

The Charlotte Hungerford Hospital

Independent Auditors' Report,
Consolidated Financial Statements and
Supplemental Information

As of and for the Years Ended
September 30, 2009 and 2008



Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

The Charlotte Hungerford Hospital
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Statements and Supplemental Information
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Independent Auditors' Report

To the Board of Governors of
The Charlotte Hungerford Hospital:

We have audited the accompanying consolidated balance sheets of The Charlotte Hungerford Hospital (the Hospital) a Connecticut not-for-profit, non-stock corporation, as of September 30, 2009 and 2008, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidating financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidating financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2009 and 2008 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Charlotte Hungerford Hospital as of September 30, 2009 and 2008, and the results of its consolidated operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information listed within the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities. Accordingly, we do not express an opinion on the financial position and results of operations of the individual entities. However, the consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Saslow Lufkin & Buggy, LLP

December 10, 2009

The Charlotte Hungerford Hospital
Consolidated Balance Sheets
September 30, 2009 and 2008

	2009	2008		2009	2008
Assets			Liabilities		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 4,021,421	\$ 2,941,661	Current portion of bonds payable	\$ 1,080,000	\$ 1,045,000
Accounts receivable (less allowance for doubtful accounts of \$1,691,317 in 2009 and \$1,669,951 in 2008)	9,891,564	9,622,809	Current portion of loans payable	278,550	381,050
Inventories	1,825,569	1,666,956	Current portion of capital lease obligations	21,842	20,573
Estimated amounts due from third-party reimbursement agencies	102,157	396,514	Accounts payable	3,810,358	4,167,738
Due from distressed hospital fund	-	780,800	Estimated amounts due to third-party reimbursement agencies	2,366,000	957,758
Due from temporary restricted funds	292,608	-	Accrued salaries, wages and fees	4,615,109	4,278,174
Other current assets	1,599,620	1,790,494	Other current liabilities	4,051,021	3,718,820
Total current assets	17,732,939	17,199,234	Total current liabilities	16,222,880	14,569,113
Assets whose use is limited:			Bonds payable, less current portion	3,475,000	4,555,000
Investments held in trust for estimated self-insurance liabilities	3,188,402	2,678,836	Loans payable, less current portion	3,939,784	4,257,306
Under bond indenture agreement - held by others	359,776	206,373	Capital lease obligations, less current portion	21,205	43,048
Donor restricted assets	6,674,126	7,176,436	Estimated self-insurance liabilities	2,192,084	2,069,059
Beneficial interest in assets held in trust by others	11,806,009	12,760,290	Accrued pension liability	28,349,714	9,074,031
Total assets whose use is limited	22,028,313	22,821,935	Total liabilities	54,200,667	34,567,557
Long-term investments	27,523,678	27,303,599	Commitments and contingencies	-	-
Pledges receivable	280,200	-	Net assets		
Property, plant and equipment:			Unrestricted (\$27,050,721 in 2009 and \$27,303,599 in 2008 designated by the Board of Governors)	41,711,965	61,095,321
Land	155,467	155,467	Temporarily restricted	2,924,647	3,401,343
Land improvements	4,497,386	4,514,385	Permanently restricted	15,558,390	16,535,386
Buildings	76,212,867	73,906,503	Total net assets	60,195,002	81,032,050
Fixed equipment	16,463,848	16,438,401	Total liabilities and net assets	\$ 114,395,669	\$ 115,599,607
Moveable equipment	39,050,948	35,156,293			
Total property, plant and equipment	136,380,516	130,171,049			
Less: accumulated depreciation	(91,686,498)	(86,425,259)			
Construction in progress	861,053	3,167,618			
Total property, plant and equipment	45,555,071	46,913,408			
Leased equipment under capital leases, net of accumulated amortization of \$63,349 in 2009 and \$42,803 in 2008	39,378	59,924			
Deferred financing costs, net	131,769	163,256			
Other assets	1,104,321	1,138,251			
Total other assets	1,275,468	1,361,431			
Total assets	\$ 114,395,669	\$ 115,599,607			

The accompanying notes are an integral part of these consolidated financial statements.

The Charlotte Hungerford Hospital
Consolidated Statements of Operations
For the Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted revenues		
Net patient service revenues	\$ 97,865,856	\$ 90,098,472
Other revenues	<u>5,612,083</u>	<u>5,881,539</u>
Total revenues	103,477,939	95,980,011
Expenses		
Salaries and wages	49,238,598	45,488,908
Physician fees	900,019	1,158,724
Employee benefits	12,887,310	11,159,462
Services	12,786,645	12,623,049
Supplies	16,912,069	15,380,771
Provision for bad debts	2,247,042	2,441,497
Depreciation and amortization	6,201,756	5,922,262
Interest and bond expenses	563,756	653,403
Insurance	<u>1,773,593</u>	<u>1,803,067</u>
Total expenses	<u>103,510,788</u>	<u>96,631,143</u>
Operating loss	(32,849)	(651,132)
Other income		
Investment (loss) income, net	(127,437)	1,576,449
Gifts and bequests	188,183	192,033
Gain from equity method investments	<u>84,261</u>	<u>74,291</u>
Total other income	<u>145,007</u>	<u>1,842,773</u>
Excess of revenues over expenses	<u>\$ 112,158</u>	<u>\$ 1,191,641</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Charlotte Hungerford Hospital
Consolidated Statements of Changes in Net Assets
For the Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted net assets		
Excess of revenues over expenses	\$ 112,158	\$ 1,191,641
Change in net unrealized losses on investments	(70,388)	(5,636,710)
Pension related changes other than net periodic pension costs	(20,205,926)	(5,837,017)
Net assets released from restrictions used for purchase of property and equipment	<u>780,800</u>	<u>719,200</u>
Change in unrestricted net assets	(19,383,356)	(9,562,886)
Temporarily restricted net assets		
Investment (loss) income	(314,957)	39,250
Contributions	1,043,719	1,604,302
Change in net unrealized gains (losses) on investments	12,351	(197,338)
Net assets released from restrictions	<u>(1,217,809)</u>	<u>(907,440)</u>
Change in temporarily restricted net assets	(476,696)	538,774
Permanently restricted net assets		
Change in beneficial interest in assets held in trust by others	(954,281)	(3,563,180)
Change in other restricted net assets	<u>(22,715)</u>	<u>-</u>
Change in permanently restricted net assets	(976,996)	(3,563,180)
Change in net assets	(20,837,048)	(12,587,292)
Net assets, beginning of year	<u>81,032,050</u>	<u>93,619,342</u>
Net assets, end of year	<u>\$ 60,195,002</u>	<u>\$ 81,032,050</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Charlotte Hungerford Hospital
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Change in net assets	\$ (20,837,048)	\$ (12,587,292)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,201,756	5,922,262
Net realized losses (gains) on investments	1,688,175	(491,333)
Net unrealized losses on investments	77,555	5,801,275
Decrease in beneficial interest in assets held in trust by others	954,281	3,563,180
Provision for bad debts, net	2,247,042	2,441,497
Gain from equity method investees	(796,074)	(898,324)
Changes in:		
Accounts receivable, net	(2,515,797)	(2,296,644)
Inventories	(158,613)	(44,613)
Estimated amounts due from third-party reimbursement agencies	294,357	28,747
Due from distressed hospital fund	780,800	(780,800)
Due from temporary restricted funds	(292,608)	-
Other current assets	190,874	(140,876)
Other assets, net	(55,647)	7,026
Pledges receivable	(280,200)	20,000
Accounts payable	(357,380)	321,487
Estimated amounts due to third-party reimbursement agencies	1,408,242	237,758
Accrued salaries, wages and fees	336,935	99,360
Other current liabilities	332,201	1,251,171
Estimated self-insurance liabilities	123,025	(899,493)
Accrued pension liability	19,275,683	3,226,040
Net cash provided by operating activities	8,617,559	4,780,428
Cash flows from investing activities		
Proceeds from sales of investments	4,820,569	3,913,449
Purchases of investments	(6,813,634)	(2,714,550)
Purchases of property, plant and equipment, net	(4,791,386)	(5,613,470)
Change in funds held under bond indenture agreement	(153,403)	82,525
Dividends from joint venture investments	767,750	1,013,895
Net cash used in investing activities	(6,170,104)	(3,318,151)
Cash flows from financing activities		
Principal payments on Series C bonds	(1,045,000)	(1,010,000)
Principal payments on long-term debt agreements	(233,677)	(248,347)
Proceeds from note receivable	50,041	50,041
Payments on KDA long-term debt	(118,485)	(131,755)
Principal payments on capital lease obligations	(20,574)	(33,244)
Net cash used in financing activities	(1,367,695)	(1,373,305)
Net change in cash and cash equivalents	1,079,760	88,972
Cash and cash equivalents, beginning of year	2,941,661	2,852,689
Cash and cash equivalents, end of year	\$ 4,021,421	\$ 2,941,661
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 348,303	\$ 488,304

