

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY  
TABLE OF CONTENTS  
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>9</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>CONSOLIDATING BALANCE SHEET</b>	<b>22</b>
<b>CONSOLIDATING STATEMENT OF ACTIVITIES – UNRESTRICTED NET ASSETS</b>	<b>23</b>
<b>CONSOLIDATING STATEMENT OF ACTIVITIES – TEMPORARILY RESTRICTED     NET ASSETS</b>	<b>24</b>
<b>CONSOLIDATING STATEMENT OF ACTIVITIES – PERMANENTLY RESTRICTED     NET ASSETS</b>	<b>25</b>

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Neighborhood Health Clinic, Inc. and Subsidiary  
Naples, Florida

### Report on Financial Statements

We have audited the accompanying consolidated financial statements of the Neighborhood Health Clinic, Inc. and Subsidiary (the "Organization") which comprise the consolidated statements of financial position as of September 30, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the supplementary schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



**CliftonLarsonAllen LLP**

Naples, Florida  
January 19, 2016

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2015 AND 2014**

<b>ASSETS</b>	2015	2014
Cash and Cash Equivalents	\$ 1,900,064	\$ 1,386,017
Board Designated Cash and Cash Equivalents	22,151	295,699
Investments, Unrestricted	2,662,083	1,250,111
Unconditional Promises to Give, Net and Grant Receivable	5,256	12,325
Inventory and Other Assets	103,600	110,600
Assets Held Under Split-Interest Agreements, Net	133,917	140,089
Property and Equipment, Net	5,476,665	5,438,363
Cash and Investments, Endowment	12,680,119	12,921,589
Total Assets	\$ 22,983,855	\$ 21,554,793
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 154,431	\$ 150,379
Deferred Revenue	48,900	32,950
Total Liabilities	203,331	183,329
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	4,742,386	2,509,874
Invested in Property and Equipment	5,476,665	5,438,363
Board Designated - Future Estimated Repairs and Replacement Costs	314,590	295,699
Total Unrestricted	10,533,641	8,243,936
Temporarily Restricted	1,080,754	1,985,459
Permanently Restricted	11,166,129	11,142,069
Total Net Assets	22,780,524	21,371,464
Total Liabilities and Net Assets	\$ 22,983,855	\$ 21,554,793

See accompanying Notes to Consolidated Financial Statements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>				
Contributions and Grants	\$ 2,443,653	\$ 180,479	\$ 24,060	\$ 2,648,192
Contributed Services and Supplies	2,915,893	-	-	2,915,893
Patient Service Fees	123,261	-	-	123,261
Special Events Income	\$ 1,002,572	-	-	-
Less: Direct Expenses	<u>(225,761)</u>	776,811	-	776,811
Rental Income	184,951	-	-	184,951
Investment Return	56,884	(265,730)	-	(208,846)
Total Support and Revenues	<u>6,501,453</u>	<u>(85,251)</u>	24,060	6,440,262
Net Assets Released from Restrictions	<u>813,282</u>	<u>(813,282)</u>	-	-
Total Support, Revenues, and Reclassifications	7,314,735	(898,533)	24,060	6,440,262
<b>EXPENSES</b>				
Program Services	4,511,485	-	-	4,511,485
Management and General	348,381	-	-	348,381
Fund-Raising	162,905	-	-	162,905
Total Expenses	<u>5,022,771</u>	-	-	5,022,771
Change in Value of Split-Interest Agreement	-	(6,172)	-	(6,172)
Loss on Disposal of Fixed Assets	2,256	-	-	2,256
Total Expenses and Losses	<u>5,025,027</u>	<u>6,172</u>	-	5,031,199
<b>CHANGE IN NET ASSETS</b>	2,289,708	(904,705)	24,060	1,409,063
Net Assets - Beginning of Year	<u>8,243,936</u>	<u>1,985,459</u>	<u>11,142,069</u>	<u>21,371,464</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 10,533,641</u>	<u>\$ 1,080,754</u>	<u>\$ 11,166,129</u>	<u>\$ 22,780,524</u>

