



QUARTERLY FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED

January 31, 2016

Memorial Healthcare System Disclosure Representative:

David M. Smith

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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 January 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

	January 31,	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 533,013,000	\$ 360,983,000
Investments	1,161,818,000	1,089,536,000
Designated investments for capital improvements	640,000	1,278,000
Designated investments for employee disability	18,056,000	17,968,000
Patient accounts receivable, net of estimated uncollectibles	201,132,000	211,338,000
Ad valorem taxes receivable	872,000	723,000
Inventories	29,591,000	28,428,000
Other current assets	58,559,000	60,913,000
Total current assets	2,003,681,000	1,771,167,000
Restricted assets, net of current portion:		
Under indenture agreement	11,483,000	23,433,000
Under indenture - project funds	51,599,000	-
Under self-insurance trust agreements	47,408,000	48,288,000
Externally restricted by donors	48,000	48,000
Total restricted assets	110,538,000	71,769,000
Capital assets, net	724,016,000	750,423,000
Other assets	21,628,000	16,333,000
Total assets	2,859,863,000	2,609,692,000
Deferred Outflows		
Loss on defeasance, net	14,331,000	10,664,000
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	64,704,000	70,374,000
Accrued compensation and payroll taxes	105,890,000	90,918,000
Estimated third-party payor settlements	12,308,000	8,857,000
Current installments of long-term debt	5,650,000	3,365,000
Current portion of capital lease obligations	2,392,000	2,285,000
Current portion of estimated claims liability	15,638,000	13,865,000
Other current liabilities	31,721,000	19,413,000
Total current liabilities	238,303,000	209,077,000
Long-term portion of estimated claims liability	26,388,000	20,910,000
Other noncurrent liabilities	50,125,000	70,106,000
Long-term portion of capital lease obligations	2,876,000	4,940,000
Long-term debt	606,704,000	540,247,000
Total liabilities	924,396,000	845,280,000
Net position:		
Invested in capital assets, net of related debt	120,724,000	210,251,000
Restricted:		
For debt service	63,082,000	23,433,000
By donors	48,000	48,000
Under self-insurance trust agreements	47,408,000	48,288,000
Unrestricted	1,718,536,000	1,493,056,000
Total net position	\$ 1,949,798,000	\$ 1,775,076,000

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

Statements of Revenue and Expenses and Changes in Net Position

	Third Quarter ended January 31,		Nine Months ended January 31,	
	2016	2015	2016	2015
Revenue:				
Net patient service revenue	\$460,238,000	\$422,156,000	\$1,335,188,000	\$1,210,238,000
Disproportionate Share Distributions	11,732,000	22,957,000	35,499,000	60,368,000
Other revenue	11,952,000	8,878,000	35,134,000	34,207,000
Total revenue	483,922,000	453,991,000	1,405,821,000	1,304,813,000
Expenses:				
Salaries and wages	213,541,000	191,405,000	616,898,000	558,289,000
Employee benefits	41,916,000	38,919,000	118,689,000	113,861,000
Professional fees	11,422,000	9,544,000	33,852,000	26,165,000
Supplies	76,691,000	69,210,000	225,207,000	199,665,000
Purchased services	26,580,000	25,501,000	79,799,000	71,290,000
Facilities	16,750,000	18,414,000	53,234,000	55,537,000
Depreciation and amortization	24,711,000	27,075,000	76,764,000	83,219,000
Other	18,322,000	15,145,000	51,947,000	43,975,000
Total expenses	429,933,000	395,213,000	1,256,390,000	1,152,001,000
Income (loss) from operations	53,989,000	58,778,000	149,431,000	152,812,000
Nonoperating gains (losses), net *	1,877,000	10,163,000	(12,320,000)	1,362,000
Income before capital contributions and grants	55,866,000	68,941,000	137,111,000	154,174,000
Capital contributions and grants	644,000	-	644,000	228,000
Increase in net position	56,510,000	68,941,000	137,755,000	154,402,000
Net position at the beginning of the period	1,893,288,000	1,706,135,000	1,812,043,000	1,620,674,000
Net position at the end of the period	\$1,949,798,000	\$1,775,076,000	\$1,949,798,000	\$1,775,076,000
Net Margin	11.5%	15.2%	9.8%	11.8%

