

**ASPEN VALLEY HOSPITAL  
PROFIT & LOSS STATEMENT  
FOR THE PERIOD ENDING 09/30/2011**

	ACTUAL September-11	BUDGET September-11	VARIANCE AMOUNT	VAR %
<b>PATIENT SERVICE REVENUE</b>				
INPATIENT	1,255,868	1,429,922	(174,054)	-12.17%
OUTPATIENT	4,196,003	3,812,328	383,675	10.06%
<b>TOTAL PATIENT SERVICE REVENUE</b>	<b>5,451,871</b>	<b>5,242,250</b>	<b>209,621</b>	<b>4.00%</b>
<b>LESS REVENUE DEDUCTIONS</b>				
UNCOMPENSATED SERVICES	5,301	(151,883)	157,184	103.49%
CONTRACTUAL ALLOWANCES - GOVERNMENT	(537,156)	(525,982)	(11,174)	-2.12%
CONTRACTUAL ALLOWANCES - OTHER	(411,342)	(367,201)	(44,141)	-12.02%
BAD DEBT EXPENSE	(57,997)	(123,032)	65,035	52.86%
OTHER DEDUCTIONS	(108,708)	(127,410)	18,702	14.68%
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>(1,109,900)</b>	<b>(1,295,508)</b>	<b>185,606</b>	<b>14.33%</b>
<b>NET PATIENT SERVICE REVENUE</b>	<b>4,341,970</b>	<b>3,946,742</b>	<b>395,227</b>	<b>10.01%</b>
<b>OTHER OPERATING REVENUE</b>				
WHITCOMB TERRACE	47,828	57,353	(9,525)	-16.61%
CAFETERIA	33,927	33,914	13	0.04%
MISCELLANEOUS	65,081	65,268	(187)	-0.29%
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>146,836</b>	<b>156,535</b>	<b>(9,699)</b>	<b>-6.20%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>4,488,806</b>	<b>4,103,277</b>	<b>385,528</b>	<b>9.40%</b>
<b>EXPENSES</b>				
SALARIES	(1,836,686)	(1,927,323)	90,637	4.70%
PHYSICIAN COMPENSATION	(501,475)	(512,853)	11,378	2.22%
PATIENT CARE SUPPLIES	(431,052)	(429,385)	(1,667)	-0.39%
OUTSOURCING	(153,513)	(138,043)	(15,470)	-11.21%
LEGAL, CONSULT, AUDIT	(42,961)	(40,527)	(2,434)	-6.01%
MAINTENANCE & UTILITIES	(212,642)	(271,307)	58,665	21.62%
CONTINUING EDUCATION	(25,022)	(14,583)	(10,439)	-71.58%
PHYSICIAN RECRUITMENT	(3,037)	(2,500)	(537)	-21.48%
EMPLOYEE BENEFITS	(329,972)	(566,316)	236,344	41.73%
DEPRECIATION & AMORTIZATION	(397,354)	(381,102)	(16,252)	-4.26%
GENERAL & PROF INSURANCE	(18,600)	(20,994)	2,394	11.40%
MISCELLANEOUS EXPENSE	(485,411)	(351,381)	(134,030)	-38.14%
<b>TOTAL EXPENSES</b>	<b>(4,437,724)</b>	<b>(4,656,314)</b>	<b>218,589</b>	<b>4.69%</b>
<b>OPERATING MARGIN</b>	<b>51,082</b>	<b>(553,037)</b>	<b>604,117</b>	<b>-109.24%</b>
<b>NONOPERATING REVENUE</b>				
PROPERTY TAXES	592,250	592,250	0	0.00%
INTEREST INCOME	(43,830)	75,667	(119,497)	-157.92%
INTEREST EXPENSE	(89,163)	(223,055)	133,892	60.03%
MISC NON-OPERATING REVENUE/(EXPENSE)	(67,725)	(45,078)	(22,647)	-50.24%
CONTRIBUTIONS - OPERATIONS & CAPITAL	5,824	21,333	(15,509)	-72.70%
GAIN/(LOSS) ON DISP OF ASSETS	0	0	0	#DIV/0!
MEMBER DISTRIBUTIONS & EQUITY TRANSFER	62,500	62,500	0	0.00%
<b>TOTAL NONOPERATING REVENUE</b>	<b>459,857</b>	<b>483,617</b>	<b>(23,761)</b>	<b>-4.91%</b>
<b>GAIN / (LOSS)</b>	<b>510,939</b>	<b>(69,420)</b>	<b>580,356</b>	<b>-836.01%</b>

