

PRELIMINARY DRAFT

| ASPEN VALLEY HOSPITAL PROFIT & LOSS STATEMENT FOR THE PERIOD ENDING 12/31/2010 | | | | |
|---|--------------------|--------------------|------------------|----------------|
| | ACTUAL | BUDGET | VARIANCE | VAR |
| | December-10 | December-10 | AMOUNT | % |
| PATIENT SERVICE REVENUE | | | | |
| INPATIENT | 2,144,674 | 1,902,217 | 242,457 | 12.75% |
| OUTPATIENT | 5,591,142 | 4,798,121 | 793,021 | 16.53% |
| TOTAL PATIENT SERVICE REVENUE | 7,735,816 | 6,700,338 | 1,035,478 | 15.45% |
| LESS REVENUE DEDUCTIONS | | | | |
| UNCOMPENSATED SERVICES | (220,743) | (219,270) | (1,473) | -0.67% |
| CONTRACTUAL ALLOWANCES - GOVERNMENT | (939,002) | (652,057) | (286,945) | -44.01% |
| CONTRACTUAL ALLOWANCES - OTHER | (526,495) | (435,826) | (90,669) | -20.80% |
| OTHER DEDUCTIONS | (107,166) | (192,814) | 85,648 | 44.42% |
| TOTAL REVENUE DEDUCTIONS | (1,793,406) | (1,499,967) | (293,439) | -19.56% |
| NET PATIENT SERVICE REVENUE | 5,942,410 | 5,200,371 | 742,039 | 14.27% |
| OTHER OPERATING REVENUE | | | | |
| WHITCOMB TERRACE | 53,916 | 52,834 | 1,082 | 2.05% |
| CAFETERIA | 47,723 | 41,884 | 5,839 | 13.94% |
| MISCELLANEOUS | (32,706) | 85,136 | (117,842) | -138.42% |
| TOTAL OTHER OPERATING REVENUE | 68,933 | 179,854 | (110,921) | -61.67% |
| TOTAL OPERATING REVENUE | 6,011,344 | 5,380,225 | 631,119 | 11.73% |
| EXPENSES | | | | |
| SALARIES | (2,351,310) | (2,128,566) | (222,744) | -10.46% |
| PHYSICIAN COMPENSATION | (562,976) | (476,218) | (86,758) | -18.22% |
| PATIENT CARE SUPPLIES | (478,316) | (518,743) | 40,427 | 7.79% |
| OUTSOURCING | (143,529) | (168,147) | 24,618 | 14.64% |
| LEGAL, CONSULT, AUDIT | (21,953) | (46,479) | 24,526 | 52.77% |
| MAINTENANCE & UTILITIES | (207,586) | (273,009) | 65,423 | 23.96% |
| CONTINUING EDUCATION | 149 | (30,761) | 30,910 | 100.48% |
| PHYSICIAN RECRUITMENT | 0 | 0 | 0 | 100.00% |
| EMPLOYEE BENEFITS | (940,223) | (491,282) | (448,941) | -91.38% |
| DEPRECIATION & AMORTIZATION | (427,264) | (377,126) | (50,138) | -13.29% |
| BAD DEBT EXPENSE | (236,229) | (271,417) | 35,188 | 12.96% |
| GENERAL & PROF INSURANCE | (21,307) | (22,506) | 1,199 | 5.33% |
| MISCELLANEOUS EXPENSE | (553,037) | (524,405) | (28,632) | -5.46% |
| TOTAL EXPENSES | (5,943,581) | (5,328,659) | (614,922) | -11.54% |
| OPERATING MARGIN | 67,763 | 51,566 | 16,197 | 31.41% |
| NONOPERATING REVENUE | | | | |
| PROPERTY TAXES | 293,070 | 293,093 | (23) | -0.01% |
| INTEREST INCOME | 39,107 | 75,000 | (35,893) | -47.86% |
| INTEREST EXPENSE | (256,582) | (83,378) | (173,204) | -207.73% |
| MISC NON-OPERATING REVENUE/(EXPENSE) | 143,081 | (7,500) | 150,581 | 2007.75% |
| CONTRIBUTIONS - OPERATIONS & CAPITAL | 48,145 | 41,667 | 6,478 | 15.55% |
| GAIN/(LOSS) ON JOINT VENTURE | 52,073 | 0 | 501,907 | #DIV/0! |
| GAIN/(LOSS) ON DISP OF ASSETS | 0 | 0 | 0 | 100.00% |
| MEMBER DISTRIBUTIONS & EQUITY TRANSFER | 680,850 | 174,327 | 506,523 | 290.56% |
| TOTAL NONOPERATING REVENUE | 999,743 | 493,209 | 506,534 | 102.70% |
| GAIN / (LOSS) | 1,067,506 | 544,775 | 522,731 | 95.95% |

