

CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

Milford Health & Medical Inc. and Subsidiaries
Years Ended September 30, 2009 and 2008
With Report of Independent Auditors

Milford Health & Medical Inc. and Subsidiaries

Consolidated Financial Statements and
Other Financial Information

Years Ended September 30, 2009 and 2008

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Report of Independent Auditors

Board of Directors
Milford Health & Medical Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Milford Health and Medical Inc. and Subsidiaries (the Company) as of September 30, 2009 and 2008, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included 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 Company'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 financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Milford Health and Medical Inc. and Subsidiaries at September 30, 2009 and 2008, and the consolidated results of their operations and changes in net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

February 25, 2010

Milford Health & Medical Inc. and Subsidiaries

Consolidated Balance Sheets

	September 30	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,724,153	\$ 3,081,116
Short-term investments	223,553	220,277
Patient accounts receivable, less allowance for uncollectible accounts of approximately \$6,464,000 in 2009 and \$10,543,000 in 2008	14,042,585	13,800,088
Inventories	778,225	856,351
Prepaid expenses and other	1,470,041	1,515,761
Total current assets	<u>19,238,557</u>	<u>19,473,593</u>
Investments	30,095,058	32,824,131
Property, plant, and equipment:		
Land and improvements	5,900,427	5,807,131
Buildings and improvements	43,986,336	43,117,011
Equipment	31,555,278	31,663,426
Construction in progress	984,240	351,500
	<u>82,426,281</u>	<u>80,939,068</u>
Less accumulated depreciation	<u>(43,438,546)</u>	<u>(41,010,781)</u>
	38,987,735	39,928,287
Pledges receivable	45,000	77,500
Assets limited as to use	1,743,239	1,726,495
Investment in affiliates	693,469	623,184
	<u>2,481,708</u>	<u>2,427,179</u>
Total assets	<u>\$ 90,803,058</u>	<u>\$ 94,653,190</u>

	September	
	2009	2008
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 4,428,033	\$ 5,275,082
Accrued employee compensation	6,529,676	5,864,949
Other accrued liabilities	3,019,603	2,251,243
Due to third-party reimbursement agencies	2,496,124	2,323,938
Current portion of notes payable to bank	922,016	861,872
Total current liabilities	<u>17,395,452</u>	<u>16,577,084</u>
Notes payable to bank, less current portion	4,988,931	5,910,947
Accrued pension and other liabilities	21,859,301	15,532,404
Net assets:		
Unrestricted	45,266,281	55,437,122
Temporarily restricted	689,851	602,391
Permanently restricted	603,242	593,242
Total net assets	<u>46,559,374</u>	<u>56,632,755</u>
Total liabilities and net assets	<u><u>\$ 90,803,058</u></u>	<u><u>\$ 94,653,190</u></u>

See accompanying notes.

Milford Health & Medical Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended September 30	
	2009	2008
Operating revenues:		
Net revenues from services to patients	\$ 88,127,038	\$ 88,474,508
Other operating revenues	1,185,650	1,087,911
	89,312,688	89,562,419
Operating expenses:		
Salaries and wages	41,201,570	39,922,364
Supplies and other	41,691,920	41,977,362
Provision for uncollectible accounts	8,267,261	6,088,450
Depreciation	4,163,603	4,157,755
Interest	418,291	479,857
Professional fees	472,382	284,509
	96,215,027	92,910,297
Operating loss	(6,902,339)	(3,347,878)
Nonoperating (loss) income:		
Investment (loss) income, net	(1,692,932)	2,196,883
Gifts and bequests	355,631	403,411
	(1,337,301)	2,600,294
Deficiency of revenues over expenses before change in unrealized gains and losses on investments	(8,239,640)	(747,584)
Change in unrealized gains and losses on investments	3,551,963	(5,521,196)
Deficiency of revenues over expenses	(4,687,677)	(6,268,780)

Continued on next page.

Milford Health & Medical Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Years Ended September 30	
	2009	2008
Unrestricted net assets:		
Deficiency of revenues over expenses (continued)	\$ (4,687,677)	\$ (6,268,780)
Net assets released from restrictions for capital	4,483	18,091
Change in pension funding obligation	(5,487,647)	(3,101,812)
Decrease in unrestricted net assets	<u>(10,170,841)</u>	<u>(9,352,501)</u>
Temporarily restricted net assets:		
Net assets released from restrictions for capital	(4,483)	(18,091)
Investment income, net	91,943	20,534
Net asset transfers	–	(7,677)
Increase (decrease) in temporarily restricted net assets	<u>87,460</u>	<u>(5,234)</u>
Permanently restricted net assets:		
Restricted gifts	10,000	37,500
Net asset transfers	–	7,677
Increase in permanently restricted net assets	<u>10,000</u>	<u>45,177</u>
Decrease in net assets	<u>(10,073,381)</u>	<u>(9,312,558)</u>
Net assets at beginning of year	<u>56,632,755</u>	65,945,313
Net assets at end of year	<u>\$ 46,559,374</u>	<u>\$ 56,632,755</u>

See accompanying notes.

