



**Secondary Market  
Disclosure Information**

March 31, 2018

**RWJ BARNABAS HEALTH, INC.**

## Consolidated Balance Sheets

(In thousands)

<b>Assets</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Current assets:		
Cash and cash equivalents	\$ 46,222	85,786
Investments	54,593	37,315
Assets limited or restricted as to use	23,762	65,339
Patient accounts receivable, net	506,167	500,377
Other current assets	194,836	174,239
Total current assets	<u>825,580</u>	<u>863,056</u>
Assets limited or restricted as to use, non-current portion	226,983	239,020
Investments	3,203,469	3,206,160
Property, plant and equipment, net	2,035,749	2,040,076
Other assets, net	235,960	233,599
Total assets	<u>\$ 6,527,741</u>	<u>6,581,911</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 287,377	293,354
Accrued expenses and other current liabilities	547,488	631,582
Estimated amounts due to third party payors	3,902	9,633
Long-term debt	15,971	16,701
Self-insurance liabilities	62,994	65,285
Total current liabilities	<u>917,732</u>	<u>1,016,555</u>
Estimated amounts due to third party payors, net of current portion	44,378	48,571
Long-term debt, less current portion	1,801,426	1,803,497
Self insurance liabilities, net of current portion	238,448	235,822
Accrued pension liability	52,076	79,076
Other liabilities	160,379	159,107
Total liabilities	<u>3,214,439</u>	<u>3,342,628</u>
Net assets:		
Unrestricted	3,145,789	3,074,321
Temporarily restricted	134,019	131,468
Permanently restricted	33,494	33,494
Total net assets	<u>3,313,302</u>	<u>3,239,283</u>
Total liabilities and net assets	<u>\$ 6,527,741</u>	<u>6,581,911</u>

**RWJ BARNABAS HEALTH, INC.**

## Condensed Consolidated Statements of Operations

(In thousands)

(Unaudited)

	<b>Three months ended</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Revenue:		
Net patient service revenue	\$ 1,170,425	1,135,051
Other revenue, net	124,680	115,299
Total revenue	<u>1,295,105</u>	<u>1,250,350</u>
Expenses:		
Salaries and wages	475,316	464,353
Physician fees and salaries	115,498	110,661
Employee benefits	103,484	101,755
Supplies	243,847	230,088
Other	229,939	219,973
Interest	17,404	15,406
Depreciation and amortization	56,302	52,073
Total expenses	<u>1,241,790</u>	<u>1,194,309</u>
Income from operations	<u>53,315</u>	<u>56,041</u>
Nonoperating revenue (expenses):		
Investment income, net	19,729	71,427
Other, net	<u>(3,515)</u>	<u>(3,880)</u>
Total nonoperating revenue, net	<u>16,214</u>	<u>67,547</u>
Excess of revenue over expenses	69,529	123,588
Other changes:		
Net change in unrealized (losses) gains on available for sale investments	(53)	155
Pension changes other than net periodic benefit cost	1,828	2,140
Net assets released from restriction for purchases of property and equipment	368	132
Other, net	<u>(204)</u>	<u>(367)</u>
Increase in unrestricted net assets	<u>\$ 71,468</u>	<u>125,648</u>

**RWJ BARNABAS HEALTH, INC.**

Condensed Consolidated Statements of Changes in Net Assets

Three months ended March 31, 2018 and 2017

(In thousands)

(Unaudited)

	<b>Unrestricted</b>	<b>Temporarily restricted</b>	<b>Permanently restricted</b>	<b>Total net assets</b>
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	123,588	-	-	123,588
Net change unrealized gains and losses	155	13	-	168
Pension related changes other than net periodic benefit cost	2,140	-	-	2,140
Change in interest in restricted net assets of unconsolidated foundations	-	(379)	-	(379)
Net assets released from restriction	132	(3,200)	-	(3,068)
Restricted contributions	-	2,632	-	2,632
Investment income on restricted investments, net	-	39	-	39
Other	(367)	(472)	-	(839)
Changes in net assets	125,648	(1,367)	-	124,281
Net assets at March 31, 2017	\$ 2,558,953	116,072	30,339	2,705,364
Net assets at December 31, 2017	\$ 3,074,321	131,468	33,494	3,239,283
Changes in net assets:				
Excess of revenues over expenses	69,529	-	-	69,529
Net change unrealized gains and losses	(53)	(41)	-	(94)
Pension changes other than net periodic benefit cost	1,828	-	-	1,828
Change in interest in restricted net assets of unconsolidated foundations	-	1,487	-	1,487
Net assets released from restriction	368	(2,899)	-	(2,531)
Restricted contributions	-	3,913	-	3,913
Investment income on restricted investments, net	-	18	-	18
Other	(204)	73	-	(131)
Changes in net assets	71,468	2,551	-	74,019
Net assets at March 31, 2018	\$ 3,145,789	134,019	33,494	3,313,302

**RWJ BARNABAS HEALTH, INC.**

Condensed Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	<b>Three months ended</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Cash flows from operating activities:		
Change in net assets	\$ 74,019	124,281
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension changes other than net periodic benefit cost	(1,828)	(2,140)
Depreciation and amortization expense	56,302	52,073
Amortization of bond financing costs, premiums and discounts	(1,329)	(1,341)
Net change in unrealized gains on investments	(3,022)	(54,306)
Realized gains on investments	(5,760)	(7,536)
Equity in income of joint venture	(7,134)	(5,089)
Distributions received from investments in joint ventures	7,385	3,236
Distributions to noncontrolling interests	330	254
Changes in operating assets and liabilities:		
Patient accounts receivable	(5,790)	(18,133)
Other assets	(23,209)	(10,532)
Accounts payable, accrued expenses, and other current liabilities	(67,104)	(34,650)
Estimated amounts due from and to third-party payors	(9,924)	(2,411)
Accrued pension liability	(25,172)	1,763
Self-insurance and other long-term liabilities	1,607	21,138
Net cash (used in) provided by operating activities	<u>(10,629)</u>	<u>66,607</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment, net	(74,942)	(73,831)
Proceeds from bond escrow account	55,651	53,342
Proceeds from the sale of investments and assets limited or restricted as to use	2,628	3,250
Purchases of investments and assets limited or restricted as to use	(3,519)	(1,886)
Purchases of trading securities	(721,790)	(583,048)
Proceeds from the sale of trading securities	715,832	716,946
Net cash (used in) provided by investing activities	<u>(26,140)</u>	<u>114,773</u>
Cash flows from financing activities:		
Repayments of long-term debt	(1,472)	(2,940)
Distributions to noncontrolling interest	(330)	(254)
Net cash used in financing activities	<u>(1,802)</u>	<u>(3,194)</u>
Net (decrease) increase in cash and cash equivalents	(38,571)	178,186
Cash, cash equivalents and restricted cash at beginning of year	<u>104,811</u>	<u>75,779</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 66,240</u>	<u>253,965</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 35,453</u>	<u>16,793</u>