



**Secondary Market
Disclosure Information**

June 30, 2017

RWJ BARNABAS HEALTH, INC.

Condensed Consolidated Balance Sheets

(In thousands)

Assets	June 30, 2017	December 31, 2016
	(unaudited)	(audited)
Current assets:		
Cash and cash equivalents	\$ 41,190	36,136
Investments	74,681	62,450
Assets limited or restricted as to use	108,660	137,979
Patient accounts receivable, net of allowance for doubtful accounts of \$229,436 and \$222,774	487,692	494,929
Estimated amounts due from third-party payors, net	1,035	-
Other current assets	179,383	159,114
Total current assets	892,641	890,608
Assets limited or restricted as to use, noncurrent portion	239,635	260,984
Investments	2,817,439	2,551,959
Property, plant and equipment, net	1,982,163	1,976,544
Other assets, net	194,744	189,711
	\$ 6,126,622	5,869,806
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 277,037	272,582
Accrued expenses and other current liabilities	573,659	559,203
Estimated amounts due to third-party payors, net	-	9,400
Long-term debt	66,012	49,278
Self-insurance liabilities	71,624	65,041
Total current liabilities	988,332	955,504
Estimated amounts due to third-party payors, net of current portion	54,750	47,311
Self-insurance liabilities, net of current portion	222,697	205,758
Long-term debt, less current portion	1,774,476	1,830,316
Accrued pension liability	114,441	115,173
Other liabilities	140,697	134,661
Total liabilities	3,295,393	3,288,723
Net assets:		
Unrestricted	2,686,839	2,433,305
Temporarily restricted	114,051	117,439
Permanently restricted	30,339	30,339
Total net assets	2,831,229	2,581,083
Total liabilities and net assets	\$ 6,126,622	5,869,806

RWJ BARNABAS HEALTH, INC.

Condensed Consolidated Statement of Operations

Six months ended June 30, 2017

(In thousands)

(Unaudited)

Revenue:	
Patient service revenue (net of contractual allowances and discounts)	\$ 2,344,917
Provision for bad debts	<u>(81,817)</u>
Net patient service revenue less provision for bad debts	2,263,100
Other revenue, net	<u>241,797</u>
Total revenue	<u>2,504,897</u>
Expenses:	
Salaries and wages	927,890
Physician fees and salaries	237,913
Employee benefits	207,578
Supplies	462,596
Other	428,124
Interest	30,684
Depreciation and amortization	<u>104,353</u>
Total expenses	<u>2,399,138</u>
Income from operations	<u>105,759</u>
Nonoperating revenue (expenses):	
Investment income, net	141,755
Other, net	<u>(3,459)</u>
Total nonoperating revenue, net	<u>138,296</u>
Excess of revenue over expenses	244,055
Other changes:	
Net change in unrealized gains on available for sale investments	266
Pension changes other than net periodic benefit cost	4,280
Net assets released from restriction for purchases of property and equipment	4,682
Other, net	<u>251</u>
Increase in unrestricted net assets	<u>\$ 253,534</u>

RWJ BARNABAS HEALTH, INC.

Condensed Consolidated Statement of Changes in Net Assets

Six months ended June 30, 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	244,055	-	-	244,055
Net change unrealized gains on investments	266	29	-	295
Pension changes other than net periodic benefit cost	4,280	-	-	4,280
Net assets released from restriction	4,682	(9,782)	-	(5,100)
Restricted contributions	-	5,793	-	5,793
Investment income on restricted investments, net	-	83	-	83
Other	251	489	-	740
Changes in net assets	<u>253,534</u>	<u>(3,388)</u>	<u>-</u>	<u>250,146</u>
Net assets at June 30, 2017	<u>\$ 2,686,839</u>	<u>114,051</u>	<u>30,339</u>	<u>2,831,229</u>

RWJ BARNABAS HEALTH, INC.

Condensed Consolidated Statement of Unrestricted Cash Flows

Six months ended June 30, 2017

(In thousands)

(Unaudited)

Unrestricted Cash, Cash Equivalents and Investments, beginning of year	\$ 2,650,545
Unrestricted Cash, Cash Equivalents and Investments, end of period	<u>2,933,310</u>
Change in Unrestricted Cash, Cash Equivalents and Investments	<u><u>\$ 282,765</u></u>

Change in Unrestricted Cash, Cash Equivalents and Investments consists of:**Cash Flows from Operating Activities:**

Income from operations	\$ 105,759
Interest expense	30,684
Depreciation and amortization	<u>104,353</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<u>240,796</u>

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

Pension changes other than net periodic benefit costs	4,280
Provision for bad debts	81,817
Equity in income of joint venture	(11,469)
Distributions received from investments in joint ventures	8,326
Change in operating assets and liabilities:	
Patient accounts receivable	(74,580)
Prepaid expenses and other assets	(22,159)
Accounts payable, accrued expenses and other current liabilities	19,421
Estimated amounts due from and to third party payors	(2,996)
Self-insured claims liabilities	23,522
Accrued pension liability	(732)
Other liabilities	5,525
Other changes in working capital	<u>(32,455)</u>
Net cash provided by operating activities	<u>239,296</u>

Cash Flows from Investing Activities:

Purchases of property, plant and equipment, net	(109,975)
Investment income and realized gains, net	34,009
Net unrealized gains on investments	108,012
Cash withdrawn from assets limited as to use	<u>50,669</u>
Net cash provided by investing activities	<u>82,715</u>

Cash Flows from Financing Activities:

Principal payments	<u>(39,105)</u>
Net cash used in financing activities	<u>(39,105)</u>

Nonoperating revenue and other, net	<u>(141)</u>
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Change in Unrestricted Cash, Cash Equivalents and Investments	<u><u>\$ 282,765</u></u>
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Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 14,006
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