See accompanying Notes to Consolidated Financial Statements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>				
Contributions and Grants	\$ 1,332,315	\$ 37,379	\$ 19,550	\$ 1,389,244
Contributed Services and Supplies	2,841,368	-	-	2,841,368
Patient Service Fees	135,665	-	-	135,665
Special Events Income	\$ 703,530	-	-	-
Less: Direct Expenses	<u>(156,234)</u>	547,296	-	547,296
Rental Income	15,829	-	-	15,829
Investment Return	376,365	1,500,547	-	1,876,912
Total Support and Revenues	<u>5,248,838</u>	<u>1,537,926</u>	<u>19,550</u>	<u>6,806,314</u>
Net Assets Released from Restrictions	698,661	(698,661)	-	-
Total Support, Revenues, and and Reclassifications	5,947,499	839,265	19,550	6,806,314
<b>EXPENSES</b>				
Program Services	4,103,829	-	-	4,103,829
Management and General	337,171	-	-	337,171
Fundraising	174,873	-	-	174,873
Total Expenses	<u>4,615,873</u>	-	-	4,615,873
Change in Value of Split-Interest Agreement	-	17,565	-	17,565
<b>CHANGE IN NET ASSETS</b>	1,331,626	856,830	19,550	2,208,006
Net Assets - Beginning of Year	<u>6,912,310</u>	<u>1,128,629</u>	<u>11,122,519</u>	<u>19,163,458</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 8,243,936</u>	<u>\$ 1,985,459</u>	<u>\$ 11,142,069</u>	<u>\$ 21,371,464</u>

See accompanying Notes to Consolidated Financial Statements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2015**

	Program Services	Management and General	Fund- Raising	Total
Advertising and Promotion	\$ -	\$ 11,226	\$ 4,780	\$ 16,006
Depreciation	144,230	4,300	4,565	153,095
Donated Services and Goods	2,895,716	2,628	475	2,898,819
Dues and Subscriptions	376	2,819	2	3,197
Insurance	28,777	7,451	768	36,996
Investment and Bank Fees	-	76,731	-	76,731
Lab Fees	27,102	-	-	27,102
Medical and Pharmacy Supplies	142,261	-	-	142,261
Office Supplies	16,000	4,748	3,384	24,132
Other Expenses	13,870	5,102	466	19,438
Pharmaceuticals	98,793	-	-	98,793
Postage and Shipping	3,957	216	129	4,302
Printing and Publications	1,588	2,127	458	4,173
Professional Fees	177,719	48,224	98,630	324,573
Repair and Maintenance	63,916	9,020	2,920	75,856
Salaries and Benefits	860,847	170,313	45,195	1,076,355
Telephone	13,919	756	454	15,129
Travel and Entertainment	1,602	1,589	-	3,191
Utilities	20,812	1,131	679	22,622
Total Expenses	<u>\$ 4,511,485</u>	<u>\$ 348,381</u>	<u>\$ 162,905</u>	<u>\$ 5,022,771</u>

See accompanying Notes to Consolidated Financial Statements.



**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2014**

	Program Services	Management and General	Fund- Raising	Total
Advertising and Promotion	\$ 447	\$ 26,485	\$ 12,789	\$ 39,721
Depreciation	87,869	12,057	955	100,881
Donated Services and Goods	2,822,898	-	13,470	2,836,368
Dues and Subscriptions	85	-	-	85
Insurance	25,628	7,134	824	33,586
Investment Expense	-	82,670	-	82,670
Lab Fees	53,757	-	-	53,757
Medical and Pharmacy Supplies	104,595	-	-	104,595
Office Supplies	2,191	10,329	9	12,529
Other Expenses	116	5,533	641	6,290
Pharmaceuticals	41,862	-	-	41,862
Postage and Shipping	1,398	2,360	-	3,758
Printing and Publications	1,341	885	845	3,071
Professional Fees	162,231	40,823	76,445	279,561
Repair and Maintenance	57,871	4,942	1,543	64,356
Salaries and Benefits	694,621	138,611	66,260	899,492
Telephone	10,106	549	330	10,985
Transcriptions	12,797	-	-	12,797
Travel and Entertainment	4,957	3,757	140	8,854
Utilities	19,059	1,036	622	20,717
Total Expenses	<u>\$ 4,103,829</u>	<u>\$ 337,171</u>	<u>\$ 174,873</u>	<u>\$ 4,615,873</u>

