

**HOSPITAL HOSPITALITY
HOUSE CORPORATION**

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
DECEMBER 31, 2004 and DECEMBER 31, 2003**

HOSPITAL HOSPITALITY HOUSE CORPORATION

Table Of Contents

INDEPENDENT AUDITORS' REPORT-----	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION-----	2
STATEMENT OF ACTIVITIES-----	3-4
STATEMENT OF CASH FLOWS-----	5
STATEMENT OF FUNCTIONAL EXPENSES-----	6-7
NOTES TO FINANCIAL STATEMENTS-----	8-13
SCHEDULE 1 – CONTRIBUTIONS-----	14
SCHEDULE 2 – SPECIAL EVENTS-----	15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hospital Hospitality House Corporation
Nashville, Tennessee

We have audited the accompanying statement of financial position of *Hospital Hospitality House Corporation* (a not-for-profit organization) as of December 31, 2004 and December 31, 2003, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of *Hospital Hospitality House Corporation's* management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 misstatements. 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 audit provides 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 *Hospital Hospitality House Corporation* as of December 31, 2004 and December 31, 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary schedules are presented for purpose of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole

Hoskins & Co., P.C.

Hoskins & Company, P. C.
February 25, 2005

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004 and DECEMBER 31, 2003

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash and Cash Equivalents - unrestricted	\$ 237,225	\$ 260,810
Prepaid expenses	300	-
Accounts Receivable		
Guest Fees	660	-
Other	1,727	-
Pledges, less allowance for doubtful pledges of \$1,050	<u>2,775</u>	<u>-</u>
Total Current Assets	<u>242,687</u>	<u>260,810</u>
Assets restricted to facilities expansion		
Cash and Cash Equivalents	21,780	11,362
Endowment Fund - Temporarily Rest.	<u>8,364</u>	<u>8,197</u>
Total Restricted Assets	<u>30,144</u>	<u>19,559</u>
Physical properties		
Land	137,400	137,400
Buildings	1,288,912	1,273,920
Furniture and equipment	<u>87,098</u>	<u>51,209</u>
	1,513,410	1,462,529
Less accumulated depreciation	<u>(68,341)</u>	<u>(16,738)</u>
Total Physical Properties	<u>1,445,069</u>	<u>1,445,791</u>
Total Assets	<u><u>\$ 1,717,900</u></u>	<u><u>\$ 1,726,160</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 29,505	\$ 62,288
Accrued expense	<u>600</u>	<u>600</u>
Total Current Liabilities	<u>30,105</u>	<u>62,888</u>
Net Assets:		
Unrestricted	1,644,100	1,550,653
Unrestricted - Board designated	13,551	93,060
Temporarily Restricted	<u>30,144</u>	<u>19,559</u>
	1,687,795	1,663,272
Total Liabilities and Net Assets	<u><u>\$ 1,717,900</u></u>	<u><u>\$ 1,726,160</u></u>

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

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Public support			
Contributions	\$ 234,430	\$ 19,137	\$ 253,567
Special events, net	18,889	-	18,889
Total public support	<u>253,319</u>	<u>19,137</u>	<u>272,456</u>
Program services			
Guest registration fees, net	52,305	-	52,305
Interest and investment income	916	-	916
Net assets released from restrictions	8,552	(8,552)	-
Total program services revenue	<u>61,773</u>	<u>(8,552)</u>	<u>53,221</u>
Total Revenue and Support	<u>315,092</u>	<u>10,585</u>	<u>325,677</u>
Functional Expenses			
Program services	204,068	-	204,068
Management and general	58,151	-	58,151
Fund-raising	38,935	-	38,935
Total Functional Expenses	<u>301,154</u>	<u>-</u>	<u>301,154</u>
Increase Net Assets	13,938	10,585	24,523
Net Assets, Beginning of Year	<u>1,643,713</u>	<u>19,559</u>	<u>1,663,272</u>
Net Assets, End of Year	<u><u>\$ 1,657,651</u></u>	<u><u>\$ 30,144</u></u>	<u><u>\$ 1,687,795</u></u>

