

**SPECTRUM HEALTHCARE
FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH
COUNTY FOUNDATION**

FINANCIAL STATEMENTS
September 30, 2009 and 2008

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
West Palm Beach, Florida

FINANCIAL STATEMENTS
September 30, 2009 and 2008

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Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors

Spectrum Healthcare Foundation, Inc. d/b/a Hospice of Palm Beach County Foundation
West Palm Beach, Florida

We have audited the accompanying balance sheets of Spectrum Healthcare Foundation, Inc. d/b/a Hospice of Palm Beach County Foundation ("HPBC Foundation") as of September 30, 2009 and 2008, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the HPBC Foundation'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 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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 financial position of Spectrum Healthcare Foundation, Inc. d/b/a Hospice of Palm Beach County Foundation as of September 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP

Crowe Horwath LLP

South Bend, Indiana
December 17, 2009

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
BALANCE SHEETS
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 197,008	\$ 2,612,517
Bequests receivable	405,438	33,000
Other current assets	<u>39,306</u>	<u>5,909</u>
Total current assets	641,752	2,651,426
Investments	<u>77,965,532</u>	<u>75,534,766</u>
	<u>\$ 78,607,284</u>	<u>\$ 78,186,192</u>
LIABILITIES AND NET ASSETS		
Temporary investments held for affiliate	\$ -	\$ 2,500,000
Due to affiliate	4,885,565	1,157,604
Accrued payroll and benefits	40,081	14,715
Accrued expenses	<u>129,255</u>	<u>48,050</u>
	<u>5,054,901</u>	<u>3,720,369</u>
Net assets		
Unrestricted		
Undesignated	547,185	1,355,452
Board designated	<u>70,000,000</u>	<u>70,000,000</u>
Total unrestricted net assets	70,547,185	71,355,452
Temporarily restricted	305,198	410,371
Permanently restricted	<u>2,700,000</u>	<u>2,700,000</u>
Total net assets	73,552,383	74,465,823
	<u>\$ 78,607,284</u>	<u>\$ 78,186,192</u>

See accompanying notes to financial statements.

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted net assets		
Revenue and other support		
Contributions, memorials, and bequests	\$ 6,804,926	\$ 3,221,073
Net assets released from restrictions	<u>425,206</u>	<u>224,485</u>
	7,230,132	3,445,558
 Expenses		
Grants to affiliates	4,610,083	5,013,008
Payroll and related expenses	1,017,047	631,996
Occupancy and equipment expenses	41,982	38,422
Operating expenses	<u>642,544</u>	<u>634,577</u>
	<u>6,311,656</u>	<u>6,318,003</u>
 Change in net assets from operations	918,476	(2,872,445)
 Nonoperating revenues and expenses		
Investment income, net of fees of \$553,512 in 2009 and \$476,841 in 2008	26,384	491,069
Net realized and unrealized loss on investments	<u>(1,753,127)</u>	<u>(16,063,719)</u>
	<u>(1,726,743)</u>	<u>(15,572,650)</u>
 Change in unrestricted net assets	(808,267)	(18,445,095)
 Temporarily restricted net assets		
Grants and contributions	320,033	634,856
Net assets released from restrictions	<u>(425,206)</u>	<u>(224,485)</u>
 Change in temporarily restricted net assets	<u>(105,173)</u>	<u>410,371</u>
 Change in net assets	(913,440)	(18,034,724)
 Net assets at beginning of year	<u>74,465,823</u>	<u>92,500,547</u>
 Net assets at end of year	<u>\$ 73,552,383</u>	<u>\$ 74,465,823</u>

See accompanying notes to financial statements.

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
STATEMENTS OF CASH FLOWS
Years ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Change in net assets	\$ (913,440)	\$ (18,034,724)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized loss on investments	1,753,127	16,063,719
Donated property	(274,000)	-
Changes in assets and liabilities		
Bequests receivable	(372,438)	(33,000)
Other current assets	(33,397)	(5,909)
Due to affiliate	3,727,961	1,059,698
Accrued payroll and benefits	25,366	14,715
Accrued expenses	<u>81,205</u>	<u>48,050</u>
Net cash from operating activities	3,994,384	(887,451)
 Cash flows from investing activities		
Proceeds from sale of investments	35,605,330	27,929,124
Purchase of investments	(39,515,223)	(26,969,058)
Temporary investments held for affiliate	<u>(2,500,000)</u>	<u>2,500,000</u>
Net cash from investing activities	<u>(6,409,893)</u>	<u>3,460,066</u>
 Net change in cash and cash equivalents	(2,415,509)	2,572,615
 Cash and cash equivalents at beginning of year	<u>2,612,517</u>	<u>39,902</u>
 Cash and cash equivalents at end of year	<u>\$ 197,008</u>	<u>\$ 2,612,517</u>

See accompanying notes to financial statements.

