



QUARTERLY FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED
October 31, 2016

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 October 31, 2016. 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

	October 31,	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 309,665,000	\$ 522,859,000
Investments	1,492,677,000	1,141,642,000
Designated investments for capital improvements	4,247,000	6,534,000
Designated investments for employee disability	18,387,000	18,105,000
Patient accounts receivable, net of estimated uncollectibles	227,480,000	169,752,000
Ad valorem taxes receivable	7,958,000	7,959,000
Inventories	32,552,000	29,397,000
Other current assets	52,288,000	84,481,000
Total current assets	2,145,254,000	1,980,729,000
Assets whose use is limited:		
Under self-insurance trust agreements	47,849,000	46,916,000
Restricted assets, net of current portion:		
Under indenture agreement	18,435,000	18,461,000
Under indenture - project funds	44,277,000	53,273,000
Externally restricted by donors	(65,000)	48,000
Total restricted assets	62,647,000	71,782,000
Capital assets, net	745,357,000	733,359,000
Other assets	24,208,000	20,827,000
Total assets	3,025,315,000	2,853,613,000
Unrealized Pension Contributions	37,786,000	33,764,000
Unrealized Pension Losses	48,424,000	-
Deferred Outflows - Changes in Assumptions	23,578,000	-
Other Deferred Outflows	24,582,000	14,562,000
Total Deferred Outflows	134,370,000	48,326,000
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	70,689,000	73,377,000
Accrued compensation and payroll taxes	140,228,000	123,443,000
Estimated third-party payor settlements	33,548,000	12,089,000
Current installments of long-term debt	15,785,000	11,550,000
Current portion of capital lease obligations	2,396,000	2,392,000
Current portion of estimated claims liability	16,731,000	15,124,000
Other current liabilities	30,804,000	53,322,000
Total current liabilities	310,181,000	291,297,000
Long-term portion of estimated claims liability	26,600,000	25,009,000
Net Pension Liability	223,189,000	151,813,000
Other noncurrent liabilities	48,964,000	48,348,000
Long-term portion of capital lease obligations	1,126,000	3,417,000
Long-term debt	604,829,000	606,815,000
Total liabilities	1,214,889,000	1,126,699,000
Deferred Inflows - Changes in Experience	1,441,000	-
Total Deferred Inflows	1,441,000	-
Net position:		
Invested in capital assets, net of related debt	145,803,000	123,747,000
Restricted:		
For debt service	62,712,000	71,735,000
By donors	(65,000)	48,000
Unrestricted	1,734,905,000	1,579,710,000
Total net position	\$ 1,943,355,000	\$ 1,775,240,000

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

Statements of Revenue and Expenses and Changes in Net Position

	Second Quarter ended October 31,		Six Months ended October 31,	
	2016	2015	2016	2015
Revenue:				
Net patient service revenue	\$456,166,000	\$436,668,000	\$914,723,000	\$874,948,000
Disproportionate Share Distributions	-	11,732,000	8,126,000	23,767,000
Other revenue	10,630,000	11,800,000	21,746,000	23,183,000
Total revenue	466,796,000	460,200,000	944,595,000	921,898,000
Expenses:				
Salaries and wages	222,536,000	206,245,000	442,528,000	403,357,000
Employee benefits	42,875,000	40,268,000	88,067,000	76,773,000
Professional fees	8,837,000	11,367,000	18,275,000	22,430,000
Supplies	81,944,000	74,039,000	162,912,000	148,516,000
Purchased services	28,064,000	26,456,000	56,381,000	53,219,000
Facilities	18,545,000	18,461,000	35,643,000	36,484,000
Depreciation and amortization	20,762,000	25,654,000	44,725,000	52,053,000
Other	18,926,000	17,898,000	36,157,000	33,625,000
Total expenses	442,489,000	420,388,000	884,688,000	826,457,000
Income (loss) from operations	24,307,000	39,812,000	59,907,000	95,441,000
Nonoperating gains (losses), net *	(4,253,000)	(11,206,000)	(13,000)	(14,196,000)
Income before capital contributions and grants	20,054,000	28,606,000	59,894,000	81,245,000
Capital contributions and grants	98,000	-	733,000	-
Increase in net position	20,152,000	28,606,000	60,627,000	81,245,000
Net position at the beginning of the period	1,923,203,000	1,746,634,000	1,882,728,000	1,693,995,000
Net position at the end of the period	\$1,943,355,000	\$1,775,240,000	\$1,943,355,000	\$1,775,240,000
Net Margin	4.3%	6.2%	6.3%	8.8%

