

Norwalk Health Services Corporation and Subsidiaries

**Consolidated Financial Statements
September 30, 2009 and 2008**

Norwalk Health Services Corporation and Subsidiaries

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September 30, 2009 and 2008

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Report of Independent Auditors

To the Board of Trustees of
Norwalk Health Services Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in net assets, and of cash flows present fairly, in all material respects, the consolidated financial position of Norwalk Health Services Corporation and its subsidiaries ("the System") at September 30, 2009 and 2008, and the results of their operations, their changes in net assets, and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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.

As described in Notes 1 and 8 to the consolidated financial statements, during 2009, the System changed the manner in which it accounts for investments and changed the measurement date for accounting for its pension plan.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 22 through 29, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operation of the individual companies. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual companies. 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.

PricewaterhouseCoopers LLP

January 12, 2010

Norwalk Health Services Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2009 and 2008

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 17,551,919	\$ 3,354,998
Investments	16,173,831	29,387
Patient accounts receivable, less allowance for doubtful accounts of \$19,509,818 in 2009 and \$13,829,163 in 2008	45,676,015	46,205,777
Due from third party agencies	313,892	1,034,979
Inventories	2,793,225	3,076,188
Other current assets	5,951,888	11,519,654
Assets whose use is limited	570,997	707,218
Total current assets	<u>89,031,767</u>	<u>65,928,201</u>
Long-term investments	86,977,157	90,134,731
Assets whose use is limited		
Assets held by trustee under bond indenture agreements	3,650,949	3,924,054
Assets held by trustee for self-insurance	5,983,665	9,658,433
Total assets whose use is limited	<u>9,634,614</u>	<u>13,582,487</u>
Beneficial interest in trust	6,345,767	6,419,051
Other assets	3,048,337	3,328,450
Due from third party agencies	3,541,718	2,244,474
Goodwill	3,896,833	3,138,333
Investment in joint ventures	2,728,803	3,535,786
Investment in joint venture held for sale	-	2,800,000
Property, plant and equipment		
Land and land improvements	5,387,069	4,674,189
Buildings	154,710,992	150,216,352
Equipment	215,329,502	204,929,072
Construction in progress	3,130,487	4,767,298
Accumulated depreciation	<u>(254,935,027)</u>	<u>(236,779,550)</u>
Total property, plant and equipment	<u>123,623,023</u>	<u>127,807,361</u>
Total assets	<u>\$ 328,828,019</u>	<u>\$ 318,918,874</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 19,012,621	\$ 16,610,756
Accrued compensation	16,799,188	16,573,385
Due to third party agencies	1,785,662	4,405,771
Accrued interest	253,177	275,537
Current portion of long-term debt	2,192,783	2,122,786
Current portion of capital lease	12,194	-
Other current liabilities	774,755	791,172
Total current liabilities	<u>40,830,380</u>	<u>40,779,407</u>
Accrued pension liability	31,230,209	8,472,231
Asset retirement obligations	8,240,150	7,909,181
Other liabilities	34,758,274	35,824,019
Due to third party agencies	7,738,424	6,996,009
Long-term debt, less current portion	25,863,237	28,056,020
Long-term capital lease, less current portion	24,611	-
Total liabilities	<u>148,685,285</u>	<u>128,036,867</u>
Net assets		
Unrestricted	145,071,590	154,157,848
Temporarily restricted	25,727,502	27,385,687
Permanently restricted	9,343,642	9,338,472
Total net assets	<u>180,142,734</u>	<u>190,882,007</u>
Total liabilities and net assets	<u>\$ 328,828,019</u>	<u>\$ 318,918,874</u>

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

Norwalk Health Services Corporation and Subsidiaries
Consolidated Statements of Operations
Year Ended September 30, 2009 and 2008

	2009	2008
Operating revenues		
Net revenues from services to patients	\$ 345,514,638	\$ 322,439,402
Other operating revenues	19,852,793	20,324,496
Net assets released from restrictions used for operations	3,689,378	2,717,180
Total operating revenues	<u>369,056,809</u>	<u>345,481,078</u>
Operating expenses		
Salaries and benefits	195,104,342	189,038,478
Supplies and other expenses	119,467,371	116,013,161
Depreciation and amortization	19,204,640	17,181,739
Provision for bad debts	22,354,212	17,442,485
Interest	1,092,603	1,023,145
Total operating expenses	<u>357,223,168</u>	<u>340,699,008</u>
Income from operations	11,833,641	4,782,070
Non-operating income (expense)		
Investment income	905,595	3,175,577
Net unrealized gains on investments	1,220,852	
Realized loss on investments deemed other than temporarily impaired	-	(275,685)
Writeoff of investment in joint ventures	(1,317,039)	(437,780)
Total non-operating income	<u>809,408</u>	<u>2,462,112</u>
Excess of revenues over expenses	12,643,049	7,244,182
Other changes in net assets		
Net unrealized losses on investments	-	(11,777,237)
Net assets released from restrictions used for capital	3,638,289	3,509,596
Pension related changes other than net periodic benefit cost	(24,148,067)	(10,423,712)
Decrease in unrestricted net assets	<u>\$ (7,866,729)</u>	<u>\$ (11,447,171)</u>

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

Norwalk Health Services Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
Year Ended September 30, 2009 and 2008

	2009	2008
Unrestricted net assets		
Excess of revenues over expenses	\$ 12,643,049	\$ 7,244,182
Net unrealized (losses) on investments	-	(11,777,237)
Net assets released from restrictions used for capital	3,638,289	3,509,596
Pension related changes other than net periodic benefit cost	(24,148,067)	(10,423,712)
Decrease in unrestricted net assets	<u>(7,866,729)</u>	<u>(11,447,171)</u>
Temporarily restricted net assets		
Contributions	4,687,744	6,347,883
Decrease in assets held in trust by others	(73,284)	(1,334,984)
Net realized and unrealized gains on investments and investment income	1,055,022	362,607
Realized loss on investments deemed other than temporarily impaired	-	(1,387,479)
Net assets released from restrictions	(7,327,667)	(6,226,776)
Decrease in temporarily restricted net assets	<u>(1,658,185)</u>	<u>(2,238,749)</u>
Permanently restricted net assets		
Contributions	<u>5,170</u>	<u>37,245</u>
Increase in permanently restricted net assets	<u>5,170</u>	<u>37,245</u>
Decrease in net assets	(9,519,744)	(13,648,675)
Net assets, beginning of year, as previously reported	190,882,007	204,530,682
Adjustment for change in accounting for pension benefits	(1,219,528)	-
As adjusted	<u>189,662,479</u>	<u>204,530,682</u>
Net assets, end of year	<u>\$ 180,142,735</u>	<u>\$ 190,882,007</u>

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

Norwalk Health Services Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Year Ended September 30, 2009 and 2008