See accompanying Notes to Consolidated Financial Statements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,409,063	\$ 2,208,006
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Allowance and Net Present Value Discount	6,172	(17,565)
Bad Debt Expense	2,256	-
Depreciation	153,094	100,881
Realized Gains on Investments	(88,535)	(581,085)
Unrealized (Gains) Losses on Investments	822,649	(955,852)
Contributions Restricted for Long-Term Purposes	(24,060)	(19,550)
Donated Securities	(52,790)	(14,277)
(Increase) Decrease in:		
Inventory and Other Assets	7,000	(33,062)
Unconditional Promises to Give and Grant Receivable	7,069	11,360
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	4,052	74,005
Deferred Revenue	15,950	(1,150)
Net Cash Provided by Operating Activities	2,261,920	771,711
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sales of Investments	3,310,231	10,649,906
Purchase of Investments	(4,920,923)	(7,167,561)
Purchase of Property and Equipment	(193,652)	(3,330,704)
Net Cash Provided (Used) by Investing Activities	(1,804,344)	151,641
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collection of Contributions Restricted for Long-Term Purposes	29,260	34,750
Transfer of Cash Restricted for Long-Term Purposes	(246,337)	(13,812)
Net Cash Provided (Used) by Financing Activities	(217,077)	20,938
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	240,499	944,290
Cash and Cash Equivalents - Beginning of Year	1,681,716	737,426
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,922,215	\$ 1,681,716
Cash and Cash Equivalents	\$ 1,900,064	\$ 1,386,017
Board Designated Cash and Cash Equivalents	22,151	295,699
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,922,215	\$ 1,681,716
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Income Taxes	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Neighborhood Health Clinic, Inc. and Subsidiary (the Organization) is a Florida nonprofit corporation organized in 1999. Its purpose is to deliver quality medical care to low-income, working, but uninsured people of Collier County, using primarily volunteer professional staff. The Organization is supported primarily through donations, patient contributions, special events, and grants. The Organization does not accept any government funding or support.

During the year ended September 30, 2014, the Organization formed a new entity, 12<sup>th</sup> and Goodlette, LLC, a single member LLC with the Organization as the only member. The new entity was formed to purchase and hold property for future clinic expansion.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Neighborhood Health Clinic, Inc. (the Clinic) and 12<sup>th</sup> and Goodlette, LLC (together, the Organization), after elimination of intercompany accounts and transactions.

**Basis of Accounting**

The accounts of the Organization are maintained, and the accompanying financial statements have been prepared, on the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred.

**Financial Statement Presentation**

The accompanying financial statements have been prepared in accordance with the reporting principles of nonprofit accounting.

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. Designated amounts represent those net assets, which the board has set aside for a particular purpose.

Temporarily restricted – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Organization and/or the passage of time. Such assets normally fund specific expenditures of a specific operating or capital nature.

Permanently restricted – Net assets subject to donor-imposed restrictions requiring they be maintained permanently by the Organization. Such assets are normally restricted to long-term investment with income earned and appreciation available for specific or general Organization purposes.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all bank and similar deposits, demand accounts, money market funds, and short-term investments with an original maturity of three months or less to be cash equivalents. The Organization maintains bank accounts with balances, which, at times, may exceed federally insured limits.

**Liquidity**

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

**Inventory**

Inventory consists primarily of pharmaceuticals and medical supplies and is stated at lower of cost (first-in, first-out method) or market.

**Promises to Give**

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is to be received. Conditional promises to give are not included in support until such time as the conditions are substantially met.

Additionally, the Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Investments**

Investments are carried at fair value determined by quoted prices on the last business day of the fiscal year. Donated investments are recorded at fair value at the date of receipt. Investment income may be either unrestricted or temporarily restricted when earned, determined according to donor-imposed restrictions. The Organization follows a total-return concept with regard to investments, as such, unrealized appreciation on temporarily restricted net assets is considered to be unrestricted.

**Fair Value Measurement**

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurement (Continued)**

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

The fair value hierarchy consists of three levels of inputs used to measure fair value as follows:

*Level 1* – Inputs that utilize quoted prices in active markets for identical assets or liabilities that the fund has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The Organization also follows the fair value option for financial assets and liabilities standard. This standard allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. The Organization has not elected to measure any newly acquired financial instruments at fair value at September 30, 2015 and 2014, as permitted. However, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

**Property and Equipment**

The Organization records property and equipment at cost when purchased or at fair market value when donated. Donated assets are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor use restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The Organization capitalizes expenditures for personal property and betterments over \$1,000 and uses the straight-line method of depreciation calculated over the estimated useful life of the asset, ranging from three to seven years for furniture and equipment, and 40 years for buildings and improvements.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets Held Under Split-Interest Agreement**

