



QUARTERLY FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED
October 31, 2017

Memorial Healthcare System Disclosure Representative:

David M. Smith

Senior Vice President and Chief Financial Officer

3111 Stirling Road

Fort Lauderdale, Florida 33312

(954) 265-5696

DSmith@mhs.net

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, 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

	October 31,	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 349,386,000	\$ 309,665,000
Investments	1,488,995,000	1,492,677,000
Designated investments for capital improvements	1,254,000	4,247,000
Designated investments for employee disability	18,185,000	18,387,000
Patient accounts receivable, net of estimated uncollectibles	235,597,000	227,480,000
Ad valorem taxes receivable	7,997,000	7,958,000
Inventories	34,171,000	32,552,000
Other current assets	62,488,000	52,288,000
Total current assets	2,198,073,000	2,145,254,000
Assets whose use is limited:		
Under self-insurance trust agreements	46,976,000	47,849,000
Restricted assets, net of current portion:		
Under indenture agreement	177,768,000	18,435,000
Under indenture - project funds	35,515,000	44,277,000
Total restricted assets	213,283,000	62,712,000
Capital assets, net	820,753,000	745,357,000
Other assets	34,165,000	24,208,000
Total assets	3,313,250,000	3,025,380,000
Unrealized pension contributions	37,862,000	37,786,000
Unrealized pension losses	37,092,000	48,424,000
Deferred outflows - changes in assumptions	19,566,000	23,578,000
Loss on defeasance, net	23,034,000	24,582,000
Total deferred outflows	117,554,000	134,370,000
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	88,702,000	70,689,000
Accrued compensation and payroll taxes	154,203,000	140,228,000
Estimated third-party payor settlements	35,313,000	33,548,000
Current installments of long-term debt	11,060,000	15,785,000
Current portion of capital lease obligations	1,180,000	2,396,000
Current portion of estimated claims liability	16,747,000	16,731,000
Other current liabilities	33,630,000	30,804,000
Total current liabilities	340,835,000	310,181,000
Long-term portion of estimated claims liability	24,168,000	26,600,000
Net pension liability	197,454,000	223,189,000
Other noncurrent liabilities	48,917,000	48,964,000
Long-term portion of capital lease obligations	192,000	1,126,000
Long-term debt	753,628,000	604,829,000
Total liabilities	1,365,194,000	1,214,889,000
Deferred inflows - changes in experience	2,012,000	1,441,000
Other deferred inflows	16,631,000	-
Total deferred inflows	18,643,000	1,441,000
Net position:		
Invested in capital assets, net of related debt	238,350,000	145,803,000
Restricted:		
For debt service	63,283,000	62,712,000
Unrestricted	1,745,334,000	1,734,905,000
Total net position	\$ 2,046,967,000	\$ 1,943,420,000

**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,	
	2017	2016	2017	2016
Revenue:				
Net patient service revenue	\$460,215,000	\$456,166,000	\$934,750,000	\$914,723,000
Disproportionate Share Distributions	4,152,000	-	10,415,000	8,126,000
Other revenue	16,023,000	10,630,000	39,286,000	21,746,000
Total revenue	480,390,000	466,796,000	984,451,000	944,595,000
Expenses:				
Salaries and wages	236,725,000	222,536,000	467,809,000	442,528,000
Employee benefits	44,953,000	42,875,000	88,899,000	88,067,000
Professional fees	11,350,000	8,837,000	22,456,000	18,275,000
Supplies	96,996,000	81,944,000	190,482,000	162,912,000
Purchased services	29,527,000	28,064,000	57,903,000	56,381,000
Facilities	20,330,000	18,545,000	39,350,000	35,643,000
Depreciation and amortization	22,244,000	20,762,000	44,161,000	44,725,000
Other	20,289,000	18,926,000	45,188,000	36,157,000
Total expenses	482,414,000	442,489,000	956,248,000	884,688,000
Income (loss) from operations	(2,024,000)	24,307,000	28,203,000	59,907,000
Nonoperating gains (losses), net *	(3,237,000)	(4,253,000)	827,000	(13,000)
Income before capital contributions and grants	(5,261,000)	20,054,000	29,030,000	59,894,000
Capital contributions and grants	485,000	98,000	1,071,000	733,000
Increase in net position	(4,776,000)	20,152,000	30,101,000	60,627,000
Net position at the beginning of the period	2,051,743,000	1,923,203,000	2,016,866,000	1,882,728,000
Net position at the end of the period	\$2,046,967,000	\$1,943,355,000	\$2,046,967,000	\$1,943,355,000
Net Margin	(1.1%)	4.3%	2.9%	6.3%

* Includes interest expense as follows: (\$7,953,000) (\$7,639,000) (\$15,748,000) (\$16,445,000)

