



**Secondary Market  
Disclosure Information**

December 31, 2016

**RWJBarnabas Health, Inc.**  
Condensed Consolidated Balance Sheets  
December 31, 2016  
(In thousands)  
(Unaudited)

**Assets**

Current assets:	
Cash and cash equivalents	\$ 36,136
Investments	65,937
Assets limited or restricted as to use	134,493
Patient accounts receivable, net of allowance for doubtful accounts of \$205,174	498,379
Other current assets	159,829
Total current assets	894,774
Assets limited or restricted as to use, non-current portion:	
Under bond indenture agreements	59,957
Externally designated or restricted	204,223
Total noncurrent assets limited or restricted as to use	264,180
Investments	2,548,472
Property, plant and equipment, net	1,976,544
Other assets, net	124,382
	\$ 5,808,352

**Liabilities and Net Assets**

Current liabilities:	
Accounts payable	\$ 272,651
Accrued expenses and other current liabilities	560,371
Estimated amounts due to third-party payors, net	9,446
Long-term debt	49,278
Self-insurance liabilities	65,041
Total current liabilities	956,787
Estimated amounts due to third-party payors, net of current portion	49,769
Long-term debt, net of current portion	1,830,316
Self-insurance liabilities, net of current portion	206,358
Accrued pension liability	115,173
Other liabilities	134,658
Total liabilities	3,293,061
Net assets:	
Unrestricted	2,368,045
Temporarily restricted	119,864
Permanently restricted	27,382
Total net assets	2,515,291
Total liabilities and net assets	\$ 5,808,352

See accompanying notes to condensed consolidated financial statements.

**RWJBarnabas Health, Inc.**

## Condensed Consolidated Statement of Operations and Changes in Net Assets

Nine months ended December 31, 2016

(In thousands)

(Unaudited)

## Revenue:

Patient service revenue (net of contractual allowances and discounts)	\$	3,672,993
Provision for bad debts		(171,411)
Net patient service revenue less provision for bad debts		<u>3,501,582</u>
Other revenue, net		376,137
Total revenue		<u>3,877,719</u>

## Expenses:

Salaries and wages		1,389,304
Physician fees and salaries		366,581
Employee benefits		321,275
Supplies		696,381
Other		677,829
Interest		51,046
Depreciation and amortization		146,809
Total expenses		<u>3,649,225</u>

Income from operations 228,494

## Nonoperating revenue (expenses):

Interest income		30,992
Realized gains on investments		56,705
Unrealized gains on trading investments		10,729
Loss on early extinguishment of debt		(82,829)
Other, net		(3,449)
Total nonoperating revenue, net		<u>12,148</u>

Excess of revenues over expenses 240,642

## Other changes in net assets:

Net change in unrealized losses on investments		(9,156)
Pension and postretirement changes other than net periodic benefit cost		(57,050)
Net assets released from restriction for purchases of property and equipment		57,414
Other, net		(38,184)

Increase in net assets \$ 193,666

See accompanying notes to condensed consolidated financial statements.

**RWJBarnabas Health, Inc.**  
Condensed Consolidated Statement of Changes in Net Assets  
Nine months ended December 31, 2016  
(In thousands)  
(Unaudited)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total net assets</u>
Net assets at April 1, 2016	\$ 2,154,898	141,286	25,441	2,321,625
Changes in net assets:				
Excess of revenues over expenses	240,642	-	-	240,642
Net change unrealized losses	(9,156)	(1,874)	-	(11,030)
Pension related changes other than net periodic benefit cost	(57,050)	-	-	(57,050)
Net assets released from restriction	57,414	(45,501)	-	11,913
Restricted contributions	-	24,719	2,337	27,056
Investment income on restricted investments, net	-	2,081	-	2,081
Other	(18,703)	(847)	(396)	(19,946)
Change in net assets	<u>213,147</u>	<u>(21,422)</u>	<u>1,941</u>	<u>193,666</u>
Net assets at December 31, 2016	<u>\$ 2,368,045</u>	<u>119,864</u>	<u>27,382</u>	<u>2,515,291</u>

See accompanying notes to condensed consolidated financial statements.

**RWJBarnabas Health, Inc.**

Consolidated Statements of Unrestricted Cash Flows

(In thousands)

(Unaudited)

**Nine months ended  
December 31, 2016**

<b>Unrestricted Cash, Cash Equivalents and Investments, beginning of period</b>	\$ 2,280,088
<b>Unrestricted Cash, Cash Equivalents and Investments, end of period</b>	<u>2,650,545</u>
<b>Change in Unrestricted Cash, Cash Equivalents and Investments</b>	<u><u>\$ 370,457</u></u>

**Change in Unrestricted Cash, Cash Equivalents and Investments consists of:**

**Cash Flows from Operating Activities:**

Income from operations	\$ 228,494
Depreciation and amortization	146,809
Interest expense	<u>51,046</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<u>426,349</u>

Adjustments to reconcile earnings before EBITDA to net cash provided by operating activities:

Pension and postretirement changes other than net periodic benefit costs	(57,050)
Loss on extinguishment of debt	(82,829)
Amortization of bond financing costs, premiums and discounts	(340)
Interest expense on current interest bonds	(44,314)
Provision for bad debts	171,411
Gain on sale of guaranteed investment contract	2,011
Gain on sale of assets, net	369
Equity in income of joint venture	(18,865)
Distributions received from investments in joint ventures	10,875
Changes in operating assets and liabilities:	
Patient accounts receivable	(158,502)
Prepaid expenses and other assets	43,274
Accounts payable	(42,479)
Accrued expenses and other current liabilities	122,259
Accrued interest payable	6,704
Estimated amounts due from and to third party payors	(38,417)
Self-insured claims liabilities	(8,454)
Accrued pension liability	54,668
Other liabilities	(18,200)
Other changes in working capital	(4,352)
Net cash provided by operating activities	<u>364,118</u>

**Cash Flows from Investing Activities:**

Purchases of property, plant and equipment, net	(300,570)
Investment income and realized gains, net	87,697
Unrealized losses on investments	1,573
Cash withdrawn from assets limited as to use	64,700
Investment in joint venture	<u>(978)</u>
Net cash used in investing activities	<u>(147,578)</u>

**Cash Flows from Financing Activities:**

Principal payments and repayments of long-term debt	(1,122,615)
Proceeds from issuance of long-term debt	<u>1,241,270</u>
Net cash provided by financing activities	<u>118,655</u>

**Nonoperating revenue and other, net** 35,262

**Change in Unrestricted Cash, Cash Equivalents and Investments** \$ 370,457

**Supplemental disclosure of cash flow information:**

Cash paid for interest	\$ 37,610
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