Milford Health & Medical Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended September 30	
	2009	2008
Operating activities		
Change in net assets	\$ (10,073,381)	\$ (9,312,558)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Noncash items:		
Provision for uncollectible accounts	8,267,261	6,088,450
Depreciation	4,163,603	4,157,755
Change in unrealized gains and losses on investments	3,586,782	(5,521,196)
Change in pension funding obligation	5,487,647	3,101,812
Net asset item:		
Restricted gifts	10,000	37,500
Changes in assets and liabilities:		
Patient accounts receivable	(8,509,758)	(9,813,357)
Inventories	78,126	(149,498)
Prepaid expenses and other	45,720	(168,066)
Pledges receivable	32,500	(77,500)
Investments classified as trading	(857,709)	9,307,116
Accounts payable	(847,049)	1,060,284
Accrued employee compensation	664,727	527,244
Other accrued liabilities	768,360	70,747
Due to third-party reimbursement agencies	172,186	(332,072)
Accrued pension and other liabilities	839,250	503,785
Net cash provided by (used in) operating activities	<u>3,828,265</u>	<u>(519,554)</u>
Investing activities		
Purchases of property, plant, and equipment, net	(3,223,051)	(1,860,377)
(Increase) decrease in investment in affiliates	(70,285)	33,951
Net purchases of short-term of investments	(3,276)	(6,109)
(Increase) decrease in assets limited as to use	(16,744)	676,824
Net cash used in investing activities	<u>(3,313,356)</u>	<u>(1,155,711)</u>
Financing activities		
Payments made on notes payable to bank	(861,872)	(805,660)
Restricted gifts	(10,000)	(37,500)
Net cash used in financing activities	<u>(871,872)</u>	<u>(843,160)</u>
Decrease in cash and cash equivalents	<u>(356,963)</u>	<u>(2,518,425)</u>
Cash and cash equivalents at beginning of year	<u>3,081,116</u>	<u>5,599,541</u>
Cash and cash equivalents at end of year	<u>\$ 2,724,153</u>	<u>\$ 3,081,116</u>

See accompanying notes.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2009

1. Organization and Accounting Policies

Organization

The accompanying consolidated financial statements include the accounts of Milford Health & Medical Inc. (the Company), a tax-exempt entity incorporated under the General Statutes of the State of Connecticut. The Company's tax-exempt subsidiaries include Milford Hospital Inc., (the Hospital) an acute care hospital, Milford Hospital Foundation Inc., Home Care Plus Inc., Milford Health & Medical, Inc., and Milford Health Care Services Inc. The Company's for-profit subsidiaries include Torry Corporation, Seabridge, Inc., and Milford Medical Lab Inc. All of the subsidiaries are incorporated under the General Statutes of the State of Connecticut. All material intercompany transactions have been eliminated.

Estimates and Assumptions

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and contingent liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reported period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

Regulatory Matters

The Company is required to file annual operating information with the State of Connecticut Office of Health Care Access.

Cash and Cash Equivalents and Short-Term Investments

The Company considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Short-term investments consist of bank certificates of deposit. Cash and cash equivalents are maintained with domestic financial institutions with deposits that exceed federally insured limits. It is the Company's policy to monitor the strength of these institutions.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

Fair Value of Financial Instruments

The carrying value of financial instruments classified as current assets and current liabilities as of September 30, 2009 and 2008 approximate fair value based on current market conditions. The fair values of other financial instruments are disclosed in the respective notes and in Note 4.

Investments

The Company's investment portfolio is classified as trading, with unrealized gains and losses included in the deficiency excess of revenues over expenses.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value at the balance sheet date. Assets temporarily restricted (by donor) are recorded at fair value at the date of donation, which is then considered cost.

Investment (loss) income (including realized and unrealized gains and losses on investments, interest and dividends) is included in nonoperating (loss) income unless the income or loss is restricted by the donor or law. The cost of securities sold is based on the specific identification method.

Assets Limited As To Use

Assets limited as to use primarily consist of interest bearing deposits in banks which have been set aside by the Board of Directors (the Board) for future capital improvements or purchases of equipment. Except for the assets restricted by donors, the Board retains control of funds it has set aside and may, at its discretion, subsequently use these funds for other purposes.

Patient Accounts Receivable

Patient accounts receivable result from health care services provided by the Company. Additions to the allowance for uncollectible accounts result from the provision for uncollectible accounts. Accounts written off as uncollectible are deducted from the allowance for uncollectible accounts.

The amount of the allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators. See Note 2 for additional information relative to third party payor programs.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

The Company's primary concentration of credit risk is patient accounts receivable, which consists of amounts owed by various governmental agencies, insurance companies and private patients. The Company manages the receivables by regularly reviewing its patient accounts and contracts, and by providing appropriate allowances for uncollectible amounts. Significant concentrations of gross patient accounts receivable include 35% and 28% for Medicare, and 10% and 9% for Medicaid, for the fiscal years ending September 30, 2009 and 2008, respectively.

Property, Plant, and Equipment

Property, plant and equipment is stated on the basis of cost. Depreciation of property, plant and equipment is provided using the straight-line method over their estimated useful lives.

Restricted Net Assets

Temporarily restricted net assets are those where use by the Company has been limited by donors to a specific time frame or purpose. All of the Company's temporarily restricted net assets are restricted for capital expenditures. Permanently restricted net assets are amounts to be held in perpetuity, the income of which can be used for capital expenditures.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations and changes in net assets, as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are included in nonoperating income in the accompanying consolidated statement of operations and changes in net assets.