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FOR THE PERIOD ENDING 09/30/2011**

	ACTUAL September-11 YTD	BUDGET September-11 YTD	VARIANCE AMOUNT	VAR %
<b>PATIENT SERVICE REVENUE</b>				
INPATIENT	16,092,286	17,189,015	(1,096,729)	-6.38%
OUTPATIENT	44,356,485	41,825,038	2,531,447	6.05%
<b>TOTAL PATIENT SERVICE REVENUE</b>	<b>60,448,771</b>	<b>59,014,053</b>	<b>1,434,718</b>	<b>2.43%</b>
<b>LESS REVENUE DEDUCTIONS</b>				
UNCOMPENSATED SERVICES	(1,694,942)	(1,709,806)	14,864	0.87%
CONTRACTUAL ALLOWANCES - GOVERNMENT	(6,060,500)	(5,921,192)	(139,308)	-2.35%
CONTRACTUAL ALLOWANCES - OTHER	(4,182,824)	(4,133,692)	(49,132)	-1.19%
BAD DEBT ALLOWANCE	(2,312,575)	(1,909,097)	(403,478)	-21.13%
OTHER DEDUCTIONS	(1,584,314)	(1,434,312)	(150,002)	-10.46%
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>(15,835,155)</b>	<b>(15,108,099)</b>	<b>(727,056)</b>	<b>-4.81%</b>
<b>NET PATIENT SERVICE REVENUE</b>	<b>44,613,616</b>	<b>43,905,954</b>	<b>707,662</b>	<b>1.61%</b>
<b>OTHER OPERATING REVENUE</b>				
WHITCOMB TERRACE	446,093	498,590	(52,497)	-10.53%
CAFETERIA	355,993	348,787	7,206	2.07%
MISCELLANEOUS	736,680	671,048	65,632	9.78%
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>1,538,766</b>	<b>1,518,425</b>	<b>20,341</b>	<b>1.34%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>46,152,382</b>	<b>45,424,379</b>	<b>728,003</b>	<b>1.60%</b>
<b>EXPENSES</b>				
SALARIES	(18,010,894)	(18,608,254)	597,360	3.21%
PHYSICIAN COMPENSATION	(4,635,901)	(4,632,874)	(3,027)	-0.07%
PATIENT CARE SUPPLIES	(4,419,899)	(4,209,025)	(210,874)	-5.01%
OUTSOURCING	(1,615,953)	(1,568,680)	(47,273)	-3.01%
LEGAL, CONSULT, AUDIT	(577,521)	(475,400)	(102,121)	-21.48%
MAINTENANCE & UTILITIES	(2,331,486)	(2,505,874)	174,388	6.96%
CONTINUING EDUCATION	(83,601)	(131,250)	47,649	36.30%
PHYSICIAN RECRUITMENT	(1,373)	(22,500)	21,127	93.90%
EMPLOYEE BENEFITS	(4,356,081)	(5,110,975)	754,894	14.77%
DEPRECIATION & AMORTIZATION	(3,523,726)	(3,429,883)	(93,843)	-2.74%
GENERAL & PROF INSURANCE	(178,137)	(184,507)	6,370	3.45%
MISCELLANEOUS EXPENSE	(3,319,867)	(3,218,712)	(101,155)	-3.14%
<b>TOTAL EXPENSES</b>	<b>(43,054,438)</b>	<b>(44,097,934)</b>	<b>1,043,496</b>	<b>2.37%</b>
<b>OPERATING MARGIN</b>	<b>3,097,943</b>	<b>1,326,445</b>	<b>1,771,499</b>	<b>133.55%</b>
<b>NONOPERATING REVENUE</b>				
PROPERTY TAXES	5,330,250	5,330,250	0	0.00%
INTEREST INCOME	427,139	681,000	(253,861)	-37.28%
INTEREST EXPENSE	(684,008)	(2,022,042)	1,338,034	66.17%
MISC NON-OPERATING REVENUE/(EXPENSE)	(179,463)	(384,221)	204,758	53.29%
CONTRIBUTIONS - OPERATIONS & CAPITAL	22,410	236,000	(213,590)	-90.50%
GAIN/(LOSS) ON DISP OF ASSETS	(13,714)	0	(13,714)	#DIV/0!
MEMBER DISTRIBUTIONS & EQUITY TRANSFER	682,200	562,500	119,700	21.28%
<b>TOTAL NONOPERATING REVENUE</b>	<b>5,584,813</b>	<b>4,403,487</b>	<b>1,181,326</b>	<b>26.83%</b>
<b>GAIN / (LOSS)</b>	<b>8,682,756</b>	<b>5,729,932</b>	<b>2,952,825</b>	<b>51.53%</b>

