



QUARTERLY FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED
January 31, 2019

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 January 31, 2019. 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
In Thousands**

	January 31,	
	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 353,066	\$ 254,006
Investments	1,690,641	1,595,689
Designated investments for capital improvements	-	1,828
Designated investments for employee disability	18,720	18,307
Patient accounts receivable, net of estimated uncollectibles	224,164	253,518
Ad valorem taxes receivable	798	784
Inventories	38,085	34,238
Other current assets	85,042	54,422
Total current assets	<u>2,410,516</u>	<u>2,212,792</u>
Non Current Assets		
Investments under self-insurance trust agreements	48,457	47,544
Restricted assets, net of current portion:		
Under indenture agreement	167,986	168,572
Total restricted assets	<u>167,986</u>	<u>168,572</u>
Capital assets, net	892,886	822,196
Other assets	41,776	34,863
Total assets	<u>3,561,621</u>	<u>3,285,967</u>
Unrealized pension contributions	38,687	38,146
Unrealized pension losses	22,927	34,259
Changes in pension assumptions	14,131	18,479
Changes in pension experience	698	-
Loss on defeasance, net	21,441	22,715
Total deferred outflows	<u>97,884</u>	<u>113,599</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	67,250	70,316
Accrued compensation and payroll taxes	154,378	138,111
Estimated third-party payor settlements	42,709	36,840
Current installments of long-term debt	161,170	11,060
Current portion of capital lease obligations	39	743
Current portion of estimated claims liability	17,825	16,559
Other current liabilities	42,540	25,131
Total current liabilities	<u>485,911</u>	<u>298,760</u>
Long-term portion of estimated claims liability	27,421	25,184
Net pension liability	180,561	196,084
Other noncurrent liabilities	46,361	47,774
Long-term portion of capital lease obligations	-	301
Long-term debt	690,743	753,188
Total liabilities	<u>1,430,997</u>	<u>1,321,291</u>
Changes in pension experience	1,453	1,900
Other deferred inflows	18,909	15,633
Total deferred inflows	<u>20,362</u>	<u>17,533</u>
Net position:		
Invested in capital assets	223,692	240,240
Restricted:		
For debt service	17,986	18,572
Unrestricted	1,966,468	1,801,930
Total net position	<u>\$ 2,208,146</u>	<u>\$ 2,060,742</u>

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

**Statements of Revenue and Expenses and Changes in Net Position
In Thousands**

	<u>Third Quarter ended January</u>		<u>Nine Months ended January</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue:				
Net patient service revenue	\$504,284	\$491,364	\$1,485,129	\$1,426,114
Disproportionate share distributions	11,882	4,503	35,026	14,918
Other revenue	21,944	20,453	75,571	59,739
Total revenue	<u>538,110</u>	<u>516,320</u>	<u>1,595,726</u>	<u>1,500,771</u>
Expenses:				
Salaries and wages	254,723	243,194	742,722	711,003
Employee benefits	45,603	42,707	136,546	131,605
Professional fees	12,194	10,970	36,391	33,426
Supplies	106,071	100,137	307,667	290,619
Purchased services	31,217	29,874	90,498	87,777
Facilities	21,839	19,465	62,288	58,815
Depreciation and amortization	23,000	22,150	67,955	66,312
Other	17,966	19,601	56,911	64,789
Total expenses	<u>512,613</u>	<u>488,098</u>	<u>1,500,978</u>	<u>1,444,346</u>
Income (loss) from operations	25,497	28,222	94,748	56,425
Nonoperating gains (losses), net *	<u>27,300</u>	<u>(13,728)</u>	<u>31,646</u>	<u>(12,901)</u>
Income (loss) before capital contributions and grants	52,797	14,494	126,394	43,524
Capital contributions and grants	100	(720)	249	351
Increase (decrease) in net position	<u>52,897</u>	<u>13,774</u>	<u>126,643</u>	<u>43,875</u>
Net position at the beginning of the period	<u>2,155,249</u>	<u>2,046,968</u>	<u>2,081,503</u>	<u>2,016,867</u>
Net position at the end of the period	<u><u>\$2,208,146</u></u>	<u><u>\$2,060,742</u></u>	<u><u>\$2,208,146</u></u>	<u><u>\$2,060,742</u></u>
Net Margin	<u>9.8%</u>	<u>2.8%</u>	<u>7.9%</u>	<u>2.9%</u>
* Includes interest expense as follows:	<u><u>(\$9,416)</u></u>	<u><u>(\$7,890)</u></u>	<u><u>(\$24,896)</u></u>	<u><u>(\$23,638)</u></u>