The accompanying notes are an integral part of these consolidated financial statements.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 1 - General

Organization - The Charlotte Hungerford Hospital (the Hospital), located in Torrington, Connecticut, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient and emergency care services for the residents of northwestern Connecticut.

Surgical Associates of Litchfield County, LLC (SALC) is a for-profit limited liability company, which provides health care services to the residents of northwestern Connecticut. SALC was formed on May 1, 2004 to further the charitable and benevolent purposes of the Hospital. The Hospital, through a management contract with SALC is responsible for managing the affairs of SALC and making management decisions on behalf of SALC.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements include the Hospital and its subsidiary, SALC (collectively referred to as the Hospital). All significant inter-company amounts have been eliminated in consolidation.

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 168, “*FASB Accounting Standards Codification (ASC) and the Hierarchy of Generally Accepted Accounting Principles - A Replacement of FASB Statement No. 162. This guidance establishes the FASB Accounting Standards Codification,*” (the “Codification”) as the source of authoritative GAAP. The Codification supersedes all existing non Securities and Exchange Commission accounting and reporting standards. This guidance is effective for financial statements issued for interim and annual periods ending after September 15, 2009. As the Codification will not change existing GAAP, the adoption of this guidance did not have an impact on the consolidated financial condition or consolidated results of operations.

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates relate to contractual allowances and the allowance for doubtful accounts on patient accounts receivable, self-insurance liabilities, valuation of investments, estimated settlements due to third-party reimbursement agencies and pension plan assumptions. Actual results could differ from those estimates.

Net Asset Categories - To ensure observance of limitations and restrictions placed on the use of resources available to the Hospital, the accounts of the Hospital are maintained in the following net asset categories:

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

Unrestricted - Unrestricted net assets represent available resources other than donor restricted contributions. Included in unrestricted net assets are assets set aside by the Board of Governors (the Board) for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Temporarily restricted - Temporarily restricted net assets represent contributions that are restricted by the donor either as to purpose or as to time of expenditure.

Permanently restricted - Permanently restricted net assets represent contributions received with the donor restriction that the principal be invested in perpetuity and that the income earned thereon be available for operations and beneficial interest in assets held in trust by others.

Recognition of Grant Revenue - Grants are generally considered to be exchange transactions in which the grantor requires the performance of specified activities. Entitlement to cost reimbursement grants is conditioned on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance based grants is conditioned on the attainment of specific performance goals and, therefore, revenue is recognized to the extent of performance achieved. The Hospital recognized \$2,514,351 and \$2,779,478 of grant revenue, included in other revenues, for the years ended September 30, 2009 and 2008, respectively. Grant receipts in excess of revenues recognized are presented as deferred grant support. Deferred grant support of \$201,070 and \$138,563 is included in other current liabilities in the accompanying consolidated balance sheets as of September 30, 2009 and 2008, respectively.

Pledges Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those contributions are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in other revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Hospital's policy is to present restricted contributions received during the year whose restrictions are also met during the current year as unrestricted net asset activity. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is actually received.

The Hospital's policy is to recognize the expiration of donor restrictions for contributions of property and equipment or the use of contributions restricted for property and equipment in the year the property and equipment is placed in service.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

Assets Held in Trust by Others - The Hospital has been named sole or participating beneficiary in several perpetual trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity. The estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. Fluctuations in the value of such assets are recognized as changes in permanently restricted net assets.

Cash and Cash Equivalents - The Hospital considers all highly liquid investments with original maturities of three months or less at date of purchase to be cash equivalents. Cash and cash equivalents are maintained primarily within one regional bank and one investment bank-sponsored money market fund. From time to time, the Hospital maintains balances in excess of the Federal Deposit Insurance Commission (FDIC) limit of \$250,000 per customer, per bank. It is the Hospital's policy to monitor the financial strength of these institutions on an ongoing basis.

Inventories - Inventories, used in general operations of the Hospital, are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

Investments - The Hospital accounts for its investments in accordance with Financial Accounting Standards Board Accounting Standards Codification, (FASB ASC), 320, "Investments - Debt and Equity Securities" (FASB ASC 320). Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from excess of revenues over expenses.

The average cost method is used to determine realized gains and losses on sales of marketable securities.

Other Than Temporary Impairment of Investments - When a decline in fair market value is deemed to be other than temporary, a provision for impairment is charged to earnings, included in net investment gains (losses), and the cost basis of that investment is reduced.

For equity securities, the Hospital's management reviews several factors to determine whether a loss is other than temporary, such as the length of time a security is in a unrealized loss position, extent to which the fair value is less than cost, the financial condition and near term prospects of the issuer, and the Hospital's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. The Hospital elected to impair \$219,573 of unrealized losses in 2008 related to equities. No impairment losses were recognized in 2009 related to equities.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

In fiscal year 2009, the Hospital adopted changes to FASB ASC 320 (which encompassed FASB Staff Position FAS115-2 and FAS 124-2, "*Recognition and Presentation of Other Than Temporary Impairments*," which relates to fixed income securities.

This guidance requires the Hospital to evaluate whether it intends to sell an impaired fixed income security or whether it is more likely than not that it will be required to sell an impaired fixed income security before recovery of the amortized cost basis. If either of these criteria are met, an impairment equal to the difference between the fixed income security's amortized cost and its fair value is recognized in earnings.

For impaired fixed income securities that do not meet these criteria, the Hospital determines if a credit loss exists with respect to the impaired security. If a credit loss exists, the credit loss component of the impairment is recognized in earnings and the remaining portion of the impairment is recognized as a component of changes in net assets. The Hospital elected to impair \$96,152 of unrealized losses related to fixed income securities in 2008. No impairment losses were recognized in 2009 related to fixed income securities.

Assets Whose Use is Limited - Assets whose use is limited include assets set aside for self-insurance trust arrangements, assets held by trustees under bond indenture agreements, donor restricted endowments and assets held in trust by others.

Federal Income Taxes - The Hospital is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital also has a for-profit subsidiary, SALC, that is an LLC in a net operating loss position and are not taxpayers, therefore no income tax provision has been provided in the 2009 and 2008 consolidated financial statements.

Effective October 1, 2007, the Hospital adopted certain provisions of FASB ASC 740, "*Income Taxes*" (FASB ASC 740), which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. FASB ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a company's tax position taken or expected to be taken in a tax return. FASB ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FASB ASC 740 did not have any impact on the accompanying consolidated financial statements, as the Hospital does not believe that it has any uncertain tax positions.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment - Property, plant and equipment purchased by the Hospital is recorded at cost, or if received as a donation, at fair value on the date received. The Hospital provides for depreciation of property, plant and equipment for financial reporting purposes using the straight-line method over the estimated useful lives of the various assets. American Hospital Association lives are generally used and provide for a 25-50 year life for buildings and a 3-20 year life for building fixtures and equipment. Leased equipment is amortized on a straight-line basis over the shorter of the life of the applicable lease or life of the leased asset.

