



FINANCIAL AND OPERATING INFORMATION

FOR THE THIRD QUARTER ENDED

January 31, 2009

Memorial Healthcare System Contact Information:

Matthew J. Muhart

Senior Vice President and Chief Financial Officer

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

Combined Balance Sheets

	January 31,	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 52,778,000	\$ 114,268,000
Investments	602,411,000	516,466,000
Patient accounts receivable, net of estimated uncollectibles	137,320,000	112,384,000
Ad valorem taxes receivable	2,455,000	12,923,000
Inventories	20,319,000	19,872,000
Other current assets	25,973,000	26,086,000
Total current assets	841,256,000	801,999,000
Assets whose use is limited		
By Board for capital improvements	88,687,000	85,197,000
By Board for employee disability	15,627,000	14,978,000
Under indenture agreement	9,098,000	6,587,000
Under self-insurance trust agreements	48,812,000	46,792,000
Externally restricted by donors	6,726,000	5,910,000
Total assets whose use is limited	168,950,000	159,464,000
Capital assets, net	711,802,000	661,115,000
Deferred charges, net	7,112,000	11,641,000
Other assets	5,316,000	4,145,000
Total assets	\$ 1,734,436,000	\$ 1,638,364,000
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 115,644,000	\$ 106,823,000
Accrued compensation and payroll taxes	68,719,000	76,194,000
Estimated third-party payor settlements	7,010,000	11,736,000
Current installments of long-term debt	4,959,000	4,820,000
Current portion of capital lease obligations	1,339,000	-
Current portion of estimated claims liability	8,781,000	10,142,000
Other current liabilities	15,588,000	23,806,000
Total current liabilities	222,040,000	233,521,000
Long-term portion of estimated claims liability	61,891,000	66,296,000
Other noncurrent liabilities	62,032,000	57,704,000
Long-term portion of capital lease obligations	5,331,000	-
Long-term debt	416,677,000	424,655,000
Total liabilities	767,971,000	782,176,000
Net assets:		
Invested in capital assets, net of related debt	277,378,000	225,820,000
Restricted:		
For debt service	9,098,000	6,587,000
By donors	8,211,000	7,207,000
Under self-insurance trust agreements	48,812,000	46,792,000
Unrestricted	622,966,000	569,782,000
Total net assets	966,465,000	856,188,000
Total liabilities and net assets	\$ 1,734,436,000	\$ 1,638,364,000

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

Statements of Revenue and Expenses

	<u>Quarter ended January 31,</u>		<u>Nine months ended January 31,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenue:				
Net patient service revenue	\$ 313,450,000	\$ 289,704,000	\$ 918,521,000	\$ 849,001,000
Other revenue	13,998,000	13,434,000	43,323,000	44,482,000
Total revenue	<u>327,448,000</u>	<u>303,138,000</u>	<u>961,844,000</u>	<u>893,483,000</u>
Expenses:				
Salaries and wages	151,440,000	144,333,000	447,921,000	425,441,000
Employee benefits	29,527,000	31,197,000	91,194,000	90,752,000
Professional fees	6,643,000	6,602,000	19,493,000	18,651,000
Supplies	57,939,000	57,375,000	171,507,000	166,425,000
Purchased services	19,716,000	19,263,000	57,633,000	56,758,000
Facilities	18,083,000	16,039,000	52,731,000	48,240,000
Depreciation and amortization	18,576,000	16,450,000	54,747,000	49,100,000
Interest	4,538,000	4,296,000	14,117,000	13,039,000
Other	13,983,000	15,673,000	40,700,000	47,015,000
Total expenses	<u>320,445,000</u>	<u>311,228,000</u>	<u>950,043,000</u>	<u>915,421,000</u>
Income (Loss) from operations	7,003,000	(8,090,000)	11,801,000	(21,938,000)
Nonoperating gains, net	<u>39,966,000</u>	<u>34,281,000</u>	<u>65,261,000</u>	<u>81,306,000</u>
Excess of revenues and net nonoperating gains over expenses	<u>\$ 46,969,000</u>	<u>\$ 26,191,000</u>	<u>\$ 77,062,000</u>	<u>\$ 59,368,000</u>

