

**ASPEN VALLEY HOSPITAL
PROFIT & LOSS STATEMENT
FOR THE PERIOD ENDING 07/31/2011**

| | ACTUAL July-11 | BUDGET July-11 | VARIANCE AMOUNT | VAR % |
|--|--------------------|--------------------|--------------------|----------------|
| PATIENT SERVICE REVENUE | | | | |
| INPATIENT | 1,227,925 | 1,508,152 | (280,227) | -18.58% |
| OUTPATIENT | 5,131,533 | 4,975,404 | 156,129 | 3.14% |
| TOTAL PATIENT SERVICE REVENUE | 6,359,458 | 6,483,556 | (124,098) | -1.91% |
| LESS REVENUE DEDUCTIONS | | | | |
| UNCOMPENSATED SERVICES | (270,140) | (187,847) | (82,293) | -43.81% |
| CONTRACTUAL ALLOWANCES - GOVERNMENT | (678,596) | (650,528) | (28,068) | -4.31% |
| CONTRACTUAL ALLOWANCES - OTHER | (489,355) | (454,145) | (35,210) | -7.75% |
| BAD DEBT EXPENSE | (102,627) | (123,489) | 20,862 | 16.89% |
| OTHER DEDUCTIONS | (89,319) | (157,580) | 68,261 | 43.32% |
| TOTAL REVENUE DEDUCTIONS | (1,630,038) | (1,573,589) | (56,448) | -3.59% |
| NET PATIENT SERVICE REVENUE | 4,729,421 | 4,909,967 | (180,546) | -3.68% |
| OTHER OPERATING REVENUE | | | | |
| WHITCOMB TERRACE | 47,938 | 57,527 | (9,589) | -16.67% |
| CAFETERIA | 34,732 | 35,841 | (1,109) | -3.09% |
| MISCELLANEOUS | 49,511 | 66,674 | (17,163) | -25.74% |
| TOTAL OTHER OPERATING REVENUE | 132,181 | 160,042 | (27,861) | -17.41% |
| TOTAL OPERATING REVENUE | 4,861,602 | 5,070,009 | (208,407) | -4.11% |
| EXPENSES | | | | |
| SALARIES | (2,078,345) | (2,303,685) | 225,340 | 9.78% |
| PHYSICIAN COMPENSATION | (510,464) | (509,478) | (986) | -0.19% |
| PATIENT CARE SUPPLIES | (505,041) | (426,375) | (78,666) | -18.45% |
| OUTSOURCING | (153,514) | (138,044) | (15,470) | -11.21% |
| LEGAL, CONSULT, AUDIT | (62,586) | (36,469) | (26,117) | -71.61% |
| MAINTENANCE & UTILITIES | (263,095) | (295,799) | 32,704 | 11.06% |
| CONTINUING EDUCATION | (24,542) | (14,583) | (9,959) | -68.29% |
| PHYSICIAN RECRUITMENT | 0 | (2,500) | 2,500 | 100.00% |
| EMPLOYEE BENEFITS | (429,563) | (570,358) | 140,795 | 24.69% |
| DEPRECIATION & AMORTIZATION | (380,927) | (381,098) | 171 | 0.04% |
| GENERAL & PROF INSURANCE | (20,052) | (23,987) | 3,935 | 16.40% |
| MISCELLANEOUS EXPENSE | (365,434) | (327,580) | (37,854) | -11.56% |
| TOTAL EXPENSES | (4,793,564) | (5,029,956) | 236,392 | 4.70% |
| OPERATING MARGIN | 68,038 | 40,054 | 27,984 | 69.87% |
| NONOPERATING REVENUE | | | | |
| PROPERTY TAXES | 592,250 | 592,250 | 0 | 0.00% |
| INTEREST INCOME | (17,381) | 75,667 | (93,048) | -122.97% |
| INTEREST EXPENSE | (50,922) | (222,823) | 171,901 | 77.15% |
| MISC NON-OPERATING REVENUE/(EXPENSE) | 38,600 | (45,078) | 83,678 | 185.63% |
| CONTRIBUTIONS - OPERATIONS & CAPITAL | 0 | 21,333 | (21,333) | -100.00% |
| GAIN/(LOSS) ON DISP OF ASSETS | 2,000 | 0 | 2,000 | #DIV/0! |
| MEMBER DISTRIBUTIONS & EQUITY TRANSFER | 62,500 | 62,500 | 0 | 0.00% |
| TOTAL NONOPERATING REVENUE | 627,048 | 483,849 | 143,198 | 29.60% |
| GAIN / (LOSS) | 695,086 | 523,903 | 171,182 | 32.67% |