Depreciation expense was \$6,146,687 and \$5,837,213 for the years ended September 30, 2009 and 2008, respectively.

Investments in Joint Ventures - The Hospital has invested in certain joint ventures which are accounted for under the equity method of accounting and included within other assets on the consolidated balance sheets. The Hospital's investment in these joint ventures is as follows:

	<u>Ownership Percentage</u>
Advanced Medical Imaging of Northwest CT, LLC (AMI) (Except for the Fixed MRI segment which the ownership is 75%)	50%
MedConn Collection Agency, LLC	20%
Urology Center of Northwest CT, LLC (Urology)	62.5%

The Hospital has recorded its share of AMI's net income of \$711,813 and \$824,033 within other revenues as of September 30, 2009 and 2008, respectively, as these services are a component of the Hospital operations. In addition, the 62.5% investment in Urology is immaterial to present in a consolidated presentation.

Deferred Financing Costs - Deferred financing costs are amortized over the period the obligation is outstanding using the effective interest method.

Consolidated Statement of Operations - For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of healthcare services are reported as operating revenues and expenses. Investment income and realized gains and losses on securities are considered non-operating activity. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, except for losses that are deemed to be other than temporary, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Reclassifications - Certain reclassifications to the 2008 consolidated financial statements have been made in order to conform to the 2009 presentation. Such reclassifications did not have a material effect on the consolidated financial statements.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

Subsequent Events - Subsequent events have been evaluated through December 10, 2009, which is the date the financial statements were available to be issued.

New Accounting Pronouncements - Effective October 1, 2008 the Hospital adopted FASB ASC 820 (FASB ASC 820), "*Fair Value Measurements and Disclosures*." FASB ASC 820 redefines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. The new fair value focuses on the price that would be received to sell the asset or paid to transfer the liability, which is referred to as the exit price. FASB ASC 820 provides guidance on how to measure fair value, when required, under existing accounting standards. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to fair value into broad levels (Level 1, 2 and 3).

Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access at the measurement date.

Level 2 - Observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar liabilities.

Level 3 - Unobservable inputs reflecting the Hospital estimates for assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

Accordingly, the Hospital has classified its assets and liabilities affected as level 1, 2 and 3 instruments as displayed in footnote 12.

Note 3 - Revenues from Services to Patients and Charity Care

The following table reconciles gross revenues from services to patients to net revenues from services to patients:

	<u>2009</u>	<u>2008</u>
Gross revenues from services to patients	\$ 181,983,682	\$ 160,422,171
Deductions and allowances	<u>(84,117,826)</u>	<u>(70,323,699)</u>
Net revenues from services to patients	<u>\$ 97,865,856</u>	<u>\$ 90,098,472</u>

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 3 - Revenues from Services to Patients and Charity Care (continued)

Net Patient Service Revenue and Net Accounts Receivable - Net patient service revenue is reported at the established net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Net patient service revenue and accounts receivable are recorded when patient services are performed. Adjustments and settlements under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are provided and adjusted in future periods as final settlements are determined.

At September 30, 2009, 49% and 51% and at September 30, 2008, 45% and 55% of net patient accounts receivable (defined as gross accounts receivable less allowances for third-party payers) were from governmental (Medicare and Medicaid) and nongovernmental payers, respectively. Nongovernmental payers are primarily insurance companies and self-pay payers. Management has recorded an allowance for doubtful accounts, which, in its opinion, is sufficient to provide for risk of nonpayment.

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. For the years ended September 30, 2009 and 2008, the Hospital granted charity care of \$1,438,204 and \$1,110,508, respectively. In addition, the Hospital released assets whose use was restricted to fund free-care of \$166,950 and \$132,555, for the years ending September 30, 2009 and 2008, respectively.

State of Connecticut Regulatory Environment - Connecticut's acute care hospital regulatory system is currently administered by the State of Connecticut Office of Health Care Access.

Federal Regulatory Environment - The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse regulations as well as other applicable government laws and regulations. While no known regulatory inquiries are pending, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions known or unasserted at this time.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 4 - Investments

Cost and fair values of investments as of September 30, 2009 and 2008, are summarized as follows:

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Long-term investments:				
(including Board and donor restricted)				
Money market funds	\$ 2,848,415	\$ 2,848,415	\$ 4,155,757	\$ 4,155,757
Equity securities	15,873,040	19,312,184	16,495,240	17,941,590
Corporate and foreign bonds	6,589,892	6,864,282	6,377,877	6,870,451
Municipal bonds	160,000	171,407	160,000	173,406
Mutual funds	3,487,595	3,121,074	3,457,509	3,514,634
U.S. treasury and government agencies	2,978,562	1,880,442	1,394,289	1,824,197
	<u>\$ 31,937,504</u>	<u>\$ 34,197,804</u>	<u>\$ 32,040,672</u>	<u>\$ 34,480,035</u>
Investments held in trust for estimated self-insurance liabilities:				
Money market funds	\$ 1,145,064	\$ 1,145,066	\$ 951,307	\$ 951,307
Mutual funds	2,001,465	2,043,336	1,806,240	1,727,529
	<u>\$ 3,146,529</u>	<u>\$ 3,188,402</u>	<u>\$ 2,757,547</u>	<u>\$ 2,678,836</u>
Under bond indenture agreement - held by others:				
Mutual funds	\$ 359,447	\$ 359,776	\$ 206,486	\$ 206,373

Beneficial interest assets held in trust of \$11,806,009 and \$12,760,290, as of September 30, 2009 and 2008, respectively, are held by bank trustees and are not under the Hospital's investment control. These assets are invested within diversified portfolios.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 4 - Investments (continued)

The following table shows fair values and gross unrealized losses for all investment categories that are in an unrealized loss position as of September 30, 2009 and 2008, and the length of time that the securities have been in an unrealized loss position as of September 30, 2009 and 2008.

	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
As of September 30, 2009:						
Equity securities	\$ 3,479,158	\$ (502,490)	\$ 2,638,599	\$ (974,981)	\$ 6,117,757	\$ (1,477,471)
Mutual funds	376,151	(63,868)	1,591,683	(433,295)	1,967,834	(497,163)
Corporate and foreign bonds	-	-	483,902	(51,739)	483,902	(51,739)
Total	\$ 3,855,309	\$ (566,358)	\$ 4,714,184	\$ (1,460,015)	\$ 8,569,493	\$ (2,026,373)
As of September 30, 2008:						
Equity securities	\$ 8,819,193	\$ (1,796,187)	\$ 1,621,817	\$ (262,881)	\$ 10,441,010	\$ (2,059,068)
Mutual funds	1,049,904	(213,832)	690,135	(111,864)	1,740,039	(325,696)
Corporate and foreign bonds	629,942	(128,299)	1,131,723	(184,576)	1,761,665	(312,875)
Total	\$ 10,499,039	\$ (2,138,318)	\$ 3,443,675	\$ (559,321)	\$ 13,942,714	\$ (2,697,639)

As of September 30, 2008, management elected to impair a total of \$315,725 of long-term investments. Accordingly, these unrealized losses have been recorded as realized losses within the consolidated statement of operations with a corresponding reduction in the cost basis of the securities. As of September 30, 2009, management did not record any other than temporary impairments on securities.

The unrealized losses for less than one year relate to approximately 70 and 69 individual holdings of debt and equity investments as of September 30, 2009 and 2008, respectively. The unrealized losses for greater than one year relate to approximately 118 and 166 individual holdings of debt and equity investments as of September 30, 2009 and 2008, respectively. These unrealized losses were deemed not to be other than temporary impaired based on the guidance provided in FASB ASC 320 and consultation with various investment advisors.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 4 - Investments (continued)

Investment (loss) income, which is unrestricted, is comprised of the following for the years ended September 30, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Income and gains:		
Interest and dividend income	1,536,301	\$ 1,400,841
Net realized (losses) gains on securities	(1,663,738)	491,333
Realized losses due to other than temporary declines in investments	-	(315,725)
	<u>\$ (127,437)</u>	<u>\$ 1,576,449</u>

Note 5 - Endowment

The Hospital's endowment consists of multiple funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds, funds designated by the Board of Governors to function as endowments and funds held in trust by others. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Governors to function as endowments, are classified and reported based on the existence or absence of donor restrictions.

