



**REPORT OF INDEPENDENT AUDITORS
ON ACCOMPANYING COMBINING INFORMATION**

To the Board of Trustees of
The Johns Hopkins Health System Corporation and Affiliates

We have audited the combining financial statements of The Johns Hopkins Health System Corporation and Affiliates as of June 30, 2014 and 2013 and for the years then ended and our report thereon appears on page 1 of this document. Those audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole. The combining information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual companies and is not a required part of the combined financial statements. Accordingly, we do not express an opinion on the financial position and results of operations of the individual companies.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

September 25, 2014

The Johns Hopkins Health System Corporation and Affiliates

Supplementary Combining Balance Sheets

June 30, 2014

(in thousands)

	Johns Hopkins				Johns Hopkins				The Johns		Suburban		The Johns		Johns Hopkins		Johns Hopkins		Combined Johns	
	The Johns	Bayview	Howard County	Suburban	Sibley	All Children's	Community	Johns Hopkins	Johns Hopkins	Suburban	All Children's	Hopkins Medical	Howard County	Medical	Ophthalmology	Employer	HCGH OB/GYN			
	Hopkins Hospital	Medical Center, Inc.	General Hospital, Inc.	Hospital, Inc.	Memorial Hospital	Hospital, Inc.	Physicians, Inc.	HealthCare LLC and Subsidiaries	System Corporation	Hospital Healthcare System, Inc.	Health System, Inc.	Services Corporation	Health Services, Inc.	Management Corporation	Associates, L.L.C.	Health Programs, Inc.	Associates Series, LLC	Eliminations	System Corporation and Affiliates	
ASSETS																				
Current assets:																				
Cash and cash equivalents	\$ 64,095	\$ 13,911	\$ 13,282	\$ 11,516	\$ 39,748	\$ 123,464	\$ 16,162	\$ 168,775	\$ 61,385	\$ 634	\$ 42,606	\$ 1,720	\$ 1,803	\$ 6,566	\$ 1,091	\$ 1,995	\$ 949	\$ -	\$ 569,702	
Short-term investments	44,018	11,519	8,479	203	1,239	707	-	37,917	13,078	-	745	-	-	-	-	-	-	-	117,905	
Assets whose use is limited - used for curr liabs	13,635	-	-	1,597	1,050	-	-	-	-	-	-	-	-	-	-	-	-	-	16,282	
Patient accounts receivables, net of estimated uncollectibles of \$158,664	287,163	60,007	31,006	39,193	32,305	60,031	4,385	17,101	-	770	6,574	-	2,319	-	799	39	360	(19,110)	522,942	
Due from others, current portion	8,398	4,425	297	3,873	6,548	-	1,583	6,979	1,467	111	594	477	139	608	-	465	-	-	35,964	
Due from affiliates, current portion	13,683	713	207	142	4,200	10,181	3,085	26,048	34,757	72	-	104	245	1,339	44	-	-	(74,056)	20,764	
Inventories of supplies	49,849	7,534	4,650	8,529	3,512	8,529	-	-	4,648	165	133	-	316	-	3	-	-	-	87,868	
Estimated malpractice recoveries, current portion	60,656	3,677	1,104	944	2,259	-	136,479	788	18,995	-	-	-	-	-	-	-	-	-	224,902	
Prepaid expenses and other current assets	10,672	1,913	2,190	3,545	4,926	10,280	845	15,536	1,966	725	620	-	187	550	-	23	-	-	53,978	
Total current assets	552,169	103,699	61,215	69,542	95,787	213,192	162,539	273,144	136,296	2,477	51,272	2,301	5,009	9,063	1,937	2,522	1,309	(93,166)	1,650,307	
Assets whose use is limited																				
By long-term debt agreements for:																				
Debt service reserve funds	-	-	-	-	4,955	-	-	-	-	-	-	-	-	-	-	-	-	-	4,955	
Construction fund	-	25,555	-	-	125,256	-	-	-	-	-	-	-	-	-	-	-	-	-	150,811	
By donors or grantors for:																				
Future campus development	1,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,113	
Pledges receivable	3,858	298	-	4,407	10,894	-	-	-	-	-	8,620	-	-	-	-	-	-	-	28,077	
Other	-	6,699	-	25,056	36,940	11,817	-	-	-	-	15,398	-	-	-	-	-	-	-	95,910	
By Board of Trustees	65,214	4,279	-	139,030	495,251	14,719	-	-	-	122,573	150	-	-	-	-	-	-	-	841,216	
Interest in net assets of HHF/ACHF	-	-	13,644	-	-	72,803	-	-	-	-	-	-	-	-	-	-	-	(72,803)	13,644	
Other	5,489	1,171	133	1,615	-	-	-	100	12,185	203	-	-	-	-	-	-	-	-	20,896	
Total assets whose use is limited	75,674	38,002	13,777	170,108	673,296	99,339	-	100	12,185	122,776	24,168	-	-	-	-	-	-	(72,803)	1,156,622	
Investments	702,333	76,823	81,406	50	180,761	242,611	-	65,446	168,289	4,400	90,206	-	252	-	-	-	-	(35,962)	1,576,615	
