

Steward Health Care System LLC

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2016	2015
	(Amounts in Thousands)	
Operating Activities		
Net (loss) income	\$ (300,106)	\$ 116,026
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	87,919	84,598
Provision for bad debts	58,573	52,113
Equity-based compensation expense	6,250	6,309
Impairment of long-lived assets	-	9,123
Non-cash interest expense	8,201	2,440
Net gain on sale-leaseback transaction	3,775	(6,589)
Net gain recognized on amortization of deferred gains	(30,020)	(14,419)
Employer contributions to pension plans	(228)	(58,294)
Net gain on pension settlement	-	(132,375)
Other, net	51	3,199
(Decrease) increase in cash resulting from a change in:		
Patient accounts receivable	(73,928)	(52,184)
Other current assets	(12,961)	4,100
Investments of insurance subsidiary	(23,174)	8,713
Accounts payable, accrued expenses, and other liabilities	316,338	(11,172)
Estimated settlements with third party payors	(11,234)	942
Professional liability costs	6,244	463
Deferred tax, net	(10,201)	22,474
Net cash provided by operating activities	<u>25,499</u>	<u>35,467</u>
Investing Activities		
Purchase of property and equipment	(31,459)	(84,464)
Proceeds from sale-leaseback transaction	-	20,531
Increase in noncurrent other assets	(4,497)	(7,067)
Deposits to restricted assets	142	2,073
Net cash used in investing activities	<u>(35,814)</u>	<u>(68,927)</u>
Financing Activities		
Payment of debt issuance costs	(5,591)	(1,010)
Proceeds from mortgage financing	600,000	-
Net repayment on lease financing arrangements	(9,993)	(5,740)
Proceeds under revolving credit facility	93,000	140,712
Payments under revolving credit facility	(220,000)	(93,712)
Payments on term loan	(277,875)	(2,850)
Proceeds from sale leaseback transaction	600,000	-
Repayments of debt and capital lease obligations	(10,774)	(4,851)
Payment of dividends	(789,937)	-
Proceeds from preferred equity issuance	50,000	-
Repurchases of Class B Interests	(9,808)	(929)
Net cash provided by financing activities	<u>19,022</u>	<u>31,620</u>
Net increase (decrease) in cash and cash equivalents	8,707	(1,840)
Cash and cash equivalents at beginning of year	11,206	13,046
Cash and cash equivalents at end of year	<u>\$ 19,913</u>	<u>\$ 11,206</u>