* Includes interest expense as follows: (7,639,000) (8,128,000) (16,445,000) (14,484,000)

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

**Combining Statement of Revenue and Expenses
Quarter ended October 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	\$232,222,000	\$126,741,000	\$32,034,000	\$45,737,000	\$2,521,000	\$1,649,000	\$683,000	\$14,490,000	\$89,000	\$456,166,000
Disproportionate share distributions	-	-	-	-	-	-	-	-	-	-
Other revenue	3,954,000	701,000	154,000	238,000	11,000	-	2,135,000	587,000	2,850,000	10,630,000
Total revenue	236,176,000	127,442,000	32,188,000	45,975,000	2,532,000	1,649,000	2,818,000	15,077,000	2,939,000	466,796,000
Expenses:										
Salaries and wages	94,746,000	41,167,000	14,515,000	16,003,000	2,184,000	1,242,000	2,789,000	24,065,000	25,825,000	222,536,000
Employee benefits	19,260,000	8,106,000	3,017,000	3,206,000	522,000	257,000	425,000	2,339,000	5,743,000	42,875,000
Professional fees	3,349,000	1,171,000	635,000	555,000	23,000	-	753,000	(82,000)	2,433,000	8,837,000
Supplies	45,840,000	20,486,000	4,559,000	5,321,000	428,000	213,000	16,000	525,000	4,556,000	81,944,000
Purchased services	5,004,000	4,039,000	2,183,000	1,623,000	309,000	175,000	1,230,000	542,000	12,959,000	28,064,000
Facilities	7,252,000	2,633,000	2,213,000	1,484,000	82,000	22,000	318,000	1,353,000	3,188,000	18,545,000
Depreciation and amortization	9,204,000	3,531,000	1,022,000	1,618,000	78,000	5,000	9,000	597,000	4,698,000	20,762,000
Other	7,794,000	3,218,000	999,000	1,211,000	80,000	95,000	91,000	844,000	4,594,000	18,926,000
Intrasystem allocation	30,616,000	15,994,000	4,754,000	5,371,000	177,000	62,000	207,000	671,000	(57,852,000)	-
Total expenses	223,065,000	100,345,000	33,897,000	36,392,000	3,883,000	2,071,000	5,838,000	30,854,000	6,144,000	442,489,000
Income (loss) from operations	13,111,000	27,097,000	(1,709,000)	9,583,000	(1,351,000)	(422,000)	(3,020,000)	(15,777,000)	(3,205,000)	24,307,000
Nonoperating gains (losses), net	(3,477,000)	(1,589,000)	(115,000)	(642,000)	(1,000)	-	1,000	(34,000)	1,604,000	(4,253,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$9,634,000	\$25,508,000	(\$1,824,000)	\$8,941,000	(\$1,352,000)	(\$422,000)	(\$3,019,000)	(\$15,811,000)	(\$1,601,000)	\$20,054,000