The Hospital has interpreted the relevant laws as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital during its annual budgeting process.

The Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Hospital and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Hospital; and (7) the investment policies of the Hospital.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 5 - Endowment (continued)

The net asset composition of the Hospital's endowment funds as of September 30, 2009 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board restricted	\$ 27,050,721	\$ -	\$ -	\$ 27,050,721
Beneficial trusts	-	-	11,806,009	11,806,009
Donor restricted	-	2,924,647	3,752,381	6,677,028
Total	<u>\$ 27,050,721</u>	<u>\$ 2,924,647</u>	<u>\$ 15,558,390</u>	<u>\$ 45,533,758</u>

The net asset composition of the Hospital's endowment funds as of September 30, 2008 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board restricted	\$ 27,303,599	\$ -	\$ -	\$ 27,303,599
Beneficial trusts	-	-	12,760,290	12,760,290
Donor restricted	-	3,401,343	3,775,096	7,176,439
Total	<u>\$ 27,303,599</u>	<u>\$ 3,401,343</u>	<u>\$ 16,535,386</u>	<u>\$ 47,240,328</u>

Changes in endowment net assets for the year ended September 30, 2009 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, October 1, 2008	\$ 27,303,599	\$ 3,401,343	\$ 16,535,386	\$ 47,240,328
Investment return:				
Investment loss	(66,951)	(314,957)	-	(381,908)
Net change in market value	(185,927)	12,351	(976,996)	(1,150,572)
Contributions	-	1,043,719	-	1,043,719
Expenditures	-	(1,217,809)	-	(1,217,809)
Balance, September 30, 2009	<u>\$ 27,050,721</u>	<u>\$ 2,924,647</u>	<u>\$ 15,558,390</u>	<u>\$ 45,533,758</u>

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 5 - Endowment (continued)

Endowment funds that are temporarily restricted are available for the following purposes as of September 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Healthcare related services	\$ 934,272	\$ 915,287
Facility improvement	346,683	780,800
Purchases of equipment	513,000	513,000
Clinical educator	<u>1,130,692</u>	<u>1,192,256</u>
	<u>\$ 2,924,647</u>	<u>\$ 3,401,343</u>

Endowment funds that are permanently restricted as of September 30, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Beneficial trusts	\$ 11,806,009	\$ 12,760,290
Held in perpetuity, income restricted for operations	<u>3,752,381</u>	<u>3,775,096</u>
	<u>\$ 15,558,390</u>	<u>\$ 16,535,386</u>

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or relevant law requires the Hospital to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. As of September 30, 2009 and 2008, there were no funds that were below the level required by donor or law.

Return Objectives and Risk Parameters - The Hospital's investment and spending policies for endowment assets attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are invested in a manner that is intended to produce results that approximate the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate of return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 5 - Endowment (continued)

Spending Policy - During its annual budgeting process, the Hospital appropriates donor restricted endowment funds for expenditure in accordance with donor purpose and time restrictions. The Hospital has not appropriated funds for expenditure from its board restricted endowment funds for the years ending September 30, 2009 and 2008. The Hospital has appropriated \$1,217,809 and \$907,440 from its temporary restricted funds for the years ended September 30, 2009 and 2008, respectively. The board restricted endowment funds are being held for long term growth and to maintain capital reserves for the Hospital.

Note 6 - Professional and General Liability Insurance

The Hospital's insurance limits are as follows:

<u>Policy Year</u>	<u>Deductible Amounts Per Claim/ Aggregate</u>	<u>Excess Coverage Limits</u>	<u>Type Coverage</u>
Fiscal 1982-1984	\$100,00/500,000	\$ 10,000,000	Occurrence
Fiscal 1985	\$250,000/750,000	\$ 15,000,000	Occurrence
Fiscal 1986	\$500,000/1,500,000	\$ 15,000,000	Occurrence
Fiscal 1987-1988	\$1,000,000/3,000,000	\$ 20,000,000	Claims-made
Fiscal 1989-1990	\$1,000,000/3,000,000	\$ 25,000,000	Claims-made
Fiscal 1991-2002	\$1,000,000/3,000,000	\$ 30,000,000	Claims-made
Fiscal 2003-2009	\$1,000,000/3,000,000	\$ 20,000,000	Claims-made

The Hospital self-insures the deductible amounts of the above coverages and all excess limits are covered by insurance policies purchased from commercial carriers.

Professional and general liability claims that fall within the Hospital's self-insurance levels have been asserted against the Hospital by various claimants. The claims are in various stages of activity and resolution. There are also known incidents that have occurred through September 30, 2009, that may result in the assertion of additional claims. Other claims may be asserted arising from services provided to patients or for other matters, for which no estimate of exposure can be determined at this time. The Hospital's estimated self-insurance liability reflects management's accrual of its best estimate of these self-insured losses under the policies described above, for occurrences through September 30, 2009.

The Hospital has established a trust for the purpose of setting aside assets for self-insurance purposes. Under the trust agreement, the trust assets can only be used for payment of professional and general liability losses, related expenses and the cost of administering the trust. The assets of, and contributions to the trust are reported in the accompanying consolidated financial statements. Income from trust assets and administrative costs are reported in the accompanying consolidated statements of operations as other income.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 6 - Professional and General Liability Insurance (continued)

The Hospital is also self-insured for employee medical coverage (through December 31, 2008) and workers' compensation. Estimated self-insurance liabilities include estimates for claim obligations related to employee medical and workers' compensation claims through September 30, 2009. As of September 30, 2009, the Hospital maintains a commercial policy for its employees medical coverage. In fiscal year 2009 and 2008 management discounted accrued medical malpractice losses at 5.75 percent and 7.0 percent, respectively, and it is management's opinion that this provides for adequate loss contingencies.

Note 7 - Leases

The Hospital has entered into non-cancellable capital leases for computer and medical equipment and various building rentals. In addition, the Hospital leases office equipment under non-cancellable operating leases that expire in various years through fiscal year 2013. Certain leases may be renewed at the end of their term. The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments, non-cancellable operating leases and building rentals as of September 30, 2009:

	Capital Leases	Operating Leases	Building Rentals
For the year ended September 30:			
2010	\$ 23,832	\$ 929,810	\$ 479,533
2011	21,845	140,624	190,982
2012	-	70,644	154,532
2013	-	11,774	142,382
2014	-	-	35,595
Thereafter	-	-	-
	45,677	\$ 1,152,852	\$ 1,003,024
Total minimum lease payments	45,677	\$ 1,152,852	\$ 1,003,024
Less: amount representing interest	(2,630)		
	43,047		
Present value of minimum lease payments	43,047		
Less: current portion	(21,842)		
	\$ 21,205		
Long-term capital lease obligations	\$ 21,205		

Rental expense was \$1,503,720 and \$1,438,522 for the years ended September 30, 2009 and 2008, respectively.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 8 - Pension Plan

The Hospital has a noncontributory defined benefit pension plan (the Plan) that covers all eligible employees and provides for retirement, disability and optional survivor benefits. To participate in the Plan, an employee must meet certain eligibility requirements including attainment of age 21 and one-year of continuous service (defined as 1,000 hours of service in a 12-month period). The time period for employee benefits to become fully vested is five years of continuous service. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

The Hospital's funding policy for the Plan is to contribute each year the net periodic pension cost for the year as determined by actuarial valuations developed by the Plan's actuary. Such funding requirements have been met for fiscal 2009 and 2008. This policy is in accordance with Employee Retirement Income Security Act of 1974 regulations.