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Spectrum Healthcare Foundation, Inc. d/b/a Hospice of Palm Beach County Foundation ("HPBC Foundation") is a not-for-profit corporation organized in Florida. HPBC Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

HPBC Foundation provides fundraising, investment management, grants, and other support services to Spectrum Health, Inc. ("Spectrum") and its affiliates, including Hospice of Palm Beach County, Inc.

Affiliated Entities: HPBC Foundation's sole member is Spectrum, a non-stock, not-for-profit corporation organized in Florida. Spectrum is also a holding company (and sole member) for the following affiliates:

- Hospice of Palm Beach County, Inc. ("HPBC")
- The Medical Store of Palm Beach County, Inc. ("TMS")
- Hospice Partners On Call, Inc. ("HPOC"), effective October 1, 2008

Collectively, HPBC, TMS, HPBC Foundation, and HPOC are referred to as the Spectrum Affiliates.

Basis of Presentation: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Financial Statement Presentation: The financial statements report the changes in and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

Unrestricted net assets represent the part of the net assets of HPBC Foundation that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent the part of the net assets of HPBC Foundation resulting from contributions and other inflows of assets whose use by HPBC Foundation is limited by donor-imposed stipulations that either expire by the passage of time or by actions of HPBC Foundation. The temporarily restricted net assets are primarily restricted for HPBC's patient-related care and therapeutic activities.

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Permanently restricted net assets represent the part of the net assets of HPBC Foundation resulting from contributions and other inflows of assets whose use by HPBC Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of HPBC Foundation. For the years ended September 30, 2009 and 2008, the permanently restricted net assets are invested in perpetuity for the purpose of generating income that is available for supporting the operations of HPBC.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are subject to, and which at times may be in excess of, federally insured amounts. Additionally, for purposes of the statements of cash flows, HPBC Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the balance sheets. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Unrealized gains and losses resulting from year-end adjustments are included in the statements of activities and changes in net assets.

Contributions: Contributions received and unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist. Conditional promises to give are recognized in the statements of activities and changes in net assets only when the conditions on which they depend are substantially met and the promises become unconditional.

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 statements of activities and changes in net assets as net assets released from restrictions.

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor restricted gifts that are received for which their restricted purpose is met during the same year are initially recorded as temporarily restricted net assets and then reported as net assets released from restrictions and reclassified as unrestricted net assets.

Effective December 1, 2007, HPBC Foundation began actively soliciting contributions on behalf of the Spectrum Affiliates. Since that date, donations to HPBC or the other Spectrum Affiliates have been recorded by HPBC Foundation and are reported in HPBC Foundation's financial statements.

Special Events: The following amounts relate to special events that are on-going and major activities of HPBC Foundation.

	<u>2009</u>	<u>2008</u>
Revenue	\$ 534,495	\$ 552,350
Expense	<u>257,136</u>	<u>245,199</u>
Net proceeds	<u>\$ 277,359</u>	<u>\$ 307,151</u>

Revenue is included in contributions, memorials, and bequests, and expenses are included in operating expenses in the statements of activities and changes in net assets.

Adoption of New Accounting Policy: In 2006, the Financial Accounting Standards Board ("FASB") issued new guidance on fair value measurements of financial instruments. This guidance defines fair value, provides enhanced guidance for using fair value to measure assets and liabilities under current U.S. GAAP standards, and expands the disclosure of the methods used and the effect of fair value measurements on earnings. This guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007. Accordingly, HPBC Foundation adopted applicable portions of this guidance for the year ended September 30, 2009.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to September 30, 2009 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2009. Management has performed their analysis through the date of this report.

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: HPBC Foundation is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

Reclassifications: Certain reclassifications have been made to present last year's financial statements on a basis comparable to the current year's financial statements. These reclassifications had no effect on total net assets or the change in net assets.