The Organization is the beneficiary of a charitable remainder trust being held by a financial institution. Under the trust agreement, specified amounts or percentages of funds invested are payable to the donor or the donor's designee, for life. Upon the death of the lifetime beneficiary, 50% of the balance of the investment is to be paid to the Organization. The Organization has recorded as assets the present value of its estimated beneficial interest in this gift. The present value of expected future cash inflows under this agreement is calculated using a discount rate of 2.2% at September 30, 2015. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the value of split-interest agreements in the statements of activities. The present value discount for the split-interest agreement receivable totaled \$133,917 and \$140,089 at September 30, 2015 and 2014, respectively.

**Contributions**

Contributions are recognized by the Organization when the donor makes an unconditional promise to give. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Time and use restricted contributions from donors are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time or use restriction. However, contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized.

**Contributed Services and Supplies**

Contributed services are reported as contributions at their fair value if such services create or enhance non-financial assets, or require specialized skills, and are provided by individuals possessing such specialized skills and the services would have been purchased if not donated. Contributed services consisting principally of physician, nursing, and other medical personnel totaled \$2,907,228 and \$2,836,368 during the years ended September 30, 2015 and 2014, respectively, and has been reflected in the accompanying financial statements. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, fundraising activities, and various committee assignments; however, no amounts have been reflected in the financial statements, as these services do not meet the criteria for recognition.

The Organization provides substantially all of their patients' medications through drug manufacturer patient assistance programs. As allowed by current accounting standards, the Organization chooses not to record these contributions or the ensuing liability to the ultimate beneficiary. Although not recorded, the value of the medication dispensed during the years ended September 30, 2015 and 2014 was estimated to be approximately \$3,808,190 and \$3,097,000, respectively.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expenses**

The cost of providing program and support services has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

The Internal Revenue Service (IRS) has determined that the Organization is a nonprofit organization that is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and is treated as other than a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for income taxes has been made in these financial statements.

The Organization follows the income tax standard regarding the recognition and measurement of uncertain tax positions. This guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This standard has no impact on the Organization's financial statements. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes. An Exempt Organization Business Income Tax Return (Form 990) is filed annually by the Organization. 12<sup>th</sup> and Goodlette, LLC is a single member LLC and is a disregarded entity for tax purposes. The activities of 12<sup>th</sup> and Goodlette, LLC are consolidated with the Organization for tax purposes.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 19, 2016, the date the financial statements were available to be issued.

**NOTE 2 INVESTMENTS**

For the year-ended September 30, 2015, the Organization had transferred the board-designated funds for Capital Expenditures from Key Bank to a Fidelity investment account. The cash portion of the account for year-ended September 30, 2015 is \$22,151, which is classified under restricted cash. The investment value of the Capital Reserves account for the year-ended September 30, 2015 is \$292,439.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 2 INVESTMENTS (CONTINUED)**

Investments at September 30, 2015 and 2014 consist of the following:

	2015	
	Cost	Fair Value
Domestic Equities	\$ 6,088,839	\$ 7,185,968
Mutual Funds - Equities	3,211,700	3,138,612
Corporate Bonds	440,894	429,828
Mutual Funds - Fixed Income	3,277,548	3,237,530
Municipal Bonds	531,902	530,338
U.S. Treasury Obligations	319,501	320,865
Mortgage Backed Securities	157,859	157,103
	<u>\$ 14,028,243</u>	<u>\$ 15,000,244</u>

  

	2014	
	Cost	Fair Value
Domestic Equities	\$ 5,718,028	\$ 7,119,086
Mutual Funds - Equities	2,192,562	2,571,920
Corporate Bonds	190,504	184,996
Mutual Funds - Fixed Income	3,793,834	3,815,104
Municipal Bonds	239,642	238,930
U.S. Treasury Obligations	150,487	149,282
Mortgage Backed Securities	23,410	23,455
	<u>\$ 12,308,467</u>	<u>\$ 14,102,773</u>

Investments are included in the accompanying statements of financial position as follows:

	2015	2014
Investments, Unrestricted	\$ 2,662,083	\$ 1,250,111
Cash and Investments, Endowment	12,680,119	12,921,589
Cash included in Cash and Investments, Endowment	(341,958)	(68,927)
	<u>\$ 15,000,244</u>	<u>\$ 14,102,773</u>