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

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Public support			
Contributions	\$ 263,078	\$ 50	\$ 263,128
Special events, net	55,075	-	55,075
Total public support	<u>318,153</u>	<u>50</u>	<u>318,203</u>
Program services			
Guest registration fees	7,490	-	7,490
Interest and investment income	7,574	199	7,773
Net assets released from restrictions	906,777	(906,777)	-
Total program services revenue	<u>921,841</u>	<u>(906,578)</u>	<u>15,263</u>
Total Revenue and Support	<u>1,239,994</u>	<u>(906,528)</u>	<u>333,466</u>
Functional Expenses			
Program services	155,639	-	155,639
Management and general	40,516	-	40,516
Fund-raising	17,041	-	17,041
Total Functional Expenses	<u>213,196</u>	<u>-</u>	<u>213,196</u>
Loss on Demolition of Building	98,900	-	98,900
Unrealized gain (loss) on investments	<u>(1,191)</u>	<u>1,373</u>	<u>182</u>
Increase in Net Assets	926,707	(905,155)	21,552
Net Assets, Beginning of Year	<u>717,006</u>	<u>924,714</u>	<u>1,641,720</u>
Net Assets, End of Year	<u><u>\$ 1,643,713</u></u>	<u><u>\$ 19,559</u></u>	<u><u>\$ 1,663,272</u></u>

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

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 24,523	\$ 21,552
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	51,603	14,415
Increase in prepaid expenses	(300)	-
Increase in accounts and pledges receivable	(5,162)	-
(Decrease) Increase in accounts payable	(32,783)	61,185
Increase in accrued expenses	-	(2,938)
Net cash provided by operating activities	<u>37,881</u>	<u>94,214</u>
Cash Flows from Investing Activities		
Construction costs	(14,992)	(1,170,244)
Purchase of Furniture and Fixtures	(35,889)	-
Loss on disposal of fixed assets	-	98,900
Reinvestment into endowment fund	(167)	(1,578)
Net cash used in investing activities	<u>(51,048)</u>	<u>(1,072,922)</u>
Cash Flows from Financing Activities	<u>-</u>	<u>-</u>
Decrease in Cash and Cash Equivalents	(13,167)	(978,708)
Cash and Cash Equivalents, Beginning of Year	272,172	1,250,880
Cash and Cash Equivalents, End of Year	<u><u>\$ 259,005</u></u>	<u><u>\$ 272,172</u></u>

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

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries and wages	\$ 80,394	20,925	8,809	\$ 110,128
Other employee benefits	5,765	1,501	630	7,896
Payroll taxes	6,860	1,786	750	9,396
Contract labor	6,176	1,608	17,676	25,460
Professional fees	-	7,855	-	7,855
Office supplies and equipment	1,515	395	164	2,074
Dues and licenses	1,072	279	117	1,468
Communications and Telephone	12,111	4,036	200	16,347
Postage and shipping	2,112	550	230	2,892
Occupancy	30,701	7,991	3,364	42,056
Property taxes	1,987	517	217	2,721
Guest accommodations	2,237	-	-	2,237
Food and supplies	12,000	-	-	12,000
Equipment rental and maintenance	1,728	450	189	2,367
Bank fees	771	201	83	1,055
Printing and publications	-	-	1,223	1,223
Uncollectible Pledges	-	-	1,050	1,050
Depreciation	37,671	9,805	4,127	51,603
Miscellaneous	968	252	106	1,326
Total Functional Expenses	<u>\$ 204,068</u>	<u>\$ 58,151</u>	<u>\$ 38,935</u>	<u>\$ 301,154</u>

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

HOSPITAL HOSPITALITY HOUSE CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries and wages	\$ 84,140	21,900	9,220	\$ 115,260
Other employee benefits	3,939	1,026	430	5,395
Payroll taxes	5,546	1,444	607	7,597
Contract labor	73	19	8	100
Professional fees	3,638	947	398	4,983
Office supplies	1,090	284	119	1,493
Telephone	4,351	1,133	476	5,960
Postage and shipping	1,528	398	167	2,093
Occupancy	30,239	7,871	3,312	41,422
Property taxes	5,361	1,396	586	7,343
Printing and publications	178	47	18	243
Depreciation	10,523	2,739	1,153	14,415
Dues and licenses	606	158	66	830
Food and laundry supplies	240	63	25	328
Bank fees	512	134	55	701
Miscellaneous	3,675	957	401	5,033
Total Functional Expenses	<u>\$ 155,639</u>	<u>\$ 40,516</u>	<u>\$ 17,041</u>	<u>\$ 213,196</u>

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

HOSPITAL HOSPITALITY HOUSE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

NOTE 1-- NATURE OF ORGANIZATION

Hospital Hospitality House Corporation (HHH) was founded to provide humanitarian services. Specifically, HHH offers a "home away from home" for families and patients who face a medical crisis. The services provided include emotional support as well as food, shelter, and other assistance. All guests are referred by a local hospital or doctor's office. Historically, the guests have primarily been either relatives of seriously ill patients or outpatients who live outside of Metropolitan Davidson County (Nashville), Tennessee; however, the majority of guests have come from the State of Tennessee or its contiguous states.