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

<b>ASSETS</b>	<b>September-11</b>	<b>September-10</b>
<b>CURRENT ASSETS</b>		
CASH	19,885,935	14,624,669
SHORT TERM INVESTMENTS	20,429,898	36,050,289
INVESTMENTS - FUNDED DEPRECIATION	18,752,331	103,254
CASH RESTRICTED FOR PHYSICIANS	57,533	62,804
PATIENT ACCOUNTS RECEIVABLE	8,057,692	8,152,475
LESS CONTRACTUAL ALLOWANCES/DOUBTFUL ACCOUNTS	(2,096,773)	(1,799,912)
NET PATIENT ACCOUNTS RECEIVABLE	5,960,920	6,352,563
CONTRIBUTIONS RECEIVABLE	195,302	348,496
OTHER RECEIVABLES	(390,441)	714,884
INVENTORY	1,867,733	1,644,703
PREPAID EXPENSES	721,636	782,653
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 67,480,845</b>	<b>\$ 60,684,315</b>
<b>RESTRICTED ASSETS - BOND AGREEMENT</b>		
BOND - PRINCIPAL & INTEREST	809,345	862,197
RESTRICTED BOND PROCEEDS	38,350,691	0
DEBT SERVICE RESERVE FUND	2,242,087	2,241,770
CONSTRUCTION ESCROW	494,898	0
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 41,897,020</b>	<b>\$ 3,103,967</b>
<b>LONG-TERM CONTRIBUTIONS RECEIVABLE</b>	<b>\$ 498,726</b>	<b>\$ 982,217</b>
<b>INVESTMENT IN JOINT VENTURE</b>	<b>\$ 102,936</b>	<b>\$ 178,955</b>
<b>CAPITAL ASSETS</b>		
LAND	267,057	267,057
PROPERTY , PLANT, & EQUIPMENT	91,173,872	69,846,712
LESS ACCUMULATED DEPRECIATION	(38,091,433)	(36,682,864)
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$ 53,349,497</b>	<b>\$ 33,430,905</b>
<b>OTHER ASSETS</b>		
DEFERRED BOND COSTS	771,537	413,055
STOCK INVESTMENT	156,526	0
GOODWILL	239,901	0
ACCUMULATED AMORTIZATION	(179,619)	0
SECURITY DEPOSITS PAID	51,153	36,153
<b>TOTAL OTHER ASSETS</b>	<b>\$ 1,039,497</b>	<b>\$ 449,208</b>
<b>TOTAL ASSETS</b>	<b>\$ 164,368,520</b>	<b>\$ 98,829,567</b>