	2009	2008
Operating activities		
Decrease in net assets	\$ (9,519,745)	\$ (13,648,675)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Noncash items		
Depreciation and amortization	19,204,640	17,181,739
Gain on sale of property, plant and equipment	(45,834)	(132,189)
Provision for bad debts	22,354,212	17,442,485
Writeoff of investment in joint ventures	1,317,039	437,780
Net realized and unrealized loss on investments	908,416	10,565,026
Realized loss on investments deemed other than temporarily impaired	-	1,663,164
Adjustment for change in accounting for pension benefits	1,219,528	-
Pension related changes other than periodic benefit cost	24,148,067	10,423,712
Net asset item		
Restricted contributions	(4,845,713)	(6,615,236)
Changes in assets and liabilities		
Accounts receivable	(21,824,450)	(25,598,101)
Inventories	282,963	(282,007)
Other current assets	5,572,936	(3,255,152)
Other assets	272,496	669,956
Accounts payable	2,657,486	(1,260,007)
Accrued compensation	225,803	1,890,374
Due to third-party agencies, net	(2,453,851)	(44,881)
Accrued interest	(22,360)	18,753
Other current liabilities	(16,417)	520,203
Accrued pension liability	(3,829,145)	(1,951,481)
Asset retirement obligations	330,969	433,585
Other liabilities	(1,065,745)	4,527,413
Net cash provided by operating activities	<u>34,871,295</u>	<u>12,986,461</u>
Investing activities		
Net additions to property, plant and equipment	(14,376,907)	(26,170,636)
Sales of investments	14,072,851	17,699,218
Purchases of investments	(27,968,137)	(13,486,801)
Decrease in beneficial interest in trust	73,284	1,334,984
Proceeds from sale of property, plant and equipment	272,125	591,617
Decrease in assets whose use is limited	4,084,094	1,001,692
Advances to investment in joint ventures	(510,056)	(6,773,566)
Proceeds from sale of investment in joint venture	2,800,000	-
Acquisition of physician practice	(1,866,755)	(3,362,500)
Net cash used by investing activities	<u>(23,419,501)</u>	<u>(29,165,992)</u>
Financing activities		
Payments from notes receivable	22,200	-
Proceeds from long-term debt	-	486,177
Payments on long-term debt	(2,122,786)	(1,938,701)
Restricted contributions	4,845,713	6,615,236
Net cash provided by financing activities	<u>2,745,127</u>	<u>5,162,712</u>
Increase (decrease) in cash and cash equivalents	14,196,921	(11,016,819)
Cash and cash equivalents		
Beginning of year	<u>3,354,998</u>	<u>14,371,817</u>
End of year	<u>\$ 17,551,919</u>	<u>\$ 3,354,998</u>
Supplemental disclosure of cash information		
Interest paid	\$ 1,117,342	\$ 1,015,627
Noncash transactions		
Fixed assets expenditures included in accounts payable	\$ 787,001	\$ 1,042,622
Capitalized interest	212,790	372,961
Fixed assets acquired through capital lease	36,805	-

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

Norwalk Health Services Corporation and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2009 and 2008

1. Organization and Significant Accounting Policies

Norwalk Health Services Corporation (the "Corporation") was incorporated as a not-for-profit organization under the nonstock membership corporation laws of Connecticut in February 1985.

The Corporation is the sole member of its subsidiaries which include Norwalk Hospital Association (the "Hospital"), Norwalk Health Care, Inc. ("NHC"), and Norwalk Hospital Foundation, Inc. (the "Foundation"). The Corporation also owns 100% of the stock of S.W. C. Corporation ("SWC"), a Connecticut stock corporation and Maple Street Indemnity Company, Ltd. ("MSI"). MSI is a captive insurance company incorporated under the laws of the Bermuda Monetary Authority.

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related footnotes. Actual results could differ from those estimates. The Corporation and its subsidiaries' significant estimates include contractual and bad debt allowances for patient service revenue and the related patient accounts receivable, valuation of investments, estimated settlements due to third parties, reserves for malpractice, workers' compensation and other self-insured liabilities, and benefit plans assumptions.

Income Taxes

The Corporation and its subsidiaries, with the exception of SWC and MSI, are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Tax provisions and related liabilities for SWC are not material to the consolidated financial statements. MSI is a foreign corporation exempt from United States taxation.

Regulatory Matters

The Hospital is required to file annual operating information with the State of Connecticut Office of Health Care Access ("OHCA").

Cash Equivalents

The Corporation and its subsidiaries consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash equivalents approximates its fair value.

Concentration of Credit risk

Cash and cash equivalents are maintained with domestic institutions. It is the Corporation's policy to monitor the financial strength of these institutions.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value, based upon quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

Norwalk Health Services Corporation and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2009 and 2008

Fair Value Measurements

During 2009, the Corporation and its subsidiaries adopted a new accounting principle related to valuation and disclosures of its financial assets and liabilities. The new standard defines fair value and establishes a framework for measuring fair value. The framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this principle are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation and its subsidiaries have the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of the Corporation and its subsidiaries' investments is based on quoted market values.

The fair value of the Corporation's beneficial interests in trusts is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all.

Fair Value Option

During 2009, the Corporation and its subsidiaries also adopted a new accounting principle related to the fair value option for certain of its financial assets and financial liabilities. The new standard gives entities the option at specific election dates, to measure certain financial assets and liabilities at fair value. The election may be applied to financial assets and liabilities on an instrument by instrument basis, is irrevocable, and may only be applied to the entire instrument. Unrealized gains and losses on instruments for which the fair value option has been elected are reported as part of the excess of revenues over expenses at each subsequent reporting date. The Corporation and its subsidiaries elected fair value accounting for investments. Accordingly, in 2009, unrealized gains and losses on investments are included in excess of revenues over expenses.

Norwalk Health Services Corporation and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2009 and 2008

Assets Whose Use is Limited

Assets whose use is limited primarily include assets held by trustee under indenture agreements and investments held by trustee for self-insurance.

Assets Held in Trust by Others

The Corporation and its subsidiaries have been named sole or participating beneficiary in several perpetual trusts. Under the terms of these trusts, the Corporation and its subsidiaries have the irrevocable right to receive income earned on the trust assets in perpetuity. The estimated present value of the future payments to the Corporation and its subsidiaries is recorded at the fair value of the Corporation and its subsidiaries' proportionate interest in the assets held in trust. In 2008 and 2009, no distributions were received from these trusts.

Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method, or market.

Investments in Joint Ventures

The Corporation and its subsidiaries have invested in joint ventures and limited liability companies which are accounted under the equity method of accounting.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost or, if received as a donation, at the fair value on the date received. The Corporation and its subsidiaries provide for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of the assets over their useful lives. Useful lives assigned to assets are as follows: Land Improvements – 2-25 years; Buildings – 15-40 years; and Equipment – 3-20 years.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation and its subsidiaries are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the conditions are met or when the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Pledges receivable at September 30, 2009 were discounted using rates ranging from .4% to 4%. Pledges receivable at September 30, 2008 were discounted using a rate of 4%. Amortization of the discount is included in contribution revenue. At September 30, 2009 and 2008, pledges receivable, which are included in other current assets, were approximately \$97,000 and \$67,000, respectively.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Norwalk Health Services Corporation and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2009 and 2008

Medical Malpractice Self-Insurance

As of October 1, 2005, the Corporation and its subsidiaries are insured for general liability and professional liability claims by MSI. MSI provides medical malpractice coverage on a claims-made basis. The Corporation and its subsidiaries have obtained insurance coverage through MSI at \$5,000,000 per claim for its self-insurance exposure.

The Corporation and its subsidiaries established an irrevocable trust for the purpose of setting aside assets to pay general and professional liability claims incurred prior to the formation of MSI on October 1, 2005, based on actuarial funding recommendations. Under the trust agreement, the trust assets can only be used for payment of malpractice losses, related expenses, and the cost of administering the trust. The assets of, and contributions to, the trust are reported within unrestricted net assets of the consolidated balance sheet; income from the trust assets and administrative costs are reported in the consolidated statement of operations. Management accrues its best estimate of malpractice losses as they occur.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, short term investments, accounts receivable, other receivables, assets limited as to use, assets held in trust by others, investments, accounts payable and accrued liabilities at September 30, 2009 and 2008 approximate their fair values. The fair value of long-term debt at September 30, 2009 and 2008, based on current market rates for similar debt, was approximately \$29,663,000 and \$28,874,000, respectively.

Statement of Operations

The consolidated statement of operations includes the excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, includes pension-related changes other than net periodic benefit cost, and unrealized gains and losses on investments in 2008.

Nonoperating Income

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating income (expense) primarily consists of income earned on invested funds, unrealized and realized gains and losses on investments in 2009, and realized gains and losses on investments in 2008.

Asset Retirement Obligations

The Corporation and its subsidiaries record a liability for legal obligations associated with the retirement of tangible long-lived assets when the timing and/or method of settlement of the obligation is conditional on a future event. The fair value of a liability for a conditional asset retirement obligation is recognized in the period in which it occurred if a reasonable estimate of fair value can be made.

Reclassifications

Certain amounts have been reclassified in the prior year to conform with the current year presentation.

Subsequent Events

The Corporation and its subsidiaries have performed an evaluation of subsequent events through January 12, 2010, which is the date the financial statements were available to be issued.

