,000	48,095,000
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	72,666,000	64,704,000
Accrued compensation and payroll taxes	119,772,000	105,890,000
Estimated third-party payor settlements	43,386,000	12,308,000
Current installments of long-term debt	10,285,000	5,650,000
Current portion of capital lease obligations	2,396,000	2,392,000
Current portion of estimated claims liability	17,538,000	15,638,000
Other current liabilities	51,723,000	31,721,000
Total current liabilities	317,766,000	238,303,000
Long-term portion of estimated claims liability	28,110,000	26,388,000
Net Pension Liability	221,164,000	151,813,000
Other noncurrent liabilities	49,021,000	50,125,000
Long-term portion of capital lease obligations	541,000	2,876,000
Long-term debt	766,788,000	606,704,000
Total liabilities	1,383,390,000	1,076,209,000
Deferred Inflows - Changes in Experience	1,375,000	-
Total Deferred Inflows	1,375,000	-
Net position:		
Invested in capital assets, net of related debt	151,672,000	120,724,000
Restricted:		
For debt service	71,104,000	63,082,000
By donors	-	48,000
Unrestricted	1,750,323,000	1,647,895,000
Total net position	\$ 1,973,099,000	\$ 1,831,749,000

(*) Restated to reflect adoption of GASB Statements No. 68 and 71 for comparability purposes.

**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,	
	2017	2016 (*)	2017	2016 (*)
Revenue:				
Net patient service revenue	\$477,414,000	\$460,238,000	\$1,392,136,000	\$1,335,188,000
Disproportionate Share Distributions	12,025,000	11,732,000	20,151,000	35,499,000
Other revenue	13,766,000	11,952,000	35,512,000	35,134,000
Total revenue	503,205,000	483,922,000	1,447,799,000	1,405,821,000
Expenses:				
Salaries and wages	226,448,000	213,541,000	668,976,000	616,898,000
Employee benefits	44,273,000	41,916,000	132,340,000	118,689,000
Professional fees	9,833,000	11,422,000	28,108,000	33,852,000
Supplies	86,481,000	76,691,000	249,393,000	225,207,000
Purchased services	28,336,000	26,580,000	84,718,000	79,799,000
Facilities	18,080,000	16,750,000	53,722,000	53,234,000
Depreciation and amortization	20,275,000	24,711,000	65,000,000	76,764,000
Other	23,468,000	18,322,000	59,626,000	51,947,000
Total expenses	457,194,000	429,933,000	1,341,883,000	1,256,390,000
Income (loss) from operations	46,011,000	53,989,000	105,916,000	149,431,000
Nonoperating gains (losses), net (**)	(17,646,000)	1,877,000	(17,657,000)	(12,320,000)
Income before capital contributions and grants	28,365,000	55,866,000	88,259,000	137,111,000
Capital contributions and grants	1,378,000	644,000	2,111,000	644,000
Increase in net position	29,743,000	56,510,000	90,370,000	137,755,000
Net position at the beginning of the period	1,943,356,000	1,775,239,000	1,882,729,000	1,693,994,000
Net position at the end of the period	\$1,973,099,000	\$1,831,749,000	\$1,973,099,000	\$1,831,749,000
Net Margin	5.6%	11.5%	6.1%	9.8%

(*) Restated to reflect adoption of GASB Statements No. 68 and 71 for comparability purposes.

(**) Includes interest expense as follows: (\$9,710,000) (\$8,792,000) (\$26,155,000) (\$23,276,000)

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

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

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$238,893,000	\$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	14,701,000	(1,833,000)	(60,000)	(1,045,000)	-	-	-	-	262,000	12,025,000
Other revenue	5,351,000	1,436,000	552,000	507,000	11,000	-	1,809,000	726,000	3,374,000	13,766,000
Total revenue	258,945,000	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	96,602,000	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	19,001,000	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	3,805,000	1,483,000	893,000	768,000	23,000	-	706,000	(88,000)	2,243,000	9,833,000
Supplies	49,628,000	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	4,823,000	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	7,256,000	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	9,072,000	3,455,000	989,000	1,636,000	69,000	6,000	8,000	678,000	4,362,000	20,275,000
Other	8,498,000	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	31,369,000	16,705,000	4,969,000	5,499,000	189,000	66,000	241,000	787,000	(59,825,000)	-
Total expenses	230,054,000	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	28,891,000	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	(4,544,000)	(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	\$24,347,000	\$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
Quarter ended January 31, 2016**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$241,297,000	\$125,043,000	\$30,663,000	\$45,384,000	\$2,559,000	\$1,651,000	\$438,000	\$13,203,000	-	\$460,238,000
Disproportionate share distributions	9,372,000	1,397,000	431,000	532,000	-	-	-	-	-	11,732,000
Other revenue	4,101,000	1,088,000	595,000	505,000	11,000	-	2,030,000	708,000	2,914,000	11,952,000
Total revenue	254,770,000	127,528,000	31,689,000	46,421,000	2,570,000	1,651,000	2,468,000	13,911,000	2,914,000	483,922,000
Expenses:										
Salaries and wages	91,586,000	40,212,000	14,263,000	15,731,000	2,096,000	1,229,000	2,409,000	22,030,000	23,985,000	213,541,000
Employee benefits	18,087,000	7,859,000	2,846,000	3,142,000	487,000	245,000	419,000	2,461,000	6,370,000	41,916,000
Professional fees	4,137,000	1,244,000	848,000	540,000	19,000	-	832,000	(24,000)	3,826,000	11,422,000
Supplies	46,050,000	19,405,000	4,562,000	4,741,000	423,000	119,000	292,000	378,000	721,000	76,691,000
Purchased services	4,946,000	4,177,000	2,055,000	1,450,000	232,000	103,000	1,482,000	367,000	11,768,000	26,580,000
Facilities	6,486,000	2,358,000	2,182,000	1,352,000	74,000	41,000	267,000	1,241,000	2,749,000	16,750,000
Depreciation and amortization	10,051,000	3,519,000	1,114,000	1,605,000	79,000	5,000	10,000	500,000	7,828,000	24,711,000
Other	7,621,000	3,203,000	1,204,000	1,093,000	81,000	90,000	189,000	742,000	4,099,000	18,322,000
Intrasystem allocation	30,467,000	16,839,000	5,115,000	5,448,000	181,000	54,000	209,000	414,000	(58,727,000)	-
Total expenses	219,431,000	98,816,000	34,189,000	35,102,000	3,672,000	1,886,000	6,109,000	28,109,000	2,619,000	429,933,000
Income (loss) from operations	35,339,000	28,712,000	(2,500,000)	11,319,000	(1,102,000)	(235,000)	(3,641,000)	(14,198,000)	295,000	53,989,000
Nonoperating gains (losses), net	(3,215,000)	(1,413,000)	(114,000)	(1,231,000)	(1,000)	-	1,000	(32,000)	7,882,000	1,877,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$32,124,000	\$27,299,000	(\$2,614,000)	\$10,088,000	(\$1,103,000)	(\$235,000)	(\$3,640,000)	(\$14,230,000)	\$8,177,000	\$55,866,000