Significant disclosures relating to the Plan as of September 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Change in benefit obligations:		
Benefit obligations at beginning of year	\$ 57,666,510	\$ 57,804,263
Service cost	1,966,266	2,036,902
Interest cost	4,216,305	3,643,828
Actuarial loss (gain)	16,328,080	(3,815,911)
Benefits paid	<u>(2,159,301)</u>	<u>(2,002,572)</u>
Benefit obligations at end of year	<u>\$ 78,017,860</u>	<u>\$ 57,666,510</u>
 Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 45,192,479	\$ 49,756,272
Actual return on plan assets	(99,057)	(5,576,030)
Employer contributions	3,600,000	3,400,000
Expenses paid	(465,975)	(385,191)
Benefits paid	<u>(2,159,301)</u>	<u>(2,002,572)</u>
Fair value of plan assets at end of year	<u>\$ 46,068,146</u>	<u>\$ 45,192,479</u>
 Accrued pension liability:		
Unfunded status and accrued pension liability		
(\$3,600,000 and \$3,400,000 is included in other		
current liabilities for 2009 and 2008, respectively)	<u>\$ (31,949,714)</u>	<u>\$ (12,474,031)</u>

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 8 - Pension Plan (continued)

	<u>2009</u>	<u>2008</u>
Components of net periodic benefit cost:		
Service cost	\$ 2,288,766	\$ 2,356,402
Interest cost	4,216,305	3,643,828
Expected return on plan assets	(4,326,311)	(4,453,706)
Net amortization and deferral	4,400	(4,714)
Recognized net loss	<u>706,931</u>	<u>447,211</u>
 Net periodic benefit cost	 <u>\$ 2,890,091</u>	 <u>\$ 1,989,021</u>

The accumulated benefit obligation at September 30, 2009 and 2008, under the Hospital's Plan was \$66,619,945 and \$50,163,866, respectively.

Weighted-average assumptions used to determine benefit obligations:	<u>2009</u>	<u>2008</u>
Discount rate	5.75%	7.50%
Rate of compensation increase	4.00%	4.00%

Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate	7.50%	6.50%
Rate of compensation increase	4.00%	4.00%
Expected long-term return on plan assets	9.00%	9.00%

Amounts recorded in unrestricted net assets as of September 30, 2009 not yet amortized as a components' of net periodic benefit cost are as follows:

Unamortized prior service costs	\$ 15,884
Unamortized actuarial loss	<u>34,889,755</u>
	<u>\$ 34,905,639</u>

The amortization of the above items expected to be recognized in net periodic benefit costs for the year ended September 30, 2010 is \$2,728,400.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, taking into account expected volatility and the correlation between the returns of various asset classes.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 8 - Pension Plan (continued)

The Hospital's target and pension plan weighted average asset allocations at September 30, 2009 by asset category was as follows:

<u>Asset Category</u>	<u>Target Allocations</u>	<u>Actual Allocations</u>
Equity securities	62%	59%
Debt securities	31%	27%
Short-term investments and other	7%	14%
	<u>100%</u>	<u>100%</u>

The asset mix was determined by evaluating the expected return against the Plan's long-term objectives. Performance is monitored on a monthly basis and the portfolio is rebalanced back to target levels to ensure the targets are within reasonable range. The investment policy describes which securities are allowed in the portfolios and the financial objectives of the Plan with which the Investment Committee of the Board of Governors oversees. The Investment Committee monitors the investment performance quarterly to determine the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy.

The fair values of the Hospital's pension plan assets by asset category are as follows for the year ending September 30, 2009:

	<u>Quoted in Active Markets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>
U.S. treasury and government agencies	\$ 1,333,305	\$ 168,003
Municipalities	-	103,927
Common collective trusts	-	4,722,064
Corporate and foreign bonds	-	5,526,582
Asset-backed securities and mortgage-backed securities	-	2,617,906
Mutual funds	139,500	-
Money market funds	-	2,917,455
Equity securities	<u>28,539,404</u>	<u>-</u>
Total	<u>\$ 30,012,209</u>	<u>\$ 16,055,937</u>

The Hospital expects to contribute \$3,600,000 to its pension plan in 2009.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 8 - Pension Plan (continued)

The following are the benefit payments, including expected future service, which are expected to be paid:

2010	\$ 2,609,525
2011	\$ 2,843,987
2012	\$ 3,233,882
2013	\$ 3,661,886
2014	\$ 4,037,320
Years 2015-2019	\$ 25,931,081

Note 9 - Long-Term Debt

As of September 30, 2009 and 2008, the Hospital's long-term debt consists of:

	<u>2009</u>	<u>2008</u>
The Charlotte Hungerford Hospital:		
Series C variable rate revenue bonds (a) \$	4,555,000	\$ 5,600,000
Bank loan (b)	19,893	141,504
Bank loan (c)	242,622	383,924
	4,817,515	6,125,428
Kennedy Drive Mortgages:		
Mortgage (d)	1,777,327	1,855,233
Construction loan (d)	2,178,492	2,257,695
	8,773,334	10,238,356
Less: current portion	(1,358,550)	(1,426,050)
	\$ 7,414,784	\$ 8,812,306

(a) In August 1998, the Hospital, in conjunction with the State of Connecticut Health and Educational Facilities Authority (the Authority), issued \$14,340,000 of Charlotte Hungerford Hospital Series C variable rate demand revenue bonds (the Bonds). The Series C bonds bear interest at a variable rate as determined by re-marketing agent (approximately 0.32% and 4.13% as of September 30, 2009 and 2008, respectively), which is adjusted weekly, and mature on July 1, 2013.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 9 - Long-Term Debt (continued)

For as long as the Bonds are in a variable rate mode, the bond holders have the option to tender their bonds for repayment. The Hospital has a letter of credit from Sovereign Bank, which is available to support its obligations under the Bonds during this period. The letter of credit expires on December 12, 2009, subject to extension or earlier termination upon the occurrence of certain events set forth in the letter of credit agreement. At that time, the letter of credit can be renewed, at the bank's discretion, the Hospital can convert the Bonds to a fixed rate or repurchase the Bonds outstanding on that date at their par value. Tenders made by bond holders will be remarketed or, if necessary, paid by the drawdowns on the letter of credit. Any tender drawings made under the letter of credit are to be repaid by the Hospital on the expiration date of the letter of credit.

The letter of credit is in the process of being renewed and it is expected that this renewal will expire when the bonds mature, which is July 13, 2013.

The Hospital funds monthly interest payments on the Bonds. In addition, the Hospital will be required to make mandatory sinking fund payments through maturity as follows:

2010	\$	1,080,000
2011		1,120,000
2012		1,155,000
2013		<u>1,200,000</u>
	<u>\$</u>	<u>4,555,000</u>

Various funds have been established and maintained by the trustee for debt service. The bond indenture, letter of credit and related agreements contain certain restrictive covenants, the most restrictive of which are the limitation of additional indebtedness the Hospital may incur and the maintenance of certain financial ratios. At September 30, 2009 and 2008, the Hospital was in compliance with its debt covenants. The Hospital has granted the Authority a collateral interest in the Hospital's gross receipts, as defined.

- (b) In December 1999, the Hospital obtained a \$1,100,000 loan. Amounts outstanding on this loan amounted to \$19,893 and \$141,504 as of September 30, 2009 and 2008, respectively. These loans bears interest at the LIBOR rate plus 1.35% (1.26% and 3.79% as of September 30, 2009 and 2008). The loan is payable in monthly installments of principal and interest. The loan matures on April 1, 2011 and is secured by the Hospital's assets.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 9 - Long-Term Debt (continued)

- (c) On April 17, 2006, the Hospital obtained a \$692,000 loan to complete leasehold improvements for the building located at 200 Kennedy Drive in Torrington, Connecticut. The loan bears interest at fixed rate of 6.34% with fixed monthly principal and interest payments of \$13,488. The loan matures on April 1, 2011 and is secured by the Hospital's assets. Amounts outstanding on this loan as of September 30, 2009 and 2008, were \$242,622 and \$383,924, respectively.
- (d) In December 1997, the now dissolved Kennedy Drive Associates, LLC (KDA) obtained a \$2,300,000 construction loan. Under the term of this loan, which is assumed by the Hospital, principal payments of \$25,865 are due quarterly. The loan bore interest at a fixed rate of 8.17%.