NOTE 2 - INVESTMENTS

The following are the major categories of investments held by HPBC Foundation at September 30:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 6,748,806	\$ 6,438,667
Bond funds	18,776,492	18,404,634
Equities	28,954,884	22,700,608
Absolute return	16,026,920	15,501,281
Real assets	<u>7,458,430</u>	<u>12,489,576</u>
	<u>\$ 77,965,532</u>	<u>\$ 75,534,766</u>

Investments consist of cash, equities, mutual funds, exchange traded funds, and private investment funds (alternative investments). Real assets consist primarily of interests in private investment funds invested in real estate and commodity index funds. Investments are carried at fair values, as disclosed in Note 3.

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of HPBC Foundation.

SPECTRUM HEALTHCARE FOUNDATION, INC.
d/b/a HOSPICE OF PALM BEACH COUNTY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

In 2006, the FASB issued new guidance on fair value measurements of financial instruments. This guidance defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in HPBC Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

In determining fair value, management uses various valuation approaches. FASB utilizes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Unobservable inputs reflect HPBC Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. Bond funds, equities, and real assets have observable inputs and market activity that allow for pricing based on the underlying market prices of the items in the fund. Management utilizes information such as historical and current performance of the underlying funds and financial trend analysis with respect to the overall fund compared to benchmark performance ratios.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The alternative investments (absolute return and real assets) have observable inputs and market activity that allow for pricing based on the underlying market prices of the items in the investments, utilizing the market approach and income approach valuation techniques. Management utilizes information such as historical and current performance of the underlying funds and financial trend analysis with respect to the overall fund compared to benchmark performance ratios.

SPECTRUM HEALTHCARE FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 3 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

HPBC Foundation's management has determined that the adoption of fair value guidance has no material impact on the valuation of HPBC Foundation's assets and liabilities, but does require additional disclosure about fair value measurements. In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	<u>Fair Value Measurements at September 30, 2009</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and cash equivalents	\$ 6,748,806	\$ -	\$ -	\$ 6,748,806
Bond funds	10,916,402	7,860,090	-	18,776,492
Equities	9,534,179	19,420,705	-	28,954,884
Absolute return	-	-	16,026,920	16,026,920
Real assets	-	<u>2,724,882</u>	<u>4,733,548</u>	<u>7,458,430</u>
 Total investments	 <u>\$ 27,199,387</u>	 <u>\$ 30,005,677</u>	 <u>\$ 20,760,468</u>	 <u>\$ 77,965,532</u>

A reconciliation of beginning and ending balances for HPBC Foundation's fair value measurements using Level 3 inputs is as follows:

Level 3 Instruments

	<u>Absolute return</u>	<u>Real assets</u>	<u>Total</u>
Assets at October 1, 2008	\$ 15,322,680	\$ 8,627,823	\$ 23,950,503
Unrealized gains (losses)	896,735	(3,876,753)	(2,980,018)
Realized gains	-	19,529	19,529
Sales of investments	<u>(192,495)</u>	<u>(37,051)</u>	<u>(229,546)</u>
 Assets at September 30, 2009	 <u>\$ 16,026,920</u>	 <u>\$ 4,733,548</u>	 <u>\$ 20,760,468</u>

All unrealized and realized gains (losses) shown in the table above relate to investments that are still held by HPBC Foundation at September 30, 2009.

SPECTRUM HEALTHCARE FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
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NOTE 4 - NET ASSETS

HPBC Foundation's net assets at September 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Undesignated	\$ 547,185	\$ 1,355,452
Board designated		
Operating reserves	50,000,000	50,000,000
Asset additions and replacements	10,000,000	5,000,000
Unfunded programs	7,000,000	7,500,000
Acquisition of facilities	-	5,000,000
Charity care	<u>3,000,000</u>	<u>2,500,000</u>
	<u>70,000,000</u>	<u>70,000,000</u>
Temporarily restricted	305,198	410,371
Permanently restricted	<u>2,700,000</u>	<u>2,700,000</u>
	<u>\$ 73,552,383</u>	<u>\$ 74,465,823</u>

NOTE 5 - ENDOWMENT ASSETS

Overview: As required by U.S. GAAP, HPBC Foundation's endowment fund is classified and reported based on the donor imposed restrictions as permanently restricted net assets. There are no donor-imposed restrictions on the earnings or losses related to investment of endowment funds other than support for HPBC's programs, which is achieved through annual grants made to HPBC from HPBC Foundation. Therefore, earnings or losses from the invested endowment funds are classified as unrestricted. HPBC Foundation does not separately report returns from individual investments. There are no quasi-endowment funds established pursuant to Board designations.