Investment return consists of the following:

	2015	2014
Interest and Dividends	\$ 525,268	\$ 339,975
Realized Investment Gains	88,535	581,085
Change in Unrealized Gains	(822,649)	955,852
	<u>\$ (208,846)</u>	<u>\$ 1,876,912</u>



**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 2 INVESTMENTS (CONTINUED)**

The Organization's corporate and municipal bonds and U.S. Treasury obligations consist of the following at September 30, 2015 and 2014:

2015				
Face Value	Maturity Date	Interest Rate	Cost	Market Value
\$ 125,000	2016	1.00 - 4.96%	\$ 129,831	\$ 126,269
420,000	2017	0.88 - 5.73%	440,450	431,581
285,000	2018	0.88 - 5.85%	293,074	292,863
275,000	2019	1.63 - 5.63%	280,456	280,536
870,335	2020	1.50 - 5.00%	211,155	211,784
225,000	2022	6.50%	29,836	29,940
550,000	2023	5.00%	41,819	41,637
83,000	2025	5.50%	23,504	23,524
<u>\$ 2,833,335</u>			<u>\$ 1,450,126</u>	<u>\$ 1,438,134</u>

2014				
Face Value	Maturity Date	Interest Rate	Cost	Market Value
\$ 85,000	2015	2.92% - 3.72%	\$ 87,493	\$ 87,071
150,000	2016	1.0% - 4.96%	155,688	153,654
250,000	2017	0.88% - 5.55%	262,870	258,175
50,000	2018	0.88% - 1.60%	49,566	49,547
25,000	2019	2.32%	25,015	24,761
225,000	2023	5.00%	23,410	23,455
<u>\$ 785,000</u>			<u>\$ 604,043</u>	<u>\$ 596,663</u>

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 3 FAIR VALUE MEASUREMENT**

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1 – Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of September 30, 2015 and 2014:

2015				
	Level 1	Level 2	Level 3	Total
Domestic Equities	\$ 7,185,968	\$ -	\$ -	\$ 7,185,968
Mutual Funds - Equities	3,138,612	-	-	3,138,612
Corporate Bonds	429,828	-	-	429,828
Mutual Funds - Fixed Income	3,237,530	-	-	3,237,530
Municipal Bonds	-	530,338	-	530,338
US Treasury Obligations	-	320,865	-	320,865
Mortgage Backed Securities	-	157,103	-	157,103
Assets Held Under Split- Interest Agreements	-	-	133,917	133,917
Total	<u>\$ 13,991,938</u>	<u>\$ 1,008,306</u>	<u>\$ 133,917</u>	<u>\$ 15,134,161</u>
2014				
	Level 1	Level 2	Level 3	Total
Domestic Equities	\$ 7,119,086	\$ -	\$ -	\$ 7,119,086
Mutual Funds - Equities	2,571,920	-	-	2,571,920
Corporate Bonds	184,996	-	-	184,996
Mutual Funds - Fixed Income	3,815,104	-	-	3,815,104
Municipal Bonds	-	238,930	-	238,930
US Treasury Obligations	-	149,282	-	149,282
Mortgage Backed Securities	-	23,455	-	23,455
Assets Held Under Split- Interest Agreements	-	-	140,089	140,089
Total	<u>\$ 13,691,106</u>	<u>\$ 411,667</u>	<u>\$ 140,089</u>	<u>\$ 14,242,862</u>

Municipal bonds and U.S. Treasury obligations are measured at fair value utilizing market prices at the close of the last business day for the statement period, provided by the investment advisors.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 3 FAIR VALUE MEASUREMENT (CONTINUED)**

Assets held under split interest agreements are measured at fair value utilizing estimates of split-interest agreement assets utilizing market prices at the close of the last business day for the statement period, in addition to information provided by the agreement trustee.