Deficiency of Revenues over Expenses

The consolidated statements of operations and changes in net assets include the deficiency of revenues over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from the deficiency of revenues over expenses, consistent with industry practice, include, permanent transfers of assets to and from affiliates for other than goods and services, 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) and the change in pension funding obligation.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

Nonoperating (Loss) Income

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating (loss) income primarily consists of (loss) income on invested funds and unrestricted gifts.

Income Taxes

The Company and its subsidiaries are not-for-profit, with the exception of Seabridge Inc, Milford Medical Lab Inc. and Torry Corporation, as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital has losses from unrelated business activities of approximately \$5,538,000. A deferred tax asset for these losses of approximately \$2,215,000 is offset by a corresponding valuation allowance of the same amount. As of September 30, 2009, Seabridge Inc. and its subsidiary had consolidated net operating loss carryforwards of approximately \$5,011,000. A deferred tax asset for these losses of approximately \$2,004,000 is offset by a corresponding valuation allowance of the same amount. As of September 30, 2009, Torry Corp. has a net operating loss carryforward of approximately \$842,000. A deferred tax asset for these losses of approximately \$337,000 is offset by a corresponding valuation allowance of the same amount. Tax provisions and related liabilities for Seabridge Inc. and Milford Medical Lab Inc. are not material to the consolidated financial statements.

New Accounting Standards

In June 2006, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty of Income Taxes* (ASC 740-10), which is effective for financial statements for fiscal years beginning after December 15, 2008. ASC 740-10 provided guidance to all enterprises for how uncertain tax provisions should be recognized, measured, presented, and disclosed in the consolidated financial statements. The Company is evaluating the potential impact, if any, of ASC 740-10 upon adoption.

Adoption of New Accounting Standards

In June 2009, the FASB issued ASC 105, *Generally Accepted Accounting Principles* (ASC 105), which establishes the FASB ASC as the sole source of authoritative GAAP. Pursuant to the provisions of ASC 105, the Company has updated references to GAAP in its financial statements issued for the year ended September 30, 2009. The adoption of ASC 105 did not impact the Company's consolidated financial position or results of operations.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Accounting Policies (continued)

Effective October 1, 2008, the Company adopted ASC 820-10, *Fair Value Measurements* (ASC 820-10). ASC 820-10 defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure about fair value measurements. The Company's adoption of ASC 820-10 did not significantly affect its consolidated financial statements (see Note 4).

Effective October 1, 2008, the Company adopted ASC 825-10, *The Fair Value Option for Financial Assets and Liabilities* (ASC 825-10). ASC 825-10 permits companies to choose to measure certain financial instruments and other items at fair value that currently are not required to be measured at fair value under GAAP. The Company chose not to elect the fair value option for its financial assets and liabilities. Consequently, the adoption of ASC 825-10 did not have any impact on its consolidated financial statements.

On October 1, 2008, the Company adopted ASC 958-205: *Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds* (ASC 958-205), which, among other things, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. The Company's endowments, including permanently restricted donor endowments, are not material. Therefore, the adoption of ASC 958-205 did not have a material effect on the Company's consolidated balance sheet at September 30, 2009, or on the consolidated statement of operations and changes in net assets for the year ended September 30, 2009.

During 2009, the Company adopted ASC 855-10, *Subsequent Events* (ASC 855-10). ASC 855-10 establishes general standards of accounting and disclosure requirements for subsequent events, events that occur after the balance sheet date but before the consolidated financial statements are issued. In addition, certain events subsequent to the balance sheet date may require recognition in the consolidated financial statements as of the balance sheet date under the requirements of ASC 855-10. The Company adopted the provisions of ASC 855-10 as of September 30, 2009, and evaluated the impact of subsequent events through February 25, 2010, representing the date at which the consolidated financial statements were issued. Refer to Note 10.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Revenues from Services to Patients and Charity Care

The following table summarizes revenues from services to patients:

	Years Ended September 30	
	2009	2008
Gross revenues from services to patients	\$ 226,745,692	\$ 229,584,620
Deductions:		
Allowances	138,496,597	140,944,891
Charity care	122,057	165,221
	138,618,654	141,110,112
	\$ 88,127,038	\$ 88,474,508

During fiscal years 2009 and 2008, the Company's net revenues from services to patients were 40% from Medicare, 5% from Medicaid, and 15% from Blue Cross (governmental payors include managed Medicare and Medicaid business). Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. The Company believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing except as disclosed in Note 8. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Company.

Patient accounts receivable and revenues are recorded when patient services are performed. The Company has agreements with certain third-party payors, including health maintenance organizations, that provide for payments to the Company at amounts different from the Company's established billing rates. These differences are accounted for as allowances. Under these agreements, the Company receives reimbursement based on a number of different arrangements, including fee-for-service payments.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Revenues from Services to Patients and Charity Care (continued)

Net revenues from services to patients is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Retroactive adjustments related to settlements with third-party payors for previous fiscal years decreased net revenues from services to patients by approximately \$22,000 and increased net patient service revenue by \$450,000 for the years ended September 30, 2009 and 2008, respectively.

The Company accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Company. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Company utilizes the generally recognized poverty income levels for the state, but also includes certain cases where incurred charges are significant when compared to income. These charges are not included in net revenues from services to patients for financial reporting purposes.