HHH's facility is located at 214 Reidhurst Avenue, in Nashville, Tennessee. In September 2003, HHH's administrative staff moved back to its Reidhurst location from a temporary, donated facility at 25th Avenue North. HHH's renovation and expansion was complete in December 2003. In January 2004, the facility was reopened for overnight accommodations. The average stay for guests has been between one and two weeks, although residents have stayed for as long as one year. Annually, the facility hosts about 7,500 overnight accommodations. Since its inception, HHH has housed over 400,000 guests from each of the counties within the State of Tennessee and from all other states within the United States as well as approximately 40 foreign countries.

Historically, a majority of the contributors, particularly organizations or groups, have been located in Metropolitan Nashville, Tennessee or its contiguous counties. HHH is certified to receive designations in the United Way of Metro Nashville and HHH's name is currently listed in the United Way campaign brochure.

Guest registration fees of \$20 per room for rooms with private bathrooms are requested; however, it is HHH's policy that no one will be turned away because of their inability to pay the fee. 25% of accommodations are at no costs to guests.

NOTE 2-- SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

HHH is a tax-exempt entity under Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provisions for income taxes are applicable.

Basis of Presentation

The financial statements of HHH have been prepared on the accrual basis of accounting. Revenue is recognized when earned, support and promises to give are recognized when received and expenses are recorded when incurred.

HHH applies the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting For Contributions Received and Contributions*

HOSPITAL HOSPITALITY HOUSE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

Made. Under SFAS No. 116, contributions received, including unconditional promises to give, are recognized at their fair values. Contributions made, including unconditional promises to give are recognized as expenses in the period made at their fair values. Conditional promises to give, whether received or made, are recognized when conditions are substantially met.

Support and Expenses

In accordance with Statement of Financial Accounting Standards (SFAS) No.117, *Financial Statements for Not-for-Profit Organizations*, HHH records contributions received at fair value as an increase in unrestricted, temporarily restricted or permanently restricted net assets, depending on explicit donor stipulations that specify how the donated assets must be used. HHH has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Fixed Assets

Fixed assets are recorded at cost at the date of purchase or fair value at the date of donation less accumulated depreciation. Depreciation is taken on a straight-line basis over the estimated useful life of the assets. Expenditures that substantially increase the useful lives of existing property and equipment items are capitalized, while expenditures for maintenance, repairs, and minor improvements are expensed as paid. Management periodically reviews the values assigned to long-lived assets to determine if any impairments are other than temporary.

Depreciation is taken on a straight-line basis over the following estimated useful lives.

Buildings	25-40 years
Equipment	5- 7 years
Furniture and fixtures	5-10 years
Improvements	10-40 years

The physical facilities of HHH were insured against total damages not to exceed \$1,000,000, which is based on estimated current replacement costs, as determined by the Board and its insurance agent.

Functional Allocation of Expenses

Functional expenses are charged to each program based on direct expenses incurred if specifically identified. Functional expenses not directly charged to a program are allocated to certain programs based on management's estimates, which primarily correlate with budgeted amounts approved by the Board. Certain programs do not receive an allocation of functional expenses because administrative employees of HHH are infrequently associated with their programs.

HOSPITAL HOSPITALITY HOUSE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

Contributed Services and Supplies

HHH recognizes as support and expense, donated services that require special skills and are provided by professionals possessing those skills, such as accounting and payroll services. HHH recognized \$12,000 for contributed food, services and supplies for the year ended December 31, 2004. HHH does not recognize any support or expense for services contributed by volunteers.

Donated Facilities

HHH recognizes as support and expense, donated facilities (office space, utilities, telephone service, equipment, etc) that are made available by donors. From March 2003 through September 2003, HHH utilized donated facilities at 25th Avenue North. HHH recognized \$15,000 as donated facilities for the year ended December 31, 2003.