PRELIMINARY DRAFT

**ASPEN VALLEY HOSPITAL
PROFIT & LOSS STATEMENT
FOR THE PERIOD ENDING 12/31/2010**

| | Actual December-10 YTD | Budget December-10 YTD | VARIANCE AMOUNT | VAR % |
|--|---------------------------------------|---------------------------------------|----------------------------|------------------|
| PATIENT SERVICE REVENUE | | | | |
| INPATIENT | 22,377,539 | 21,871,003 | 506,536 | 2.32% |
| OUTPATIENT | 53,574,610 | 51,191,902 | 2,382,708 | 4.65% |
| TOTAL PATIENT SERVICE REVENUE | 75,952,149 | 73,062,905 | 2,889,244 | 3.95% |
| LESS REVENUE DEDUCTIONS | | | | |
| UNCOMPENSATED SERVICES | (1,689,901) | (2,391,000) | 701,099 | 29.32% |
| CONTRACTUAL ALLOWANCES - GOVERNMENT | (7,455,577) | (7,110,268) | (345,309) | -4.86% |
| CONTRACTUAL ALLOWANCES - OTHER | (5,340,836) | (4,752,410) | (588,426) | -12.38% |
| OTHER DEDUCTIONS | (1,879,896) | (2,102,519) | 222,623 | 10.59% |
| TOTAL REVENUE DEDUCTIONS | (16,366,210) | (16,356,197) | (10,013) | -0.06% |
| NET PATIENT SERVICE REVENUE | 59,585,939 | 56,706,708 | 2,879,231 | 5.08% |
| OTHER OPERATING REVENUE | | | | |
| WHITCOMB TERRACE | 642,786 | 615,784 | 27,002 | 4.38% |
| CAFETERIA | 456,850 | 449,370 | 7,480 | 1.66% |
| MISCELLANEOUS | 996,693 | 1,192,762 | (196,069) | -16.44% |
| TOTAL OTHER OPERATING REVENUE | 2,096,330 | 2,257,916 | (161,586) | -7.16% |
| TOTAL OPERATING REVENUE | 61,682,269 | 58,964,624 | 2,717,645 | 4.61% |
| EXPENSES | | | | |
| SALARIES | (24,302,942) | (24,170,606) | (132,336) | -0.55% |
| PHYSICIAN COMPENSATION | (5,895,207) | (5,754,773) | (140,434) | -2.44% |
| PATIENT CARE SUPPLIES | (5,563,704) | (5,454,844) | (108,860) | -2.00% |
| OUTSOURCING | (1,860,986) | (1,833,949) | (27,037) | -1.47% |
| LEGAL, CONSULT, AUDIT | (632,272) | (623,360) | (8,912) | -1.43% |
| MAINTENANCE & UTILITIES | (3,001,789) | (3,233,377) | 231,588 | 7.16% |
| CONTINUING EDUCATION | (178,102) | (150,000) | (28,102) | -18.73% |
| PHYSICIAN RECRUITMENT | 0 | (30,000) | 30,000 | 100.00% |
| EMPLOYEE BENEFITS | (6,426,162) | (5,572,524) | (853,638) | -15.32% |
| DEPRECIATION & AMORTIZATION | (4,532,149) | (4,525,550) | (6,599) | -0.15% |
| BAD DEBT EXPENSE | (2,272,739) | (2,963,317) | 690,578 | 23.30% |
| GENERAL & PROF INSURANCE | (244,720) | (270,076) | 25,356 | 9.39% |
| MISCELLANEOUS EXPENSE | (4,771,517) | (4,248,731) | (522,786) | -12.30% |
| TOTAL EXPENSES | (59,682,286) | (58,831,107) | (851,179) | -1.45% |
| OPERATING MARGIN | 1,999,983 | 133,517 | 1,866,466 | 1397.92% |
| NONOPERATING REVENUE | | | | |
| PROPERTY TAXES | 3,517,093 | 3,517,111 | (18) | 0.00% |
| INTEREST INCOME | 721,725 | 900,000 | (178,275) | -19.81% |
| INTEREST EXPENSE | (1,064,369) | (1,000,000) | (64,369) | -6.44% |
| MISC NON-OPERATING REVENUE/(EXPENSE) | 49,696 | (90,000) | 139,696 | 155.22% |
| CONTRIBUTIONS - OPERATIONS & CAPITAL | 140,510 | 543,045 | (402,535) | -74.13% |
| GAIN/(LOSS) ON JOINT VENTURE | 52,073 | 0 | 9,064 | 21.07% |
| GAIN/(LOSS) ON DISP OF ASSETS | (8,179) | 0 | (8,179) | 100.00% |
| MEMBERSHIP DISTRIBUTIONS & EQUITY TRANSFER | 1,398,535 | 650,000 | 748,535 | 115.16% |
| TOTAL NONOPERATING REVENUE | 4,807,085 | 4,520,156 | 286,929 | 6.35% |
| GAIN / (LOSS) | 6,807,068 | 4,653,673 | 2,153,395 | 46.27% |