A roll-forward of Level 3 assets measured at fair value at September 30, 2015 and 2014 is as follows:

Level 3 Assets Held Under Split-Interest Agreements:	
Balance at September 30, 2013	\$ 122,524
Split-Interest Agreement and Trust Receivable Receipts	17,565
Balance at September 30, 2014	<u>140,089</u>
Split-Interest Agreement Valuation Adjustment	(6,172)
Balance at September 30, 2015	<u><u>\$ 133,917</u></u>

**NOTE 4 UNCONDITIONAL PROMISES TO GIVE AND GRANTS RECEIVABLE, NET**

Unconditional promises to give and grants receivable consist of the following at September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Unconditional Promises to Give	\$ 15,200	\$ 21,400
Grants Receivable	1,971	3,840
Less: Discount to Net Present Value	(2,915)	(2,915)
Less: Allowance for Uncollectible Accounts	(9,000)	(10,000)
	<u><u>\$ 5,256</u></u>	<u><u>\$ 12,325</u></u>

Unconditional promises to give are scheduled to be received as follows:

	<u>2015</u>	<u>2014</u>
1 Year or Less	\$ 15,200	\$ 16,200
2 to 5 Years	-	5,200
	<u><u>\$ 15,200</u></u>	<u><u>\$ 21,400</u></u>

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 5 ASSETS HELD UNDER SPLIT-INTEREST AGREEMENT**

Assets held under split-interest agreement consist of the following as of September 30, 2015 and 2014:

	2015	2014
Assets Held Under Split-Interest Agreement	\$ 415,931	\$ 415,931
Less: Valuation Allowance	(282,014)	(275,842)
	\$ 133,917	\$ 140,089

**NOTE 6 PROPERTY AND EQUIPMENT, NET**

Property and equipment at September 30, 2015 and 2014 consist of the following:

	2015	2014
Buildings	\$ 3,392,873	\$ 3,395,373
Land	2,303,509	2,282,518
Furniture and Equipment	412,273	312,521
Building Improvements	123,327	89,763
Computer Hardware and Software	171,321	160,262
Construction in Process	8,594	-
	6,411,897	6,240,437
Less: Accumulated Depreciation	(935,232)	(802,074)
	\$ 5,476,665	\$ 5,438,363

Depreciation expense for the years ended September 30, 2015 and 2014 totaled \$153,094 and \$100,881, respectively.

**NOTE 7 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at September 30, 2015 and 2014 consist of the following:

	2015	2014
Medications/Health Awareness	\$ 74,470	\$ 41,849
Unappropriated Endowment Earnings	872,367	1,803,521
Split-Interest Agreement Receivable	133,917	140,089
	\$ 1,080,754	\$ 1,985,459

Temporarily restricted net assets released from donor-imposed restrictions during the year ended September 30, 2015 consist of \$147,858 of net assets restricted for medications/health awareness and \$665,424 of unappropriated endowment earnings. Temporarily restricted net assets released from donor-imposed restrictions during the year ended September 30, 2014 consist of the collection of a pledge receivable totaling \$16,259 and \$682,402 of net assets restricted for medications/health awareness.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 8 BENEFIT PLAN**

During the current year ended September 30, 2015, the Organization had switched over from a Simple IRA to a 401(k) plan for the benefit of its employees. The plan became effective as of January 1, 2015. Employees were eligible to participate upon hire, and could elect to defer between 1% and 100% of eligible compensation. The organization must match at least 100% on the first 4% of eligible compensation that employees defer. As of September 30, 2015, the Organization had contributed \$13,526 to the 401(k) plan.

During the year ended September 30, 2014, the Organization had a SIMPLE IRA plan. Employees were eligible to participate upon hire and immediately vest in employer contributions. The Organization matched employee contributions up to a maximum of 3%. For the year ended September 30, 2015 and 2014, the Organization had contributed \$4,706 and \$15,112, respectively, before the change to the 401(k) plan on January 1, 2015.

**NOTE 9 ENDOWMENT**

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment is donor restricted and its income is to be used for operations and other administrative costs. Annually, the board can transfer up to 5% of the market value of the account to be used for operations, as discussed below in "Investment Policies." There is no board-designated endowment.

**Interpretation of Relevant Law**

The board of directors has interpreted the relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization 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.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, as of September 30, 2015 and 2014, deficiencies of this nature that are reported in unrestricted net assets were \$-0-.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 9 ENDOWMENT (CONTINUED)**

**Investment Policies**

The Organization has established an investment policy to determine investment or reinvestment of the assets in accordance with such guidelines, policies, and procedures that are authorized by the board. These guidelines, policies, and procedures shall attempt to provide a predictable stream of funding to programs supported by the endowment funds. The endowment investment policy allows the board of directors to distribute up to 5% of the value of the endowment for operations each year. However, if the board elects not to distribute any earnings, those funds remain in the endowment. The annual decision is non-cumulative; consequently, no greater than 5% of the value of the endowment can be distributed in any given year. During the year ended September 30, 2015, the board elected to make this decision and distributed \$665,424 from the endowment for operations. The board had make distributions of \$682,402 during the year ended September 30, 2014.