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

	<b>September-11</b>	<b>September-10</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
CURRENT MATURITIES OF L-T DEBT	(2,931,003)	(1,172,029)
ACCOUNTS PAYABLE	(1,549,325)	(2,293,694)
CONSTRUCTION PAYABLE	(7,875,714)	0
ACCRUED SALARIES, BENEFITS AND PAYROLL TAXES	(1,182,456)	(1,857,652)
MISCELLANEOUS LIABILITIES	(1,903,083)	(1,108,798)
REFUNDS PAYABLE	(116,126)	(148,034)
UNCLAIMED REFUNDS PAYABLE	(321,283)	(418,505)
DUE(TO)/FROM MEDICARE	(254,916)	(269,750)
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ (16,133,906)</b>	<b>\$ (7,268,462)</b>
<b>LONG TERM LIABILITIES</b>		
REVENUE BONDS PAYABLE	(21,273,966)	(21,861,901)
GENERAL OBLIGATION BONDS PAYABLE	(48,485,852)	0
CAPITAL LEASE OBLIGATION	(272,999)	(550,841)
NOTES PAYABLE	(550,530)	(568,642)
<b>TOTAL LONG TERM LIABILITIES</b>	<b>\$ (70,583,347)</b>	<b>\$ (22,981,384)</b>
<b>NET ASSETS</b>		
OPERATING FUND BALANCE	(77,651,268)	(68,579,721)
<b>TOTAL FUND BALANCE</b>	<b>\$ (77,651,268)</b>	<b>\$ (68,579,721)</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ (164,368,520)</b>	<b>\$ (98,829,567)</b>

**ASPEN VALLEY HOSPITAL  
STATEMENT OF CASH FLOWS  
FOR THE MONTH ENDING SEPTEMBER 30, 2011**

	<u>SEPTEMBER 2011</u>	<u>YTD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Patient and Third Parties	4,904,199	45,862,532
Cash Received from (Paid to) Others	(160,445)	2,034,913
Cash Paid to Suppliers	(2,137,171)	(21,749,069)
Cash Paid to Employees	(2,445,129)	(17,555,151)
Net Cash Provided by (Used in) Operating Activities	<u>161,454</u>	<u>8,593,226</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Ad Valorem Taxes	96,896	6,705,068
Community Assistance Programs	(1,058)	(44,658)
Contributions for Operations	5,824	22,926
Net Cash Provided by Noncapital Financing Activities	<u>101,662</u>	<u>6,683,336</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributions restricted for the purchase of Capital Assets	13,525	494,949
Issuance of Long-Term Debt	-	-
Premium on Issuance of Long-Term Debt	-	-
Costs of Issuance of Long-Term Debt	-	-
Principal Payments on Debt	(34,575)	(475,162)
Purchases of Capital Assets - AVH Funds	(524,854)	(2,248,201)
Purchases of Capital Assets - Bond Funds	(188,022)	(11,891,011)
Proceeds from the sale of capital assets	-	5,000
Interest (payments)/credit on Debt	(7,998)	(1,173,291)
Net Cash Used in Capital and Related Financing Activities	<u>(741,924)</u>	<u>(15,287,716)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments, net	-	-
Change in Investments	-	21,053
Investment Income	10,809	395,151
Member Distribution	-	494,700
Net Cash Provided by Investing Activities	<u>10,809</u>	<u>910,904</u>
Net Increase in Cash, Cash Equivalents and Investments	<u>(468,000)</u>	<u>899,750</u>
Cash, Cash Equivalents and Investments at Beginning of Period	101,395,450	100,027,700
Cash, Cash Equivalents and Investments at End of Period*	<u>100,927,450</u>	<u>100,927,450</u>

\* Excludes Accrued Int. Income - FD & Bond Proceeds of \$95,268 at the end of September.