Compensated Absences

Employees of HHH are entitled to paid vacations, depending on job classification, length of service, and other factors. HHH's policy is to recognize the cost of compensated absences when actually paid to employees.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with maturities of three months or less, including demand accounts, and mutual funds. Due to the liquidity of these investments, e.g. money market accounts, and mutual funds, they are reported at market value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

NOTE 3--CASH AND CASH EQUIVALENTS

As of December 31, 2004 and December 31, 2003, cash and cash equivalents included the following:

HOSPITAL HOSPITALITY HOUSE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

	2004	2003
Cash - Unrestricted		
Bank of Nashville - Operations	\$ 189,629	\$ 134,122
Bank of Nashville - Capital Campaign	-	335
Petty Cash	200	23
Bank of Nashville - Construction Acct.	13,551	92,725
Total Cash - Unrestricted	<u>203,380</u>	<u>227,205</u>
Money Market Accounts - Unrestricted		
RJ FS, Inc. Money Market Account - Operations	33,845	33,605
Total Money Market Accounts - Unrestricted	<u>33,845</u>	<u>33,605</u>
Cash & Cash Equiv - Unrestricted	237,225	260,810
Cash & Cash Equiv - Temporarily Restricted (Note 4)	<u>21,780</u>	<u>11,362</u>
Total Cash and Cash Equivalents	<u>\$ 259,005</u>	<u>\$ 272,172</u>

Accounts are designated as Operations or Capital Campaign by the Board or by donor restriction. The Board has designated unrestricted net assets of \$13,551 and \$93,060 as of December 31, 2004 and December 31, 2003, respectively to be used for the Capital Campaign. (See Note 6)

Demand deposits and money market accounts totaling \$203,180 and \$227,182 as of December 31, 2004 and December 31, 2003, respectively, are maintained at the Bank of Nashville (BON). These account balances are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$100,000. Management believes that this bank is a financial institution of sound quality and that the funds in excess of the insured limit are not exposed to any significant credit risk.

Mutual fund shares are held in accounts with the securities brokerage firm. They are protected by the Securities Investor Protection Corporation (SIPC) against certain losses of cash or securities held in such accounts if a member brokerage firm fails financially. Losses up to \$500,000, including \$100,000 for claims for cash, are covered; however, losses due to market value fluctuations are not protected.

NOTE 4 -- TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2004 and December 31, 2003, temporarily restricted assets included the following (See Note 6):

	2004	2003
Demand deposits	\$ 21,780	\$ 11,362
Endowment Fund	8,364	8,197
Total Assets Restricted to Facilities Expansion	<u>\$ 30,144</u>	<u>\$ 19,559</u>

The bank accounts and money market accounts are insured by the FDIC or the SPIC as described in Note 3, above.

HOSPITAL HOSPITALITY HOUSE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

NOTE 5-- EMPLOYEE BENEFIT PLAN

HHH has established a Section 403 (b) tax-deferred annuity (salary deferral) plan for its employees. During 2004 and 2003, HHH did not make any discretionary matching contributions related to the employees' salary deferral contributions. All active employees are eligible to participate in the plan as of the date of their employment. The general combined total limitation for contributions is the lesser of \$41,000 or 25% of the employee's annual compensation; however, the general limitation for salary reduction contributions by employees was \$13,000 (\$16,000 if over 50) and \$12,000 of the employee's annual compensation for 2004 and 2003.

NOTE 6--COMMITMENTS AND CONTINGENCIES

HHH has various special events for fund-raising purposes during the year. In 2004 and 2003, these events generated net receipts of \$18,889 and \$55,075, respectively.

HHH negotiated an agreement with Vanderbilt University Medical Center (VUMC) to begin a cooperative fund-raising campaign called the "Collaborative Campaign". Collaborative campaign funds are required to be held in a separate bank account (see Note 4). Disbursements from this account require the approval of representatives of both HHH and VUMC.

In June 2000, this "agreement in principle" was formalized in a written, yet non-binding, Memorandum of Understanding (MOU), in which both parties agreed to work in good faith to produce desired goals. VUMC has indicated that it would provide \$225,000, over five years, of ongoing support for annual operations. HHH has indicated that it will designate one seat on its Board for a VUMC representative and give VUMC right of first refusal on seven rooms in the new facility.

Phase I of the Collaborative Campaign for facilities expansion was completed in December 2003. Phase II of the Collaborative Campaign for facilities expansion began in 2004. The balance of the Collaborative Campaign fund as of December 31, 2004 and 2003 was \$21,780 and \$11,362, respectively.