* Includes interest expense as follows: (\$8,792,000) (\$3,858,000) (\$23,276,000) (\$18,842,000)

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

**Combining Statement of Revenue and Expenses
Quarter ended January 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	\$241,297,000	\$125,043,000	\$30,663,000	\$45,384,000	\$2,559,000	\$1,651,000	\$438,000	\$13,203,000	-	\$460,238,000
Disproportionate share distributions	9,372,000	1,397,000	431,000	532,000	-	-	-	-	-	11,732,000
Other revenue	4,101,000	1,088,000	595,000	505,000	11,000	-	2,030,000	708,000	2,914,000	11,952,000
Total revenue	254,770,000	127,528,000	31,689,000	46,421,000	2,570,000	1,651,000	2,468,000	13,911,000	2,914,000	483,922,000
Expenses:										
Salaries and wages	91,586,000	40,212,000	14,263,000	15,731,000	2,096,000	1,229,000	2,409,000	22,030,000	23,985,000	213,541,000
Employee benefits	18,087,000	7,859,000	2,846,000	3,142,000	487,000	245,000	419,000	2,461,000	6,370,000	41,916,000
Professional fees	4,137,000	1,244,000	848,000	540,000	19,000	-	832,000	(24,000)	3,826,000	11,422,000
Supplies	46,050,000	19,405,000	4,562,000	4,741,000	423,000	119,000	292,000	378,000	721,000	76,691,000
Purchased services	4,946,000	4,177,000	2,055,000	1,450,000	232,000	103,000	1,482,000	367,000	11,768,000	26,580,000
Facilities	6,486,000	2,358,000	2,182,000	1,352,000	74,000	41,000	267,000	1,241,000	2,749,000	16,750,000
Depreciation and amortization	10,051,000	3,519,000	1,114,000	1,605,000	79,000	5,000	10,000	500,000	7,828,000	24,711,000
Other	7,621,000	3,203,000	1,204,000	1,093,000	81,000	90,000	189,000	742,000	4,099,000	18,322,000
Intrastem allocation	30,467,000	16,839,000	5,115,000	5,448,000	181,000	54,000	209,000	414,000	(58,727,000)	-
Total expenses	219,431,000	98,816,000	34,189,000	35,102,000	3,672,000	1,886,000	6,109,000	28,109,000	2,619,000	429,933,000
Income (loss) from operations	35,339,000	28,712,000	(2,500,000)	11,319,000	(1,102,000)	(235,000)	(3,641,000)	(14,198,000)	295,000	53,989,000
Nonoperating gains (losses), net	(3,215,000)	(1,413,000)	(114,000)	(1,231,000)	(1,000)	-	1,000	(32,000)	7,882,000	1,877,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$32,124,000	\$27,299,000	(\$2,614,000)	\$10,088,000	(\$1,103,000)	(\$235,000)	(\$3,640,000)	(\$14,230,000)	\$8,177,000	\$55,866,000

