



**Secondary Market  
Disclosure Information**

March 31, 2017

**RWJ BARNABAS HEALTH, INC.**  
Condensed Consolidated Balance Sheets  
(In thousands)  
(Unaudited)

<b>Assets</b>	<b><u>March 31, 2017</u></b>	<b><u>December 31, 2016</u></b>
Current assets:		
Cash and cash equivalents	\$ 86,528	36,136
Investments	117,598	62,450
Assets limited or restricted as to use	95,384	137,979
Patient accounts receivable, net of allowance for doubtful accounts of \$221,079 and \$222,774	513,062	494,929
Other current assets	<u>177,203</u>	<u>159,114</u>
Total current assets	<u>989,775</u>	<u>890,608</u>
Assets limited or restricted as to use, noncurrent portion	247,769	260,984
Investments	2,553,805	2,551,959
Property, plant and equipment, net	1,969,141	1,976,544
Other assets, net	<u>189,133</u>	<u>189,711</u>
	<u>\$ 5,949,623</u>	<u>5,869,806</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 273,831	272,582
Accrued expenses and other current liabilities	497,105	559,203
Estimated amounts due to third-party payors, net	9,339	9,400
Long-term debt	96,492	49,278
Self-insurance liabilities	<u>74,135</u>	<u>65,041</u>
Total current liabilities	950,902	955,504
Estimated amounts due to third-party payors, net of current portion	44,962	47,311
Self-insurance liabilities, net of current portion	216,972	205,758
Long-term debt, net of current portion	1,778,851	1,830,316
Accrued pension liability	114,796	115,173
Other liabilities	<u>135,592</u>	<u>134,661</u>
Total liabilities	<u>3,242,075</u>	<u>3,288,723</u>
Net assets:		
Unrestricted	2,558,811	2,433,305
Temporarily restricted	118,398	117,439
Permanently restricted	30,339	30,339
Total net assets	<u>2,707,548</u>	<u>2,581,083</u>
Total liabilities and net assets	<u>\$ 5,949,623</u>	<u>5,869,806</u>

See accompanying notes to condensed consolidated financial statements.

**RWJ BARNABAS HEALTH, INC.**

## Condensed Consolidated Statement of Operations

Three months ended March 31, 2017

(In thousands)

(Unaudited)

Revenue:	
Patient service revenue (net of contractual allowances and discounts)	\$ 1,176,763
Provision for bad debts	(40,229)
Net patient service revenue less provision for bad debts	<u>1,136,534</u>
Other revenue, net	<u>116,052</u>
Total revenue	<u>1,252,586</u>
Expenses:	
Salaries and wages	464,244
Physician fees and salaries	115,863
Employee benefits	103,867
Supplies	229,264
Other	217,933
Interest	15,433
Depreciation and amortization	52,043
Total expenses	<u>1,198,647</u>
Income from operations	<u>53,939</u>
Nonoperating revenue (expenses):	
Investment income, net	71,427
Other, net	(1,774)
Total nonoperating revenue, net	<u>69,653</u>
Excess of revenue over expenses	123,592
Other changes:	
Net change in unrealized gains on available for sale investments	155
Pension changes other than net periodic benefit cost	2,140
Net assets released from restriction for purchases of property and equipment	132
Other, net	(513)
Increase in unrestricted net assets	<u>\$ 125,506</u>

See accompanying notes to condensed consolidated financial statements.

**RWJ BARNABAS HEALTH, INC.**

Condensed Consolidated Statement of Changes in Net Assets

Three months ended March 31, 2017

(In thousands)

(Unaudited)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total net assets</u>
Net assets at December 31, 2016	\$ 2,433,305	117,439	30,339	2,581,083
Changes in net assets:				
Excess of revenues over expenses	123,592	-	-	123,592
Net change unrealized gains	155	13	-	168
Pension related changes other than net periodic benefit cost	2,140	-	-	2,140
Net assets released from restriction	132	(3,200)	-	(3,068)
Restricted contributions	-	4,580	-	4,580
Investment income on restricted investments, net	-	39	-	39
Other	(513)	(473)	-	(986)
Change in net assets	<u>125,506</u>	<u>959</u>	<u>-</u>	<u>126,465</u>
Net assets at March 31, 2017	<u>\$ 2,558,811</u>	<u>118,398</u>	<u>30,339</u>	<u>2,707,548</u>

See accompanying notes to condensed consolidated financial statements.

## RWJ BARNABAS HEALTH, INC.

### Condensed Consolidated Statement of Unrestricted Cash Flows

Three months ended March 31, 2017

(In thousands)

(Unaudited)

<b>Unrestricted Cash, Cash Equivalents and Investments, beginning of year</b>	\$ 2,650,545
<b>Unrestricted Cash, Cash Equivalents and Investments, end of period</b>	<u>2,757,931</u>
<b>Change in Unrestricted Cash, Cash Equivalents and Investments</b>	<u><u>\$ 107,386</u></u>

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

##### Cash Flows from Operating Activities:

Income from operations	\$ 53,939
Interest expense	15,433
Depreciation and amortization	<u>52,043</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<u>121,415</u>

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

Pension changes other than net periodic benefit costs	2,140
Provision for bad debts	40,229
Equity in income of joint venture	(5,089)
Distributions received from investments in joint ventures	3,236
Patient accounts receivable	(58,362)
Other assets	(15,658)
Accounts payable, accrued expenses and other current liabilities	(60,849)
Estimated amounts due from and to third party payors	(2,410)
Accrued pension liability	(377)
Self-insurance and other long-term liabilities	21,239
Other changes in working capital	<u>(12,023)</u>
Net cash provided by operating activities	<u>33,491</u>

##### Cash Flows from Investing Activities:

Purchases of property, plant and equipment, net	(44,640)
Investment income and realized gains, net	17,276
Net unrealized gains on investments	54,306
Cash withdrawn from assets limited as to use	<u>53,359</u>
Net cash provided by investing activities	<u>80,301</u>

##### Cash Flows from Financing Activities:

Principal payments, net	<u>(4,251)</u>
Net cash used in financing activities	<u>(4,251)</u>

**Nonoperating revenue and other, net** (2,155)

**Change in Unrestricted Cash, Cash Equivalents and Investments** \$ 107,386

##### Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 16,820
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See accompanying notes to condensed consolidated financial statements.