**South Broward Hospital District
d/b/a Memorial Healthcare System
Hospital and Physician Services
Combining Statement of Revenue and Expenses
Quarter ended January 31, 2019
(In Thousands)**

	Memorial Regional Hospital	Memorial Regional Hospital South	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Physician Group	Total Hospitals and Physician Group
Revenue:								
Net patient service revenue	\$167,548	\$24,952	\$62,856	\$143,554	\$34,087	\$48,706	\$16,886	\$498,589
Disproportionate share distributions	6,598	933	240	1,959	1,484	477	-	11,691
Other revenue	2,601	309	262	1,000	152	235	803	5,362
Total revenue	176,747	26,194	63,358	146,513	35,723	49,418	17,689	515,642
Expenses:								
Salaries and wages	71,215	11,573	23,421	47,424	14,883	17,362	30,672	216,550
Employee benefits	13,208	2,308	4,271	8,968	2,719	3,429	3,376	38,279
Professional fees	3,481	248	721	2,757	954	880	4	9,045
Supplies	40,862	3,977	9,251	26,653	4,850	5,744	495	91,832
Purchased services	3,214	(588)	1,724	6,085	2,279	1,900	487	15,101
Facilities	5,732	997	1,801	3,358	2,512	1,518	1,833	17,751
Depreciation and amortization	5,708	1,323	2,340	4,414	994	1,780	929	17,488
Other	4,587	718	1,591	3,388	1,115	1,235	1,085	13,719
Intrasystem allocation	22,354	2,953	6,637	18,150	5,349	5,801	617	61,861
Total expenses	170,361	23,509	51,757	121,197	35,655	39,649	39,498	481,626
Income (loss) from operations	6,386	2,685	11,601	25,316	68	9,769	(21,809)	34,016
Nonoperating gains (losses), net	(2,011)	(190)	(792)	(2,134)	(104)	(464)	(24)	(5,719)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$4,375	\$2,495	\$10,809	\$23,182	(\$36)	\$9,305	(\$21,833)	\$28,297

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Quarter ended January 31, 2019
(In Thousands)**

	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care	Outpatient Pharmacy Services	Urgent Care Centers	Memorial Corporate Services*	Total Hospitals and Physician Group	Memorial Healthcare System
Revenue:								
Net patient service revenue	\$2,669	\$1,656	\$642	\$201	\$515	\$12	\$498,589	\$504,284
Disproportionate share distributions	-	-	-	-	-	191	11,691	11,882
Other revenue	10	-	2,227	10,639	-	3,706	5,362	21,944
Total revenue	2,679	1,656	2,869	10,840	515	3,909	515,642	538,110
Expenses:								
Salaries and wages	2,426	1,420	2,445	1,858	523	29,501	216,550	254,723
Employee benefits	555	245	499	260	53	5,712	38,279	45,603
Professional fees	26	-	401	(7)	6	2,723	9,045	12,194
Supplies	464	48	148	12,177	45	1,357	91,832	106,071
Purchased services	289	66	834	274	26	14,627	15,101	31,217
Facilities	93	34	341	185	68	3,367	17,751	21,839
Depreciation and amortization	88	7	6	169	60	5,182	17,488	23,000
Other	111	78	62	35	12	3,949	13,719	17,966
Intrasystem allocation	154	63	187	164	17	(62,446)	61,861	-
Total expenses	4,206	1,961	4,923	15,115	810	3,972	481,626	512,613
Income (loss) from operations	(1,527)	(305)	(2,054)	(4,275)	(295)	(63)	34,016	25,497
Nonoperating gains (losses), net	(1)	-	-	-	-	33,020	(5,719)	27,300
Excess (deficiency) of revenues and net nonoperating gains over expenses	(\$1,528)	(\$305)	(\$2,054)	(\$4,275)	(\$295)	\$32,957	\$28,297	\$52,797