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

**Combining Statement of Revenue and Expenses
Quarter ended October 31, 2015**

	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	\$225,348,000	\$116,111,000	\$29,522,000	\$47,111,000	\$2,689,000	\$1,778,000	\$557,000	\$13,551,000	\$1,000	\$436,668,000
Disproportionate share distributions	9,371,000	1,397,000	431,000	532,000	-	-	-	-	1,000	11,732,000
Other revenue	4,122,000	1,345,000	158,000	278,000	10,000	-	2,269,000	1,174,000	2,444,000	11,800,000
Total revenue	238,841,000	118,853,000	30,111,000	47,921,000	2,699,000	1,778,000	2,826,000	14,725,000	2,446,000	460,200,000
Expenses:										
Salaries and wages	87,886,000	39,266,000	13,987,000	15,221,000	1,966,000	1,228,000	2,363,000	21,042,000	23,286,000	206,245,000
Employee benefits	17,398,000	7,617,000	2,730,000	3,003,000	472,000	235,000	387,000	2,068,000	6,358,000	40,268,000
Professional fees	3,935,000	1,481,000	782,000	1,015,000	21,000	-	780,000	(53,000)	3,406,000	11,367,000
Supplies	44,235,000	19,562,000	4,630,000	4,746,000	404,000	146,000	334,000	389,000	(407,000)	74,039,000
Purchased services	5,183,000	3,790,000	1,992,000	1,263,000	258,000	125,000	1,516,000	502,000	11,827,000	26,456,000
Facilities	7,445,000	2,664,000	2,393,000	1,404,000	94,000	44,000	243,000	1,071,000	3,103,000	18,461,000
Depreciation and amortization	9,856,000	3,585,000	1,112,000	1,601,000	83,000	5,000	10,000	509,000	8,893,000	25,654,000
Other	7,017,000	3,086,000	1,108,000	1,139,000	64,000	106,000	196,000	897,000	4,285,000	17,898,000
Intrasystem allocation	30,345,000	16,777,000	5,085,000	5,682,000	181,000	54,000	210,000	409,000	(58,743,000)	-
Total expenses	213,300,000	97,828,000	33,819,000	35,074,000	3,543,000	1,943,000	6,039,000	26,834,000	2,008,000	420,388,000
Income (loss) from operations	25,541,000	21,025,000	(3,708,000)	12,847,000	(844,000)	(165,000)	(3,213,000)	(12,109,000)	438,000	39,812,000
Nonoperating gains (losses), net	(3,212,000)	(1,442,000)	(116,000)	(1,231,000)	(1,000)	(1,000)	2,000	(26,000)	(5,179,000)	(11,206,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$22,329,000	\$19,583,000	(\$3,824,000)	\$11,616,000	(\$845,000)	(\$166,000)	(\$3,211,000)	(\$12,135,000)	(\$4,741,000)	\$28,606,000

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

**Combining Statement of Revenue and Expenses
Six Months ended October 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	\$474,591,000	\$251,090,000	\$62,157,000	\$88,255,000	\$5,053,000	\$3,244,000	\$1,362,000	\$28,879,000	\$92,000	\$914,723,000
Disproportionate share distributions	6,200,000	927,000	287,000	353,000	-	-	-	-	359,000	8,126,000
Other revenue	8,031,000	1,430,000	297,000	466,000	21,000	-	4,087,000	1,379,000	6,035,000	21,746,000
Total revenue	488,822,000	253,447,000	62,741,000	89,074,000	5,074,000	3,244,000	5,449,000	30,258,000	6,486,000	944,595,000
Expenses:										
Salaries and wages	190,192,000	81,736,000	29,074,000	31,882,000	4,392,000	2,470,000	5,412,000	46,920,000	50,450,000	442,528,000
Employee benefits	39,379,000	16,568,000	6,151,000	6,556,000	1,057,000	521,000	906,000	4,705,000	12,224,000	88,067,000
Professional fees	7,354,000	3,016,000	1,349,000	1,206,000	53,000	1,000	1,501,000	(130,000)	3,925,000	18,275,000
Supplies	94,369,000	40,166,000	8,988,000	10,316,000	860,000	361,000	1,180,000	934,000	5,738,000	162,912,000
Purchased services	10,774,000	8,008,000	4,363,000	3,240,000	621,000	336,000	2,538,000	1,077,000	25,424,000	56,381,000
Facilities	14,158,000	4,873,000	4,326,000	2,828,000	164,000	78,000	623,000	2,694,000	5,899,000	35,643,000
Depreciation and amortization	18,961,000	6,967,000	2,088,000	3,238,000	157,000	11,000	19,000	1,108,000	12,176,000	44,725,000
Other	15,517,000	6,343,000	1,835,000	2,330,000	146,000	177,000	218,000	1,665,000	7,926,000	36,157,000
Intrasystem allocation	59,881,000	31,939,000	9,523,000	10,617,000	359,000	124,000	411,000	1,319,000	(114,173,000)	-
Total expenses	450,585,000	199,616,000	67,697,000	72,213,000	7,809,000	4,079,000	12,808,000	60,292,000	9,589,000	884,688,000
Income (loss) from operations	38,237,000	53,831,000	(4,956,000)	16,861,000	(2,735,000)	(835,000)	(7,359,000)	(30,034,000)	(3,103,000)	59,907,000
Nonoperating gains (losses), net	(7,065,000)	(3,213,000)	(242,000)	(1,431,000)	(2,000)	-	3,000	(67,000)	12,004,000	(13,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$31,172,000	\$50,618,000	(\$5,198,000)	\$15,430,000	(\$2,737,000)	(\$835,000)	(\$7,356,000)	(\$30,101,000)	\$8,901,000	\$59,894,000