PRELIMINARY DRAFT

| ASPEN VALLEY HOSPITAL BALANCE SHEET December-10 | | |
|---|-----------------------|----------------------|
| | December-10 | December-09 |
| ASSETS | | |
| CURRENT ASSETS | | |
| CASH | 11,137,602 | 8,107,620 |
| SHORT TERM INVESTMENTS | 17,765,196 | 35,387,293 |
| INVESTMENTS - FUNDED DEPRECIATION | 18,524,488 | 0 |
| CASH RESTRICTED FOR PHYSICIANS | 50,808 | 78,764 |
| PATIENT ACCOUNTS RECEIVABLE | 9,687,904 | 8,448,599 |
| LESS CONTRACTUAL ALLOWANCES/DOUBTFUL ACCOUNTS | (2,236,310) | (1,685,158) |
| NET PATIENT ACCOUNTS RECEIVABLE | 7,451,594 | 6,763,442 |
| CONTRIBUTIONS RECEIVABLE | 690,515 | 504,401 |
| MISCELLANEOUS RECEIVABLES | 1,723,192 | 1,863,565 |
| INVENTORY | 1,626,066 | 1,626,038 |
| PRE PAID EXPENSES | 1,075,676 | 1,062,163 |
| TOTAL CURRENT ASSETS | \$ 60,045,137 | \$ 55,393,285 |
| RESTRICTED ASSETS - BOND AGREEMENT | | |
| BONDS - PRINCIPAL & INTEREST | 198,496 | 222,353 |
| RESTRICTED G.O. BOND PROCEEDS | 50,174,827 | 0 |
| DEBT SERVICE RESERVE FUND | 2,241,783 | 2,241,750 |
| TOTAL RESTRICTED ASSETS | \$ 52,615,106 | \$ 2,464,103 |
| LONG-TERM RECEIVABLES | | |
| | \$ 498,726 | \$ 982,217 |
| INVESTMENT IN JOINT VENTURE | | |
| | \$ 123,989 | \$ 213,092 |
| CAPITAL ASSETS | | |
| LAND | 267,057 | 267,057 |
| PROPERTY , PLANT, & EQUIPMENT | 72,198,223 | 65,841,554 |
| LESS ACCUMULATED DEPRECIATION | (37,982,770) | (33,696,278) |
| NET PROPERTY, PLANT & EQUIPMENT | \$ 34,482,510 | \$ 32,412,333 |
| OTHER ASSETS | | |
| DEFERRED BOND COSTS | 836,924 | 463,607 |
| STOCK INVESTMENT | 156,526 | 0 |
| GOODWILL | 239,901 | 0 |
| ACCUMULATED AMORTIZATION | (139,478) | 0 |
| SECURITY DEPOSITS PAID | 51,153 | 35,903 |
| TOTAL OTHER ASSETS | \$ 1,145,026 | \$ 499,510 |
| TOTAL ASSETS | \$ 148,910,494 | \$ 91,964,540 |