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, and Eliminations
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**South Broward Hospital District
d/b/a Memorial Healthcare System
Hospital and Physician Services
Combining Statement of Revenue and Expenses
Quarter ended January 31, 2018
(In Thousands)**

	Memorial Regional Hospital	Memorial Regional Hospital South	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Physician Group	Total Hospitals and Physician Group
Revenue:								
Net patient service revenue	\$166,450	\$20,747	\$64,422	\$134,754	\$35,745	\$48,093	\$16,279	\$486,490
Disproportionate share distributions	1,389	212	63	1,274	1,062	447	-	4,447
Other revenue	2,694	318	363	755	168	242	1,038	5,578
Total revenue	170,533	21,277	64,848	136,783	36,975	48,782	17,317	496,515
Expenses:								
Salaries and wages	68,180	11,329	21,276	44,667	15,774	17,396	28,790	207,412
Employee benefits	12,975	2,165	3,980	8,485	3,015	3,360	3,027	37,007
Professional fees	3,322	258	667	2,404	900	889	12	8,452
Supplies	40,546	3,354	8,514	24,239	5,396	5,711	559	88,319
Purchased services	3,362	(434)	1,140	5,594	2,412	1,893	566	14,533
Facilities	5,195	996	1,601	2,660	2,356	1,439	1,586	15,833
Depreciation and amortization	5,889	1,388	2,543	3,478	958	1,667	827	16,750
Other	4,610	690	1,556	3,888	999	1,122	1,176	14,041
Intrasystem allocation	21,548	2,936	6,414	16,245	5,130	5,686	695	58,654
Total expenses	165,627	22,682	47,691	111,660	36,940	39,163	37,238	461,001
Income (loss) from operations	4,906	(1,405)	17,157	25,123	35	9,619	(19,921)	35,514
Nonoperating gains (losses), net	(2,095)	(193)	(871)	(876)	(102)	(481)	(23)	(4,641)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$2,811	(\$1,598)	\$16,286	\$24,247	(\$67)	\$9,138	(\$19,944)	\$30,873

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**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Quarter ended January 31, 2018
(In Thousands)**

	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care	Outpatient Pharmacy Services	Urgent Care Centers	Memorial Corporate Services*	Total Hospitals and Physician Group	Memorial Healthcare System
Revenue:								
Net patient service revenue	\$2,416	\$1,512	\$617	\$192	\$133	\$4	\$486,490	\$491,364
Disproportionate share distributions	-	-	-	-	-	56	4,447	4,503
Other revenue	10	-	2,333	8,768	-	3,764	5,578	20,453
Total revenue	<u>2,426</u>	<u>1,512</u>	<u>2,950</u>	<u>8,960</u>	<u>133</u>	<u>3,824</u>	<u>496,515</u>	<u>516,320</u>
Expenses:								
Salaries and wages	2,376	1,299	2,710	1,407	198	27,792	207,412	243,194
Employee benefits	509	235	477	189	(28)	4,318	37,007	42,707
Professional fees	27	-	396	41	-	2,054	8,452	10,970
Supplies	441	44	148	9,910	20	1,255	88,319	100,137
Purchased services	269	71	1,001	167	15	13,818	14,533	29,874
Facilities	124	26	310	41	23	3,108	15,833	19,465
Depreciation and amortization	95	7	8	3	9	5,278	16,750	22,150
Other	52	79	60	37	5	5,327	14,041	19,601
Intrasystem allocation	159	66	198	100	9	(59,186)	58,654	-
Total expenses	<u>4,052</u>	<u>1,827</u>	<u>5,308</u>	<u>11,895</u>	<u>251</u>	<u>3,764</u>	<u>461,001</u>	<u>488,098</u>
Income (loss) from operations	(1,626)	(315)	(2,358)	(2,935)	(118)	60	35,514	28,222
Nonoperating gains (losses), net	(1)	1	-	1	1	(9,089)	(4,641)	(13,728)
Excess (deficiency) of revenues and net nonoperating gains over expenses	<u>(\$1,627)</u>	<u>(\$314)</u>	<u>(\$2,358)</u>	<u>(\$2,934)</u>	<u>(\$117)</u>	<u>(\$9,029)</u>	<u>\$30,873</u>	<u>\$14,494</u>