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

**Combining Statement of Revenue and Expenses
Six Months ended October 31, 2015**

	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	\$442,840,000	\$241,677,000	\$63,259,000	\$90,400,000	\$5,358,000	\$3,695,000	\$1,131,000	\$26,589,000	(\$1,000)	\$874,948,000
Disproportionate share distributions	14,841,000	4,879,000	1,689,000	2,017,000	-	24,000	206,000	-	111,000	23,767,000
Other revenue	8,143,000	2,420,000	465,000	571,000	21,000	-	4,326,000	1,666,000	5,571,000	23,183,000
Total revenue	465,824,000	248,976,000	65,413,000	92,988,000	5,379,000	3,719,000	5,663,000	28,255,000	5,681,000	921,898,000
Expenses:										
Salaries and wages	171,336,000	77,166,000	27,438,000	29,624,000	3,940,000	2,423,000	4,731,000	40,958,000	45,741,000	403,357,000
Employee benefits	33,135,000	14,370,000	5,182,000	5,692,000	892,000	456,000	747,000	3,881,000	12,418,000	76,773,000
Professional fees	8,191,000	3,124,000	1,498,000	1,677,000	42,000	1,000	1,601,000	(83,000)	6,379,000	22,430,000
Supplies	86,252,000	39,494,000	9,371,000	9,385,000	862,000	331,000	638,000	741,000	1,442,000	148,516,000
Purchased services	9,865,000	7,983,000	4,387,000	2,622,000	485,000	307,000	2,715,000	835,000	24,020,000	53,219,000
Facilities	15,010,000	5,141,000	4,465,000	2,722,000	174,000	85,000	505,000	2,253,000	6,129,000	36,484,000
Depreciation and amortization	19,357,000	7,193,000	2,270,000	3,117,000	165,000	11,000	21,000	973,000	18,946,000	52,053,000
Other	13,379,000	6,049,000	2,078,000	2,123,000	135,000	195,000	410,000	1,713,000	7,543,000	33,625,000
Intrasystem allocation	60,717,000	33,793,000	9,955,000	11,181,000	358,000	107,000	411,000	820,000	(117,342,000)	-
Total expenses	417,242,000	194,313,000	66,644,000	68,143,000	7,053,000	3,916,000	11,779,000	52,091,000	5,276,000	826,457,000
Income (loss) from operations	48,582,000	54,663,000	(1,231,000)	24,845,000	(1,674,000)	(197,000)	(6,116,000)	(23,836,000)	405,000	95,441,000
Nonoperating gains (losses), net	(6,396,000)	(2,852,000)	(233,000)	(2,453,000)	(2,000)	-	2,000	(47,000)	(2,215,000)	(14,196,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$42,186,000	\$51,811,000	(\$1,464,000)	\$22,392,000	(\$1,676,000)	(\$197,000)	(\$6,114,000)	(\$23,883,000)	(\$1,810,000)	\$81,245,000