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

Combining Statement of Revenue and Expenses
Quarter ended October 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	\$178,352,000	\$58,882,000	\$124,227,000	\$34,458,000	\$44,566,000	\$2,477,000	\$1,354,000	\$519,000	\$15,254,000	\$128,000	\$480,215,000
Disproportionate share distributions	1,500,000	59,000	1,119,000	901,000	389,000	-	-	-	-	184,000	4,152,000
Other revenue	2,480,000	223,000	735,000	168,000	264,000	8,000	-	2,439,000	816,000	8,850,000	16,023,000
Total revenue	182,332,000	59,164,000	126,081,000	35,525,000	45,219,000	2,485,000	1,354,000	2,958,000	16,070,000	9,202,000	480,390,000
Expenses:											
Salaries and wages	78,442,000	20,932,000	42,864,000	15,538,000	17,216,000	2,282,000	1,183,000	2,589,000	27,216,000	28,463,000	236,725,000
Employee benefits	15,611,000	4,579,000	8,768,000	3,131,000	3,566,000	534,000	236,000	453,000	2,387,000	5,688,000	44,953,000
Professional fees	3,754,000	770,000	2,348,000	954,000	887,000	21,000	-	471,000	4,000	2,141,000	11,350,000
Supplies	40,733,000	10,538,000	23,584,000	5,576,000	5,655,000	417,000	41,000	161,000	669,000	9,622,000	96,996,000
Purchased services	3,626,000	1,246,000	4,929,000	2,246,000	1,721,000	301,000	53,000	928,000	477,000	14,000,000	29,527,000
Facilities	6,690,000	1,815,000	2,830,000	2,298,000	1,577,000	169,000	27,000	331,000	1,605,000	2,988,000	20,330,000
Depreciation and amortization	7,228,000	2,555,000	3,431,000	1,021,000	1,688,000	95,000	7,000	8,000	737,000	5,474,000	22,244,000
Other	5,970,000	1,774,000	3,306,000	1,119,000	1,222,000	108,000	85,000	160,000	1,011,000	5,534,000	20,289,000
Intrasytem allocation	24,876,000	6,481,000	16,380,000	5,209,000	5,777,000	153,000	63,000	194,000	665,000	(59,798,000)	-
Total expenses	186,930,000	50,690,000	108,440,000	37,092,000	39,309,000	4,080,000	1,695,000	5,295,000	34,771,000	14,112,000	482,414,000
Income (loss) from operations	(4,598,000)	8,474,000	17,641,000	(1,567,000)	5,910,000	(1,595,000)	(341,000)	(2,337,000)	(18,701,000)	(4,910,000)	(2,024,000)
Nonoperating gains (losses), net	(2,233,000)	(864,000)	(995,000)	(102,000)	(487,000)	(2,000)	1,000	(1,000)	(27,000)	1,473,000	(3,237,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	(\$6,831,000)	\$7,610,000	\$16,646,000	(\$1,669,000)	\$5,423,000	(\$1,597,000)	(\$340,000)	(\$2,338,000)	(\$18,728,000)	(\$3,437,000)	(\$5,261,000)

* 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 October 31, 2016

	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	\$173,737,000	\$58,485,000	\$126,741,000	\$32,034,000	\$45,737,000	\$2,521,000	\$1,649,000	\$683,000	\$14,490,000	\$89,000	\$455,166,000
Disproportionate share distributions											
Other revenue	3,756,000	198,000	701,000	154,000	238,000	11,000		2,135,000	587,000	2,850,000	10,630,000
Total revenue	177,493,000	58,683,000	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	74,582,000	20,164,000	41,167,000	14,515,000	18,003,000	2,184,000	1,242,000	2,789,000	24,065,000	25,825,000	222,536,000
Employee benefits	15,435,000	3,825,000	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	2,556,000	793,000	1,171,000	635,000	555,000	23,000		753,000	(82,000)	2,433,000	8,837,000
Supplies	38,346,000	7,494,000	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	3,936,000	1,068,000	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	5,841,000	1,411,000	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	6,707,000	2,497,000	3,531,000	1,022,000	1,618,000	76,000	5,000	9,000	597,000	4,698,000	20,762,000
Other	5,937,000	1,857,000	3,218,000	999,000	1,211,000	80,000	95,000	91,000	844,000	4,594,000	18,926,000
Intrasystem allocation	23,483,000	7,133,000	15,994,000	4,754,000	5,371,000	177,000	62,000	207,000	671,000	(57,852,000)	
Total expenses	176,823,000	46,242,000	100,345,000	33,897,000	36,392,000	3,883,000	2,071,000	5,838,000	30,654,000	6,144,000	442,489,000
Income (loss) from operations	670,000	12,441,000	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	(2,608,000)	(869,000)	(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	(\$1,938,000)	\$11,572,000	\$25,508,000	(\$1,824,000)	\$9,941,000	(\$1,352,000)	(\$422,000)	(\$3,019,000)	(\$15,811,000)	(\$1,601,000)	\$20,054,000

* 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
Six Months ended October 31, 2017**

