



A REPORT TO OUR
COMMUNITIES

2010



NEIGHBORHOOD HEALTHCARE

“We are a critical part of the communities we serve and we partner with our local hospitals to prevent unnecessary emergency room visits. We also serve our local cities in the event of a disaster.”

– Tracy Ream, CEO

OUR STORY

Neighborhood Healthcare has provided healthcare services to Escondido and surrounding communities for over forty years. In 1969, the nonprofit health center opened and was named Escondido Community Clinic. Dr. Oliver Thomas and Dr. Bill Boyce helped to open the free clinic to see children who were staying home sick because their parents couldn't afford to pay a doctor.

Who would have guessed that 41 years later our name would change to Neighborhood Healthcare, that the patients depending on us would range from poverty level to middle class, that multiple languages would be heard spoken at our centers and that our annual budget would grow to over 34 million dollars to support ten health centers caring for 65,000 patients a year?

San Diego and Riverside counties are homes to our health centers and our service area is 80 miles long by 30 miles wide. Our physicians and staff consistently receive awards from the communities that they serve and they are passionate about caring for those who would go without healthcare if we did not exist. We compare our patients' clinical outcomes against national standards and consistently rank high in managing our patients' health.

Thank you for your ongoing support of Neighborhood Healthcare. Because of your investment, you enable us to excel at our mission.

4

Volunteer
of the Year



5

Inspiring Internship
Leads to Medical
Career



6

Fulton Legacy
of Giving



7

Dedicated
Physician Selected
as Pace Setter
Honoree



8

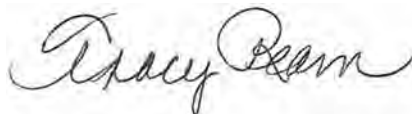
Project Access:
Treat Early, Save
Lives



OUR MISSION

I hope this annual report offers the reader a glimpse of the many ways NHcare meets its mission to the communities it serves. We celebrate the national recognition of the plight faced by individuals who don't have private health insurance and the impact it has on society. We are doing our best to lead the way locally in improving the health status of 65,000 children and adults. Neighborhood Healthcare continues to take on big challenges in order to improve quality for patients and the larger community.

This past year we met the major milestone of electronic health records implementation so patient information and filling prescriptions is now paperless. Much of the credit for planning and implementing this enormous task must be given to the Chief Medical Officer, Dr. Jim Schultz, but he will be the first to tell you every member of the staff deserves credit and thanks for the success. The real benefit will be the ability to assess quality outcomes and manage chronic disease by easy and quick access to data. It was made possible through federal stimulus funding and will have a long term positive impact on the care we offer to 65,000 individuals annually at our 10 health centers.



Tracy Ream, Chief Executive Officer



Tracy Ream, CEO

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|---|---|---|---|---|
| 9 | 10-11 | 12 | 13 | 14-15 |
| Regular Dental Care Vital for Good Health | Treating Teen Obesity and Depression | Why Community Health Centers Matter | Become a Key Leader | Statement of Financial Activities |
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CARING IS KEY INGREDIENT FOR VOLUNTEER OF THE YEAR

Heather O'Bryant



Neighborhood Healthcare honors a very special volunteer every year. This individual is someone who goes above and beyond in his or her service, dedication and enthusiasm for Neighborhood Healthcare. We overwhelmingly selected Heather O'Bryant as the volunteer who has served Neighborhood Healthcare in so many caring and important ways this past year. Some of her contributions that we appreciate include:

- ◆ Providing 523 hours of service since April, 2009
- ◆ Serving as a role model for other volunteers
- ◆ Serving to support our Reach Out and Read Program, our weekly Organic Produce Co-op and providing invaluable support to administration and Neighborhood Healthcare's fundraising departments.

Her commitment and humble spirit inspires staff and volunteers alike. The staff at Neighborhood Healthcare is so grateful to Heather and sends her an enthusiastic round of applause.