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, and Eliminations
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**South Broward Hospital District
d/b/a Memorial Healthcare System
Hospital and Physician Services
Combining Statement of Revenue and Expenses
Nine Months ended January 31, 2019
(In Thousands)**

	Memorial Regional Hospital	Memorial Regional Hospital South	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Physician Group	Total Hospitals and Physician Group
Revenue:								
Net patient service revenue	\$487,344	\$70,033	\$190,696	\$420,880	\$100,525	\$146,793	\$52,777	\$1,469,048
Disproportionate share distributions	19,387	2,763	732	6,230	4,804	616	-	34,532
Other revenue	7,922	940	765	2,733	474	729	3,362	16,925
Total revenue	514,653	73,736	192,193	429,843	105,803	148,138	56,139	1,520,505
Expenses:								
Salaries and wages	205,286	34,087	67,868	136,164	44,272	50,975	90,367	629,019
Employee benefits	39,123	6,973	12,909	27,153	8,606	10,465	9,331	114,560
Professional fees	10,534	909	2,346	8,259	2,877	2,704	24	27,653
Supplies	116,364	10,742	27,601	77,670	14,948	16,943	1,664	265,932
Purchased services	9,922	(1,199)	4,243	18,095	6,555	5,446	1,373	44,435
Facilities	16,090	3,095	5,404	9,371	7,019	4,594	5,347	50,920
Depreciation and amortization	17,231	3,991	7,219	12,835	2,999	5,187	2,729	52,191
Other	13,304	1,994	4,722	9,748	3,035	3,747	3,084	39,634
Intrasystem allocation	65,042	8,595	19,280	52,877	15,590	16,902	1,888	180,174
Total expenses	492,896	69,187	151,592	352,172	105,901	116,963	115,807	1,404,518
Income (loss) from operations	21,757	4,549	40,601	77,671	(98)	31,175	(59,668)	115,987
Nonoperating gains (losses), net	(5,893)	(569)	(2,486)	(4,096)	(306)	(1,382)	(69)	(14,801)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$15,864	\$3,980	\$38,115	\$73,575	(\$404)	\$29,793	(\$59,737)	\$101,186

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**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Nine Months ended January 31, 2019
(In Thousands)**

	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care	Outpatient Pharmacy Services	Urgent Care Centers	Memorial Corporate Services*	Total Hospitals and Physician Group	Memorial Healthcare System
Revenue:								
Net patient service revenue	\$7,677	\$4,815	\$1,899	\$665	\$969	\$56	\$1,469,048	\$1,485,129
Disproportionate share distributions	-	-	-	-	-	494	34,532	35,026
Other revenue	38	-	8,585	31,792	-	18,231	16,925	75,571
Total revenue	7,715	4,815	10,484	32,457	969	18,781	1,520,505	1,595,726
Expenses:								
Salaries and wages	7,216	4,115	7,683	5,225	1,127	88,337	629,019	742,722
Employee benefits	1,649	757	1,497	775	111	17,197	114,560	136,546
Professional fees	101	1	1,303	134	15	7,184	27,653	36,391
Supplies	1,391	146	447	35,599	79	4,073	265,932	307,667
Purchased services	890	172	2,781	794	47	41,379	44,435	90,498
Facilities	261	90	1,006	331	136	9,544	50,920	62,288
Depreciation and amortization	276	20	19	178	121	15,150	52,191	67,955
Other	309	265	493	160	22	16,028	39,634	56,911
Intrasystem allocation	431	175	526	454	48	(181,808)	180,174	-
Total expenses	12,524	5,741	15,755	43,650	1,706	17,084	1,404,518	1,500,978
Income (loss) from operations	(4,809)	(926)	(5,271)	(11,193)	(737)	1,697	115,987	94,748
Nonoperating gains (losses), net	(3)	(1)	-	-	(1)	46,452	(14,801)	31,646
Excess (deficiency) of revenues and net nonoperating gains over expenses	(\$4,812)	(\$927)	(\$5,271)	(\$11,193)	(\$738)	\$48,149	\$101,186	\$126,394

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, and Eliminations
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**d/b/a Memorial Healthcare System
Hospital and Physician Services
Combining Statement of Revenue and Expenses
Nine Months ended January 31, 2018
(In Thousands)**

