



**Secondary Market
Disclosure Information**

September 30, 2017

RWJ BARNABAS HEALTH, INC.

Condensed Consolidated Balance Sheets

(In thousands)

Assets	September 30, 2017	December 31, 2016
	(unaudited)	(audited)
Current assets:		
Cash and cash equivalents	\$ 48,609	163,987
Investments	57,518	62,450
Assets limited or restricted as to use	43,381	137,979
Patient accounts receivable, net of allowance for doubtful accounts of \$219,701 and \$222,774	491,690	494,929
Estimated amounts due from third-party payors, net	-	-
Other current assets	186,414	159,114
Total current assets	827,612	1,018,459
Assets limited or restricted as to use, noncurrent portion	227,060	260,984
Investments	3,006,544	2,424,108
Property, plant and equipment, net	2,002,757	1,976,544
Other assets, net	203,376	189,711
	\$ 6,267,349	5,869,806
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 292,212	272,582
Accrued expenses and other current liabilities	536,764	559,203
Estimated amounts due to third-party payors, net	11,331	9,400
Long-term debt	17,360	49,278
Self-insurance liabilities	68,006	65,041
Total current liabilities	925,673	955,504
Estimated amounts due to third-party payors, net of current portion	47,568	47,311
Self-insurance liabilities, net of current portion	227,537	205,758
Long-term debt, less current portion	1,805,829	1,830,316
Accrued pension liability	101,790	115,173
Other liabilities	150,052	134,661
Total liabilities	3,258,449	3,288,723
Net assets:		
Unrestricted	2,857,812	2,433,305
Temporarily restricted	120,704	117,439
Permanently restricted	30,384	30,339
Total net assets	3,008,900	2,581,083
Total liabilities and net assets	\$ 6,267,349	5,869,806

RWJ BARNABAS HEALTH, INC.
Condensed Consolidated Statement of Operations
Nine months ended September 30, 2017
(In thousands)
(Unaudited)

Revenue:	
Patient service revenue (net of contractual allowances and discounts)	\$ 3,526,423
Provision for bad debts	<u>(126,836)</u>
Net patient service revenue less provision for bad debts	3,399,587
Other revenue, net	<u>362,319</u>
Total revenue	<u>3,761,906</u>
Expenses:	
Salaries and wages	1,385,896
Physician fees and salaries	340,900
Employee benefits	305,112
Supplies	696,361
Other	654,931
Interest	47,014
Depreciation and amortization	<u>156,376</u>
Total expenses	<u>3,586,590</u>
Income from operations	<u>175,316</u>
Nonoperating revenue (expenses):	
Investment income, net	222,454
Other, net	<u>(5,323)</u>
Total nonoperating revenue, net	<u>217,131</u>
Excess of revenue over expenses	392,447
Other changes:	
Net change in unrealized gains on available for sale investments	303
Pension changes other than net periodic benefit cost	6,321
Net assets released from restriction for purchases of property and equipment	26,314
Other, net	<u>(878)</u>
Increase in unrestricted net assets	<u>\$ 424,507</u>

RWJ BARNABAS HEALTH, INC.

Condensed Consolidated Statement of Changes in Net Assets

Nine months ended September 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	392,447	-	-	392,447
Net change unrealized gains and losses	303	1	-	304
Pension changes other than net periodic benefit cost	6,321	-	-	6,321
Change in interest in restricted net assets of unconsolidated foundations	-	47	-	47
Net assets released from restriction	26,314	(34,477)	-	(8,163)
Restricted contributions	-	38,798	45	38,843
Investment income on restricted investments, net	-	136	-	136
Other	(878)	(1,240)	-	(2,118)
Changes in net assets	<u>424,507</u>	<u>3,265</u>	<u>45</u>	<u>427,814</u>
Net assets at September 30, 2017	<u>\$ 2,857,812</u>	<u>120,704</u>	<u>30,384</u>	<u>3,008,900</u>

RWJ BARNABAS HEALTH, INC.

Condensed Consolidated Statement of Unrestricted Cash Flows

Nine months ended September 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>3,112,671</u>
Change in Unrestricted Cash, Cash Equivalents and Investments	<u><u>\$ 462,126</u></u>

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

Income from operations	\$ 175,316
Interest expense	47,014
Depreciation and amortization	<u>156,376</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<u>378,706</u>

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

Pension changes other than net periodic benefit costs	6,321
Interest adjustment	(47,014)
Provision for bad debts	126,836
Equity in income of joint venture	(18,276)
Distributions received from investments in joint ventures	6,900
Change in operating assets and liabilities:	
Patient accounts receivable	(123,597)
Prepaid expenses and other assets	(24,617)
Accounts payable, accrued expenses and other current liabilities	(8,118)
Estimated amounts due from and to third party payors	2,188
Self-insured claims liabilities	24,744
Accrued pension liability	(13,383)
Other liabilities	15,395
Other changes in working capital	3,348
Net cash provided by operating activities	<u>329,433</u>

Cash Flows from Investing Activities:

Purchases of property, plant and equipment, net	(182,627)
Investment income and realized gains, net	55,131
Net unrealized gains on investments	167,626
Cash withdrawn from assets limited as to use	<u>128,853</u>
Net cash provided by investing activities	<u>168,983</u>

Cash Flows from Financing Activities:

Principal payments	<u>(56,403)</u>
Net cash used in financing activities	<u>(56,403)</u>

Nonoperating revenue and other, net	<u>20,113</u>
--	---------------

Change in Unrestricted Cash, Cash Equivalents and Investments	<u><u>\$ 462,126</u></u>
--	--------------------------

Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 48,470
------------------------	-----------