Norwalk Health Services Corporation and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2009 and 2008

2. Revenues From Services to Patients

The following table summarizes revenues from services to patients:

	2009	2008
Gross revenues from services to patients	\$ 690,583,729	\$ 622,176,450
Deductions and exclusions		
Allowances	<u>345,069,091</u>	<u>299,737,048</u>
Net revenues from services to patients	<u>\$ 345,514,638</u>	<u>\$ 322,439,402</u>

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from certain payors are different from established billing rates of the various providers, and these differences are accounted for as allowances.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Provisions for estimated third-party payor settlements and adjustments are estimated in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inpatient acute care services rendered to Medicare program recipients are paid at prospectively determined rates per discharge varying according to the intensity of services required. Inpatient acute care services are paid based on diagnosis-related groups ("DRG"), inpatient rehabilitation services are paid based on case mix groups ("CMG"), and inpatient psychiatry services are paid on a prospective per diem rate. Outpatient services are reimbursed by Medicare on an Ambulatory Payment Classification ("APC") basis and fee screens. Hospital claims for reimbursement are subject to review and audit. The Hospital's Medicare costs reports have been final settled with the Medicare fiscal intermediary through 2005.

Inpatient Medicaid reimbursement through the Connecticut Department of Social Services ("DSS") is reimbursed on a per diem basis with settlement cost reports based in discharges filed in the subsequent fiscal year. Outpatient activity through DSS is reimbursed based on fee schedules in effect at the time the service is provided. Managed Medicaid services are reimbursed according to per diems and fee schedules in place at the time the service is provided.

The Hospital has agreements with various health maintenance organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, the Hospital receives fee-for-service payments for covered services based upon discounted fee schedules.

The Corporation and its subsidiaries grant credit without collateral to its patients, most of whom are local residents and are insured under third-party agreements. The mix of net receivables from patients and third-party payors at September 30, 2009 and 2008 are as follows:

	2009	2008
Commerical/other	52 %	50 %
Medicare	30	32
Self pay	10	10
Medicaid	<u>8</u>	<u>8</u>
	<u>100 %</u>	<u>100 %</u>

Norwalk Health Services Corporation and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2009 and 2008

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that the Hospital, NHC and SWC are in compliance with all applicable laws and regulations. Management is not aware of any significant pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, 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.

The Hospital and NHC accept all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to established policies. These policies define charity services as those services for which no payment is anticipated. In assessing a patient's ability to pay, the Hospital and NHC utilize the generally recognized poverty income levels for the state published in the Federal Registrar, but also include certain cases where incurred charges are significant when compared to income. For the year ended September 30, 2009 and 2008, the Hospital provided charity care of \$17,554,000 and \$16,366,000, respectively, in charges.

3. Investments

Investments are stated at fair value. The composition of investments as of September 30 is as follows:

	2009	2008
Investments		
Cash and cash equivalents	\$ 25,856,122	\$ 2,683,685
U.S. Treasury obligations	23,763,866	31,050,962
Mutual funds	<u>53,531,000</u>	<u>56,429,471</u>
	<u>\$103,150,988</u>	<u>\$ 90,164,118</u>
Assets whose use is limited		
Cash and cash equivalents	\$ 1,556,675	\$ 4,110,386
U.S. Treasury obligations	2,665,271	540,382
Mutual funds	<u>5,983,665</u>	<u>9,638,937</u>
	<u>\$ 10,205,611</u>	<u>\$ 14,289,705</u>

Norwalk Health Services Corporation and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2009 and 2008

The Corporation and its subsidiaries' financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value:

	2009			Total Fair Value	2008
	Level 1	Level 2	Level 3		Total Fair Value
General investments					
Cash and cash equivalents	\$ 25,856,122	\$ -	\$ -	\$ 25,856,122	\$ 2,683,685
U.S. Treasury obligations	23,763,866	-	-	23,763,866	31,050,962
Mutual funds	53,531,000	-	-	53,531,000	56,429,471
	<u>103,150,988</u>	<u>-</u>	<u>-</u>	<u>103,150,988</u>	<u>90,164,118</u>
Assets whose use is limited					
Cash and cash equivalents	1,556,675	-	-	1,556,675	4,110,386
U.S. Treasury obligations	2,665,271	-	-	2,665,271	540,382
Mutual funds	5,983,665	-	-	5,983,665	9,638,947
	<u>10,205,611</u>	<u>-</u>	<u>-</u>	<u>10,205,611</u>	<u>14,289,705</u>
Beneficial interest in trust	-	-	6,345,767	6,345,767	6,419,051
	<u>\$ 113,356,599</u>	<u>\$ -</u>	<u>\$ 6,345,767</u>	<u>\$ 119,702,366</u>	<u>\$ 110,872,874</u>

The table below presents the change in fair value measurements for the Corporation and its subsidiaries' Level 3 investments during the year ended September 30, 2009:

Beginning balance	\$ 6,419,051
Realized and unrealized loss	<u>(73,284)</u>
Ending balance	<u>\$ 6,345,767</u>

Investment income includes the following for the year ended September 30, 2009 and 2008:

	2009	2008
Interest and dividend income	\$ 3,530,841	\$ 4,594,925
Net realized (losses) gains on sales of securities	<u>(467,995)</u>	<u>268,931</u>
	<u>\$ 3,062,846</u>	<u>\$ 4,863,856</u>
Investment income included in other operating and nonoperating revenues	\$ 2,251,352	\$ 5,112,695
Investment income (losses) included in the change in temporarily restricted net assets	<u>811,494</u>	<u>(248,839)</u>
	<u>\$ 3,062,846</u>	<u>\$ 4,863,856</u>

Norwalk Health Services Corporation and Subsidiaries
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The following table summarizes the unrealized gains and losses on unrestricted investments held at September 30, 2008:

Description of Securities	2008			
	Investments in a Loss Position		Investments in a Gain Position	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Gain
U.S. Treasury Obligations	\$ -	\$ -	\$ 17,945,101	\$ 222,870
Mutual funds	371,362	(40,969)	43,061,532	2,834,220
Total	\$ 371,362	\$ (40,969)	\$ 61,006,633	\$ 3,057,090

4. Leases

The Corporation and its subsidiaries lease property and equipment under noncancelable operating leases that expire in various years through 2028. Certain leases may be renewed at the end of their term.

Future minimum payments under noncancelable operating leases, and future receipts under noncancelable subleases where the Corporation and its subsidiaries are receiving rental receipts, with initial terms of one year or more consisted of the following at September 30, 2009:

Year	Operating Lease Payments	Sublease Rental Receipts
2010	\$ 5,577,000	\$ 2,229,000
2011	5,619,000	2,331,000
2012	5,352,000	2,361,000
2013	5,432,000	2,364,000
2014	5,331,000	2,391,000
Thereafter	61,631,000	17,171,000
	\$ 88,942,000	\$ 28,847,000

Rental expense was approximately \$6,192,000 and \$4,166,000 for the years ended September 30, 2009 and 2008, respectively. Rent expense was offset by rental revenue of approximately \$1,727,000 and \$491,000 for net rental expense of approximately \$4,465,000 and \$3,675,000, respectively. An amount of \$649,000 and \$330,000, respectively, of the net rental expense is included in other operating revenue and \$3,816,000 and \$3,345,000, respectively, is included in supplies and other expenses on the consolidated statement of operations.

Norwalk Health Services Corporation and Subsidiaries

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5. Goodwill

In 2009, the Hospital purchased a physician practice. The Hospital paid consideration of \$1,866,755 in exchange for fixed assets of \$227,002, prepaid expenses of \$5,170, and other assets of \$14,583, with the balance of \$1,620,000 has been recorded as goodwill. The Hospital is amortizing the goodwill over five years on a straight-line basis. Accumulated amortization as of September 30, 2009 amounted to \$189,000.

In 2008, the Hospital purchased a diagnostic imaging services practice. The Hospital paid \$3,362,500 in consideration all of which was recorded as goodwill. The Hospital is amortizing this goodwill over five years on a straight-line basis. Accumulated amortization as of September 30, 2009 and 2008 amounted to \$896,667 and \$224,167, respectively.

6. Beneficial Interest in Trust

The Corporation is the beneficiary of assets held in trust by others. The total trust assets, as reported by the trustee, had an aggregate fair value, based on quoted market prices, at September 30, 2009 and 2008 of \$6,345,767 and \$6,419,051, respectively. The timing and amounts of the principal distributions are based upon various factors established in a will. During 2009 and 2008, the Corporation did not receive any distributions.