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

**Combining Statement of Revenue and Expenses
Quarter ended January 31, 2009**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care Centers	Memorial Physician Division	Memorial Corporate Services	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$ 157,683,000	\$ 86,788,000	\$ 27,415,000	\$ 34,606,000	\$ 2,068,000	\$ 1,410,000	\$ 193,000	\$ 3,287,000	\$ -	\$ 313,450,000
Other revenue	7,257,000	1,146,000	521,000	157,000	201,000	-	1,920,000	42,000	2,754,000	13,998,000
Total revenue	<u>164,940,000</u>	<u>87,934,000</u>	<u>27,936,000</u>	<u>34,763,000</u>	<u>2,269,000</u>	<u>1,410,000</u>	<u>2,113,000</u>	<u>3,329,000</u>	<u>2,754,000</u>	<u>327,448,000</u>
Expenses:										
Salaries and wages	70,022,000	31,340,000	11,893,000	12,919,000	1,942,000	1,063,000	1,801,000	4,681,000	15,779,000	151,440,000
Employee benefits	14,164,000	5,928,000	2,311,000	2,355,000	445,000	189,000	260,000	538,000	3,337,000	29,527,000
Professional fees	2,571,000	559,000	387,000	343,000	20,000	2,000	1,431,000	178,000	1,152,000	6,643,000
Supplies	33,768,000	13,806,000	4,261,000	4,063,000	569,000	55,000	773,000	77,000	567,000	57,939,000
Purchased services	5,311,000	2,896,000	1,691,000	1,317,000	155,000	145,000	715,000	122,000	7,364,000	19,716,000
Facilities	8,194,000	3,277,000	2,659,000	1,148,000	104,000	39,000	83,000	234,000	2,345,000	18,083,000
Depreciation and amortization	7,546,000	4,115,000	724,000	2,350,000	106,000	-	5,000	41,000	3,689,000	18,576,000
Interest	1,011,000	1,476,000	29,000	1,187,000	-	-	-	-	835,000	4,538,000
Other	6,534,000	2,592,000	1,307,000	1,054,000	69,000	25,000	186,000	266,000	1,950,000	13,983,000
Intrafacility allocation	21,174,000	9,495,000	2,558,000	2,247,000	291,000	151,000	813,000	127,000	(36,856,000)	-
Total expenses	<u>170,295,000</u>	<u>75,484,000</u>	<u>27,820,000</u>	<u>28,983,000</u>	<u>3,701,000</u>	<u>1,669,000</u>	<u>6,067,000</u>	<u>6,264,000</u>	<u>162,000</u>	<u>320,445,000</u>
Income (Loss) from operations	(5,355,000)	12,450,000	116,000	5,780,000	(1,432,000)	(259,000)	(3,954,000)	(2,935,000)	2,592,000	7,003,000
Nonoperating gains, net	7,352,000	1,150,000	704,000	337,000	83,000	106,000	3,954,000	-	26,280,000	39,966,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	<u>\$ 1,997,000</u>	<u>\$ 13,600,000</u>	<u>\$ 820,000</u>	<u>\$ 6,117,000</u>	<u>\$ (1,349,000)</u>	<u>\$ (153,000)</u>	<u>\$ -</u>	<u>\$ (2,935,000)</u>	<u>\$ 28,872,000</u>	<u>\$ 46,969,000</u>

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

**Combining Statement of Revenues and Expenses
Quarter ended January 31, 2008**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care Centers	Memorial Physician Division	Memorial Corporate Services	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$ 154,869,000	\$ 73,628,000	\$ 24,769,000	\$ 29,963,000	\$ 2,174,000	\$ 1,121,000	\$ 200,000	\$ 2,980,000	\$ -	\$ 289,704,000
Other revenue	8,508,000	715,000	10,000	131,000	270,000	-	1,771,000	19,000	2,010,000	13,434,000
Total revenue	<u>163,377,000</u>	<u>74,343,000</u>	<u>24,779,000</u>	<u>30,094,000</u>	<u>2,444,000</u>	<u>1,121,000</u>	<u>1,971,000</u>	<u>2,999,000</u>	<u>2,010,000</u>	<u>303,138,000</u>
Expenses:										
Salaries and wages	68,058,000	29,839,000	11,345,000	11,633,000	1,863,000	895,000	1,653,000	4,263,000	14,784,000	144,333,000
Employee benefits	13,903,000	6,150,000	2,417,000	2,091,000	457,000	189,000	299,000	520,000	5,171,000	31,197,000
Professional fees	2,775,000	560,000	548,000	296,000	17,000	3,000	1,328,000	166,000	909,000	6,602,000
Supplies	34,814,000	12,583,000	3,913,000	3,828,000	600,000	45,000	741,000	98,000	753,000	57,375,000
Purchased services	4,975,000	2,706,000	1,711,000	1,352,000	143,000	146,000	487,000	96,000	7,647,000	19,263,000
Facilities	6,556,000	2,946,000	2,572,000	1,167,000	79,000	40,000	81,000	207,000	2,391,000	16,039,000
Depreciation and amortization	6,422,000	3,737,000	663,000	2,044,000	93,000	-	12,000	8,000	3,471,000	16,450,000
Interest	1,269,000	1,624,000	66,000	538,000	-	-	-	-	799,000	4,296,000
Other	6,791,000	2,482,000	1,220,000	982,000	69,000	22,000	247,000	500,000	3,360,000	15,673,000
Intrafacility allocation	20,167,000	8,822,000	2,541,000	1,713,000	263,000	131,000	743,000	114,000	(34,494,000)	-
Total expenses	<u>165,730,000</u>	<u>71,449,000</u>	<u>26,996,000</u>	<u>25,644,000</u>	<u>3,584,000</u>	<u>1,471,000</u>	<u>5,591,000</u>	<u>5,972,000</u>	<u>4,791,000</u>	<u>311,228,000</u>
Income (Loss) from operations	(2,353,000)	2,894,000	(2,217,000)	4,450,000	(1,140,000)	(350,000)	(3,620,000)	(2,973,000)	(2,781,000)	(8,090,000)
Nonoperating gains, net	8,415,000	1,205,000	870,000	774,000	142,000	181,000	3,620,000	-	19,074,000	34,281,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	<u>\$ 6,062,000</u>	<u>\$ 4,099,000</u>	<u>\$ (1,347,000)</u>	<u>\$ 5,224,000</u>	<u>\$ (998,000)</u>	<u>\$ (169,000)</u>	<u>\$ -</u>	<u>\$ (2,973,000)</u>	<u>\$ 16,293,000</u>	<u>\$ 26,191,000</u>