**ASPEN VALLEY HOSPITAL
PROFIT & LOSS STATEMENT
FOR THE PERIOD ENDING 07/31/2011**

| | ACTUAL July-11 YTD | BUDGET July-11 YTD | VARIANCE AMOUNT | VAR % |
|--|-----------------------------------|-----------------------------------|----------------------------|------------------|
| PATIENT SERVICE REVENUE | | | | |
| INPATIENT | 13,047,173 | 14,135,193 | (1,088,020) | -7.70% |
| OUTPATIENT | 34,901,130 | 33,578,199 | 1,322,931 | 3.94% |
| TOTAL PATIENT SERVICE REVENUE | 47,948,303 | 47,713,392 | 234,911 | 0.49% |
| LESS REVENUE DEDUCTIONS | | | | |
| UNCOMPENSATED SERVICES | (1,710,400) | (1,382,394) | (328,006) | -23.73% |
| CONTRACTUAL ALLOWANCES - GOVERNMENT | (4,365,366) | (4,787,336) | 421,970 | 8.81% |
| CONTRACTUAL ALLOWANCES - OTHER | (3,487,010) | (3,342,126) | (144,884) | -4.34% |
| BAD DEBT ALLOWANCE | (2,129,198) | (1,662,804) | (466,394) | -28.05% |
| OTHER DEDUCTIONS | (1,128,763) | (1,159,656) | 30,893 | 2.66% |
| TOTAL REVENUE DEDUCTIONS | (12,820,737) | (12,334,316) | (486,421) | -3.94% |
| NET PATIENT SERVICE REVENUE | 35,127,566 | 35,379,076 | (251,510) | -0.71% |
| OTHER OPERATING REVENUE | | | | |
| WHITCOMB TERRACE | 350,327 | 383,857 | (33,530) | -8.74% |
| CAFETERIA | 285,869 | 272,229 | 13,640 | 5.01% |
| MISCELLANEOUS | 615,169 | 540,917 | 74,252 | 13.73% |
| TOTAL OTHER OPERATING REVENUE | 1,251,366 | 1,197,003 | 54,362 | 4.54% |
| TOTAL OPERATING REVENUE | 36,378,932 | 36,576,079 | (197,147) | -0.54% |
| EXPENSES | | | | |
| SALARIES | (14,294,484) | (14,683,653) | 389,169 | 2.65% |
| PHYSICIAN COMPENSATION | (3,617,196) | (3,610,544) | (6,652) | -0.18% |
| PATIENT CARE SUPPLIES | (3,566,409) | (3,391,291) | (175,118) | -5.16% |
| OUTSOURCING | (1,239,904) | (1,223,571) | (16,333) | -1.33% |
| LEGAL, CONSULT, AUDIT | (474,583) | (393,110) | (81,473) | -20.73% |
| MAINTENANCE & UTILITIES | (1,853,768) | (1,961,461) | 107,693 | 5.49% |
| CONTINUING EDUCATION | (50,556) | (102,083) | 51,527 | 50.48% |
| PHYSICIAN RECRUITMENT | 1,664 | (17,500) | 19,164 | 109.51% |
| EMPLOYEE BENEFITS | (3,572,215) | (3,979,315) | 407,100 | 10.23% |
| DEPRECIATION & AMORTIZATION | (2,712,786) | (2,667,689) | (45,097) | -1.69% |
| GENERAL & PROF INSURANCE | (141,630) | (139,799) | (1,831) | -1.31% |
| MISCELLANEOUS EXPENSE | (2,423,335) | (2,508,300) | 84,965 | 3.39% |
| TOTAL EXPENSES | (33,945,202) | (34,678,316) | 733,115 | 2.11% |
| OPERATING MARGIN | 2,433,729 | 1,897,763 | 535,966 | 28.24% |
| NONOPERATING REVENUE | | | | |
| PROPERTY TAXES | 4,145,750 | 4,145,750 | 0 | 0.00% |
| INTEREST INCOME | 281,037 | 529,667 | (248,630) | -46.94% |
| INTEREST EXPENSE | (465,564) | (1,574,985) | 1,109,421 | 70.44% |
| MISC NON-OPERATING REVENUE/(EXPENSE) | (138,993) | (294,065) | 155,072 | 52.73% |
| CONTRIBUTIONS - OPERATIONS & CAPITAL | 13,886 | 193,333 | (179,447) | -92.82% |
| GAIN/(LOSS) ON DISP OF ASSETS | (13,714) | 0 | (13,714) | #DIV/0! |
| MEMBER DISTRIBUTIONS & EQUITY TRANSFER | 557,200 | 437,500 | 119,700 | 27.36% |
| TOTAL NONOPERATING REVENUE | 4,379,601 | 3,437,200 | 942,401 | 27.42% |
| GAIN / (LOSS) | 6,813,330 | 5,334,963 | 1,478,367 | 27.71% |