	Memorial Regional Hospital	Memorial Regional Hospital South	Joe DiMaggio Children's Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Physician Group	Total Hospitals and Physician Group
Revenue:								
Net patient service revenue	\$479,896	\$63,120	\$187,760	\$387,625	\$105,355	\$140,729	\$47,433	\$1,411,918
Disproportionate share distributions	7,182	986	52	3,572	2,325	494	-	\$14,611
Other revenue	6,974	970	926	2,229	527	748	2,672	\$15,046
Total revenue	494,052	65,076	188,738	393,426	108,207	141,971	50,105	\$1,441,575
Expenses:								
Salaries and wages	200,861	33,285	63,393	129,601	46,859	50,942	82,455	\$607,396
Employee benefits	39,742	6,243	13,031	25,816	9,215	10,317	7,802	\$112,166
Professional fees	10,161	739	2,127	6,603	2,746	2,624	32	\$25,032
Supplies	115,444	9,599	28,272	70,828	16,977	16,877	1,747	\$259,744
Purchased services	10,572	(545)	3,561	14,574	6,863	5,290	1,486	\$41,801
Facilities	15,819	3,172	5,052	8,048	6,942	4,414	4,819	\$48,266
Depreciation and amortization	17,281	4,122	7,634	10,317	2,991	5,050	2,281	\$49,676
Other	15,405	2,054	5,126	10,483	3,113	3,517	2,946	\$42,644
Intrasystem allocation	64,091	8,725	19,006	48,142	15,245	16,909	1,882	\$174,000
Total expenses	489,376	67,394	147,202	324,412	110,951	115,940	105,450	\$1,360,725
Income (loss) from operations	4,676	(2,318)	41,536	69,014	(2,744)	26,031	(55,345)	\$80,850
Nonoperating gains (losses), net	(5,931)	(583)	(2,627)	(2,901)	(305)	(1,458)	(70)	(\$13,875)
Excess (deficiency) of revenues and net nonoperating gains over expenses	(\$1,255)	(\$2,901)	\$38,909	\$66,113	(\$3,049)	\$24,573	(\$55,415)	\$66,975

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**South Broward Hospital District
d/b/a Memorial Healthcare System
Ancillary Services
Combining Statement of Revenue and Expenses
Nine Months ended January 31, 2018
(In Thousands)**

	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care	Outpatient Pharmacy Services	Urgent Care Centers	Memorial Corporate Services*	Total Hospitals and Physician Group	Memorial Healthcare System
Revenue:								
Net patient service revenue	\$7,577	\$4,415	\$1,587	\$474	\$133	\$10	\$1,411,918	\$1,426,114
Disproportionate share distributions	-	-	-	-	-	307	14,611	14,918
Other revenue	27	-	7,124	19,557	-	17,985	15,046	59,739
Total revenue	7,604	4,415	8,711	20,031	133	18,302	1,441,575	1,500,771
Expenses:								
Salaries and wages	6,914	3,689	7,824	3,717	265	81,198	607,396	711,003
Employee benefits	1,552	710	1,398	445	27	15,307	112,166	131,605
Professional fees	68	1	1,403	639	-	6,283	25,032	33,426
Supplies	1,294	116	445	25,417	24	3,579	259,744	290,619
Purchased services	860	181	2,922	460	15	41,538	41,801	87,777
Facilities	383	80	957	140	23	8,966	48,266	58,815
Depreciation and amortization	280	21	25	3	9	16,298	49,676	66,312
Other	232	239	313	98	8	21,255	42,644	64,789
Intrasystem allocation	445	183	556	270	26	(175,480)	174,000	-
Total expenses	12,028	5,220	15,843	31,189	397	18,944	1,360,725	1,444,346
Income (loss) from operations	(4,424)	(805)	(7,132)	(11,158)	(264)	(642)	80,850	56,425
Nonoperating gains (losses), net	(2)	-	(1)	1	1	975	(13,875)	(12,901)
Excess (deficiency) of revenues and net nonoperating gains over expenses	(\$4,426)	(\$805)	(\$7,133)	(\$11,157)	(\$263)	\$333	\$66,975	\$43,524

* Includes: MHS Division, Memorial Retail Stores, Property Management, Memorial Health Network, Graduate Medical Education, and Eliminations
Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.