*"In my perspective,
Neighborhood Healthcare
has become a training
academy for the community."*

*– Ruth Manzano, Community
Connections Director*

*For information about
becoming an intern or
volunteer, please contact
Ruth Manzano, Community
Connections Director, at
(760) 520-8324 or
ruthm@nhcare.org.*

Neighborhood Healthcare is committed to working with volunteers to improve the level and quality of client services, offer special expertise, and support busy staff with routine tasks and on special projects.

During 2010, the number of volunteers and interns at Neighborhood Healthcare increased. Our volunteer and internship department had a very diverse group of participants, including Medical Assistants, RN students, Midwives, Medical Billers, teen interns, volunteers and more. Many of these people were unemployed individuals looking for a place to gain experience, or students hoping to become part of the medical field one day.

2010 Volunteer Report

| | |
|--------------------------------|------------------|
| Volunteers: | 347 |
| Hours Donated: | 13,796 |
| Value of Hours Donated: | \$102,716 |

**Thank You Neighborhood
Healthcare Volunteers!**

INSPIRING INTERNSHIP LEADS TO A CAREER IN HEALTHCARE

Jose Escobedo has been part of the Neighborhood Healthcare family for the past 10 years. At age 16, Jose began an internship through the Escondido Education COMPACT program. (COMPACT stands for “Creating Opportunities, Making Partnerships, And Connecting Teens.”) What led to his interest in the internship was an unforgettable Job Shadow Day at Neighborhood Healthcare that his school in Escondido, San Pasqual High School, had organized a few years earlier.

As an intern, Jose shadowed many different doctors at Neighborhood Healthcare and, at the conclusion of his internship, Jose was inspired. He was certain that he wanted to work in medicine.

Unsure of how to do so, Jose approached a Neighborhood Healthcare physician and asked him to be his mentor. Throughout his time attending Cal State San Marcos, majoring in Molecular Cell Biology, Jose spent countless hours volunteering by working in between classes and sometimes even on weekends. Jose’s passion for medicine and helping others was evident to everyone around him.

After graduating college, the UC Davis School of Medicine accepted Jose’s application to a post-baccalaureate program. He stayed in Northern California working as a Forensic Toxicologist until 2009, when he returned home to Escondido. Upon his return, Jose was hired as Neighborhood Healthcare’s Case Manager for their pediatrics and prenatal center. A year later, he was promoted to Neighborhood Healthcare’s Emergency Room Outreach Representative, his current position.

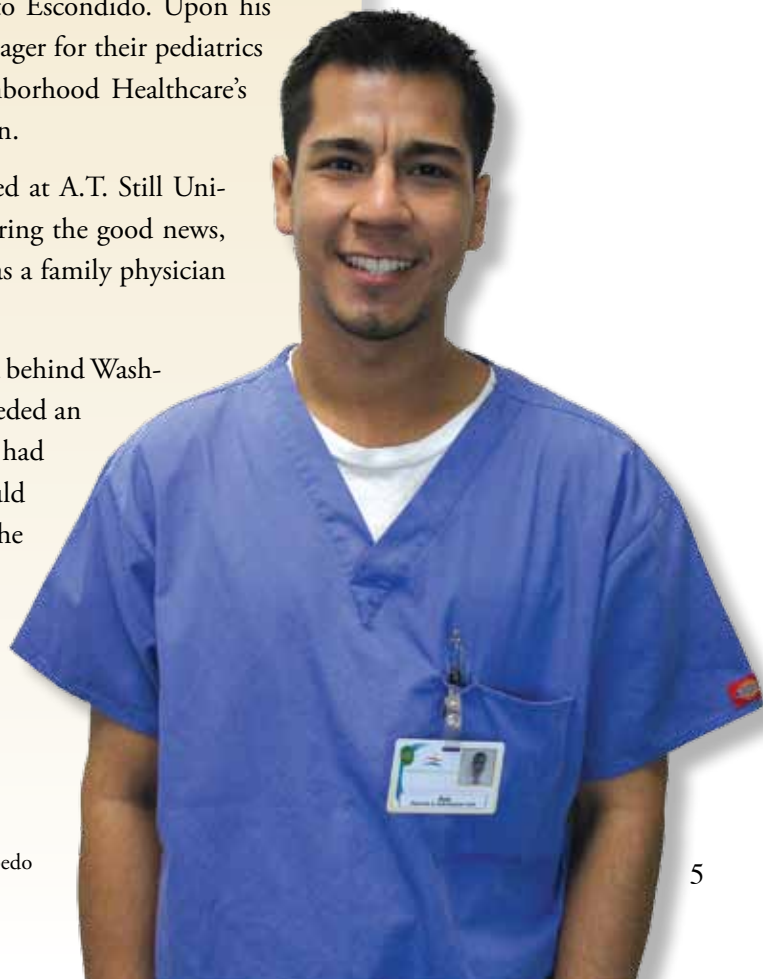
Recently, Jose received the good news that he was accepted at A.T. Still University-School of Osteopathic Medicine in Arizona. Upon hearing the good news, Jose says his dream of coming back to his hometown to serve as a family physician is getting closer.

