



Date: March 21, 2017

RE: Officers Certificate for Jupiter Medical Center Obligated Group
Relating to the Annual Filing
Issues Including:
Palm Beach County Health Facilities Authority Hospital Revenue Bonds
(Jupiter Medical Center, Inc. Project), Series 2013A, \$52,000,000
Dated: April 24, 2013

I hereby certify that the report filed on March 21, 2017 constitutes the annual financial information required by the Continuing Disclosure Agreement. I further certify that the information complies with the Continuing Disclosure Agreement and the Rule as required. DAC shall be entitled to rely on this certificate.

If you have further questions about this matter please do not hesitate to call.

A handwritten signature in blue ink, appearing to read 'Dale Hocking', is positioned above a horizontal line.

Dale Hocking
Vice President and Chief Financial Officer



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Jupiter Medical Center

Palm Beach County Health Facilities Authority Hospital Revenue Bonds (Jupiter Medical Center, Inc. Project),
Series 2013A, \$52,000,000 Dated: April 24, 2013

Series 2013A

List of the Members of the Obligated Group, if it has changed since the last Annual Report

As of September 30, 2013

Obligated Group includes:
Medical Center
Pavilion
Foundation

Series 2013A

Jupiter Medical Center, Inc. and Affiliated Companies Condensed Consolidated Statements of Activities

Fiscal Years Ended September 30,

12 mos ending

9/30/2016

JMC Obligated Group

(in 000s)

Unrestricted revenue, gains, losses and other support:

Patient service revenue (net of contractual allowances and discounts)	\$212,899
Provision for doubtful accounts	\$3,504
Net patient service revenue, less provision for doubtful accounts	\$209,395
Contributions and pledges	\$5,303
Other revenue	\$11,563
Investment income	\$1,570
Change in net unrealized (losses) gains	\$4,548
Change in value of cash flow hedge	\$0
Loss on termination of cash flow hedge	\$0
Loss on impairment of goodwill	\$0
Net assets released from restrictions used for operations	\$0
Total unrestricted revenue, gains, losses, and other support	\$232,379

Expenses:

Salaries	\$80,131
Benefits	\$14,150
Contract labor	\$6,543
Supplies	\$52,566
Purchased services	\$32,277
Interest	\$2,443
Insurance	\$1,838
Utilities	\$2,469
Equipment and building rental	\$5,368
Indigent care assessments	\$0
Depreciation and amortization	\$14,829
Amortization of goodwill	\$0
Other expenses	\$8,193
Total expenses	\$220,807

Excess of revenue, gains, losses and other support over expenses

\$11,572

Series 2013A

Sources of Operating Revenue

Jupiter Medical Center, Inc. (Hospital Only)

Fiscal Years Ended September 30,

12 mos ending

9/30/2016

Medical Center

Medicare and Medicare Mgd. Care	59.03%
Medicaid and Medicaid Mgd. Care	2.91%
Managed Care	20.24%
Blue Cross	13.55%
Self Pay and Other	4.27%
Total	100.0%

Series 2013A

Key Operating Statistics

Fiscal Years Ended September 30,

12 mos ending

9/30/2016

JMC Obligated Group

Description of Metric	
Admissions (less newborns)	10,715
Patient Days (less newborns)	44,930
Acute A.D.C. (less newborns)	123.2
A.L.O.S. (less newborns)	4.20
Case Mix Index – Medicare	1.7224
E.R. Visits	35,154
Observation Discharges	4,046
Observation Days	4,820
Outpatient Visits	118,151
Surgical Cases – Inpatient	3,543
Surgical Cases – Outpatient	3,882
Pavilion A.D.C.	39
Newborn Births	1,329



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Jupiter Medical Center, FL (FL)

1 Palm Beach County Health Facilities Authority Hospital Revenue Bonds (Jupiter Medical Center, Inc. Project), Series 2013A, \$52,000,000 Dated: April 24, 2013

Series 2013A

Results of Operations (Unconsolidated)

Jupiter Medical Center, Inc. (\$ in thousands)

Fiscal Years Ended September 30,

	<u>2016</u>
Net Patient Service Revenue	\$199,761
Other Revenue	\$5,566
Total Revenue	\$205,327
Total Operating Expenses	\$204,503
Excess of Revenue, Gains, Losses and Other Support over Expenses	\$824
Total Margin	0.4%

Series 2013A

Results of Operations (Consolidated)

Jupiter Medical Center, Inc. and Affiliated Companies

Fiscal Years Ended September 30,

	<u>2016</u>
Net Patient Service Revenue	\$208,655
Other Revenue	\$22,027
Total Revenue	\$230,682
Total Operating Expenses	\$221,602
Excess of Revenue, Gains, Losses, and Other Support over Expenses	\$9,080
Total Margin	3.9%