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

**Combining Statement of Revenue and Expenses
Nine months ended January 31, 2009**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care Centers	Memorial Physician Division	Memorial Corporate Services	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$ 473,626,000	\$ 247,221,000	\$ 77,503,000	\$ 99,866,000	\$ 5,946,000	\$ 4,031,000	\$ 618,000	\$ 9,710,000	\$ -	\$ 918,521,000
Other revenue	23,726,000	3,883,000	1,699,000	606,000	647,000	-	5,688,000	145,000	6,929,000	43,323,000
Total revenue	<u>497,352,000</u>	<u>251,104,000</u>	<u>79,202,000</u>	<u>100,472,000</u>	<u>6,593,000</u>	<u>4,031,000</u>	<u>6,306,000</u>	<u>9,855,000</u>	<u>6,929,000</u>	<u>961,844,000</u>
Expenses:										
Salaries and wages	207,552,000	92,151,000	34,759,000	37,696,000	5,762,000	2,983,000	5,367,000	14,002,000	47,649,000	447,921,000
Employee benefits	42,764,000	18,421,000	7,177,000	7,145,000	1,368,000	574,000	820,000	1,470,000	11,455,000	91,194,000
Professional fees	7,571,000	1,657,000	1,221,000	1,080,000	69,000	7,000	4,471,000	529,000	2,888,000	19,493,000
Supplies	101,209,000	40,119,000	11,991,000	12,071,000	1,680,000	141,000	2,280,000	224,000	1,792,000	171,507,000
Purchased services	15,260,000	8,509,000	4,946,000	4,029,000	427,000	434,000	2,076,000	334,000	21,618,000	57,633,000
Facilities	23,887,000	8,378,000	8,254,000	3,717,000	295,000	117,000	264,000	729,000	7,090,000	52,731,000
Depreciation and amortization	22,075,000	12,035,000	2,067,000	6,914,000	306,000	1,000	21,000	111,000	11,217,000	54,747,000
Interest	3,455,000	4,448,000	98,000	3,607,000	-	-	-	-	2,509,000	14,117,000
Other	19,174,000	8,013,000	4,003,000	3,197,000	223,000	69,000	531,000	804,000	4,686,000	40,700,000
Intrafacility allocation	62,780,000	28,468,000	7,658,000	6,625,000	874,000	452,000	2,438,000	381,000	(109,676,000)	-
Total expenses	<u>505,727,000</u>	<u>222,199,000</u>	<u>82,174,000</u>	<u>86,081,000</u>	<u>11,004,000</u>	<u>4,778,000</u>	<u>18,268,000</u>	<u>18,584,000</u>	<u>1,228,000</u>	<u>950,043,000</u>
Income (Loss) from operations	(8,375,000)	28,905,000	(2,972,000)	14,391,000	(4,411,000)	(747,000)	(11,962,000)	(8,729,000)	5,701,000	11,801,000
Nonoperating gains, net	16,239,000	2,909,000	1,905,000	911,000	252,000	320,000	11,962,000	-	30,763,000	65,261,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	<u>\$ 7,864,000</u>	<u>\$ 31,814,000</u>	<u>\$ (1,067,000)</u>	<u>\$ 15,302,000</u>	<u>\$ (4,159,000)</u>	<u>\$ (427,000)</u>	<u>\$ -</u>	<u>\$ (8,729,000)</u>	<u>\$ 36,464,000</u>	<u>\$ 77,062,000</u>

