



NEIGHBORHOOD HEALTHCARE



Good Health

ANNUAL
REPORT

JULY 1, 2007 to JUNE 30, 2008

Our wonderful board members continue to provide excellent leadership and direction during these trying economic times.

Rev. James Estes, President
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Community Partners continue to help us help others

Thanks to Union Bank who sponsored Legoland's Special Halloween Event. As sponsors, they were asked to name a nonprofit to receive all the coins from their fountains and free tickets to Legoland. They named Neighborhood Healthcare and we benefited in many ways. Mother and daughter team, Leslie and Rebecca McElyea, volunteered to clean the coins. After 4 months of cleaning 27 buckets of coins, they deposited over \$6,000 into our bank account! Additionally, close to 500 Neighborhood Healthcare's patients were able to spend the day at Legoland and these families made a day of it. Thanks Legoland and Union Bank for all the smiles and fun your generosity created!



Valued Volunteers

This year at our annual Pace Setter Gala, we honored George and Susan Niece for their continual commitment to Neighborhood Healthcare. Before they moved to Minnesota, they were very active volunteers. Now they fly back to California every year for the event. The Nieces are very much a family, bringing two generations of Nieces to the event.



left to right: Proud dad and mom; George and Madeline Niece; children Alex, Joanna and Maya; son-in-law and daughter Fernando and Kimberly Cortez; and honorees Susan and George Niece.

Message from the CEO

Good Health is a Way of Life

Everybody wants to feel good, to constantly experience a wonderful vibrant, healthy sensation in body and mind. But consistently feeling good involves more than taking an aspirin for a headache, or seeing your doctor when a serious health problem arises.



Older adults learn how to exercise after lunch at the Open House for our Grand Avenue Adult Health Center in Escondido

Many people consider Neighborhood Healthcare to be a treatment center, a place to come when they aren't feeling good. And, when you're sick, do not hesitate to see us! However, we believe our most important role is to help our neighbors avoid becoming ill in the first place.

The prenatal exams we provide are essential to the health of both mother and child. We try to make it as easy as possible for parents to bring children in for regular checkups. Our medical staff encourages periodic exams for adults at risk of particular diseases. We provide dental care that prevents serious oral and other physical ailments. Affordable behavioral health counseling helps people cope with life's inevitable problems in a positive manner, and avoid resorting to drugs, alcohol, or violence.

And, through community health programs, we strongly encourage people to develop a lifestyle based on healthy choices. We offer education and intervention programs related to healthy eating, overall physical fitness, maintaining a healthy weight, teen issues and taking care of your teeth.

Some 65,000 people a year make more than 231,000 visits to Neighborhood Healthcare centers. Our Chief Medical Officer, Dr. James Schultz, estimates that as many as 50% of those visits would not be necessary if the individuals and their families had made different lifestyle choices over the years.

Tobacco, alcohol, and drugs are obvious causes of illness. But food choices and exercise are other important health considerations. Dr. Schultz, in our monthly health column for the North County Times, wrote, "It has become too easy to get calories, and too hard to expend them. Without trying at all, in today's American society, most of us will become obese and many of us will get diabetes."

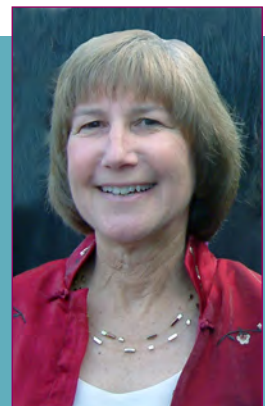
Changing the habits of one's lifestyle is hard – perhaps the hardest thing in the world to do. However, we at Neighborhood Healthcare are here to support positive changes in your life. The following pages address what we are doing in this area, and in other community-based programs that include dental care, general health care, and behavioral health for individuals who otherwise might not be served.

This year's accomplishments: We opened two new health centers in 2007-2008. **In Escondido**, a beautiful center opened in April 2008 focusing on the needs of older adults. **In Temecula** a health center opened in October 2007 offering primary health care and behavioral health/counseling services thus allowing us to convert our original Temecula health center into a women's center focusing on prenatal and women's needs. **Dental services were added to our rural Pauma Valley location** in July 2008, providing dental care to a population that had no dental resources. **Our large El Cajon health center** is in the middle of a major expansion/renovation project scheduled for completion in April 2009.