Property, plant and equipment	2,191,339	467,830	245,757	244,775	383,627	519,221	31,694	26,352	100,346	87,836	29,637	47,496	3,039	2,039	2,877	3	2,179	-	4,386,047	
Less: allowance for depreciation and amort	(757,616)	(275,140)	(85,872)	(144,724)	(61,905)	(119,262)	(17,851)	(10,451)	(52,152)	(42,110)	(4,159)	(44,349)	(1,462)	(1,145)	(2,266)	(3)	(713)	-	(1,621,180)	
Total property, plant and equipment, net	1,433,723	192,690	159,885	100,051	321,722	399,959	13,843	15,901	48,194	45,726	25,478	3,147	1,577	894	611	-	1,466	-	2,764,867	
Due from affiliates, net of current portion	193,455	1,004	252	406	430	323	-	944	486,420	-	-	309	-	-	-	-	-	(592,655)	90,888	
Due from others, net of current portion	-	2,796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,796	
Estimated malpractice recoveries, net of current portion	25,252	4,096	1,230	1,052	2,518	3,319	3,915	878	-	-	-	-	-	-	-	-	-	-	42,260	
Swap counterparty deposit	-	-	-	-	-	-	-	-	-	-	-	80,330	-	-	-	-	-	-	80,330	
Other assets	10,920	56	47	39	4,515	11,815	-	5,968	7,892	2,219	1,460	-	1,350	844	2,251	-	-	-	49,376	
Total assets	\$ 2,993,526	\$ 419,166	\$ 317,812	\$ 341,248	\$ 1,279,029	\$ 970,558	\$ 180,297	\$ 362,381	\$ 859,276	\$ 177,598	\$ 192,584	\$ 5,757	\$ 88,518	\$ 10,801	\$ 4,799	\$ 2,522	\$ 2,775	\$ (794,586)	\$ 7,414,061	
LIABILITIES AND NET ASSETS																				
Current liabilities:																				
Current portion of long-term debt and capital lease obligation	\$ 76,872	\$ 6,604	\$ -	\$ 4,946	\$ 1,050	\$ 4,941	\$ -	\$ 322	\$ 2,887	\$ 1,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,705	
Accounts payable and accrued liabilities	182,170	53,012	22,921	31,396	29,632	49,397	17,036	43,891	69,186	1,277	4,346	760	986	4,123	226	70	969	-	511,398	
Medical claims reserve	-	-	-	-	-	-	-	102,531	-	-	-	-	-	-	-	-	-	(27,904)	74,627	
Deferred revenue	-	-	-	-	-	-	201	87,837	-	-	-	523	-	-	-	-	-	-	88,561	
Current portion of due to affiliates	14,630	5,872	8,975	5,253	2,651	1,416	3,117	12,360	3,566	49	10,714	2,565	60	1,813	184	1,279	868	(65,262)	10,110	
Accrued vacation	18,995	6,225	5,384	6,834	8,442	7,962	-	11,359	184	-	-	-	-	-	-	-	-	-	65,385	
Advances from third-party payors	96,765	16,847	9,269	7,595	-	9,636	-	-	-	-	-	-	-	-	-	-	-	-	140,112	
Current portion of est malpractice costs	61,705	3,834	1,168	963	4,936	6,614	136,670	-	18,995	-	-	-	-	-	-	-	-	-	234,885	
Total current liabilities	451,137	92,394	47,717	56,987	46,711	79,966	157,024	246,941	105,993	2,593	15,060	3,848	1,046	5,936	410	1,349	1,837	(93,166)	1,223,783	
Long-term debt and capital lease obligation, net of current portion	717,321	69,510	-	3,401	67,982	206,078	-	960	535,505	32,359	-	-	-	-	-	-	-	-	1,633,116	
Est malpractice costs, net of current portion	67,990	10,488	3,850	3,143	5,388	24,194	11,694	-	-	-	-	-	-	-	-	-	-	-	126,747	
Net pension liability	199,400	119,535	426	1,827	6,103	-	-	-	121,544	-	-	-	-	-	-	-	-	-	448,835	
Long-term note payable affiliate	48,250	59,612	158,058	48,575	188,095	-	309	4,077	3,749	-	-	1,600	80,330	-	-	-	-	(592,655)	-	
Interest rate swap liabilities	140,288	9,314	12,864	2,991	-	25,164	-	-	-	-	-	-	-	-	-	-	-	-	190,621	
Other long-term liabilities	29,640	3,006	1,846	3,365	12,524	1,924	2,227	2,628	2,161	911	407	309	1,684	539	13	-	249	-	63,433	
Total liabilities	1,654,026	363,859	224,761	120,289	326,803	337,326	171,254	254,606	768,952	35,863	15,467	5,757	83,060	6,475	423	1,349	2,086	(685,821)	3,686,535	
Net assets:																				
Unrestricted	1,328,871	48,310	79,274	191,496	908,814	609,852	8,949	107,775	88,927	141,735	67,500	-	5,458	4,326	4,376	1,173	689	(96,041)	3,501,484	
Temporarily restricted	10,629	3,472	10,559	18,544	28,458	9,306	94	-	1,397	-	85,904	-	-	-	-	-	-	(912)	167,451	
Permanently restricted	-	3,525	3,218	10,919	14,954	14,074	-	-	-	-	23,713	-	-	-	-	-	-	(11,812)	58,591	
Total net assets	1,339,500	55,307	93,051	220,959	952,226	633,232	9,043	107,775	90,324	141,735	177,117	-	5,458	4,326	4,376	1,173	689	(108,765)	3,727,526	
Total liabilities and net assets	\$ 2,993,526	\$ 419,166	\$ 317,812	\$ 341,248	\$ 1,279,029	\$ 970,558	\$ 180,297	\$ 362,381	\$ 859,276	\$ 177,598	\$ 192,584	\$ 5,757	\$ 88,518	\$ 10,801	\$ 4,799	\$ 2,522	\$ 2,775	\$ (794,586)	\$ 7,414,061	