On October 2003, KDA refinanced the outstanding construction loan into a mortgage loan for \$2,210,000. The amount outstanding on the refinanced debt amounts to \$1,777,237 and \$1,855,233 as of September 30, 2009 and 2008, respectively. This loan bears interest at a fixed rate of 6.01%. The loan matures on October 29, 2013 and is secured by the Hospital's assets. With the dissolution of KDA in 2006, the Hospital assumed this loan.

KDA also obtained a construction loan in the amount of \$2,080,000 during the year ended September 30, 2004. During 2005, KDA made additional drawdowns on the construction loan in the amount of \$1,750,000. The amount outstanding on the debt amounts to \$2,178,492 and \$2,257,695, as of September 30, 2009 and 2008, respectively. This loan bears interest at a fixed rate of 6.44% as of September 30, 2009 and 2008. The loan matures on October 29, 2013 and is secured by the Hospital's assets. With the dissolution of KDA in 2006, the Hospital assumed this loan.

Debt related to the above (b), (c) and (d) have financial covenants. As of September 30, 2009 and 2008 the Hospital was in compliance with those financial covenants.

Maturities of long-term debt are as follows:

2010	\$	1,358,550
2011		1,367,545
2012		1,319,015
2013		1,374,295
2014		3,353,929
Thereafter		-
	<u>\$</u>	<u>8,773,334</u>

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 10 - Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2009 and 2008, are as follows:

	<u>2009</u>	<u>2008</u>
Patient care services	\$ 81,002,209	\$ 75,414,530
General and administrative	<u>22,508,579</u>	<u>21,216,613</u>
	<u>\$ 103,510,788</u>	<u>\$ 96,631,143</u>

Note 11 - Commitments and Contingencies

The Hospital is a party to various lawsuits incidental to its business. After consultation with legal counsel, management believes that the lawsuits and inquiries will not have a material adverse effect on the Hospital's financial position, results of operation or cash flows.

FASB ASC 410 "*Asset Retirement and Environmental Obligations*" addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets such as asbestos-containing facilities, when the amount of the liability can be reasonably estimated. Management currently believes that two facilities under their control could require a fair market value assessment of their Asset Retirement Obligation (ARO). As of September 30, 2009 and 2008, no ARO has been established, as no plans to renovate or sell any facility, or area within, with significant asbestos material have been identified and therefore no settlement date has been determined. Management will continue to monitor its exposure for asbestos removal and establish an ARO for the fair market value of the associated costs once sufficient information has been obtained or a settlement date has been determined.

Note 12 - Fair Value of Financial Instruments

The Hospital's short term investments, donor restricted endowment and board restricted endowment consist of money market funds, equity securities, mutual funds, governmental securities and corporate bonds and are recorded at fair value in accordance with FASB ASC 820 as further described in Note 2.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 12 - Fair Value of Financial Instruments (continued)

The Hospital measures the fair value of these securities at September 30, 2009 as follows:

	Quoted in Active Markets (Level 1)	Significant Observable Inputs (Level 2)
	<u> </u>	<u> </u>
U.S. treasury and government agencies	\$ -	\$ 1,880,442
Municipal bonds	-	171,407
Corporate and foreign bonds	-	6,864,282
Mutual funds	3,121,074	-
Money market funds	-	2,848,415
Equity securities	<u>19,312,184</u>	<u>-</u>
 Total	 <u>\$ 22,433,258</u>	 <u>\$ 11,764,546</u>

The following methods and assumptions were used by the Hospital in estimating the fair value of its other financial instruments:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets approximate the fair value.

Investments: The carrying amounts reported in the consolidated balance sheets approximate the fair value.

Funds held under bond indenture agreements: The assets consist primarily of mutual funds. The carrying amounts reported in the consolidated balance sheets approximate the fair value (Level 1).

Self insurance trusts: The assets consist primarily of money market funds and mutual funds. The carry amounts reported in the consolidated balance sheets approximate the fair value (Level 1).

Funds held in trust by others: These assets consist primarily of cash, short and long-term investments. The carrying amounts reported in the consolidated balance sheets are fair value based on quoted active market prices (Level 1).

Accounts payable and salaries and wages payable: The carrying amounts reported in the consolidated balance sheets approximate the fair value.

Due to third party payers: The carrying amounts reported in the consolidated balance sheets approximate the fair value.

The Charlotte Hungerford Hospital
Notes to the Consolidated Financial Statements
For the Years Ended September 30, 2009 and 2008

Note 12 - Fair Value of Financial Instruments (continued)

Long-term debt: The carrying amounts reported in the consolidated balance sheets approximate the fair values. The fair value of the Hospital's remaining long-term debt is estimated using a discounted cash flow analysis, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements (Level 3).

**The Charlotte Hungerford Hospital
Consolidating Balance Sheet
September 30, 2009**

Assets	The Charlotte Hungerford Hospital	Surgical Associates of Litchfield County	Eliminations	Consolidated
Current assets:				
Cash and cash equivalents	\$ 3,989,039	\$ 32,382	\$ -	\$ 4,021,421
Accounts receivable (less allowance for doubtful accounts of \$1,691,317)	9,671,762	219,802	-	9,891,564
Inventories	1,825,569	-	-	1,825,569
Estimated amounts due from third-party reimbursement agencies	102,157	-	-	102,157
Due from temporary restricted funds	292,608	-	-	292,608
Other current assets	1,583,876	15,744	-	1,599,620
Total current assets	17,465,011	267,928	-	17,732,939
Assets whose use is limited:				
Investments held in trust for estimated self-insurance liabilities	3,188,402	-	-	3,188,402
Under bond indenture agreement - held by others	359,776	-	-	359,776
Donor restricted assets	6,674,126	-	-	6,674,126
Beneficial interest in assets held in trust by others	11,806,009	-	-	11,806,009
Total assets whose use is limited	22,028,313	-	-	22,028,313
Long-term investments	27,523,678	-	-	27,523,678
Pledges receivable	280,200	-	-	280,200
Property, plant, and equipment				
Land	155,467	-	-	155,467
Land improvements	4,497,386	-	-	4,497,386
Buildings	76,186,726	26,141	-	76,212,867
Fixed equipment	16,463,848	-	-	16,463,848
Moveable equipment	38,953,404	97,544	-	39,050,948
	136,256,831	123,685	-	136,380,516
Less: accumulated depreciation	(91,613,715)	(72,783)	-	(91,686,498)
	44,643,116	50,902	-	44,694,018
Construction in progress	861,053	-	-	861,053
Total property, plant and equipment	45,504,169	50,902	-	45,555,071
Leased equipment under capital leases, net of accumulated amortization of \$63,349	39,378	-	-	39,378
Deferred financing costs, net	131,769	-	-	131,769
Other assets	1,100,870	3,451	-	1,104,321
Total other assets	1,272,017	3,451	-	1,275,468
Total assets	\$ 114,073,388	\$ 322,281	\$ -	\$ 114,395,669