Looking to the future: Through the generous donation from the Alan Gold family we were able to purchase land in Poway to **build a health center to serve Poway, Rancho Penasquitos and Rancho Bernardo**. This area has pockets of low income residents with no access to affordable health care.

Because of the increasing complexity of providing quality medical care to a patient population that often has complex and chronic medical problems, it is essential to have state of the art **health information technology**. Our strategic plan for 2009-2010 moves us towards implementation of an electronic health record system as part of an overall plan to utilize information technology as a basis for improving quality of care for all patients of all ages.

Tracy Ream, MPAH
Neighborhood Healthcare CEO



Ray M. Dickinson
Wellness Center



425 N. Date Street,
Escondido, CA

- Opened in 2000 in Escondido in partnership with Interfaith Community Services to provide a wide spectrum of complementary services
- The Smile Shop provides essential dental care for children, the indigent and the homeless. Our pediatric dentist provides that extra caring for infants and small children with advanced dental disease
- Community health education & wellness programs include Kaiser Permanente's KP-KIDS childhood obesity intervention, Latino senior outreach to identify monolingual Latino seniors at risk for depression and abuse, social support group for seniors, support groups for diabetics, parenting classes, STD/HIV testing and counseling, & yoga classes
- Homeless services include housing, dental and behavioral health care
- The behavioral health department takes a holistic approach to providing counseling & psychiatric services that includes provision of primary health care within the context of behavioral health care

Neighborhood
Healthcare
~Escondido~

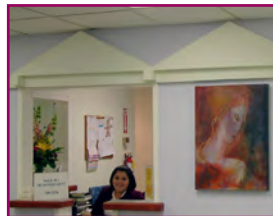


460 E. Elm Street
Escondido, CA

- Our flagship health center opened in 1969 and moved to this location in 1991
- This is our largest and busiest health center seeing over 16,000 people a year in over 44,000 visits.
- Services include primary care provided by physicians, nurse practitioners and physician assistants.
- Speciality clinics are offered for Sports Medicine and Childhood Asthma
- Project Dulce diabetes self-management program helps high-risk diabetics take control of their disease
- Behavioral health services are provided on-site by a specially trained therapist who works with the primary care provider to help patients with medical issues negatively impacted by behavioral issues such as lifestyle choices

Neighborhood
Healthcare

~Women's Center~



215 S. Hickory Street
Escondido, CA

- Our Women's Center, which first opened in 1994 in Escondido, moved this year to a larger location in order to provide more comprehensive services
- Services include primary care for women, family planning and cancer detection services
- 6,000 women come through our doors every year

Neighborhood
Healthcare

~Pediatrics&Prenatal~



426 N. Date Street
Escondido, CA

- In a move towards offering services at the same location, a one-stop-shop pediatric and prenatal care center was opened in 2007
- 3,600 children and 1,500 women receive care each year
- This combined center allows pregnant women to receive their prenatal care plus meet their child's pediatrician before delivery
- Because the new moms bring their infants in for their initial pediatric visit at the same location as they received their prenatal care, the rate of new moms also scheduling their post partum visit with their nurse midwife has significantly increased

Neighborhood
Healthcare

~Grand Avenue~



1001 E. Grand Avenue
Escondido, CA

- NEW HEALTH CENTER opened April 2008
- This is our newest health center specializing in caring for adults, ages 50 and older
- Geriatricians and nurse practitioners provide specialized care and a compassionate staff with experience in dealing with adult issues provide support
- Behavioral health services and psychiatric medication management are provided on-site by a specially trained Physician/Psychiatrist
- It is anticipated that almost 7,000 adults will be seen annually
- A grant from Alliance Healthcare Foundation allowed us to assess adult needs resulting in special programs for our patients
- HIV treatment is provided in a confidential and caring manner

Neighborhood Healthcare
~Pauma Valley~



16650 Highway 76
Pauma Valley, CA

- In response to community efforts this rural health center was opened in 1998 in an area where there were no other health care services offered
- Primary, pediatric and prenatal care are provided to 1,700 community members, and include many agricultural workers
- A long-standing partnership with San Diego Migrant Education assures all children of local migrant workers receive needed health and dental care
- In 2008, a dental department was opened that greatly increased access to care in this underserved area that had previously had NO dental services