7. Long-Term Debt

The Hospital has outstanding State of Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Series E issued under a Master Trust Indenture with the Hospital, NHC, and the Foundation (the "Obligated Group"). The Series E bonds mature serially through 2022 with interest at a net average annual rate of 4.41%. Interest on the bonds is payable semi annually each January 1 and July 1.

NHC has outstanding CHEFA Revenue Bonds, Series F issued under a Master Trust Indenture with the Obligated Group. The Series F bonds mature serially through 2022 with interest at a net average annual rate of 4.55%. Interest on the bonds is payable semi annually each January 1 and July 1.

The bonds are collateralized by the debt service reserve fund and other funds held by the Bond Trustees as well as the gross receipts of the Obligated Group. The outstanding principal amount of the Obligated Group's loan obligation at September 30, 2009 and 2008 is \$19,285,000 and \$20,355,000, respectively.

The Series E and F bonds are subject to early redemption at the option of the Hospital and NHC or by the operation of the Redemption Fund, at established redemption prices.

The Series E and F bonds maturing on July 1, 2019, are subject to mandatory sinking fund redemptions on each July 1, commencing July 1, 2015. The Series E bonds maturing on July 1, 2022, are subject to mandatory sinking fund redemption on each July 1, commencing July 1, 2020.

In 2007, the Hospital financed certain equipment related to an energy project through CHEFA, which issued \$9,066,025 under a Master Financing Agreement (the "Agreement") dated as of April 1, 2007 with the Bank of America Public Capital Corp. as the Lender (the "Lender"). The loan is payable in 120 equal installments of \$93,432 beginning June 3, 2007, with interest of 4.38%.

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The Hospital has granted a collateral interest to the lender in the equipment financed.

In connection with this borrowing, the Hospital applied to the Department of Public Utility Control ("DPUC") for a capital grant for customer-side distributed resources. Pursuant to the application, DPUC has approved a rate reduction subsidy with regard to certain of the equipment financed under this Agreement. The rate reduction subsidy will be remitted by the Connecticut Light and Power Company directly to the Lender once the project is operational.

In 2007, the Hospital entered into an agreement with the Connecticut Hospital Association Trust (the "Trust") to borrow up to \$2,000,000 from the energy conservation and load management loan fund. The loan, which is interest free, will enable the Hospital to convert electrical energy and to manage its electrical energy needs. As of September 30, 2009 and 2008, \$1,480,637 and \$1,886,993, respectively, was outstanding under the agreement. The loan is payable in 84 equal monthly installments of \$22,462 beginning April 1, 2008.

The following table summarizes the long-term debt outstanding as of September 30, 2009:

	CHEFA Series E	CHEFA Series F	CHEFA Agreement	CHEFA Trust	Total
2010	\$ 595,000	\$ 510,000	\$ 818,213	\$ 269,570	\$ 2,192,783
2011	625,000	530,000	854,772	269,570	2,279,342
2012	660,000	555,000	892,966	269,570	2,377,536
2013	685,000	580,000	932,867	269,570	2,467,437
2014	715,000	605,000	974,550	269,570	2,564,120
Thereafter	7,160,000	6,065,000	2,817,015	132,787	16,174,802
	<u>10,440,000</u>	<u>8,845,000</u>	<u>7,290,383</u>	<u>1,480,637</u>	<u>28,056,020</u>
Less current portion of long-term debt	595,000	510,000	818,213	269,570	2,192,783
Long-term debt	<u>\$ 9,845,000</u>	<u>\$ 8,335,000</u>	<u>\$ 6,472,170</u>	<u>\$ 1,211,067</u>	<u>\$ 25,863,237</u>

During 2009 and 2008, the Corporation and its subsidiaries paid interest of \$1,330,132 and \$1,388,588, respectively, on its long-term obligations. Interest capitalized for the years ended September 30, 2009 and 2008 was \$212,790 and \$372,961, respectively.

8. Benefit Plans

The Hospital has a defined benefit pension plan covering substantially all of its employees. The benefits are based on years of service and the employee's average compensation (as defined in the Plan document). The Hospital's funding policy is to contribute, for each plan year, an amount necessary to satisfy the Employee Retirement Income Security Act ("ERISA") minimum funding requirements.

Effective December 31, 2006, an amendment froze participation in the plan. Individuals hired on or after January 1, 2007 are ineligible to participate in the plan.

Amounts included in unrestricted net assets that are not yet recognized as a component of net periodic benefit cost are as follows:

	2009	2008
Net actuarial loss	\$ 58,717,086	\$ 33,804,013
Prior service cost	<u>2,354,847</u>	<u>3,119,853</u>
	<u>\$ 61,071,933</u>	<u>\$ 36,923,866</u>

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The amount of prior service cost and actuarial loss expected to be recognized in net periodic benefit cost in 2010 is \$2,743,785.

The following is a summary of the changes in the projected benefit obligation and plan assets:

	2009	2008
Accumulated benefit obligation	\$ 145,131,338	\$ 124,193,839
Change in projected benefit obligation		
Benefit obligation, beginning of period	\$ 136,227,180	\$ 133,305,799
Service cost	7,060,848	5,137,858
Interest cost	10,691,311	8,353,888
Actuarial loss (gain)	9,657,204	(3,751,627)
Benefits paid	(8,790,595)	(6,818,738)
Benefit obligation, end of period	<u>\$ 154,845,948</u>	<u>\$ 136,227,180</u>
Change in plan assets		
Fair value of plan assets, beginning of period	\$ 125,863,381	\$ 130,576,583
Actual return on plan assets	(2,836,336)	(6,515,175)
Contributions	9,379,289	8,620,711
Benefits paid	(8,790,595)	(6,818,738)
Fair value of plan assets, end of period	<u>\$ 123,615,739</u>	<u>\$ 125,863,381</u>
Funded status	(31,230,209)	(10,363,799)
Fourth quarter contribution	-	1,891,568
Accrued pension liability	<u>\$ (31,230,209)</u>	<u>\$ (8,472,231)</u>

Change in Measurement Date

For the year ended September 30, 2008, the plan's projected benefit obligation and asset activity was for the period July 1, 2007 to June 30, 2008, using a June 30, 2008 measurement date. For the year ended September 30, 2009, the plan's projected benefit obligation and asset activity was for the period July 1, 2008 through September 30, 2009 using a September 30, 2009 measurement date. The impact of the change in measurement date for the period July 1, 2008 through September 30, 2008 was to decrease unrestricted net assets as of October 1, 2008 by \$1,219,528 for periodic benefit cost.

Components of net periodic benefit cost for the year ended:

	September 30, 2009	June 30, 2008
Service cost	\$ 5,648,678	\$ 5,137,858
Interest cost	8,553,049	8,353,888
Expected return on plan assets	(10,785,367)	(9,802,826)
Net amortization and deferral	<u>1,461,746</u>	<u>2,142,663</u>
Net periodic benefit cost	<u>\$ 4,878,106</u>	<u>\$ 5,831,583</u>

Norwalk Health Services Corporation and Subsidiaries
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Assumptions

The weighted-average assumptions used to determine the benefit obligation at September 30 are as follows:

	2009	2008
Discount rate	5.60 %	6.50 %
Rate of compensation increase	4.00 %	4.50 %

The weighted-average assumptions used to determine net periodic benefit cost for year ended September 30 are as follows:

	2009	2008
Discount rate	6.50 %	6.25 %
Expected return on assets	8.00 %	8.00 %
Rate of compensation increase	4.50 %	4.50 %

The Hospital's expected long-term rate of return on assets assumption is derived from a review of anticipated future long-term performance of individual asset classes and consideration of the appropriate asset allocation strategy given the anticipated requirements of the plan to determine the average rate of earnings expected on the funds invested to provide for the pension plan benefits. While the review gives appropriate consideration to recent fund performance and historical returns, the assumption is primarily a long-term, prospective rate.