**The Charlotte Hungerford Hospital
Consolidating Balance Sheet
September 30, 2009**

	The Charlotte Hungerford Hospital	Surgical Associates of Litchfield County	Eliminations	Consolidated
Liabilities				
Current liabilities:				
Current portion of bonds payable	\$ 1,080,000	\$ -	\$ -	\$ 1,080,000
Current portion of loans payable	278,550	-	-	278,550
Current portion of capital lease obligations	21,842	-	-	21,842
Accounts payable	3,808,795	1,563	-	3,810,358
Estimated amounts due to third-party reimbursement agencies	2,366,000	-	-	2,366,000
Accrued salaries, wages and fees	4,538,366	76,743	-	4,615,109
Other current liabilities	3,973,052	77,969	-	4,051,021
Total current liabilities	16,066,605	156,275	-	16,222,880
Bonds payable, less current portion	3,475,000	-	-	3,475,000
Loans payable, less current portion	3,939,784	4,116,978	(4,116,978)	3,939,784
Capital lease obligations, less current portion	21,205	-	-	21,205
Estimated self-insurance liabilities	2,192,084	-	-	2,192,084
Accrued pension liability	28,349,714	-	-	28,349,714
Total liabilities	54,044,392	4,273,253	(4,116,978)	54,200,667
Commitments and contingencies	-	-	-	-
Net assets				
Unrestricted (\$27,050,721 designated by the Board of Governors)	41,545,959	(3,950,972)	4,116,978	41,711,965
Temporarily restricted	2,924,647	-	-	2,924,647
Permanently restricted	15,558,390	-	-	15,558,390
Total net assets	60,028,996	(3,950,972)	4,116,978	60,195,002
Total liabilities and net assets	\$ 114,073,388	\$ 322,281	\$ -	\$ 114,395,669

**The Charlotte Hungerford Hospital
Consolidating Statement of Operations
For the Year Ended September 30, 2009**

	The Charlotte Hungerford Hospital	Surgical Associates of Litchfield County	Eliminations	Consolidated
Unrestricted revenues				
Net patient service revenues	\$ 95,678,590	\$ 2,187,266	\$ -	\$ 97,865,856
Other revenues	5,573,529	65,675	(27,121)	5,612,083
Total revenues	101,252,119	2,252,941	(27,121)	103,477,939
Expenses				
Salaries and wages	47,296,623	1,941,975	-	49,238,598
Physician fees	900,019	-	-	900,019
Employee benefits	12,646,942	240,368	-	12,887,310
Services	12,701,388	112,378	(27,121)	12,786,645
Supplies	16,676,352	235,717	-	16,912,069
Provision for bad debts	2,247,042	-	-	2,247,042
Depreciation and amortization	6,176,454	25,302	-	6,201,756
Interest and bond expenses	417,080	146,676	-	563,756
Insurance	1,340,459	433,134	-	1,773,593
Total operating expenses	100,402,359	3,135,550	(27,121)	103,510,788
Operating income (loss)	849,760	(882,609)	-	(32,849)
Other income (loss)				
Investment loss, net	(127,437)	-	-	(127,437)
Gifts and bequests	188,183	-	-	188,183
Surgical Associates of Litchfield County loan reserve	(814,906)	-	814,906	-
Gain from equity method investments	84,261	-	-	84,261
Total other loss	(669,899)	-	814,906	145,007
Excess (deficiency) of revenues over expenses	179,861	(882,609)	814,906	112,158
Other changes in net assets				
Change in unrealized losses on investments	(70,388)	-	-	(70,388)
Pension related changes other than net periodic pension costs	(20,205,926)	-	-	(20,205,926)
Net assets released from restrictions used for purchase of property and equipment	780,800	-	-	780,800
Decrease in unrestricted net assets	<u>\$ (19,315,653)</u>	<u>\$ (882,609)</u>	<u>\$ 814,906</u>	<u>\$ (19,383,356)</u>

**The Charlotte Hungerford Hospital
Consolidating Balance Sheet
September 30, 2008**

Assets	The Charlotte Hungerford Hospital	Surgical Associates of Litchfield County	Eliminations	Consolidated
Current assets:				
Cash and cash equivalents	\$ 2,918,761	\$ 22,900	\$ -	\$ 2,941,661
Accounts receivable (less allowance for doubtful accounts of \$1,669,951)	9,382,010	240,799	-	9,622,809
Inventories	1,666,956	-	-	1,666,956
Estimated amounts due from third-party reimbursement agencies	396,514	-	-	396,514
Due from distressed hospital fund	780,800	-	-	780,800
Other current assets	1,715,261	75,233	-	1,790,494
Total current assets	16,860,302	338,932	-	17,199,234
Assets whose use is limited:				
Investments held in trust for estimated self-insurance liabilities	2,678,836	-	-	2,678,836
Under bond indenture agreement - held by others	206,373	-	-	206,373
Donor restricted assets	7,176,436	-	-	7,176,436
Beneficial interest in assets held in trust by others	12,760,290	-	-	12,760,290
Total assets whose use is limited	22,821,935	-	-	22,821,935
Long-term investments	27,303,599	-	-	27,303,599
Property, plant, and equipment				
Land	155,467	-	-	155,467
Land improvements	4,488,243	26,142	-	4,514,385
Buildings	73,906,503	-	-	73,906,503
Fixed equipment	16,346,512	91,889	-	16,438,401
Moveable equipment	35,156,293	-	-	35,156,293
	130,053,018	118,031	-	130,171,049
Less: accumulated depreciation	(86,377,410)	(47,849)	-	(86,425,259)
	43,675,608	70,182	-	43,745,790
Construction in progress	3,167,618	-	-	3,167,618
Total property, plant and equipment	46,843,226	70,182	-	46,913,408
Leased equipment under capital leases, net of accumulated amortization of \$42,803	59,924	-	-	59,924
Deferred financing costs, net	163,256	-	-	163,256
Other assets	1,134,433	3,818	-	1,138,251
Total other assets	1,357,613	3,818	-	1,361,431
Total assets	\$ 115,186,675	\$ 412,932	\$ -	\$ 115,599,607

**The Charlotte Hungerford Hospital
Consolidating Balance Sheet
September 30, 2008**

	The Charlotte Hungerford Hospital	Surgical Associates of Litchfield County	Eliminations	Consolidated
Liabilities				
Current liabilities:				
Current portion of bonds payable	\$ 1,045,000	\$ -	\$ -	\$ 1,045,000
Current portion of loans payable	381,050	-	-	381,050
Current portion of capital lease obligations	20,573	-	-	20,573
Accounts payable	4,159,626	8,112	-	4,167,738
Estimated amounts due to third-party reimbursement agencies	957,758	-	-	957,758
Accrued salaries, wages and fees	4,221,912	56,262	-	4,278,174
Other current liabilities	3,603,971	114,849	-	3,718,820
Total current liabilities	14,389,890	179,223	-	14,569,113
Bonds payable, less current portion	4,555,000	-	-	4,555,000
Loans payable, less current portion	4,257,306	3,302,072	(3,302,072)	4,257,306
Capital lease obligations, less current portion	43,048	-	-	43,048
Estimated self-insurance liabilities	2,069,059	-	-	2,069,059
Accrued pension liability	9,074,031	-	-	9,074,031
Total liabilities	34,388,334	3,481,295	(3,302,072)	34,567,557
Commitments and contingencies	-	-	-	-
Net Assets				
Unrestricted (\$27,303,599 designated by the Board of Governors)	60,861,612	(3,068,363)	3,302,072	61,095,321
Temporarily restricted	3,401,343	-	-	3,401,343
Permanently restricted	16,535,386	-	-	16,535,386
Total net assets	80,798,341	(3,068,363)	3,302,072	81,032,050
Total liabilities and net assets	\$ 115,186,675	\$ 412,932	\$ -	\$ 115,599,607