**ASPEN VALLEY HOSPITAL
BALANCE SHEET
July-11**

| ASSETS | July-11 | July-10 |
|---|-----------------------|----------------------|
| CURRENT ASSETS | | |
| CASH | 19,287,993 | 13,463,709 |
| SHORT TERM INVESTMENTS | 20,420,301 | 36,050,289 |
| INVESTMENTS - FUNDED DEPRECIATION | 18,747,904 | 51,377 |
| CASH RESTRICTED FOR PHYSICIANS | 58,662 | 65,327 |
| PATIENT ACCOUNTS RECEIVABLE | 9,049,116 | 8,551,170 |
| LESS CONTRACTUAL ALLOWANCES/DOUBTFUL ACCOUNTS | (2,498,047) | (1,755,644) |
| NET PATIENT ACCOUNTS RECEIVABLE | 6,551,069 | 6,795,526 |
| CONTRIBUTIONS RECEIVABLE | 208,827 | 348,163 |
| OTHER RECEIVABLES | (1,681,927) | 44,323 |
| INVENTORY | 1,723,975 | 1,653,339 |
| PREPAID EXPENSES | 836,063 | 942,661 |
| TOTAL CURRENT ASSETS | \$ 66,152,868 | \$ 59,414,713 |
| RESTRICTED ASSETS - BOND AGREEMENT | | |
| BOND - PRINCIPAL & INTEREST | 610,239 | 615,998 |
| RESTRICTED BOND PROCEEDS | 42,774,240 | 0 |
| DEBT SERVICE RESERVE FUND | 2,242,043 | 2,241,770 |
| CONSTRUCTION ESCROW | 494,873 | 0 |
| TOTAL RESTRICTED ASSETS | \$ 46,121,395 | \$ 2,857,768 |
| LONG-TERM CONTRIBUTIONS RECEIVABLE | \$ 498,726 | \$ 982,217 |
| INVESTMENT IN JOINT VENTURE | \$ 102,936 | \$ 178,955 |
| CAPITAL ASSETS | | |
| LAND | 267,057 | 267,057 |
| PROPERTY , PLANT, & EQUIPMENT | 83,230,527 | 69,373,972 |
| LESS ACCUMULATED DEPRECIATION | (37,298,733) | (35,985,272) |
| NET PROPERTY, PLANT & EQUIPMENT | \$ 46,198,851 | \$ 33,655,757 |
| OTHER ASSETS | | |
| DEFERRED BOND COSTS | 786,663 | 424,288 |
| STOCK INVESTMENT | 156,526 | 0 |
| GOODWILL | 239,901 | 0 |
| ACCUMULATED AMORTIZATION | (170,699) | 0 |
| SECURITY DEPOSITS PAID | 51,153 | 36,153 |
| TOTAL OTHER ASSETS | \$ 1,063,544 | \$ 460,441 |
| TOTAL ASSETS | \$ 160,138,320 | \$ 97,549,851 |