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

**Combining Statement of Revenue and Expenses
Quarter ended January 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	\$214,469,000	\$122,805,000	\$31,111,000	\$38,899,000	\$2,502,000	\$1,402,000	\$417,000	\$10,551,000	-	\$422,156,000
Disproportionate share distributions	12,974,000	4,861,000	2,056,000	2,694,000	(140,000)	36,000	308,000	-	168,000	22,957,000
Other revenue	3,509,000	374,000	(247,000)	(35,000)	9,000	-	1,835,000	435,000	2,998,000	8,878,000
Total revenue	230,952,000	128,040,000	32,920,000	41,558,000	2,371,000	1,438,000	2,560,000	10,986,000	3,166,000	453,991,000
Expenses:										
Salaries and wages	81,482,000	37,924,000	13,193,000	14,392,000	1,970,000	1,081,000	2,269,000	17,004,000	22,090,000	191,405,000
Employee benefits	16,877,000	7,494,000	2,671,000	2,940,000	483,000	224,000	470,000	1,945,000	5,815,000	38,919,000
Professional fees	3,690,000	1,306,000	615,000	445,000	23,000	-	814,000	30,000	2,621,000	9,544,000
Supplies	40,325,000	18,672,000	4,114,000	4,400,000	434,000	102,000	329,000	159,000	675,000	69,210,000
Purchased services	4,933,000	3,926,000	1,738,000	1,382,000	219,000	93,000	1,156,000	324,000	11,730,000	25,501,000
Facilities	7,767,000	2,926,000	2,413,000	1,215,000	88,000	41,000	260,000	829,000	2,875,000	18,414,000
Depreciation and amortization	9,510,000	3,630,000	1,203,000	1,872,000	80,000	5,000	11,000	339,000	10,425,000	27,075,000
Other	5,902,000	3,050,000	878,000	969,000	62,000	84,000	89,000	1,001,000	3,110,000	15,145,000
Intrastem allocation	33,170,000	14,764,000	3,935,000	3,536,000	224,000	92,000	172,000	481,000	(56,374,000)	-
Total expenses	203,656,000	93,692,000	30,760,000	31,151,000	3,583,000	1,722,000	5,570,000	22,112,000	2,967,000	395,213,000
Income (loss) from operations	27,296,000	34,348,000	2,160,000	10,407,000	(1,212,000)	(284,000)	(3,010,000)	(11,126,000)	199,000	58,778,000
Nonoperating gains (losses), net	(2,621,000)	(1,438,000)	(106,000)	(1,220,000)	-	(1,000)	(978,000)	8,000	16,519,000	10,163,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$24,675,000	\$32,910,000	\$2,054,000	\$9,187,000	(\$1,212,000)	(\$285,000)	(\$3,988,000)	(\$11,118,000)	\$16,718,000	\$68,941,000

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

**Combining Statement of Revenue and Expenses
Nine Months ended January 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	\$684,139,000	\$366,720,000	\$93,922,000	\$135,784,000	\$7,918,000	\$5,346,000	\$1,567,000	\$39,792,000	-	\$1,335,188,000
Disproportionate share distributions	24,212,000	6,276,000	2,119,000	2,550,000	-	24,000	206,000	-	112,000	35,499,000
Other revenue	12,244,000	3,508,000	1,061,000	1,075,000	32,000	-	6,357,000	2,374,000	8,483,000	35,134,000
Total revenue	720,595,000	376,504,000	97,102,000	139,409,000	7,950,000	5,370,000	8,130,000	42,166,000	8,595,000	1,405,821,000
Expenses:										
Salaries and wages	262,922,000	117,378,000	41,702,000	45,356,000	6,036,000	3,651,000	7,139,000	62,988,000	69,726,000	616,898,000
Employee benefits	51,222,000	22,229,000	8,028,000	8,834,000	1,379,000	701,000	1,166,000	6,342,000	18,788,000	118,689,000
Professional fees	12,329,000	4,368,000	2,346,000	2,216,000	61,000	1,000	2,433,000	(107,000)	10,205,000	33,852,000
Supplies	132,301,000	58,900,000	13,933,000	14,126,000	1,285,000	450,000	931,000	1,119,000	2,162,000	225,207,000
Purchased services	14,809,000	12,161,000	6,442,000	4,072,000	717,000	410,000	4,197,000	1,203,000	35,788,000	79,799,000
Facilities	21,496,000	7,498,000	6,647,000	4,073,000	248,000	126,000	772,000	3,494,000	8,880,000	53,234,000
Depreciation and amortization	29,408,000	10,712,000	3,383,000	4,722,000	244,000	16,000	31,000	1,473,000	26,775,000	76,764,000
Other	21,003,000	9,250,000	3,282,000	3,217,000	215,000	288,000	599,000	2,454,000	11,639,000	51,947,000
Intrasytem allocation	91,183,000	50,632,000	15,070,000	16,629,000	540,000	160,000	620,000	1,234,000	(176,068,000)	-
Total expenses	636,673,000	293,128,000	100,833,000	103,245,000	10,725,000	5,803,000	17,888,000	80,200,000	7,895,000	1,256,390,000
Income (loss) from operations	83,922,000	83,376,000	(3,731,000)	36,164,000	(2,775,000)	(433,000)	(9,758,000)	(38,034,000)	700,000	149,431,000
Nonoperating gains (losses), net	(9,611,000)	(4,266,000)	(347,000)	(3,683,000)	(4,000)	-	5,000	(79,000)	5,665,000	(12,320,000)
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$74,311,000	\$79,110,000	(\$4,078,000)	\$32,481,000	(\$2,779,000)	(\$433,000)	(\$9,753,000)	(\$38,113,000)	\$6,365,000	\$137,111,000