Neighborhood Healthcare
~El Cajon~



855 E. Madison Avenue
El Cajon, CA

- Opened in 1994 by East County Health Services, the El Cajon health center merged with Neighborhood Healthcare in 2002
- Over 10,000 people access the full spectrum of care including primary, pediatric, prenatal and behavioral health/psychiatry
- This site is in the process of an expansion/remodel that will add treatment rooms and a full pharmacy
- In 2008 we began providing behavioral health services on-site as an integral component of primary care
- Project Dulce diabetes self-management program helps high-risk diabetics take control of their disease
- KP KIDS childhood obesity program is offered
- A teen pregnancy prevention program addresses key issues in this designated high risk area for teen pregnancies

Neighborhood Healthcare
~Lakeside~



MEDICAL
10039A Vine Street
Lakeside, CA

- Opened in 1994 by East County Health Services, the Lakeside health center merged with Neighborhood Healthcare in 2002
- This small town health center provides primary, pediatric and prenatal care for 3,600 community members
- We have the only pediatric services in town

DENTAL
10039B Vine Street
Lakeside, CA

- Our dental center in Lakeside opened in 2005
- 1,400 patients receive restorative and preventive dental care annually
- All ages receive dental care
- Our pediatric dentist gently works with small children and infants who require more intensive dental care

Neighborhood Healthcare
~Temecula~



41002 County Center
Drive, Suite 310
Temecula, CA

- Neighborhood Healthcare took over operation of this Riverside County health center in 1996 that is co-located in a county health building
- Temecula has grown from a small suburban town to a thriving city, increasing its population 10 fold in the past ten years with a subsequent increase in demand for affordable health care services
- This health center had provided primary, pediatric and prenatal care until demand was so great that a second center opened in late 2007
- We now provide women's health and prenatal services here to 6,700 women a year
- This location was chosen by the Riverside County Department of Public Health to serve as the hub for educating the community during disasters
- A teen pregnancy prevention program works with at-risk teens

Neighborhood Healthcare
~Winchester Road~

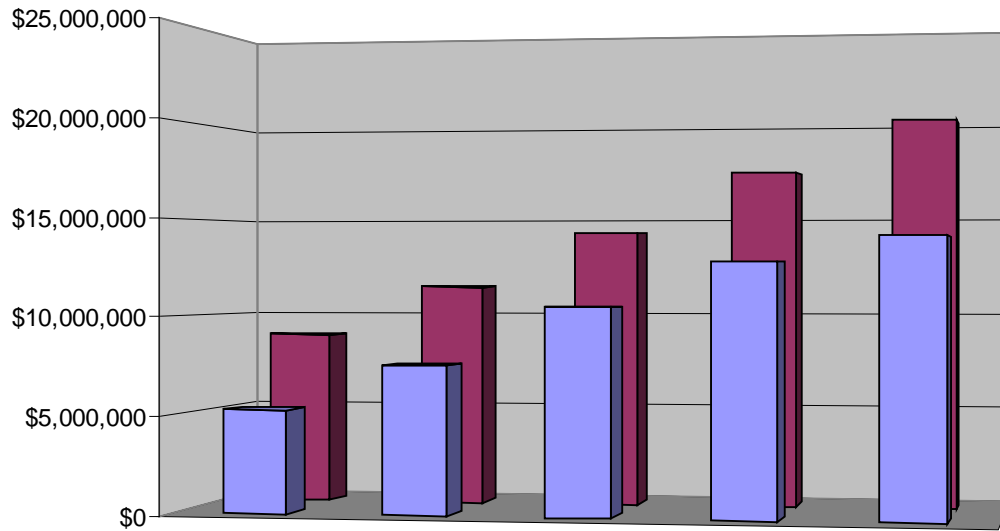


41715 Winchester Road
Temecula, CA

- NEW HEALTH CENTER opened October 2007
- Opened due to the overwhelming need for additional primary care services and behavioral health services
- In the first year of operation, 5,300 patients received care
- The new location includes classroom and group space, allowing us to expand our health education programs to include Project Dulce diabetes management program
- Through telepsychiatry, behavioral health patients can meet with our Escondido-based psychiatrist for medication management, saving both time and money
- Project Dulce diabetes self-management program helps high-risk diabetics take control of their disease
- Much needed behavioral health services are offered to include counseling and medication management through telepsychiatry