3. Investments

Investments are stated at fair value, as determined through published market valuations, and are comprised of the following at September 30:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 1,674,531	\$ 2,749,501
U.S. Treasury issues	5,966,860	8,720,544
Corporate debt securities	6,093,110	6,719,319
Municipal securities	32,673	34,671
Equity securities	16,204,225	14,439,570
Accrued interest	123,659	160,526
	<u>\$ 30,095,058</u>	<u>\$ 32,824,131</u>

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

Assets limited as to use are stated at fair value, as determined through published market valuations, and are comprised of the following at September 30:

	2009	2008
Cash and cash equivalents	\$ 108,172	\$ 308,171
Certificate of deposit	104,288	101,780
U.S. Treasury issues	1,134,728	997,283
Corporate debt securities	294,940	218,955
Equity securities	95,532	95,519
Accrued interest	5,579	4,787
	\$ 1,743,239	\$ 1,726,495

The components of investment earnings, included in nonoperating (loss) income, include the following for the years ended September 30:

	2009	2008
Interest income	\$ 394,187	\$ 643,825
Dividend income	933,885	1,019,755
Realized capital gains and other	(2,954,404)	533,303
Investment income, net	(1,626,332)	2,196,883
Change in unrealized gains and losses on investments	3,551,963	(5,521,196)
Total return on investments	\$ 1,925,631	\$ (3,324,313)

4. Fair Value of Financial Instruments

As described in Note 1, on October 1, 2008, the Company adopted the methods of calculating fair value as described in ASC 820-10 to value its financial assets and liabilities, when applicable. As defined in ASC 820-10, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820-10 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Fair Value of Financial Instruments (continued)

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data are available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. In addition, the Company considers counterparty credit risk in its assessment of fair value.

Financial assets and liabilities carried at fair value as of September 30, 2009 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 2,724,153	\$ —	\$ —	\$ 2,724,153
Short-term investments	223,553	—	—	223,553
Investments:				
Equity securities	16,204,225	—	—	16,204,225
Cash and cash equivalents	1,674,531	—	—	1,674,531
U.S. Treasury issues	5,966,860	—	—	5,966,860
Corporate debt securities	6,093,110	—	—	6,093,110
Municipal securities	32,673	—	—	32,673
Assets whose use is limited:				
Equity securities	95,532	—	—	95,532
Cash and cash equivalents	212,460	—	—	212,460
U.S. Treasury issues	1,134,728	—	—	1,134,728
Corporate debt securities	294,940	—	—	294,940

Fair value for Level 1 is based upon quoted market prices. The amounts in the above table exclude assets invested in the Company's pension plan (see Note 6).

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Debt

The Company has a mortgage note arrangement with a bank secured by Company property. The Company pays principal and interest at a fixed rate of 6.86% over a ten-year term. At September 30, 2009 and 2008, the Company had an unpaid principal balance of \$3,617,035 and \$4,395,414, respectively. The mortgage note has a maturity date of August 15, 2013. Interest paid during fiscal years 2009 and 2008 amounted to \$275,129 and \$326,741, respectively.

The Company also has an irrevocable construction mortgage that was taken out on May 5, 2006 and is due in May 2026. The total amount of the loan is \$2,500,000. At September 30, 2009 and 2008, the Company had an unpaid principal balance of \$2,293,912 and \$2,377,405, respectively. Interest paid during fiscal year 2009 and 2008 amounted to \$137,331 and \$142,080, respectively.

Future minimum principal payments during each of the next five fiscal years and in the aggregate were as follows at September 30, 2009:

2010	\$ 922,016
2011	986,365
2012	1,055,212
2013	1,040,897
2014	111,894
Aggregate thereafter	1,794,563
	<u>\$ 5,910,947</u>

6. Pension Plan

The Company has a defined benefit cash balance pension plan (the Plan) covering substantially all of its employees. Plan benefits are based on years of service and the employee's compensation. Contributions to the Plan are intended to provide for benefits attributed to services rendered to date and benefits expected to be earned in the future. Plan participants earn a return based on an interest rate established annually at the beginning of the pay year. Plan participants will vest in their benefits on a percentage basis with years of service.

Effective August 26, 2009, the Hospital's Executive Committee of the Board of Directors adopted a resolution to freeze the Plan for non-union employees effective December 31, 2009. As a result of this resolution, the Plan liabilities were remeasured for non-union employees as of September 30, 2009. All outstanding prior service cost related to these employees totaling \$576,155 was expensed as of the date of the remeasurement. This amount was included in supplies and other within operating expenses in the accompanying statement of operations.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Pension Plan (continued)

Included in unrestricted net assets at September 30, 2009 and 2008, respectively, are the following amounts that have not yet been recognized in net periodic pension cost: Unrecognized prior service cost of \$360,674 and \$1,124,231 and unrecognized actuarial loss of \$11,283,283 and \$5,032,680. The prior service cost and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2010, are \$63,000 and \$270,000, respectively.