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

**Combining Statement of Revenue and Expenses
Nine Months ended January 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	\$599,022,000	\$358,365,000	\$86,817,000	\$124,985,000	\$7,330,000	\$3,793,000	\$1,028,000	\$28,898,000	-	\$1,210,238,000
Disproportionate share distributions	34,652,000	12,107,000	5,633,000	6,296,000	70,000	108,000	1,001,000	-	501,000	60,368,000
Other revenue	11,317,000	3,791,000	1,137,000	1,221,000	28,000	-	5,916,000	640,000	10,157,000	34,207,000
Total revenue	644,991,000	374,263,000	93,587,000	132,502,000	7,428,000	3,901,000	7,945,000	29,538,000	10,658,000	1,304,813,000
Expenses:										
Salaries and wages	237,071,000	109,976,000	37,626,000	42,353,000	5,832,000	3,089,000	6,895,000	47,352,000	68,095,000	558,289,000
Employee benefits	48,776,000	21,738,000	7,731,000	8,621,000	1,402,000	658,000	1,371,000	4,851,000	18,713,000	113,861,000
Professional fees	10,498,000	3,157,000	2,026,000	1,444,000	76,000	1,000	2,482,000	195,000	6,286,000	26,165,000
Supplies	114,741,000	54,964,000	11,778,000	13,242,000	1,295,000	264,000	964,000	536,000	1,881,000	199,665,000
Purchased services	12,692,000	11,313,000	5,147,000	4,198,000	716,000	216,000	3,028,000	805,000	33,175,000	71,290,000
Facilities	24,795,000	8,058,000	6,985,000	3,792,000	251,000	122,000	776,000	2,304,000	8,454,000	55,537,000
Depreciation and amortization	28,686,000	10,646,000	3,760,000	5,592,000	243,000	14,000	33,000	1,042,000	33,203,000	83,219,000
Other	16,905,000	9,304,000	2,640,000	3,067,000	174,000	231,000	391,000	2,011,000	9,252,000	43,975,000
Intrasystem allocation	99,381,000	43,799,000	11,651,000	10,475,000	666,000	274,000	509,000	1,464,000	(168,219,000)	-
Total expenses	593,545,000	272,955,000	89,344,000	92,784,000	10,655,000	4,869,000	16,449,000	60,560,000	10,840,000	1,152,001,000
Income (loss) from operations	51,446,000	101,308,000	4,243,000	39,718,000	(3,227,000)	(968,000)	(8,504,000)	(31,022,000)	(182,000)	152,812,000
Nonoperating gains (losses), net	(7,658,000)	(4,294,000)	(321,000)	(3,671,000)	1,000	-	982,000	13,000	16,310,000	1,362,000
Excess (deficiency) of revenues and net nonoperating gains over expenses	\$43,788,000	\$97,014,000	\$3,922,000	\$36,047,000	(\$3,226,000)	(\$968,000)	(\$7,522,000)	(\$31,009,000)	\$16,128,000	\$154,174,000