Financial Report

Financial Growth 2004-2008



	1	2	3	4	5
Net Assets	\$5,245,932	\$7,535,640	\$10,519,052	\$12,742,510	\$14,031,746
Total Assets	\$8,891,670	\$11,445,928	\$14,321,850	\$17,451,201	\$20,116,014

We increased the number of patient visits by 12,328, resulting in an additional 4,100 new patients receiving medical, dental and behavioral health care.

Annual Patient Visits: Growth	2008	2007
Uninsured	44,268	37,008
Medi-Cal (fee for service and mgd care)	93,433	88,903
Medicare	33,402	28,031
Categorical Programs: subsidized patients	47,397	51,921
Private Insurance	12,978	13,287
Total Patient Visits	231,478	219,150

Individual donors continue to show their generosity and commitment to our mission.

This year, our donors gave \$546,502 for patient visits and programs, an increase of 157% from last fiscal year.

Thank you for your loyal, continuing support!

Neighborhood Healthcare has over \$20,000,000 in Total Assets and \$14,000,000 in Net Assets.

Statement of Financial Position as of June 30, 2008 and 2007

ASSETS	2008	2007
Current Assets	7,646,268	8,084,682
Property and Equipment	11,835,210	8,782,062
Endowment	634,536	584,457
TOTAL ASSETS	20,116,014	17,451,201
LIABILITIES & NET ASSETS		
LIABILITIES:		
Current Liabilities	3,207,406	2,826,986
Long Term Debt	2,876,862	1,881,705
TOTAL LIABILITIES	6,084,268	4,708,691
NET ASSETS:		
Unrestricted	14,031,746	12,742,510
Temporarily Restricted	0	0
TOTAL NET ASSETS	14,031,746	12,742,510
TOTAL LIABILITIES & NET ASSETS	20,116,014	17,451,201

Statement of Activities For the Years Ended June 30, 2008 and 2007

Revenue and Other Support	2008	2007
Patient and third party revenues, net	22,251,124	19,939,242
Grant revenue	6,349,401	6,403,283
Contributions	1,170,839	632,273
Other	528,664	396,472
Total Support and Revenue	30,300,028	27,371,270
Expenses		
Personnel	21,412,122	18,773,521
Contract services	1,839,764	1,583,629
Supplies	2,315,781	1,869,935
Communications	350,703	276,165
Equipment	434,817	398,904
Occupancy	1,176,700	846,934
Insurance	134,868	99,487
Depreciation and amortization	355,455	248,128
Provision for bad debt	461,634	429,220
Other expenses	528,948	621,889
Total expenses	29,010,792	25,147,812

The financial information contained in this annual report represents a condensed version of the Fiscal Year 2008 audited financial statements.

A complete set of the audited financial statements, with accompanying notes and report of independent accountant, is available through Neighborhood Healthcare's administrative offices by calling (760) 737-6934.



Special Thanks to Patient and Volunteer Bill Franklin who named Neighborhood Healthcare in his will. After volunteering at Neighborhood Healthcare for over five years, Bill witnessed first hand the difference Neighborhood Healthcare makes in the lives of thousands of people. He decided that he wanted to leave a legacy helping future generations.

Thanks Bill!

If you would like to leave Neighborhood Healthcare in your will, please call Connie Burke, Director of Philanthropy at 760-520-8365 or email her at connieb@nhcare.org

OUR MISSION:

Neighborhood Healthcare is committed to providing quality health care and promoting wellness to everyone in our communities, focusing on those most in need.

VISIT OUR WEBSITE AT WWW.NHCARE.ORG TO LEARN MORE ABOUT

OUR DONORS AND FUNDERS

OUR VOLUNTEERS

OUR PROGRAMS

OUR HISTORY

OUR BOARD OF DIRECTORS

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