**The Charlotte Hungerford Hospital
Consolidating Statement of Operations
For the Year Ended September 30, 2008**

	The Charlotte Hungerford Hospital	Surgical Associates of Litchfield County	Eliminations	Consolidated
Unrestricted revenues				
Net patient service revenues	\$ 87,939,108	\$ 2,159,364	\$ -	\$ 90,098,472
Other revenues	5,802,825	93,052	(14,338)	5,881,539
Total revenues	93,741,933	2,252,416	(14,338)	95,980,011
Expenses				
Salaries and wages	43,584,593	1,904,315	-	45,488,908
Physician fees	1,103,875	54,849	-	1,158,724
Employee benefits	10,973,815	185,647	-	11,159,462
Services	12,456,657	180,730	(14,338)	12,623,049
Supplies	15,094,762	286,009	-	15,380,771
Provision for bad debts	2,441,497	-	-	2,441,497
Depreciation and amortization	5,906,031	16,231	-	5,922,262
Interest and bond expenses	528,928	124,475	-	653,403
Insurance	1,414,705	388,362	-	1,803,067
Total operating expenses	93,504,863	3,140,618	(14,338)	96,631,143
Operating income (loss)	237,070	(888,202)	-	(651,132)
Other income				
Investment income, net	1,576,449	-	-	1,576,449
Gifts and bequests	192,033	-	-	192,033
Surgical Associates of Litchfield County loan reserve	(1,015,452)	-	1,015,452	-
Gain from equity method investments	74,291	-	-	74,291
Total other income	827,321	-	1,015,452	1,842,773
Excess (deficiency) of revenues over expenses	1,064,391	(888,202)	1,015,452	1,191,641
Other changes in net assets				
Change in unrealized losses on investments	(5,636,710)	-	-	(5,636,710)
Pension related changes other than net periodic pension costs	(5,837,017)	-	-	(5,837,017)
Net assets released from restrictions used for purchase of property and equipment	719,200	-	-	719,200
Decrease in unrestricted net assets	<u>\$ (9,690,136)</u>	<u>\$ (888,202)</u>	<u>\$ 1,015,452</u>	<u>\$ (9,562,886)</u>

The Charlotte Hungerford Hospital
Schedule of Gross Patient Service Revenue by Business Unit (Hospital Only)
For the Years Ended September 30, 2009 and 2008

Business Unit	2009			2008		
	Inpatient	Outpatient	Total	Inpatient	Outpatient	Total
Behavioral health	\$ 5,921,138	\$ 7,949,932	\$ 13,871,070	\$ 6,218,790	\$ 7,373,856	\$ 13,592,646
Health and disease management	6,541,172	11,326,866	17,868,038	5,431,963	11,033,554	16,465,517
Community services	1,195	1,704,828	1,706,023	695	1,535,587	1,536,282
Diagnostic services	7,897,328	21,568,723	29,466,051	6,695,364	20,805,443	27,500,807
Laboratory	6,947,904	21,792,008	28,739,912	5,616,520	19,495,545	25,112,065
Facility support services	146	5,485	5,631	-	7,753	7,753
Inpatient medical	9,357,031	118,215	9,475,246	8,068,879	38,382	8,107,261
Inpatient surgical	13,959,340	910,272	14,869,612	11,692,184	781,156	12,473,340
Medical ambulatory	658,570	1,720,670	2,379,240	686,527	1,510,979	2,197,506
ED/ICCU	5,929,478	13,023,263	18,952,741	4,316,946	10,736,860	15,053,806
Maternal child care	4,349,689	557,709	4,907,398	4,711,474	450,612	5,162,086
Surgical services	10,970,067	9,994,490	20,964,557	9,586,967	7,721,842	17,308,809
Winsted health center	161,060	3,991,195	4,152,255	140,922	3,393,237	3,534,159
Hospitalist	1,717,537	63,918	1,781,455	823,039	19,765	842,804
Pharmacy	4,298,506	2,954,072	7,252,578	3,826,512	3,001,536	6,828,048
Charity care	(641,760)	(796,444)	(1,438,204)	(483,622)	(626,886)	(1,110,508)
Total gross revenue	\$ 78,068,401	\$ 96,885,202	\$ 174,953,603	\$ 67,333,160	\$ 87,279,221	\$ 154,612,381

The Charlotte Hungerford Hospital
Schedule of Revenues, Gains and Other Support (Hospital Only)
For the Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Gross patient revenue	\$ 174,953,603	\$ 154,612,381
Allowances		
Medicare	32,945,015	27,296,033
Medicare managed care	2,258,420	1,171,786
Medicaid	12,872,466	13,840,907
Medicaid managed care	5,173,839	2,085,420
Blue Cross	12,205,067	10,918,731
Employee	352,556	944,476
HMO/PPO	12,395,006	9,519,088
Commercial	968,888	877,138
Self Pay	742,960	729,324
Uncompensated Care	(639,204)	(709,630)
	<u>79,275,013</u>	<u>66,673,273</u>
Net patient service revenue	95,678,590	87,939,108
Other revenue		
State of Connecticut mental health grants	2,291,811	2,499,663
Clinical joint ventures	711,814	824,033
Other grant revenue	324,012	372,570
Sale of hospital services	22,696	21,941
Meals on wheels	105,300	112,441
Medical histories	1,053	1,331
Healthwatch	45,032	31,343
Discounts earned	151,492	185,487
Patient/community education	11,609	6,970
Miscellaneous	691,152	579,061
Winsted ERP collections	401	4,141
Lease revenue	955,385	1,041,637
Net gain (loss) on assets	76,298	(45,450)
Interest income	185,474	167,657
	<u>5,573,529</u>	<u>5,802,825</u>
Total other revenue	5,573,529	5,802,825
Total revenue	<u>\$ 101,252,119</u>	<u>\$ 93,741,933</u>

The Charlotte Hungerford Hospital
Schedule of Operating Expenses by Business Unit (Hospital Only)
For the Years Ended September 30, 2009 and 2008

	2009			2008		
	Salaries	Other Expenses	Total	Salaries	Other Expenses	Total
Business Unit						
Behavioral health	\$ 6,211,486	\$ 705,967	\$ 6,917,453	\$ 6,030,881	\$ 790,310	\$ 6,821,191
Community services	843,432	198,644	1,042,076	819,512	189,355	1,008,867
Diagnostic services	2,632,112	1,819,460	4,451,572	2,678,299	1,760,383	4,438,682
ED/ICCU	3,140,116	859,753	3,999,869	2,907,062	813,523	3,720,585
Facility support services	801,647	3,799,094	4,600,741	876,392	3,745,656	4,622,048
Financial services	2,342,652	756,976	3,099,628	2,256,511	670,141	2,926,652
Health and disease management	3,034,791	1,847,551	4,882,342	2,900,468	1,572,312	4,472,780
Inpatient medical	3,035,454	265,300	3,300,754	2,540,475	211,828	2,752,303
Inpatient surgical	3,438,118	831,855	4,269,973	2,820,337	1,046,863	3,867,200
Laboratory	2,949,516	4,178,719	7,128,235	2,811,698	3,626,131	6,437,829
Maternal child care	2,301,425	173,152	2,474,577	2,245,833	173,575	2,419,408
Medical ambulatory	365,418	187,500	552,918	370,105	233,031	603,136
Pharmacy	1,219,748	3,126,755	4,346,503	1,071,201	2,740,002	3,811,203
Surgical services	2,960,167	4,881,091	7,841,258	3,001,142	4,532,566	7,533,708
Uncompensated care, net	-	2,247,042	2,247,042	-	2,441,497	2,441,497
Winsted health center	990,113	364,270	1,354,383	971,948	440,444	1,412,392
Unallocated Expenses						
Human resources	909,733	13,030,884	13,940,617	887,183	11,368,192	12,255,375
Medical affairs	1,749,334	370,440	2,119,774	857,805	572,005	1,429,810
Administration	8,371,361	6,936,525	15,307,886	7,537,741	6,598,121	14,135,862
Depreciation and amortization	-	6,176,454	6,176,454	-	5,906,031	5,906,031
Interest	-	348,304	348,304	-	488,304	488,304
Total operating expenses	\$ 47,296,623	\$ 53,105,736	\$ 100,402,359	\$ 43,584,593	\$ 49,920,270	\$ 93,504,863



SIB

Saslow Lufkin & Buggy, LLP

Certified Public Accountants and Consultants