Series 2013A

Excess of Revenue, Gains, Losses and Other Support Over Expenses by Entity

Fiscal Years Ended September 30,

	<u>2016</u>
Medical Center	\$824
Pavilion	\$320
JMCPG	(\$2,983)
Foundation	\$10,427
Auxiliary	(\$5)
Eliminating Entries	\$497
Excess of revenue, gains, losses, and other support over expenses	\$9,080
Total Margin	3.9%

Series 2013A

Key Financial Ratios

Fiscal Years Ended September 30,

<u>Description of Metric</u>	<u>2016</u>
EBIDA Margin %, Medical Center	9.80%
EBIDA Margin %, Consolidated Medical Center	8.20%
Total Operating Margin %, Consolidated Medical Center	0.50%
Total Operating Margin %, Medical Center	1.70%
Days' Cash on Hand, Consolidated Medical Center	177.0
Net Days in AR (90 day avg), Consolidated Medical Center	45.8
Net Days in AR (90 day avg), Medical Center	45.6
Cash to Total Debt, Consolidated Medical Center	168.60%
LTD to Capitalization, Consolidated Medical Center	23.00%
Debt Service Coverage Ratio, Consolidated Medical Center	3.15%

JUPITER MEDICAL CENTER OBLIGATED GROUP
Balance Sheet
September 30, 2016

ASSETS	SEP
Current Assets	
Cash and Cash Equivalents	51,959,157
Gross Patient Accounts Receivable	60,660,966
Less: Bad Debt and Allowance Reserves	<u>(33,442,958)</u>
Net Patient Accounts Receivable	27,218,008
Interest Receivable	57,361
Other Receivables	1,558,916
Inventories	4,802,360
Prepaid Expenses	3,705,829
Unamortized Loan Cost - Current	-
Due From Affiliates/Related Organizations	373,917
Other Current Assets	3,647,173
Total Current Assets	93,322,722
Assets Whose Use is Limited	
Cash	-
Investments	239,380
Trustee Held Funds	3,466,874
Board Designated Funds	<u>45,565,226</u>
Total Assets Whose Use is Limited	49,271,479
Property, Plant & Equipment	
Land and Land Improvements	10,359,494
Building and Building Improvements	151,970,698
Equipment	124,248,523
Construction in Progress	9,645,299
Capitalized Interest	<u>-</u>
Gross Property, Plant and Equipment	296,224,015
Less: Accumulated Depreciation	<u>(156,992,985)</u>
Net Property, Plant, and Equipment	139,231,030
Other Assets	
Unamortized Loan Costs	1,515,444
Other	<u>12,495,458</u>
Total Other Assets	14,010,902
 TOTAL UNRESTRICTED ASSETS	 295,836,133
Restricted Assets	<u>59,992,854</u>
TOTAL ASSETS	355,828,987

JUPITER MEDICAL CENTER OBLIGATED GROUP
Balance Sheet
September 30, 2016

	SEP
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	9,338,515
Accrued Payroll	1,543,363
Accrued Payroll Taxes	172,848
Accrued Benefits	2,646,930
Other Accrued Expenses	9,054,904
Due to Third Party Payors	1,640,775
Current Portion of LTD (Bonds/Mortgages)	5,944,289
Reserve for Malpractice	990,498
Line of Credit	14,900,000
Due To Affiliates/Related Organizations	342,680
Other Current Liabilities	2,083,134
Total Current Liabilities	48,657,936
Long Term Debt	
Bonds/Mortgages/Leases Payable	60,318,332
Less: Current Portion of Long Term Debt	(5,944,289)
Total Long Term Debt (Net of Current)	54,374,043
Other Long Term Liabilities	
Deferred Revenue	33,900
Other	5,520,701
Total Other Long Term Liabilities	5,554,601
TOTAL LIABILITIES	108,586,581
Net Assets:	
Unrestricted Fund Balance	175,795,579
Temporarily Restricted Fund Balance	55,328,729
Restricted Fund Balance	4,546,992
Net Revenue/(Expenses)	11,571,106
TOTAL NET ASSETS	247,242,406
TOTAL LIABILITIES AND NET ASSETS	355,828,987

Statement of Cash Flows
Jupiter Medical Center - Obligated Group
September 30, 2016

YTD

CASH FLOWS FROM OPERATING ACTIVITIES:

Excess Revenues over Expenses	11,571,106
Restricted Contributions Not shown as Income	27,502,943
Net Assets Released From Restriction	-
Used in Operating Activities:	
Increase in accumulated depreciation	12,749,716
(Increase)/Decrease in Net Patient Accounts Receivable	(302,376)
(Increase)/Decrease in Unconsolidated Affiliate Accts. Rec.	(5,549)
(Increase)/Decrease in Other Receivables	452,425
(Increase)/Decrease in Inventories	(402,402)
(Increase)/Decrease in Pre-Paid Expenses	498,532
Increase/(Decrease) in Accounts Payable	1,355,323
Increase/(Decrease) in Notes and Loans Payable	793,980
Increase/(Decrease) in Accrued Payroll and Benefits	197,947
Increase/(Decrease) in Accrued Expenses	(1,072,109)
Increase/(Decrease) in Other Reserves	(498,365)
Increase/(Decrease) in Third Party Advances/Liabilities	1,943,077
Increase/(Decrease) in Other Current Liabilities	15,722,043
Net Cash Used in Operating Activities:	<u>70,506,291</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property, Plant and Equipment	(17,164,301)
(Increase)/Decrease in Assets whose use is Limited	(5,254,664)
(Increase)/Decrease in Other Assets	(566,321)
Net Cash Used in Investing Activities	<u>(22,985,286)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Increase/(Decrease) in Bond/Mortgage Debt	(19,558,026)
Increase/(Decrease) in Other Long Term Liabilities	(930,778)
Net Cash Provided by Financing Activities	<u>(20,488,804)</u>

(INCREASE)/DECREASE IN RESTRICTED ASSETS

	<u>(19,291,933)</u>
Net Increase/(Decrease) in Cash	7,740,268
Cash, Beginning of Period	<u>44,218,889</u>
Cash, End of Period	<u><u>\$ 51,959,157</u></u>

Covenant Compliance Certificate

Jupiter Medical Center, Inc. Obligated Group

Period Ending Date: September 30, 2016

1. Long-Term Maximum Annual Debt Service Coverage Ratio (Exhibit C, Section 2(i) of the Financing Agreement)

Date:	Twelve months ending September 30, 2016
Long-Term Maximum Annual Debt Service Coverage Ratio:	3.69x
Minimum Covenant:	1.10x

The Obligated Group will maintain a Long-Term Maximum Annual Debt Service Coverage Ratio calculated as of the end of each Fiscal Year of at least 1.10. This covenant shall be tested based upon, and at the time of delivery of, the Obligated Group's audited financial statements. "Long-Term Maximum Annual Debt Service Coverage Ratio" means for any Fiscal Year the ratio determined by dividing (i) the Income Available for Debt Service, by (ii) Maximum Annual Debt Service.

2. Days Cash on Hand (Exhibit C, Section 2(ii) of the Financing Agreement)

Date:	September 30, 2016
Days Cash on Hand:	175
Minimum Covenant:	75 Days

The Obligated Group will maintain, as of September 30 of each year, at least 75 Days Cash on Hand. This covenant shall be tested based upon and at the time of delivery of the Obligated Group's audited financial statements. "Days Cash on Hand" means as of the date of calculation, the amount determined by dividing (a) the aggregate amount of Unrestricted Cash and Investments of the Members of the Obligated Group multiplied by 365 by (b) the total operating expenses of the Obligated Group for the twelve month period ending on the date of determination and for purposes of calculating operating expenses for this paragraph, depreciation and amortization shall not be included in operating expenses.

I hereby certify that to the best of my knowledge, the accompanying financial information accurately represents the financial condition and performance of the Jupiter Medical Center, Inc. Obligated Group. To the best of my knowledge no event of default exists.

Signed By:



Name: Dale Hocking
Title: Vice President and Chief Financial Officer
Date: March 21, 2017

Jupiter Medical DSCR Covenant Calculation	
TD Bank Maximum Long-term Debt Service Coverage Ratio	
FYE September 30, 2016	
Excess of Revenues over Expenses	\$ 11,571,105.00
+ Interest Expense	\$ 2,417,602.00
+Depreciation and Amortization	\$ 14,810,137.00
+ Non-Cash Expenses	\$ -
- Non-Cash Revenues or Gains	\$ 4,547,635.00
+ Restricted Revenues to Cover DSCR Obligations	\$ -
Income Available for Debt Service	\$ 33,346,479.00
Maximum Annual Debt Service (MADS)	\$ 9,025,602.00
Long-Term Debt Service Coverage Ratio	\$ 3.69
TD Bank Covenant	1.10x

Jupiter Medical Center Obligated Group	
TD Bank Days Cash on Hand Covenant	
FYE September 30, 2016	
Cash	\$ 51,868,064
Marketable Securities	\$ 191,310
Long-Term Unrestricted Investments	\$ 2,578,264
Board Designated Funds	\$ 42,554,643
Total	\$ 97,192,281
Operating Expenses	\$ 217,209,322
Less: Depreciation and Amortization	\$ (14,810,137)
Total	\$ 202,399,185
Actual Days Cash on Hand	175
Minimum Cash Days on Hand	75