In 2000, HHH began a Board Designated Capital Campaign to raise funds restricted to facilities expansion. The Capital Campaign officially ended in 2002. The balance of Board Designated funds as of December 31, 2004 and 2003 was \$13,551 and 93,060, respectively.

HHH has an endowment fund with the Community Foundation of Middle Tennessee. This endowment fund is restricted for future funding of operations. The balance in this fund as of December 31, 2004 and 2003 was \$8,364 and \$8,197, respectively.

HOSPITAL HOSPITALITY HOUSE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

In 2004, a donor pledged \$1 million to Vanderbilt University to provide funds to support HHH through a shared vision for the expansion of the current facility. This shared vision includes goals of securing additional property contiguous to HHH, securing a gift of the adjacent 15-unit apartment building, and obtaining an additional \$1 million in pledges, property or gifts.

According to IRS regulations, rental income received from the 208 Reidhurst property will not be considered unrelated business income subject to income tax if the demolition and construction referenced above are completed within ten (10) years of the acquisition of the property. The ten-year period will expire on January 31, 2006. The demolition and construction was substantially complete as of December 31, 2003.

NOTE 7 -- CONTINGENT LIABILITIES

HHH has a business credit card, with a total credit line of \$5,000, with an interest rate of 13.15%, with \$4,177 and \$4,581 available as of December 31, 2004 and December 31, 2003, respectively.

HHH has a revolving credit plan with Office Depot with a total credit limit of \$1,250, with an interest rate of 20.80%, with \$1,180 and \$1,250 available as of December 31, 2004 and December 31, 2003, respectively.

HHH has a credit plan with Home Depot with a total credit limit of \$5,000, with an interest rate of 21%, with \$4,980 available as of December 31, 2004.

HOSPITAL HOSPITALITY HOUSE CORPORATION
SCHEDULE 1 - CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

	<u>2004</u>	<u>2003</u>
Unrestricted		
Individuals	\$ 63,590	\$ 41,461
Congregations	32,861	25,934
Corporations	3,900	5,520
Foundations	62,924	92,500
Veterans	50	1,050
Clubs and organizations	8,770	6,571
Current residents	-	42
Hospitals	50,000	75,000
Past residents	335	-
Total Unrestricted	<u>222,430</u>	<u>248,078</u>
Temporarily Restricted - Collaborative Campaign	<u>19,137</u>	<u>-</u>
Temporarily Restricted - Community Foundation	<u>-</u>	<u>50</u>
Total Monetary Contributions	<u>241,567</u>	<u>248,128</u>
Non-Monetary Contributions		
Food, Supplies, etc.	12,000	-
Donated Facility	-	15,000
Total Non-Monetary Contributions	<u>12,000</u>	<u>15,000</u>
Total Contributions	<u><u>\$ 253,567</u></u>	<u><u>\$ 263,128</u></u>

See accompanying independent auditors' report.

HOSPITAL HOSPITALITY HOUSE CORPORATION
SCHEDULE 2 - SPECIAL EVENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 and DECEMBER 31, 2003

December 31, 2004

Description	Revenue	Expenses	Net
Annual Campaign	\$ 1,600	-	\$ 1,600
Golf Tournament	16,360	4,260	12,100
Newsletter	2,841	23	2,818
Razz Sutton Concert	3,250	-	3,250
Black Tie Event	23,925	31,135	(7,210)
Beauty Bar	1,067	1,067	-
Adopt a day	850	-	850
Cookbooks	784	-	784
Draft Party	1,361	125	1,236
Gas Promotion	2,236	-	2,236
Fashion Show	1,225	-	1,225
	<u>\$ 55,499</u>	<u>36,610</u>	<u>\$ 18,889</u>

December 31, 2003

Description	Revenue	Expenses	Net
Draft Party	\$ 4,213	4,491	\$ (278)
Razz Party	2,908	-	2,908
Post 88 Benefit	5,000	-	5,000
Dance Party	9,488	2,476	7,012
Patrons Party	100	-	100
Cookbooks	536	-	536
Gas Promotion	2,700	-	2,700
Adopt a day	600	-	600
Fashion Show	3,575	1,707	1,868
Annual Campaign	6,525	-	6,525
Furnishings/ Room Adopt	24,725	-	24,725
Triathlon	3,379	-	3,379
	<u>\$ 63,749</u>	<u>8,674</u>	<u>\$ 55,075</u>

See accompanying independent auditors' report