PRELIMINARY DRAFT

| ASPEN VALLEY HOSPITAL BALANCE SHEET December-10 | | |
|--|-------------------------|------------------------|
| | December-10 | December-09 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| CURRENT MATURITIES OF L-T DEBT | (3,126,052) | (1,210,278) |
| ACCOUNTS PAYABLE | (2,207,494) | (2,338,033) |
| CONSTRUCTION PAYABLE | (332,675) | 0 |
| ACCRUED SALARIES, BENEFITS AND PAYROLL TAXES | (1,475,728) | (1,400,658) |
| MISCELLANEOUS LIABILITIES | (1,072,106) | (967,434) |
| REFUNDS PAYABLE | (96,351) | (58,768) |
| UNCLAIMED REFUNDS PAYABLE | (317,732) | (416,105) |
| DUE TO MEDICARE | (520,000) | 0 |
| TOTAL CURRENT LIABILITIES | \$ (9,148,138) | \$ (6,391,277) |
| LONG TERM LIABILITIES | | |
| REVENUE BONDS PAYABLE | (21,246,589) | (21,835,085) |
| GENERAL OBLIGATION BONDS PAYABLE | (48,549,827) | 0 |
| CAPITAL LEASE OBLIGATION | (448,107) | (1,009,743) |
| NOTES PAYABLE | (562,115) | (579,091) |
| TOTAL LONG TERM LIABILITIES | \$ (70,806,637) | \$ (23,423,919) |
| NET ASSETS | | |
| OPERATING FUND BALANCE | (68,955,719) | (62,149,344) |
| TOTAL FUND BALANCE | \$ (68,955,719) | \$ (62,149,344) |
| TOTAL LIABILITIES & FUND BALANCE | \$ (148,910,494) | \$ (91,964,540) |

PRELIMINARY DRAFT

**ASPEN VALLEY HOSPITAL
STATEMENT OF CASH FLOWS
FOR THE MONTH ENDING DECEMBER 31, 2010**

| | <u>DECEMBER 2010</u> | <u>YTD</u> |
|---|----------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Patient and Third Parties | 4,440,905 | 57,084,258 |
| Cash Received from (Paid to) Others | (651,069) | 2,358,141 |
| Cash Paid to Suppliers | (3,492,850) | (29,827,863) |
| Cash Paid to Employees | (1,854,956) | (22,507,900) |
| Net Cash Provided by (Used in) Operating Activities | <u>(1,557,970)</u> | <u>7,106,636</u> |
| CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Ad Valorem Taxes | 54,012 | 3,409,724 |
| Contributions for Operations | - | 54,235 |
| Net Cash Provided by Noncapital Financing Activities | <u>54,012</u> | <u>3,463,959</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Contributions restricted for the purchase of Capital Assets | - | 186,114 |
| Issuance of Long-Term Debt | 50,000,000 | 50,000,000 |
| Premium on Issuance of Long-Term Debt | 499,827 | 499,827 |
| Costs of Issuance of Long-Term Debt | (325,000) | (325,000) |
| Principal Payments on Debt | (50,904) | (1,237,838) |
| Purchases of Capital Assets | (704,272) | (6,481,046) |
| Proceeds from the sale of capital assets | - | 10,019 |
| Interest payments on Debt | (97,136) | (960,752) |
| Net Cash Used in Capital and Related Financing Activities | <u>49,322,515</u> | <u>41,691,324</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investments, net | - | - |
| Change in Investments | 21,176 | 21,176 |
| Investment Income | 39,107 | 721,725 |
| Member Distribution | 680,850 | 1,050,600 |
| Net Cash Provided by Investing Activities | <u>741,133</u> | <u>1,793,501</u> |
| Net Increase in Cash and Cash Equivalents | <u>48,559,690</u> | <u>54,055,420</u> |
| Cash and Cash Equivalents at Beginning of Period | 51,533,511 | 46,037,780 |
| Cash and Cash Equivalents at End of Period | <u>100,093,200</u> | <u>100,093,200</u> |