Interpretation of Relevant Law: Florida has not adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). HPBC Foundation's Board of Directors has determined the requirements of Florida's version of the UMIFA to center around the preservation of the fair value of the original investment as of the date of the asset transfer. The investments resulting from donations directing that they be invested in perpetuity are classified as permanently restricted. The earnings or losses from these investments are classified based on the donor's direction. For the year ended September 30, 2009 and 2008, earnings and losses from endowment investments are classified as unrestricted due to the donor's direction that the earnings would support the operations of HPBC. HPBC Foundation considers the following factors in making a determination to appropriate or accumulate its endowment funds:

SPECTRUM HEALTHCARE FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 5 - ENDOWMENT ASSETS (Continued)

- (1) The duration and preservation of the fund
- (2) The purposes of HPBC Foundation 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 HPBC Foundation
- (7) The investment policies of HPBC Foundation

Return Objectives and Risk Parameters: HPBC Foundation's investment policy centers around the primary objective to preserve and protect its assets while seeking to earn a reasonable total return (income plus capital change) for each segment of its assets appropriate to meet HPBC Foundation's anticipated time horizon, liquidity needs, and risk tolerance for each segment.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate of return objectives, HPBC Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). HPBC Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: HPBC Foundation provides grants to HPBC and others to assist with their programs and services. Grants are made in accordance with donor restrictions, if applicable.

Endowment Net Asset Composition by Type of Fund: HPBC Foundation's composition of donor restricted endowment assets and changes in balances for the years ended September 30 is as follows:

2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted	\$ (686,232)	\$ -	\$ 2,700,000	\$ 2,013,768

2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted	\$ (642,842)	\$ -	\$ 2,700,000	\$ 2,057,158

SPECTRUM HEALTHCARE FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - ENDOWMENT ASSETS (Continued)

Changes in endowment net assets for the years ended September 30 is as follows:

2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning balance	\$ (642,842)	\$ -	\$ 2,700,000	\$ 2,057,158
Interest and dividend income	4,205	-	-	4,205
Realized and unrealized loss on investments	<u>(47,595)</u>	<u>-</u>	<u>-</u>	<u>(47,595)</u>
Total endowment	<u>\$ (686,232)</u>	<u>\$ -</u>	<u>\$ 2,700,000</u>	<u>\$ 2,013,768</u>

2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning balance	\$ (227,284)	-	\$ 2,700,000	\$ 2,472,716
Interest and dividend income	9,337	-	-	9,337
Realized and unrealized loss on investments	<u>(424,895)</u>	<u>-</u>	<u>-</u>	<u>(424,895)</u>
Total endowment	<u>\$ (642,842)</u>	<u>\$ -</u>	<u>\$ 2,700,000</u>	<u>\$ 2,057,158</u>

NOTE 6 - RELATED PARTY TRANSACTIONS

Expenses incurred by HPBC Foundation in 2009 and 2008 for management services provided by Spectrum were \$90,000 and \$60,000, respectively.

In accordance with its charitable mission, HPBC Foundation began providing grants in 2008 to the Spectrum Affiliates. HPBC Foundation made grants to HPBC of \$4,610,083 and \$4,888,004 in 2009 and 2008, respectively, in support of various patient care and bereavement programs as well as other strategic initiatives. In 2008, HPBC Foundation made a grant of \$125,004 to Spectrum in support of a technology implementation initiative.

As of September 30, 2009, HPBC Foundation owed \$4,613,459 and \$273,246, respectively, to HPBC and Spectrum, and is owed \$1,140 from TMS. As of September 30, 2008, HPBC Foundation owed \$3,470,583 and \$187,021, respectively, to HPBC and Spectrum. The balance due to HPBC as of September 30, 2008 included \$2,500,000 temporarily invested in a treasury-only money market fund for the benefit of HPBC. In October 2008, this amount was repaid to HPBC.