The following table presents a reconciliation of the beginning and ending balances of the Plan's projected benefit obligation and the fair value of plan assets, as well as the funded status of the plan and accrued pension cost included in the consolidated financial statements:

	2009	2008
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 60,216,942	\$ 61,505,963
Service cost	2,154,644	2,504,126
Interest cost	4,042,228	3,973,493
Benefits paid	(2,228,711)	(1,907,502)
Actuarial loss (gain)	14,158,603	(5,859,138)
Reduction due to Curtailment	(8,603,968)	-
Benefit obligation at end of year	<u>69,739,738</u>	<u>60,216,942</u>
Change in plan assets		
Fair value of plan assets at beginning of year	45,945,024	51,050,115
Contributions	2,662,892	2,147,378
Actual return on plan assets	2,968,722	(5,344,967)
Benefits paid	(2,228,711)	(1,907,502)
Fair value of plan assets at end of year	<u>49,347,927</u>	<u>45,945,024</u>
Funded status of the plan	<u>\$ (20,391,811)</u>	<u>\$ (14,271,918)</u>
Components of net periodic pension cost		
Service cost	\$ 2,154,644	\$ 2,504,126
Interest cost	4,042,228	3,973,493
Expected return on plan assets	(3,665,290)	(3,803,385)
Net amortization and deferral	187,401	187,402
Curtailment loss	576,155	-
Net periodic pension cost	<u>\$ 3,295,138</u>	<u>\$ 2,861,636</u>

The measurement date for determining plan assets and obligations is September 30.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Pension Plan (continued)

The weighted-average assumptions used to develop net periodic pension cost and the projected benefit obligation as of September 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Discount rate used for net periodic pension cost	7.00%	6.40%
Discount rate used for projected benefit obligation	5.50%	7.00%
Expected long-term rate of return on plan assets	8.00%	8.00%
Rate of compensation increase	6.00%	6.00%

To develop the expected long-term rate of return on plan assets assumption, the Company considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The accumulated benefit obligation at September 30, 2009 and 2008 was \$64,548,878 and \$46,269,394, respectively.

Plan Assets

The Plan's investment objectives are to achieve long-term growth in excess of long-term inflation and to provide a rate of return that meets or exceeds the actuarial expected long-term rate of return on plan assets over a long-term time horizon. In order to minimize the risk, the Plan aims to minimize the variability in yearly returns. The Plan also aims to diversify its holdings among sectors, industries, and companies. No more than 10% of the Plan's portfolio, excluding U.S. government securities and cash, may be held in an individual company's stocks or bonds and no more than 20% in a single industry.

To develop the expected long-term rate of return on plan assets assumption, the Company considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The Company's pension plan weighted-average allocations at September 30, 2009 and 2008, by asset category, are as follows:

Asset Category	<u>2009</u>	<u>2008</u>
Cash and money market funds	7.2%	12.2%
Corporate/government bonds	40.7%	44.1%
Equity securities	52.1%	43.7%
Total	100.0%	100.0%

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Pension Plan (continued)

The target allocation for the Plan's assets is 65% equity securities, 25% fixed income securities, and 10% other investments.

Contributions

The Company expects to contribute \$2,500,000 to the Plan in 2010.

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Fiscal Years	
2010	\$ 2,518,135
2011	2,731,000
2012	2,834,777
2013	3,183,634
2014	3,445,211
Years 2015 – 2019	19,152,033

7. Medical Malpractice Insurance

Effective October 1, 2004, the Hospital became insured by the Company through Healthcare Alliance Insurance Company, Ltd. (HAIC). HAIC is a multi-provider captive insurance company domiciled in the Cayman Islands. The Company is a one-third owner of the captive with two other local hospitals that each hold one-third ownership. The Company's ownership is accounted for under the equity method in the accompanying statements of operation. The investment in HAIC is included in investment in affiliates in the consolidated balance sheets. The Hospital's insurance coverage is \$1,500,000 per occurrence and \$3,000,000 in the aggregate. The Hospital has an excess layer of indemnity coverage of \$25,000,000 per occurrence, and \$25,000,000 in the aggregate. Coverage for medical malpractice insurance is provided on a claims-made basis.

Management accrues its best estimate of losses as they occur. Accordingly, management has recorded a liability of \$528,000 and \$467,000 at September 30, 2009 and 2008, respectively, for claims incurred-but-not-reported, related to all years that the Company held a claims-made policy. This liability has been discounted using a 4% and 6% discount rate at September 30, 2009 and 2008, respectively.

Milford Health & Medical Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Commitments and Contingencies

The Company is a party to various lawsuits incidental to its business. Management believes that the lawsuits fall within the Company's liability insurance and that they will not have a material adverse effect on the Company's consolidated financial statements.

9. Functional Expenses

The Company provides inpatient and outpatient general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	Years Ended September 30	
	2009	2008
Health care services	\$ 82,888,907	\$ 81,276,256
General and administrative	13,326,120	11,634,041
	<u>\$ 96,215,027</u>	<u>\$ 92,910,297</u>

10. Subsequent Event

On November 19, 2009, Torry Corporation entered into a construction loan with a bank. The total amount of the loan is \$7,000,000, and \$2,725,042 has been disbursed to Torry Corporation as of February 25, 2010. A portion of the proceeds of this loan were used to pay off the irrevocable construction mortgage that was taken out on May 5, 2006.

Report of Independent Auditors on Other Financial Information

Board of Directors
Milford Health & Medical Inc. and Subsidiaries

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating balance sheets and consolidating statements of operations are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits 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.