* 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, 2017**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$713,485,000	\$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	20,900,000	(907,000)	227,000	(692,000)	-	-	-	-	623,000	20,151,000
Other revenue	13,382,000	2,867,000	849,000	973,000	32,000	-	5,896,000	2,106,000	9,407,000	35,512,000
Total revenue	747,767,000	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	286,797,000	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	58,382,000	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	11,159,000	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	143,998,000	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	15,598,000	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	21,414,000	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	28,030,000	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	24,011,000	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	91,250,000	48,644,000	14,492,000	16,115,000	548,000	190,000	652,000	2,106,000	(173,997,000)	-
Total expenses	680,639,000	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	67,128,000	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	(11,606,000)	(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	\$55,522,000	\$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

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

**Combining Statement of Revenue and Expenses
Nine Months ended January 31, 2016**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$684,139,000	\$366,720,000	\$93,922,000	\$135,784,000	\$7,918,000	\$5,346,000	\$1,567,000	\$39,792,000	-	\$1,335,188,000
Disproportionate share distributions	24,212,000	6,276,000	2,119,000	2,550,000	-	24,000	206,000	-	112,000	35,499,000
Other revenue	12,244,000	3,508,000	1,061,000	1,075,000	32,000	-	6,357,000	2,374,000	8,483,000	35,134,000
Total revenue	720,595,000	376,504,000	97,102,000	139,409,000	7,950,000	5,370,000	8,130,000	42,166,000	8,595,000	1,405,821,000
Expenses:										
Salaries and wages	262,922,000	117,378,000	41,702,000	45,356,000	6,036,000	3,651,000	7,139,000	62,988,000	69,726,000	616,898,000
Employee benefits	51,222,000	22,229,000	8,028,000	8,834,000	1,379,000	701,000	1,166,000	6,342,000	18,788,000	118,689,000
Professional fees	12,329,000	4,368,000	2,346,000	2,216,000	61,000	1,000	2,433,000	(107,000)	10,205,000	33,852,000
Supplies	132,301,000	58,900,000	13,933,000	14,126,000	1,285,000	450,000	931,000	1,119,000	2,162,000	225,207,000
Purchased services	14,809,000	12,161,000	6,442,000	4,072,000	717,000	410,000	4,197,000	1,203,000	35,788,000	79,799,000
Facilities	21,496,000	7,498,000	6,647,000	4,073,000	248,000	126,000	772,000	3,494,000	8,880,000	53,234,000
Depreciation and amortization	29,408,000	10,712,000	3,383,000	4,722,000	244,000	16,000	31,000	1,473,000	26,775,000	76,764,000
Other	21,003,000	9,250,000	3,282,000	3,217,000	215,000	288,000	599,000	2,454,000	11,639,000	51,947,000
Intrasystem allocation	91,183,000	50,632,000	15,070,000	16,629,000	540,000	160,000	620,000	1,234,000	(176,068,000)	-
Total expenses	636,673,000	293,128,000	100,833,000	103,245,000	10,725,000	5,803,000	17,888,000	80,200,000	7,895,000	1,256,390,000
Income (loss) from operations	83,922,000	83,376,000	(3,731,000)	36,164,000	(2,775,000)	(433,000)	(9,758,000)	(38,034,000)	700,000	149,431,000
Nonoperating gains (losses), net	(9,611,000)	(4,266,000)	(347,000)	(3,683,000)	(4,000)	-	5,000	(79,000)	5,665,000	(12,320,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$74,311,000	\$79,110,000	(\$4,078,000)	\$32,481,000	(\$2,779,000)	(\$433,000)	(\$9,753,000)	(\$38,113,000)	\$6,365,000	\$137,111,000

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