	Memorial Regional Hospital	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Nursing Home	Memorial Home Health	So Brow Community Health Svcs	Memorial Physician Group	Memorial Corporate Services*	Memorial Healthcare System
Revenue:											
Net patient service revenue	\$355,820,000	\$123,337,000	\$252,871,000	\$69,610,000	\$92,636,000	\$5,161,000	\$2,902,000	\$969,000	\$31,154,000	\$290,000	\$934,750,000
Disproportionate share distributions	6,568,000	(11,000)	2,298,000	1,263,000	47,000	-	-	-	-	250,000	10,415,000
Other revenue	4,932,000	564,000	1,474,000	359,000	506,000	17,000	-	4,792,000	1,634,000	25,008,000	39,286,000
Total revenue	367,320,000	123,890,000	256,643,000	71,232,000	93,189,000	5,178,000	2,902,000	5,761,000	32,788,000	25,548,000	984,451,000
Expenses:											
Salaries and wages	154,637,000	42,117,000	84,934,000	31,085,000	33,547,000	4,538,000	2,390,000	5,114,000	53,665,000	55,782,000	467,809,000
Employee benefits	30,846,000	9,051,000	17,331,000	6,200,000	6,958,000	1,042,000	475,000	921,000	4,775,000	11,300,000	88,899,000
Professional fees	7,320,000	1,460,000	4,199,000	1,846,000	1,735,000	41,000	1,000	1,006,000	20,000	4,828,000	22,458,000
Supplies	81,141,000	19,758,000	46,589,000	11,581,000	11,165,000	853,000	72,000	297,000	1,188,000	17,898,000	190,482,000
Purchased services	7,097,000	2,421,000	8,980,000	4,451,000	3,397,000	591,000	111,000	1,921,000	921,000	28,013,000	57,903,000
Facilities	12,798,000	3,451,000	5,388,000	4,586,000	2,975,000	259,000	54,000	647,000	3,232,000	5,960,000	39,350,000
Depreciation and amortization	14,125,000	5,092,000	6,839,000	2,033,000	3,383,000	184,000	14,000	17,000	1,454,000	11,020,000	44,161,000
Other	12,163,000	3,569,000	6,594,000	2,114,000	2,394,000	181,000	159,000	254,000	1,770,000	15,990,000	45,188,000
Intrasystem allocation	48,330,000	12,592,000	31,898,000	10,114,000	11,223,000	286,000	117,000	358,000	1,187,000	(116,105,000)	-
Total expenses	368,457,000	99,511,000	212,752,000	74,010,000	76,777,000	7,975,000	3,393,000	10,535,000	68,212,000	34,626,000	956,248,000
Income (loss) from operations	(1,137,000)	24,379,000	43,891,000	(2,778,000)	16,412,000	(2,797,000)	(491,000)	(4,774,000)	(36,424,000)	(9,078,000)	28,203,000
Nonoperating gains (losses), net	(4,226,000)	(1,757,000)	(2,025,000)	(204,000)	(977,000)	(2,000)	-	-	(47,000)	10,065,000	827,000
excess (deficiency) of revenues and net nonoperating gains over expenses	(\$5,363,000)	\$22,622,000	\$41,866,000	(\$2,982,000)	\$15,435,000	(\$2,799,000)	(\$491,000)	(\$4,774,000)	(\$35,471,000)	\$987,000	\$29,030,000

* 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
Six Months ended October 31, 2016

	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	\$353,855,000	\$120,736,000	\$251,090,000	\$62,157,000	\$68,255,000	\$5,053,000	\$3,244,000	\$1,362,000	\$28,879,000	\$92,000	\$914,723,000
Disproportionate share distributions	3,644,000	2,556,000	927,000	287,000	353,000	-	-	-	-	359,000	6,126,000
Other revenue	7,550,000	481,000	1,430,000	297,000	466,000	21,000	-	4,087,000	1,379,000	6,035,000	21,746,000
Total revenue	365,049,000	123,773,000	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	149,722,000	40,470,000	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	31,220,000	8,159,000	16,588,000	6,151,000	6,556,000	1,057,000	521,000	906,000	4,705,000	12,224,000	88,067,000
Professional fees	5,763,000	1,591,000	3,016,000	1,348,000	1,206,000	53,000	1,000	1,501,000	(130,000)	3,925,000	18,275,000
Supplies	78,067,000	16,302,000	40,166,000	8,988,000	10,316,000	860,000	361,000	1,180,000	934,000	5,738,000	162,812,000
Purchased services	6,665,000	2,109,000	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	11,405,000	2,753,000	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	13,368,000	5,593,000	6,987,000	2,088,000	3,238,000	157,000	11,000	19,000	1,108,000	12,176,000	44,725,000
Other	11,818,000	3,699,000	6,343,000	1,835,000	2,330,000	146,000	177,000	218,000	1,665,000	7,926,000	36,157,000
Intrasytem allocation	45,842,000	14,039,000	31,939,000	9,523,000	10,617,000	(359,000)	124,000	411,000	1,319,000	(114,173,000)	-
Total expenses	355,870,000	94,715,000	199,616,000	67,697,000	72,213,000	7,809,000	4,079,000	12,808,000	60,282,000	9,589,000	884,686,000
Income (loss) from operations	9,179,000	29,058,000	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	(5,321,000)	(1,744,000)	(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	\$3,858,000	\$27,314,000	\$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

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