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, September 30, 2013	\$ 985,376	\$ 11,083,318	\$ 12,068,694
Contributions	-	19,550	19,550
Cash Collected on Unconditional Promise to Give	-	15,200	15,200
Investment Return (Loss):			
Investment Income	250,001	-	250,001
Investment Expenses	(63,961)	-	(63,961)
Increase in Value	1,314,507	-	1,314,507
Total Investment Return (Loss)	<u>1,500,547</u>	<u>-</u>	<u>1,500,547</u>
Amounts Appropriated for Expenditure	<u>(682,402)</u>	<u>-</u>	<u>(682,402)</u>
Endowment Net Assets, September 30, 2014	1,803,521	11,118,068	12,921,589
Contributions	-	24,060	24,060
Cash Collected on Unconditional Promise to Give	-	5,200	5,200
Investment Return (Loss):			
Investment Income	460,822	-	460,822
Investment Expenses	(66,178)	-	(66,178)
Decrease in Value	(660,374)	-	(660,374)
Total Investment Return (Loss)	<u>(265,730)</u>	<u>-</u>	<u>(265,730)</u>
Amounts Appropriated for Expenditure	<u>(665,424)</u>	<u>-</u>	<u>(665,424)</u>
Endowment Net Assets, September 30, 2015	<u>\$ 872,367</u>	<u>\$ 11,147,328</u>	<u>\$ 12,019,695</u>

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015 AND 2014**

**NOTE 10 CONCENTRATIONS**

During the year ending September 30, 2015, one donor contributed \$1,200,000, which was 33% of total contributions, excluding donated services and supplies. This contribution is unrestricted and included in unrestricted net assets. During the year ending September 30, 2014, there was no donor who contributed greater than 10% of total contributions, excluding donated services and supplies.

**NOTE 11 RELATED PARTY TRANSACTIONS**

At September 30, 2015 and 2014, the Organization had unconditional promises to give due from board members totaling \$5,000 and \$20,000, respectively.

In addition, during the years ending September 30, 2015 and 2014, the Organization received contribution income from board members totaling \$168,030 and \$204,945, respectively.

**NOTE 12 OPERATING LEASES**

The Organization has certain non-cancellable operating leases. Future rental income from these operating leases totals \$92,344 to be received in the year ending September 30, 2016.

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**CONSOLIDATING BALANCE SHEET**  
**SEPTEMBER 30, 2015**

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,764,934	\$ 135,130	\$ -	\$ 1,900,064
Board Designated Cash and Cash Equivalents	22,151	-	-	22,151
Investments, Unrestricted	2,662,083	-	-	2,662,083
Investment in Subsidiary	3,170,751	-	(3,170,751)	-
Unconditional Promises to Give, Net and Grant Receivable	5,256	-	-	5,256
Inventory and Other Assets	98,973	4,627	-	103,600
Assets Held Under Split-Interest Agreements, Net	133,917	-	-	133,917
Property and Equipment, Net	2,303,895	3,172,770	-	5,476,665
Cash and Investments, Endowment	12,680,119	-	-	12,680,119
	<u>\$ 22,842,079</u>	<u>\$ 3,312,527</u>	<u>\$ (3,170,751)</u>	<u>\$ 22,983,855</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 141,116	13,315	\$ -	\$ 154,431
Deferred Revenue	48,900	-	-	48,900
Total Liabilities	190,016	13,315	-	203,331
<b>NET ASSETS</b>				
Unrestricted:				
Undesignated	7,786,695	126,442	(3,170,751)	4,742,386
Invested in Property and Equipment	2,303,895	3,172,770	-	5,476,665
Board Designated - Future Estimated Repairs and Replacement Costs	314,590	-	-	314,590
Total Unrestricted	10,405,180	3,299,212	(3,170,751)	10,533,641
Temporarily Restricted	1,080,754	-	-	1,080,754
Permanently Restricted	11,166,129	-	-	11,166,129
Total Net Assets	22,652,063	3,299,212	(3,170,751)	22,780,524
Total Liabilities and Net Assets	<u>\$ 22,842,079</u>	<u>\$ 3,312,527</u>	<u>\$ (3,170,751)</u>	<u>\$ 22,983,855</u>