Ernst + Young LLP

February 25, 2010

Milford Health & Medical Inc. and Subsidiaries

Consolidating Balance Sheet

September 30, 2009

	Milford Hospital Inc.	Milford Hospital Foundation, Inc.	Milford Medical Lab, Inc.	Home Care Plus, Inc.	Milford Health & Medical Inc.	Torry Corp.	Milford Health Care Services, Inc.	Seabridge, Inc.	Total Eliminations	Milford Health & Medical Inc. Consolidated
Assets										
Current assets:										
Cash and cash equivalents	\$ 1,078,653	\$ 309,807	\$ 138,389	\$ 1,162,105	\$ 22,688	\$ 3,821	\$ 483	\$ 7,619	\$ 588	\$ 2,724,153
Short-term investments	221,990	1,563	–	–	–	–	–	–	–	223,553
Patient accounts receivable	13,535,241	–	104,977	402,367	–	–	–	–	–	14,042,585
Inventories	778,225	–	–	–	–	–	–	–	–	778,225
Prepaid expenses and other	1,328,796	5,546	3,733	2,405	53,704	74,746	–	1,111	–	1,470,041
Total current assets	16,942,905	316,916	247,099	1,566,877	76,392	78,567	483	8,730	588	19,238,557
Investments	29,687,316	407,742	–	–	–	–	–	–	–	30,095,058
Property, plant, and equipment:										
Land and improvements	1,545,184	–	–	13,384	–	4,341,859	–	–	–	5,900,427
Buildings and improvements	38,311,785	–	50,187	–	–	5,624,364	–	–	–	43,986,336
Equipment	31,246,590	15,470	115,114	140,309	–	37,795	–	–	–	31,555,278
Construction in progress	644,126	–	–	–	–	340,114	–	–	–	984,240
										82,426,281
Less accumulated depreciation	(42,570,348)	(393)	(147,393)	(142,634)	–	(577,778)	–	–	–	(43,438,546)
	29,177,337	15,077	17,908	11,059	–	9,766,354	–	–	–	38,987,735
Other assets:										
Interest in Milford Hospital Foundation, Inc.	749,093	–	–	–	–	–	–	–	(749,093)	–
Due from affiliates	577,526	–	–	–	1,229,329	2,912	–	–	(1,809,767)	–
Mortgage receivable from affiliate	642,750	–	–	–	–	–	–	–	(642,750)	–
Pledges receivable	–	45,000	–	–	–	–	–	–	–	45,000
Assets limited as to use	1,743,239	–	–	–	–	–	–	–	–	1,743,239
Investment in affiliates	–	–	–	–	8,115,497	–	–	477,272	(7,899,300)	693,469
Total assets	\$ 79,520,166	\$ 784,735	\$ 265,007	\$ 1,577,936	\$ 9,421,218	\$ 9,847,833	\$ 483	\$ 486,002	\$ (11,100,322)	\$ 90,803,058

Milford Health & Medical Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

September 30, 2009

	Milford Hospital Inc.	Milford Hospital Foundation, Inc.	Milford Medical Lab, Inc.	Home Care Plus, Inc.	Milford Health & Medical Inc.	Torry Corp.	Milford Health Care Services, Inc.	Seabridge, Inc.	Total Eliminations	Milford Health & Medical Inc. Consolidated
Liabilities and net assets										
Current liabilities:										
Accounts payable	\$ 4,324,984		\$ 14,980	\$ 12,957		\$ 76,956			\$ (1,844)	\$ 4,428,033
Accrued employee compensation	6,257,395		–	272,281		–			–	6,529,676
Other accrued liabilities	2,990,484		23,403	–		5,716			–	3,019,603
Due to third-party reimbursement agencies	2,372,068		–	124,056		–			–	2,496,124
Due to affiliates	–	\$ 35,642	7,053,513	20,637	\$ 254,111	19,087	\$ 716,014	\$ 7,605	(8,106,609)	–
Current portion of notes payable to bank	833,487	–	–	–	–	100,656	–	–	(12,127)	922,016
Total current liabilities	16,778,418	35,642	7,091,896	429,931	254,111	202,415	716,014	7,605	(8,120,580)	17,395,452
Notes payable to bank, less current portion	2,783,548	–	–	–	–	2,836,006	–	–	(630,623)	4,988,931
Accrued pension and other liabilities	21,859,301	–	–	–	527,695	–	–	–	(527,695)	21,859,301
Net assets:										
Common stock	–	–	1,000	–	–	1,000	–	5,000	(7,000)	–
Paid-in capital	–	–	–	–	–	7,892,300	–	–	(7,892,300)	–
Unrestricted	36,805,806	–	(6,827,889)	1,148,005	8,639,412	(1,083,888)	(715,531)	473,397	6,826,969	45,266,281
Temporarily restricted	689,851	689,851	–	–	–	–	–	–	(689,851)	689,851
Permanently restricted	603,242	59,242	–	–	–	–	–	–	(59,242)	603,242
Total net assets	38,098,899	749,093	(6,826,889)	1,148,005	8,639,412	6,809,412	(715,531)	478,397	(1,821,424)	46,559,374
Total liabilities and net assets	\$ 79,520,166	\$ 784,735	\$ 265,007	\$ 1,577,936	\$ 9,421,218	\$ 9,847,833	\$ 483	\$ 486,002	\$ (11,100,322)	\$ 90,803,058