**ASPEN VALLEY HOSPITAL
BALANCE SHEET
July-11**

| LIABILITIES | July-11 | July-10 |
|--|-------------------------|------------------------|
| CURRENT LIABILITIES | | |
| CURRENT MATURITIES OF L-T DEBT | (2,942,736) | (1,172,029) |
| ACCOUNTS PAYABLE | (1,494,447) | (1,910,166) |
| CONSTRUCTION PAYABLE | (5,502,310) | 0 |
| ACCRUED SALARIES, BENEFITS AND PAYROLL TAXES | (1,743,597) | (1,584,824) |
| MISCELLANEOUS LIABILITIES | (1,397,461) | (936,504) |
| REFUNDS PAYABLE | (117,997) | (139,945) |
| UNCLAIMED REFUNDS PAYABLE | (321,480) | (421,649) |
| DUE(TO)/FROM MEDICARE | (265,957) | (355,518) |
| TOTAL CURRENT LIABILITIES | \$ (13,785,984) | \$ (6,520,635) |
| LONG TERM LIABILITIES | | |
| REVENUE BONDS PAYABLE | (21,267,882) | (21,855,942) |
| GENERAL OBLIGATION BONDS PAYABLE | (48,491,945) | 0 |
| CAPITAL LEASE OBLIGATION | (257,570) | (636,543) |
| NOTES PAYABLE | (553,097) | (570,833) |
| TOTAL LONG TERM LIABILITIES | \$ (70,570,494) | \$ (23,063,318) |
| NET ASSETS | | |
| OPERATING FUND BALANCE | (75,781,843) | (67,965,898) |
| TOTAL FUND BALANCE | \$ (75,781,843) | \$ (67,965,898) |
| TOTAL LIABILITIES & FUND BALANCE | \$ (160,138,320) | \$ (97,549,851) |

**ASPEN VALLEY HOSPITAL
STATEMENT OF CASH FLOWS
FOR THE MONTH ENDING JULY 31, 2011**

| | JULY 2011 | YTD |
|---|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Patient and Third Parties | 4,400,741 | 35,799,442 |
| Cash Received from (Paid to) Others | 112,524 | 2,114,041 |
| Cash Paid to Suppliers | (2,221,176) | (17,330,695) |
| Cash Paid to Employees | (1,607,068) | (13,450,050) |
| Net Cash Provided by (Used in) Operating Activities | <u>685,021</u> | <u>7,132,738</u> |
| CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Ad Valorem Taxes | 1,201,928 | 6,426,836 |
| Community Assistance Programs | (11,400) | (33,614) |
| Contributions for Operations | - | 14,402 |
| Net Cash Provided by Noncapital Financing Activities | <u>1,190,528</u> | <u>6,407,624</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Contributions restricted for the purchase of Capital Assets | - | 481,424 |
| Issuance of Long-Term Debt | - | - |
| Premium on Issuance of Long-Term Debt | - | - |
| Costs of Issuance of Long-Term Debt | - | - |
| Principal Payments on Debt | (152,135) | (406,820) |
| Purchases of Capital Assets - AVH Funds | (246,267) | (1,366,072) |
| Purchases of Capital Assets - Bond Funds | - | (7,349,579) |
| Proceeds from the sale of capital assets | 2,000 | 5,000 |
| Interest (payments)/credit on Debt | (49,132) | (1,159,390) |
| Net Cash Used in Capital and Related Financing Activities | <u>(445,533)</u> | <u>(9,795,437)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investments, net | - | - |
| Change in Investments | - | 21,053 |
| Investment Income | 156,826 | 382,681 |
| Member Distribution | - | 494,700 |
| Net Cash Provided by Investing Activities | <u>156,826</u> | <u>898,434</u> |
| Net Increase in Cash, Cash Equivalents and Investments | <u>1,586,842</u> | <u>4,643,360</u> |
| Cash, Cash Equivalents and Investments at Beginning of Period | 103,084,218 | 100,027,700 |
| Cash, Cash Equivalents and Investments at End of Period* | <u>104,671,060</u> | <u>104,671,060</u> |

* Excludes Accrued Int. Income - FD & Bond Proceeds of \$34,805 at the end of July.