**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES – UNRESTRICTED NET ASSETS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
<b>SUPPORT AND REVENUES</b>				
Contributions and Grants	2,443,653	\$ -	\$ -	\$ 2,443,653
Contributed Services and Supplies	2,915,893	-	-	2,915,893
Patient Service Fees	123,261	-	-	123,261
Special Events Income	\$ 1,002,572	-	-	-
Less: Direct Expenses	<u>(225,761)</u>	776,811	-	776,811
Rental Income	-	184,951	-	184,951
Investment Return	56,822	62	-	56,884
Total Support and Revenues	<u>6,316,440</u>	<u>185,013</u>	-	<u>6,501,453</u>
Net Assets Released from Restrictions	<u>813,282</u>	-	-	<u>813,282</u>
Total Support, Revenues, and Reclassifications	7,129,722	185,013	-	7,314,735
<b>EXPENSES</b>				
Program Services	4,454,933	56,552	-	4,511,485
Management and General	348,381	-	-	348,381
Fundraising	162,905	-	-	162,905
Total Expenses	<u>4,966,219</u>	<u>56,552</u>	-	<u>5,022,771</u>
Loss on Disposal of Fixed Assets	<u>2,256</u>	-	-	<u>2,256</u>
Total Expenses and Losses	<u>4,968,475</u>	<u>56,552</u>	-	<u>5,025,027</u>
<b>CHANGE IN NET ASSETS</b>	2,161,247	128,461	-	2,289,708
Net Assets - Beginning of Year	<u>8,243,936</u>	<u>3,170,751</u>	<u>(3,170,751)</u>	<u>8,243,936</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 10,405,180</u>	<u>\$ 3,299,212</u>	<u>\$ (3,170,754)</u>	<u>\$ 10,533,641</u>

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES – TEMPORARILY RESTRICTED NET ASSETS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
<b>SUPPORT AND REVENUES</b>				
Contributions and Grants	\$ 180,479	-	\$ -	\$ 180,479
Contributed Services and Supplies	-	-	-	-
Patient Service Fees	-	-	-	-
Special Events Income	\$ -	-	-	-
Less: Direct Expenses	<u>-</u>	-	-	-
Rental Income	-	-	-	-
Gain on Investment in Subsidiary	-	-	-	-
Investment Return	(265,730)	-	-	(265,730)
Total Support and Revenues	<u>(85,251)</u>	-	-	<u>(85,251)</u>
Net Assets Released from Restrictions	<u>(813,282)</u>	-	-	<u>(813,282)</u>
Total Support, Revenues, and and Reclassifications	<u>(898,533)</u>	-	-	<u>(898,533)</u>
<b>EXPENSES</b>				
Program Services	-	-	-	-
Management and General	-	-	-	-
Fundraising	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Value of Split-Interest Agreement	<u>(6,172)</u>	-	-	<u>(6,172)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(904,705)</u>	-	-	<u>(904,705)</u>
Net Assets - Beginning of Year	<u>1,985,459</u>	-	-	<u>1,985,459</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,080,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,080,754</u>

**NEIGHBORHOOD HEALTH CLINIC, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES – PERMANENTLY RESTRICTED NET ASSETS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Neighborhood Health Clinic, Inc.	12th and Goodlette, LLC	Eliminations	Total
<b>SUPPORT AND REVENUES</b>				
Contributions and Grants	\$ 24,060	\$ -	\$ -	\$ 24,060
Contributed Services and Supplies	-	-	-	-
Patient Service Fees	-	-	-	-
Special Events Income	\$ -	-	-	-
Less: Direct Expenses	<u>-</u>	-	-	-
Rental Income	-	-	-	-
Gain on Investment in Subsidiary Investment Return	-	-	-	-
	<u>24,060</u>	<u>-</u>	<u>-</u>	<u>24,060</u>
Total Support and Revenues	24,060	-	-	24,060
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and and Reclassifications	24,060	-	-	24,060
<b>EXPENSES</b>				
Program Services	-	-	-	-
Management and General	-	-	-	-
Fund-Raising	-	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Value of Split-Interest Agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	24,060	-	-	24,060
Net Assets - Beginning of Year	<u>11,142,069</u>	<u>-</u>	<u>-</u>	<u>11,142,069</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 11,166,129</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,166,129</u></u>