Milford Health & Medical Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

September 30, 2008

	Milford Hospital Inc.	Milford Hospital Foundation, Inc.	Milford Medical Lab, Inc.	Home Care Plus, Inc.	Milford Health & Medical Inc.	Torry Corp.	Milford Health Care Services, Inc.	Seabridge, Inc.	Total Eliminations	Milford Health & Medical Inc. Consolidated
Assets										
Current assets:										
Cash and cash equivalents	\$ 1,243,133	\$ 262,184	\$ 174,668	\$ 1,211,951	\$ 102,587	\$ 2,438	\$ 2,283	\$ 81,872		\$ 3,081,116
Short-term investments	218,753	1,524	-	-	-	-	-	-		220,277
Patient accounts receivable	13,366,597	-	146,645	286,846	-	-	-	-		13,800,088
Inventories	856,351	-	-	-	-	-	-	-		856,351
Prepaid expenses and other	1,426,335	2,477	2,214	3,184	7,207	73,233	-	1,111		1,515,761
Total current assets	17,111,169	266,185	323,527	1,501,981	109,794	75,671	2,283	82,983		19,473,593
Investments	32,474,587	349,544	-	-	-	-	-	-		32,824,131
Property, plant, and equipment:										
Land and improvements	1,545,184	-	-	13,384	-	4,248,563	-	-		5,807,131
Buildings and improvements	37,781,191	-	50,187	-	-	5,285,633	-	-		43,117,011
Equipment	31,379,639	-	115,114	130,878	-	37,795	-	-		31,663,426
Construction in progress	319,881	-	-	-	-	31,619	-	-		351,500
										80,939,068
Less accumulated depreciation	(40,332,380)	-	(137,931)	(135,288)	-	(405,182)	-	-		(41,010,781)
	30,693,515	-	27,370	8,974	-	9,198,428	-	-		39,928,287
Other assets:										
Interest in Milford Hospital Foundation, Inc.	656,633	-	-	-	-	-	-	-	\$ (656,633)	-
Due from affiliates	646,664	-	-	-	1,301,623	-	-	-	(1,948,287)	-
Mortgage receivable from affiliate	654,173	-	-	-	-	-	-	-	(654,173)	-
Pledges receivable	-	77,500	-	-	-	-	-	-	-	77,500
Assets limited as to use	1,726,495	-	-	-	-	-	-	-	-	1,726,495
Investment in affiliates	-	-	-	-	7,090,277	-	-	556,208	(7,023,301)	623,184
Total assets	\$ 83,963,236	\$ 693,229	\$ 350,897	\$ 1,510,955	\$ 8,501,694	\$ 9,274,099	\$ 2,283	\$ 639,191	\$ (10,282,394)	\$ 94,653,190

Milford Health & Medical Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

September 30, 2008

	Milford Hospital Inc.	Milford Hospital Foundation, Inc.	Milford Medical Lab, Inc.	Home Care Plus, Inc.	Milford Health & Medical Inc.	Torry Corp.	Milford Health Care Services, Inc.	Seabridge, Inc.	Total Eliminations	Milford Health & Medical Inc. Consolidated
Liabilities and net assets										
Current liabilities:										
Accounts payable	\$ 5,116,659		\$ 91,426	\$ 33,043		\$ 87,600			\$ (53,646)	\$ 5,275,082
Accrued employee compensation	5,794,344			70,605						5,864,949
Other accrued liabilities	2,130,817		23,403		\$ 95,023	2,000				2,251,243
Due to third-party reimbursement agencies	2,213,360			110,578						2,323,938
Due to affiliates		\$ 36,596	6,408,377	28,199	217,401	55,309	\$ 703,807	\$ 156,309	(7,605,998)	
Current portion of notes payable to bank	778,379					94,916			(11,423)	861,872
Total current liabilities	16,033,559	36,596	6,523,206	242,425	312,424	239,825	703,807	156,309	(7,671,067)	16,577,084
Notes payable to bank, less current portion	3,617,035					2,936,662			(642,750)	5,910,947
Accrued pension and other liabilities	15,532,404				467,132				(467,132)	15,532,404
Net assets:										
Common stock			1,000			1,000		5,000	(7,000)	
Paid-in capital						7,016,301			(7,016,301)	
Unrestricted	47,584,605		(6,173,309)	1,268,530	7,722,138	(919,689)	(701,524)	477,882	6,178,489	55,437,122
Temporarily restricted	602,391	602,391							(602,391)	602,391
Permanently restricted	593,242	54,242							(54,242)	593,242
Total net assets	48,780,238	656,633	(6,172,309)	1,268,530	7,722,138	6,097,612	(701,524)	482,882	(1,501,445)	56,632,755
Total liabilities and net assets	\$ 83,963,236	\$ 693,229	\$ 350,897	\$ 1,510,955	\$ 8,501,694	\$ 9,274,099	\$ 2,283	\$ 639,191	\$ (10,282,394)	\$ 94,653,190