Plan Assets

The Hospital's pension plan asset allocations at September 30 are as follows:

Asset Category	2009 Percentage of Plan Assets	2008 Percentage of Plan Assets
Equity securities	59 %	55 %
Debt securities	41	45
Total	100 %	100 %

The Hospital maintains target allocation percentages among various asset classes based on an investment policy established for the pension plan which is designed to achieve long-term objectives of return, while mitigating against downside risk and considering expected cash flows. The current weighted-average target asset allocation is equity securities 60%, debt securities 40%. The investment policy is reviewed from time to time to ensure consistency with the long-term objective of funding the plan to a level sufficient to pay plan benefits as they become due.

Contributions

The Hospital expects to contribute \$9,000,000 to the plan in fiscal 2010.

Norwalk Health Services Corporation and Subsidiaries
Notes to Consolidated Financial Statements
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Estimated Future Benefit Payments

The following benefit payments are expected to be paid:

Fiscal Year	Benefit Payments
2010	\$ 7,279,000
2011	6,492,000
2012	6,572,000
2013	7,482,000
2014	7,310,000
2015-2019	42,011,000
	<u>\$ 77,146,000</u>

The Corporation and Hospital also sponsor defined contribution savings plans covering substantially all of their respective employees. Effective January 1, 2007, the plans were split into two parts. Part I is for eligible employees who have a date of employment on or before December 31, 2006. Part II is for eligible employees who have a date of employment on January 1, 2007 or thereafter. Elective deferrals and after tax contributions are made pursuant to a salary reduction agreement for Part I and Part II employees.

For Part I employees, the Corporation and Hospital provide matching contributions equal to 50% of the first 3% of an employee's elective deferred and/or after tax contributions. Effective January 7, 2007, the matching contribution is \$.52 for each \$1.00 contributed by an employee on the first 3% of compensation contributed. Effective January 6, 2008, the matching contribution is \$.55 for each \$1.00 contributed by an employee on the first 3% of compensation contributed. Effective January 4, 2009, the matching contribution is \$.58 for each \$1.00 contributed by an employee on the first 3% of compensation contributed.

For Part II employees, the Corporation and Hospital provide matching contributions equal to 50% of the first 3% of an employee's elective deferral and/or after tax contributions. Part II employees will also receive a required employer contribution equal to 3% of such employee's compensation.

Expense related to the Hospital's defined contribution plan was approximately \$2,405,000 and \$1,963,000 for the years ended September 30, 2009 and 2008, respectively. Expense related to the Corporation's defined contribution plan was approximately \$84,000 and \$70,000 for the years ended September 30, 2009 and 2008, respectively.

NHC sponsors a defined contribution pension plan for eligible employees who have attained age 21 and have worked at least 1,000 hours and have one year of service. NHC at its discretion contributes a defined percentage of an employee's salary to the plan each year. Plan expense was \$52,000 and \$124,000 for 2009 and 2008, respectively.

Norwalk Health Services Corporation and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2009 and 2008

9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	2009	2008
Healthcare services	<u>\$ 25,727,502</u>	<u>\$ 27,385,687</u>

Permanently restricted net assets at September 30, 2009 and 2008 are restricted to:

	2009	2008
Healthcare services	<u>\$ 9,343,642</u>	<u>\$ 9,338,472</u>

10. Endowments

The Corporation's endowment funds consist of donor restricted funds to be invested in perpetuity to provide a permanent source of income. The net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

Effective October 1, 2008, the Corporation adopted a new accounting standard related to net asset classification and disclosures for endowment funds. The new standard requires enhanced disclosures for donor-restricted and internally-designated endowment funds, including information regarding endowment fund net assets, spending policies and related investment policies.

The new standard also establishes guidance on the net asset classification of donor-restricted endowment funds for organizations subject to an enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA). Connecticut enacted its UPMIFA statute effective October 1, 2007. The new standard requires not-for-profit organizations subject to an enacted version of UPMIFA to classify the portion of the endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets (time restricted) until appropriated for expenditure by the organization. The portion to be classified as temporarily restricted consists of accumulated unspent income and appreciation.

The Corporation has interpreted the Connecticut UPMIFA statute as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for

Norwalk Health Services Corporation and Subsidiaries
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expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Corporation 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 organization
- 7) The investment policies of the organization.

Prior to enactment of UPMIFA, the Corporation followed the provisions of the Uniform Management of Institutional Funds Act.

Endowment net asset composition by type of fund as of September 30:

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor restricted endowment funds	\$ -	\$ 4,181,240	\$ 9,343,642	\$ 13,524,882

	2008			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor restricted endowment funds	\$ -	\$ 4,078,142	\$ 9,338,472	\$ 13,416,614

Changes in endowment net assets for the year ended September 30:

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ 4,078,142	\$ 9,338,472	\$ 13,416,614
Investment return				
Investment income	-	495,058	-	495,058
Net realized and unrealized gain	-	203,533	-	203,533
Total investment return	-	698,591	-	698,591
Contributions	-	-	5,170	5,170
Appropriation of investment return for expenditure	-	(595,493)	-	(595,493)
Endowment net assets, end of year	\$ -	\$ 4,181,240	\$ 9,343,642	\$ 13,524,882

Norwalk Health Services Corporation and Subsidiaries
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	2008			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ 5,536,521	\$ 9,301,227	\$ 14,837,748
Investment return				
Investment income	-	589,005	-	589,005
Net realized and unrealized loss	-	(1,257,601)	-	(1,257,601)
Total investment return	-	(668,596)	-	(668,596)
Contributions	-	-	37,245	37,245
Appropriation of investment return for expenditure	-	(789,783)	-	(789,783)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 4,078,142</u>	<u>\$ 9,338,472</u>	<u>\$ 13,416,614</u>

The primary long-term management objective for the Corporation's endowment funds is to maintain the permanent nature of each endowment fund, while providing a predictable, stable, and constant stream of earnings. Consistent with that objective, the primary investment goal is to earn annual interest and dividends.

11. Contingencies

Malpractice claims have been asserted against the Hospital and NHC by various claimants. The claims are in various stages of activity and some may ultimately be brought to trial. There are also known incidents that have occurred through September 30, 2009 and 2008, that may result in the assertion of additional claims. Management has accrued its best estimate of those contingent losses.

12. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, outpatient surgery and long-term care services. In addition, the Foundation performs fund raising activities on behalf of the Corporation and its subsidiaries. Expenses related to providing these services are as follows:

	2009	2008
Health care services	\$ 258,799,868	\$ 253,332,266
General and administrative	98,423,300	87,366,742
	<u>\$ 357,223,168</u>	<u>\$ 340,699,008</u>

Supplemental Consolidating Information

Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2009

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Assets										
Current assets										
Cash and cash equivalents	\$ 16,610,569	\$ 39,721	\$ 430,161	\$ -	\$ 17,080,451	\$ 126,985	\$ 173,156	\$ 171,327	\$ -	\$ 17,551,919
Investments	8,601,698	-	-	-	8,601,698	-	-	7,572,133	-	16,173,831
Patient accounts receivable, net	42,345,864	3,016,422	-	-	45,362,286	-	313,729	-	-	45,676,015
Due from third party agencies	313,892	-	-	-	313,892	-	-	-	-	313,892
Due from affiliates	-	-	-	-	-	-	100,030	-	(100,030)	-
Inventories	2,323,933	33,626	-	-	2,357,559	-	435,666	-	-	2,793,225
Other current assets	4,875,641	543,059	437,918	-	5,856,618	-	57,243	38,027	-	5,951,888
Assets whose use is limited	333,297	237,700	-	-	570,997	-	-	-	-	570,997
Total current assets	75,404,894	3,870,528	868,079	-	80,143,501	126,985	1,079,824	7,781,487	(100,030)	89,031,767
Long-term investments	20,099,143	-	27,796,301	-	47,895,444	20,374,662	-	18,707,051	-	86,977,157
Assets whose use is limited										
Assets held by trustee per bond indenture	2,063,900	1,587,049	-	-	3,650,949	-	-	-	-	3,650,949
Assets held in trust for self-insurance	5,983,665	-	-	-	5,983,665	-	-	-	-	5,983,665
Beneficial interest in trust	-	-	-	-	-	6,345,767	-	-	-	6,345,767
Other assets	2,696,912	237,469	99,114	-	3,033,495	440,841	14,842	-	(440,841)	3,048,337
Due from third party agencies	3,541,718	-	-	-	3,541,718	-	-	-	-	3,541,718
Beneficial interest in Norwalk Hospital Foundation, Inc.	28,565,355	41,604	-	(28,606,959)	-	-	-	-	-	-
Goodwill	3,896,833	-	-	-	3,896,833	-	-	-	-	3,896,833
Investment in joint venture	2,728,803	-	-	-	2,728,803	-	-	-	-	2,728,803
Property, plant and equipment										
Land and land improvements	2,615,825	1,833,602	-	-	4,449,427	937,642	-	-	-	5,387,069
Buildings	144,880,667	9,642,535	-	-	154,523,202	362,326	-	-	(174,536)	154,710,992
Equipment	213,336,421	1,097,033	131,033	-	214,564,487	-	765,015	-	-	215,329,502
Construction in progress and deferred project costs	3,130,487	-	-	-	3,130,487	-	-	-	-	3,130,487
Accumulated depreciation	(247,990,711)	(6,218,553)	(107,873)	-	(254,317,137)	(260,815)	(451,618)	-	94,543	(254,935,027)
Total property, plant, and equipment	115,972,689	6,354,617	23,160	-	122,350,466	1,039,153	313,397	-	(79,993)	123,623,023
Total assets	\$ 260,953,912	\$ 12,091,267	\$ 28,786,654	\$ (28,606,959)	\$ 273,224,874	\$ 28,327,408	\$ 1,408,063	\$ 26,488,538	\$ (620,864)	\$ 328,828,019

Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2009

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Liabilities and Net Assets										
Current liabilities										
Accounts payable	\$ 17,906,168	\$ 440,055	\$ 2,073	\$ -	\$ 18,348,296	\$ 106,495	\$ 493,150	\$ 64,680	\$ -	\$ 19,012,621
Accrued compensation	15,348,449	976,667	-	-	16,325,116	-	474,072	-	-	16,799,188
Due to third party agencies	1,670,554	115,108	-	-	1,785,662	-	-	-	-	1,785,662
Due to affiliates	39,553	1,273	59,204	-	100,030	-	-	-	(100,030)	-
Accrued interest payable	153,594	99,583	-	-	253,177	-	-	-	-	253,177
Current portion of long-term debt	1,682,783	510,000	-	-	2,192,783	-	-	-	-	2,192,783
Current portion capital lease	12,194	-	-	-	12,194	-	-	-	-	12,194
Other current liabilities	-	774,755	-	-	774,755	-	-	-	-	774,755
Total current liabilities	36,813,295	2,917,441	61,277	-	39,792,013	106,495	967,222	64,680	(100,030)	40,830,380
Accrued pension liability	31,230,209	-	-	-	31,230,209	-	-	-	-	31,230,209
Asset retirement obligations	8,240,150	-	-	-	8,240,150	-	-	-	-	8,240,150
Other liabilities	17,790,195	410,657	-	-	18,200,852	-	-	16,557,422	-	34,758,274
Due to third party agencies	7,738,424	-	-	-	7,738,424	-	-	-	-	7,738,424
Long-term debt, less current portion	17,528,237	8,335,000	-	-	25,863,237	-	-	-	-	25,863,237
Long-term capital lease, less current portion	24,611	-	-	-	24,611	-	-	-	-	24,611
Net assets										
Unrestricted	118,518,705	386,565	-	(5,495,269)	113,410,001	21,875,146	-	9,866,436	(79,993)	145,071,590
Temporarily restricted	13,726,443	41,604	19,381,735	(13,768,047)	19,381,735	6,345,767	-	-	-	25,727,502
Permanently restricted	9,343,643	-	9,343,642	(9,343,643)	9,343,642	-	-	-	-	9,343,642
Shareholder's equity	-	-	-	-	-	-	440,841	-	(440,841)	-
Total net assets and shareholder's equity	141,588,791	428,169	28,725,377	(28,606,959)	142,135,378	28,220,913	440,841	9,866,436	(520,834)	180,142,734
Total liabilities, net assets and shareholders' equity	\$ 260,953,912	\$ 12,091,267	\$ 28,786,654	\$ (28,606,959)	\$ 273,224,874	\$ 28,327,408	\$ 1,408,063	\$ 26,488,538	\$ (620,864)	\$ 328,828,019

Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2009

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Net revenues from services to patients	\$ 322,749,162	\$ 14,632,956	\$ -	\$ (11,642)	\$ 337,370,476	\$ -	\$ 8,144,162	\$ -	\$ -	\$ 345,514,638
Other operating revenues	22,183,733	8,736	1,533,339	(5,709,026)	18,016,782	721,717	3,591,367	8,654,553	(11,131,626)	19,852,793
Equity in earnings of subsidiary	-	-	-	-	-	130,943	-	-	(130,943)	-
Change in unrestricted beneficial interest in Norwalk Hospital Foundation	24,706	-	-	(24,706)	-	-	-	-	-	-
Net assets released from restrictions used for operations	-	-	3,689,378	-	3,689,378	-	-	-	-	3,689,378
Total operating revenues	344,957,601	14,641,692	5,222,717	(5,745,374)	359,076,636	852,660	11,735,529	8,654,553	(11,262,569)	369,056,809
Operating expenses										
Salaries and benefits	180,497,250	8,607,804	1,236,266	-	190,341,320	-	4,763,022	-	-	195,104,342
Supplies and other expenses	112,171,964	6,710,165	3,942,773	(4,499,285)	118,325,617	123,750	6,634,378	5,494,406	(11,110,780)	119,467,371
Depreciation and amortization	18,708,282	373,584	43,678	-	19,125,544	7,469	77,445	-	(5,818)	19,204,640
Provision for bad debts	21,000,769	1,242,169	-	-	22,242,938	-	111,274	-	-	22,354,212
Funding operations of Norwalk Hospital Foundation	1,221,383	-	-	(1,221,383)	-	-	-	-	-	-
Interest	651,938	443,044	-	-	1,094,982	-	18,467	-	(20,846)	1,092,603
Total operating expenses	334,251,586	17,376,766	5,222,717	(5,720,668)	351,130,401	131,219	11,604,586	5,494,406	(11,137,444)	357,223,168
Income (loss) from operations	10,706,015	(2,735,074)	-	(24,706)	7,946,235	721,441	130,943	3,160,147	(125,125)	11,833,641
Nonoperating income (expense)										
Investment income	879,780	25,815	-	-	905,595	-	-	-	-	905,595
Net unrealized gains on investments	365,198	16	-	-	365,214	843,222	-	12,416	-	1,220,852
Writeoff of investment in joint ventures	(1,317,039)	-	-	-	(1,317,039)	-	-	-	-	(1,317,039)
Recovery of affiliate receivable	1,152,740	-	-	(1,152,740)	-	-	-	-	-	-
Total non-operating income (expense)	1,080,679	25,831	-	(1,152,740)	(46,230)	843,222	-	12,416	-	809,408
Excess (deficiency) of revenues over expenses	11,786,694	(2,709,243)	-	(1,177,446)	7,900,005	1,564,663	130,943	3,172,563	(125,125)	12,643,049
Other changes in net assets										
Net assets realized from restrictions used for capital	-	-	3,638,289	-	3,638,289	-	-	-	-	3,638,289
Pension related changes other than net periodic benefit cost	(24,148,067)	-	-	-	(24,148,067)	-	-	-	-	(24,148,067)
Transfers from Norwalk Hospital Foundation, Inc.	3,638,289	-	(3,638,289)	-	-	-	-	-	-	-
Transfers to Norwalk Health Care, Inc.	(7,323,000)	7,323,000	-	-	-	-	-	-	-	-
(Decrease) increase in unrestricted net assets	\$ (16,046,084)	\$ 4,613,757	\$ -	\$ (1,177,446)	\$ (12,609,773)	\$ 1,564,663	\$ 130,943	\$ 3,172,563	\$ (125,125)	\$ (7,866,729)

**Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Statement of Changes in Net Assets
Year Ended September 30, 2009**