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

**Combining Statement of Revenue and Expenses
Nine months ended January 31, 2008**

	Memorial Regional Hospital	Memorial Hospital West	Memorial Hospital Pembroke	Memorial Hospital Miramar	Memorial Manor Nursing Home	Memorial Home Health	Memorial Primary Care Centers	Memorial Physician Division	Memorial Corporate Services	Memorial Healthcare System
Revenue:										
Net patient service revenue	\$ 448,634,000	\$ 225,047,000	\$ 73,825,000	\$ 82,456,000	\$ 6,270,000	\$ 3,464,000	\$ 641,000	\$ 8,664,000	\$ -	\$ 849,001,000
Other revenue	26,366,000	3,169,000	1,217,000	468,000	854,000	-	5,247,000	175,000	6,986,000	44,482,000
Total revenue	<u>475,000,000</u>	<u>228,216,000</u>	<u>75,042,000</u>	<u>82,924,000</u>	<u>7,124,000</u>	<u>3,464,000</u>	<u>5,888,000</u>	<u>8,839,000</u>	<u>6,986,000</u>	<u>893,483,000</u>
Expenses:										
Salaries and wages	200,945,000	89,372,000	34,065,000	31,969,000	5,480,000	2,718,000	4,900,000	12,153,000	43,839,000	425,441,000
Employee benefits	41,244,000	18,254,000	7,192,000	5,996,000	1,362,000	558,000	886,000	1,408,000	13,852,000	90,752,000
Professional fees	7,189,000	1,696,000	1,829,000	989,000	54,000	8,000	3,878,000	360,000	2,648,000	18,651,000
Supplies	100,585,000	37,020,000	11,694,000	10,813,000	1,628,000	135,000	2,206,000	265,000	2,079,000	166,425,000
Purchased services	15,578,000	7,730,000	4,836,000	3,553,000	428,000	399,000	1,561,000	317,000	22,356,000	56,758,000
Facilities	19,717,000	8,760,000	7,925,000	3,482,000	252,000	117,000	248,000	609,000	7,130,000	48,240,000
Depreciation and amortization	19,783,000	11,162,000	1,780,000	6,118,000	280,000	1,000	38,000	26,000	9,912,000	49,100,000
Interest	3,950,000	4,716,000	211,000	1,763,000	-	-	-	-	2,399,000	13,039,000
Other	21,666,000	8,182,000	3,901,000	3,147,000	212,000	64,000	773,000	1,223,000	7,847,000	47,015,000
Intrafacility allocation	61,101,000	26,980,000	7,637,000	5,199,000	823,000	420,000	2,306,000	363,000	(104,829,000)	-
Total expenses	<u>491,758,000</u>	<u>213,872,000</u>	<u>81,070,000</u>	<u>73,029,000</u>	<u>10,519,000</u>	<u>4,420,000</u>	<u>16,796,000</u>	<u>16,724,000</u>	<u>7,233,000</u>	<u>915,421,000</u>
Income (Loss) from operations	(16,758,000)	14,344,000	(6,028,000)	9,895,000	(3,395,000)	(956,000)	(10,908,000)	(7,885,000)	(247,000)	(21,938,000)
Nonoperating gains, net	22,358,000	3,629,000	2,842,000	2,259,000	430,000	546,000	10,908,000	-	38,334,000	81,306,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	<u>\$ 5,600,000</u>	<u>\$ 17,973,000</u>	<u>\$ (3,186,000)</u>	<u>\$ 12,154,000</u>	<u>\$ (2,965,000)</u>	<u>\$ (410,000)</u>	<u>\$ -</u>	<u>\$ (7,885,000)</u>	<u>\$ 38,087,000</u>	<u>\$ 59,368,000</u>

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

Operating Statistics

	Quarter ended		Nine months ended	
	January 31,		January 31,	
	2009	2008	2009	2008
Admissions	20,119	20,241	59,956	59,627
Patient days	94,578	94,910	279,779	279,261
Length of stay	4.70	4.69	4.67	4.68
Average daily census	1,028	1,032	1,014	1,012
Outpatient visits	181,895	174,698	553,208	532,602
Emergency room visits	78,801	77,430	227,456	223,916