Milford Health & Medical Inc. and Subsidiaries

Consolidating Statement of Operations

Year Ended September 30, 2009

	Milford Hospital Inc.	Milford Hospital Foundation, Inc.	Milford Medical Lab, Inc.	Home Care Plus, Inc.	Milford Health & Medical Inc.	Torry Corp.	Milford Health Care Services, Inc.	Seabridge, Inc.	Total Eliminations	Milford Health & Medical Inc. Consolidated
Operating revenues:										
Net revenues from services to patients	\$ 82,829,045		\$ 1,281,355	\$ 4,016,638						\$ 88,127,038
Other operating revenues	749,027		179,689	530		\$ 483,078			\$ (226,674)	1,185,650
	83,578,072		1,461,044	4,017,168		483,078			(226,674)	89,312,688
Operating expenses:										
Salaries and wages	37,172,912	\$ 180,701	850,583	2,912,953	\$ 32,409	45,317		\$ 6,695		41,201,570
Supplies and other	39,588,961	148,222	1,256,944	1,252,419	66,753	253,093	\$ 1,800	27,435	(903,707)	41,691,920
Provision for uncollectible accounts	6,998,451	–	(1,313)	(25,139)	1,295,262	–	–	–	–	8,267,261
Depreciation	3,973,806	393	9,462	7,346	–	172,596	–	–	–	4,163,603
Interest	280,961	–	–	–	–	176,271	12,207	1,816	(52,964)	418,291
Professional fees	472,382	–	–	–	–	–	–	–	–	472,382
	88,487,473	329,316	2,115,676	4,147,579	1,394,424	647,277	14,007	35,946	(956,671)	96,215,027
Operating (loss) income	(4,909,401)	(329,316)	(654,632)	(130,411)	(1,394,424)	(164,199)	(14,007)	(35,946)	729,997	(6,902,339)
Nonoperating (loss) income:										
Investment (loss) income, net	(2,269,354)	26,325	52	9,886	452,182	–	–	222,134	(134,157)	(1,692,932)
Gifts and bequests	–	355,631	–	–	–	–	–	–	–	355,631
	(2,269,354)	381,956	52	9,886	452,182	–	–	222,134	(134,157)	(1,337,301)
(Deficiency) excess of revenues over expenses before change in unrealized gains and losses on investments	(7,178,755)	52,640	(654,580)	(120,525)	(942,242)	(164,199)	(14,007)	186,188	595,840	(8,239,640)
Change in unrealized gains and losses on investments	3,551,963	34,820	–	–	–	–	–	–	(34,820)	3,551,963
(Deficiency) excess of revenues over expenses	\$ (3,626,792)	\$ 87,460	\$ (654,580)	\$ (120,525)	\$ (942,242)	\$ (164,199)	\$ (14,007)	\$ 186,188	\$ 561,020	\$ (4,687,677)

Milford Health & Medical Inc. and Subsidiaries
 Consolidating Statement of Operations (continued)

Year Ended September 30, 2008

	Milford Hospital Inc.	Milford Hospital Foundation, Inc.	Milford Medical Lab, Inc.	Home Care Plus, Inc.	Milford Health & Medical Inc.	Torry Corp.	Milford Health Care Services, Inc.	Seabridge, Inc.	Total Eliminations	Milford Health & Medical Inc. Consolidated
Operating revenues:										
Net revenues from services to patients	\$ 83,524,926		\$ 1,224,513	\$ 3,725,069						\$ 88,474,508
Other operating revenues	702,596		141,611	1,729		\$ 412,378			\$ (170,403)	1,087,911
	84,227,522		1,366,124	3,726,798		412,378			(170,403)	89,562,419
Operating expenses:										
Salaries and wages	36,129,757	\$ 183,044	936,864	2,574,373	\$ 32,501	56,013	\$ 3,098	\$ 6,714	-	39,922,364
Supplies and other	39,758,708	150,783	1,289,622	1,214,843	81,394	305,428	3,745	35,355	(862,516)	41,977,362
Provision for uncollectible accounts	4,873,574	-	63,650	(90,298)	1,150,924	90,600	-	-	-	6,088,450
Depreciation	3,977,866	-	10,994	7,662	-	161,233	-	-	-	4,157,755
Interest	337,777	-	-	-	-	181,683	20,928	9,483	(70,014)	479,857
Professional fees	284,509	-	-	-	-	-	-	-	-	284,509
	85,362,191	333,827	2,301,130	3,706,580	1,264,819	794,957	27,771	51,552	(932,530)	92,910,297
Operating (loss) income	(1,134,669)	(333,827)	(935,006)	20,218	(1,264,819)	(382,579)	(27,771)	(51,552)	762,127	(3,347,878)
Nonoperating income:										
Investment income, net	1,601,380	28,117	56	34,933	284,680	-	-	174,730	72,987	2,196,883
Gifts and bequests	-	403,411	-	-	-	-	-	-	-	403,411
	1,601,380	431,528	56	34,933	284,680	-	-	174,730	72,987	2,600,294
(Deficiency) excess of revenues over expenses before change in unrealized gains and losses on investments	466,711	97,701	(934,950)	55,151	(980,139)	(382,579)	(27,771)	123,178	835,114	(747,584)
Change in unrealized gains and losses on investments	(5,521,196)	(95,258)	-	-	-	-	-	-	95,258	(5,521,196)
(Deficiency) excess of revenues over expenses	\$ (5,054,485)	\$ 2,443	\$ (934,950)	\$ 55,151	\$ (980,139)	\$ (382,579)	\$ (27,771)	\$ 123,178	\$ 930,372	\$ (6,268,780)