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Unrestricted net assets										
Excess (deficiency) of revenues over expenses	\$ 11,786,694	\$ (2,709,243)	\$ -	\$ (1,177,446)	\$ 7,900,005	\$ 1,564,663	\$ 130,943	\$ 3,172,563	\$ (125,125)	\$ 12,643,049
Net assets released from restrictions used for capital	-	-	3,638,289	-	3,638,289	-	-	-	-	3,638,289
Pension related charges other than net periodic benefit cost	(24,148,067)	-	-	-	(24,148,067)	-	-	-	-	(24,148,067)
Spent for capital by the Foundation	3,638,289	-	(3,638,289)	-	-	-	-	-	-	-
Transfers (to) from affiliates	(7,323,000)	7,323,000	-	-	-	-	-	-	-	-
Decrease (increase) in unrestricted net assets	(16,046,084)	4,613,757	-	(1,177,446)	(12,609,773)	1,564,663	130,943	3,172,563	(125,125)	(7,866,729)
Temporarily restricted net assets										
Contributions	-	-	4,687,744	-	4,687,744	-	-	-	-	4,687,744
Decrease in assets held in trust by others	-	-	-	-	-	(73,284)	-	-	-	(73,284)
Change in beneficial interest in Norwalk Hospital Foundation, Inc.	(1,307,577)	357	-	1,307,220	-	-	-	-	-	-
Net realized and unrealized losses on investments	-	-	1,055,022	-	1,055,022	-	-	-	-	1,055,022
Net assets released from restrictions	-	-	(7,327,667)	-	(7,327,667)	-	-	-	-	(7,327,667)
Decrease (increase) in temporarily restricted net assets	(1,307,577)	357	(1,584,901)	1,307,220	(1,584,901)	(73,284)	-	-	-	(1,658,185)
Permanently restricted net assets										
Contributions	-	-	5,170	-	5,170	-	-	-	-	5,170
Change in beneficial interest in Norwalk Hospital Foundation, Inc.	5,170	-	-	(5,170)	-	-	-	-	-	-
Increase in permanently restricted net assets	5,170	-	5,170	(5,170)	5,170	-	-	-	-	5,170
Increase (decrease) in net assets	(17,348,491)	4,614,114	(1,579,731)	124,604	(14,189,504)	1,491,379	130,943	3,172,563	(125,125)	(9,519,744)
Net assets										
Beginning of year, as previously reported	160,156,810	(4,185,945)	30,305,108	(28,731,563)	157,544,410	26,729,535	309,898	6,693,873	(395,709)	190,882,007
Adjustment for change in accounting for pension benefits	(1,219,528)	-	-	-	(1,219,528)	-	-	-	-	(1,219,528)
As adjusted	158,937,282	(4,185,945)	30,305,108	(28,731,563)	156,324,882	26,729,535	308,898	6,693,873	(395,709)	189,662,479
Net assets, at end of year	\$ 141,588,791	\$ 428,169	\$ 28,725,377	\$ (28,606,959)	\$ 143,354,905	\$ 28,220,914	\$ 440,841	\$ 9,866,436	\$ (520,834)	\$ 180,142,735

Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2008

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Assets										
Current assets										
Cash and cash equivalents	\$ 1,505,913	\$ 333,381	\$ 249,647	\$ -	\$ 2,088,941	\$ 957,801	\$ 209,983	\$ 98,273	\$ -	\$ 3,354,998
Investments	29,387	-	-	-	29,387	-	-	-	-	29,387
Patient accounts receivable, net	43,332,119	2,459,647	-	-	45,791,766	-	414,011	-	-	46,205,777
Due from third party agencies	1,034,979	-	-	-	1,034,979	-	-	-	-	1,034,979
Due from affiliates	1,431,263	-	2,061,980	(2,910,564)	582,679	109,820	460	-	(692,959)	-
Inventories	2,522,708	33,626	-	-	2,556,334	-	519,854	-	-	3,076,188
Other current assets	10,697,661	202,144	372,341	-	11,272,146	-	243,212	4,296	-	11,519,654
Assets whose use is limited	388,756	318,462	-	-	707,218	-	-	-	-	707,218
Total current assets	60,942,786	3,347,260	2,683,968	(2,910,564)	64,063,450	1,067,621	1,387,520	102,569	(692,959)	65,928,201
Long-term investments	25,425,544	-	27,558,050	-	52,983,594	18,007,348	-	19,143,789	-	90,134,731
Assets whose use is limited										
Assets held by trustee per bond indenture	2,357,203	1,566,851	-	-	3,924,054	-	-	-	-	3,924,054
Assets held in trust for self-insurance	9,658,433	-	-	-	9,658,433	-	-	-	-	9,658,433
Beneficial interest in trust	-	-	-	-	-	6,419,051	-	-	-	6,419,051
Other assets	2,633,144	256,169	354,824	-	3,244,137	309,898	84,313	-	(309,898)	3,328,450
Investment in Norwalk Hospital Foundation, Inc.	29,843,056	41,247	-	(29,884,303)	-	-	-	-	-	-
Goodwill	3,138,333	-	-	-	3,138,333	-	-	-	-	3,138,333
Due from third party agencies	2,244,474	-	-	-	2,244,474	-	-	-	-	2,244,474
Investment in joint venture	3,535,786	-	-	-	3,535,786	-	-	-	-	3,535,786
Investment in joint venture held for sale	2,800,000	-	-	-	2,800,000	-	-	-	-	2,800,000
Property, plant and equipment										
Land and land improvements	1,902,945	1,833,602	-	-	3,736,547	937,642	-	-	-	4,674,189
Buildings	140,396,928	9,631,634	-	-	150,028,562	362,326	-	-	(174,536)	150,216,352
Equipment	202,893,357	1,077,036	193,664	-	204,164,057	-	765,015	-	-	204,929,072
Construction in progress and deferred project costs	4,736,890	30,408	-	-	4,767,298	-	-	-	-	4,767,298
Accumulated depreciation	(230,250,260)	(5,863,669)	(126,827)	-	(236,240,756)	(253,346)	(374,173)	-	88,725	(236,779,550)
Total property, plant, and equipment	119,679,860	6,709,011	66,837	-	126,455,708	1,046,622	390,842	-	(85,811)	127,807,361
Total assets	\$ 262,258,619	\$ 11,920,538	\$ 30,663,679	\$ (32,794,867)	\$ 272,047,969	\$ 26,850,540	\$ 1,862,675	\$ 19,246,358	\$ (1,088,668)	\$ 318,918,874

Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2008

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Liabilities and Net Assets										
Current liabilities										
Accounts payable	\$ 15,714,598	\$ 150,099	\$ 37,156	\$ -	\$ 15,901,853	\$ 121,005	\$ 516,380	\$ 71,518	\$ -	\$ 16,610,756
Accrued compensation	15,000,488	1,116,634	-	-	16,117,122	-	456,263	-	-	16,573,385
Due to third party agencies	4,290,663	115,108	-	-	4,405,771	-	-	-	-	4,405,771
Due to affiliates	-	4,175,421	708	(4,063,304)	112,825	-	580,134	-	(692,959)	-
Accrued interest payable	162,687	112,850	-	-	275,537	-	-	-	-	275,537
Current portion of long-term debt	1,632,786	490,000	-	-	2,122,786	-	-	-	-	2,122,786
Other current liabilities	-	791,172	-	-	791,172	-	-	-	-	791,172
Total current liabilities	36,801,222	6,951,284	37,864	(4,063,304)	39,727,066	121,005	1,552,777	71,518	(692,959)	40,779,407
Accrued pension liability	8,472,231	-	-	-	8,472,231	-	-	-	-	8,472,231
Asset retirement obligations	7,909,181	-	-	-	7,909,181	-	-	-	-	7,909,181
Other liabilities	22,712,146	310,199	320,707	-	23,343,052	-	-	12,480,967	-	35,824,019
Due to third party agencies	6,996,009	-	-	-	6,996,009	-	-	-	-	6,996,009
Long-term debt, less current portion	19,211,020	8,845,000	-	-	28,056,020	-	-	-	-	28,056,020
Net assets (deficit)										
Unrestricted	135,784,317	(4,227,192)	-	(4,317,823)	127,239,302	20,310,484	-	6,693,873	(85,811)	154,157,848
Temporarily restricted	15,034,020	41,247	20,966,636	(15,075,267)	20,966,636	6,419,051	-	-	-	27,385,687
Permanently restricted	9,338,473	-	9,338,472	(9,338,473)	9,338,472	-	-	-	-	9,338,472
Shareholder's equity	-	-	-	-	-	-	309,898	-	(309,898)	-
Total net assets (deficit) and shareholder's equity	160,156,810	(4,185,945)	30,305,108	(28,731,563)	157,544,410	26,729,535	309,898	6,693,873	(395,709)	190,882,007
Total liabilities, net assets (deficit) and shareholders' equity	\$ 262,258,619	\$ 11,920,538	\$ 30,663,679	\$ (32,794,867)	\$ 272,047,969	\$ 26,850,540	\$ 1,862,675	\$ 19,246,358	\$ (1,088,668)	\$ 318,918,874

Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2008

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Net revenues from services to patients	\$ 299,355,744	\$ 14,722,190	\$ -	\$ (23,752)	\$ 314,054,182	\$ -	\$ 8,385,220	\$ -	\$ -	\$ 322,439,402
Other operating revenues	22,117,888	125,263	1,251,734	(5,198,254)	18,296,631	1,093,914	3,403,559	7,845,034	(10,314,641)	20,324,497
Equity in earnings of subsidiary	-	-	-	-	-	(169,907)	-	-	169,907	-
Change in unrestricted beneficial interest in Norwalk Hospital Foundation	1,251,734	-	-	(1,251,734)	-	-	-	-	-	-
Net assets released from restrictions used for operations	-	-	2,717,179	-	2,717,179	-	-	-	-	2,717,179
Total operating revenues	322,725,366	14,847,453	3,968,913	(6,473,740)	335,067,992	924,007	11,788,779	7,845,034	(10,144,734)	345,481,078
Operating expenses										
Salaries and benefits	175,254,560	7,973,210	1,205,483	-	184,433,253	-	4,605,225	-	-	189,038,478
Supplies and other expenses	107,606,981	6,595,543	812,519	(1,681,590)	113,333,453	190,911	7,091,316	5,243,154	(10,274,170)	115,584,664
Expenditures of restricted funds	-	-	2,717,179	(2,288,682)	428,497	-	-	-	-	428,497
Depreciation and amortization	16,684,680	395,963	43,678	-	17,124,321	8,355	54,881	-	(5,818)	17,181,739
Provision for bad debts	17,298,312	(33,855)	-	-	17,264,457	-	178,028	-	-	17,442,485
Funding operations of Norwalk Hospital Foundation	1,251,734	-	-	(1,251,734)	-	-	-	-	-	-
Interest	554,956	479,424	-	-	1,034,380	-	29,236	-	(40,471)	1,023,145
Total operating expenses	318,651,223	15,410,285	4,778,859	-	333,618,361	199,266	11,958,686	5,243,154	(10,320,459)	340,699,008
Income (loss) from operations	4,074,143	(562,832)	(809,946)	(6,473,740)	1,449,631	724,741	(169,907)	2,601,880	175,725	4,782,070
Nonoperating income (expense)										
Investment income	3,163,877	11,700	-	-	3,175,577	-	-	-	-	3,175,577
Realized (losses) on investments, other than temporary	(181,130)	-	-	-	(181,130)	(94,555)	-	-	-	(275,685)
Provision for joint venture investment	(437,780)	-	-	-	(437,780)	-	-	-	-	(437,780)
Provision for affiliate receivable	(1,152,740)	-	-	1,152,740	-	-	-	-	-	-
Total non-operating income (expense)	1,392,227	11,700	-	1,152,740	2,556,667	(94,555)	-	-	-	2,462,112
Excess (deficiency) of revenues over expenses	5,466,370	(551,132)	(809,946)	(5,321,000)	4,006,298	630,186	(169,907)	2,601,880	175,725	7,244,182
Other changes in net assets										
Net unrealized (losses) gains on investments	(8,610,813)	(12,379)	-	-	(8,623,192)	(3,302,433)	-	148,388	-	(11,777,237)
Net assets realized from restrictions used for capital	-	-	3,509,596	-	3,509,596	-	-	-	-	3,509,596
Pension related changes other than net periodic benefit cost	(10,423,712)	-	-	-	(10,423,712)	-	-	-	-	(10,423,712)
Spent for capital by Norwalk Hospital Foundation	3,509,596	-	(3,509,596)	-	-	-	-	-	-	-
Funding for operations of Norwalk Hospital Foundation	(809,946)	-	809,946	-	-	-	-	-	-	-
(Decrease) increase in unrestricted net assets	\$ (10,868,505)	\$ (563,511)	\$ -	\$ (5,321,000)	\$ (11,531,010)	\$ (2,672,247)	\$ (169,907)	\$ 2,750,268	\$ 175,725	\$ (11,447,171)

**Supplemental Norwalk Health Services Corporation and Subsidiaries
Consolidating Statement of Changes in Net Assets
Year Ended September 30, 2008**

	Norwalk Hospital Association and Subsidiary	Norwalk Health Care, Inc.	Norwalk Hospital Foundation, Inc.	Eliminations	Obligated Group	Norwalk Health Services Corporation	S.W.C. Corporation	Maple Street Indemnity Company Ltd.	Eliminations	Consolidated
Unrestricted net assets										
Excess (deficiency) of revenues over expenses	\$ 5,466,370	\$ (551,132)	\$ (809,946)	\$ (98,994)	\$ 4,006,298	\$ 630,186	\$ (169,907)	\$ 2,601,880	\$ 175,725	\$ 7,244,182
Net unrealized gains (losses) on investments	(8,610,813)	(12,379)			(8,623,192)	(3,302,433)	-	148,388	-	(11,777,237)
Net assets released from restrictions	-	-	3,509,596	-	3,509,596	-	-	-	-	3,509,596
Pension related charges other than net periodic benefit cost	(10,423,712)	-	-	-	(10,423,712)	-	-	-	-	(10,423,712)
Transfers (to) from affiliates	2,699,650	-	(2,699,650)	-	-	-	-	-	-	-
Decrease (increase) in unrestricted net assets	(10,868,505)	(563,511)	-	(98,994)	(11,531,010)	(2,672,247)	(169,907)	2,750,268	175,725	(11,447,171)
Temporarily restricted net assets										
Contributions	-	-	6,347,883	-	6,347,883	-	-	-	-	6,347,883
Decrease in assets held in trust by others	-	-	-	-	-	(1,334,984)	-	-	-	(1,334,984)
Change in beneficial interest in										
Norwalk Hospital Foundation, Inc.	(2,084,080)	1,118	-	2,082,962	-	-	-	-	-	-
Net realized and unrealized losses on investments	-	-	(1,024,872)	-	(1,024,872)	-	-	-	-	(1,024,872)
Net assets released from restrictions	-	-	(6,226,776)	-	(6,226,776)	-	-	-	-	(6,226,776)
Decrease (increase) in temporarily restricted net assets	(2,084,080)	1,118	(903,765)	2,082,962	(903,765)	(1,334,984)	-	-	-	(2,238,749)
Permanently restricted net assets										
Contributions	-	-	37,245	-	37,245	-	-	-	-	37,245
Change in beneficial interest in										
Norwalk Hospital Foundation, Inc.	37,245	-	-	(37,245)	-	-	-	-	-	-
Increase in permanently restricted net assets	37,245	-	37,245	(37,245)	37,245	-	-	-	-	37,245
Increase (decrease) in net assets	(12,915,340)	(562,393)	(866,520)	1,946,723	(12,397,530)	(4,007,231)	(169,907)	2,750,268	175,725	(13,648,675)
Net assets at beginning of year, as restated	173,072,150	(3,623,552)	31,171,628	(30,678,286)	169,941,940	30,736,766	479,805	3,943,605	(571,434)	204,530,682
Net assets at end of year	\$ 160,156,810	\$ (4,185,945)	\$ 30,305,108	\$ (28,731,563)	\$ 157,544,410	\$ 26,729,535	\$ 309,898	\$ 6,693,873	\$ (395,709)	\$ 190,882,007