“While growing up, my family and I lived in a house located behind Washington Park. I relied on the health center when I was sick or needed an immunization as a teen.” Jose continues, “I am grateful that I had a place to go where everyone made me feel so welcome. If I could choose who to be in the next 10 years, I would want to be the medical director for Neighborhood Healthcare.”

Jose is a prime example of how Neighborhood Healthcare and local educational organizations can shape the lives of our youth. Neighborhood Healthcare wishes the best for Jose in all of his efforts, and would be happy to see him back in ten years, fulfilling his dream.

“Neighborhood Healthcare cares so much for their communities. They tackle the health issues their communities face, and they empower and guide individuals like myself to become part of their team efforts in addressing the needs of these communities.”

— Jose Escobedo



Jose Escobedo



HAROLD FULTON'S LEGACY WILL PROVIDE NEEDED ACCESS FOR CHILDREN

Harold Fulton was born on July 26, 1918 in Belfast, Ireland. He immigrated with his mother and siblings to America in 1929 and resided in New Jersey. In 1943 he enlisted in the United States Army and was stationed in Hawaii during World War II. He retired from the Army as a Captain and thereafter met and married his wife, Amalia. They spent their early years in Northern California where Harry established a welding school. In 1972 they moved to Escondido where they resided until Amalia's death in 2005. Harry died on June 15, 2007.

Harry was a man of humble and challenging beginnings. His father abandoned the family in Ireland when Harold was young, and his mother did what she could to provide for her children. This difficult childhood left a deep impression on Harry and fueled his drive to better himself. His entrepreneurial spirit established him as a self-made and successful tradesman and businessman.

Without children of his own, Harry was determined to have his estate be used to provide access to medical care for children whose parents would otherwise be unable to pay for such care. Harry's gift to Neighborhood Healthcare allows him to leave an important and lasting legacy. In the fiscal year of 2010, we received \$909,173 from the Fulton Trust. Harry's legacy will be used to help purchase a building in Temecula that will become a new Neighborhood Healthcare center, allowing us to expand our services to more adults and children in need. We would like to celebrate, honor, and thank Harry—a man committed to bettering the lives of others.

Without children of his own, Harry was determined to have his estate be used to provide access to medical care for children whose parents would otherwise be unable to pay for such care. Harry's gift to Neighborhood Healthcare allows him to leave an important and lasting legacy.

DEDICATED PHYSICIAN SELECTED AS PACE SETTER HONOREE

Honoring the Past, Celebrating the Present, Strengthening the Future
2011 Pace Setter Honoree, Dr. Mary L. Dzvonik

After 20 years of dedicated service to Neighborhood Healthcare, Dr. Mary Dzvonik will be retiring in March of 2011. Throughout these years, her devotion to giving back to the community has been an inspiration to many. Neighborhood Healthcare would like to thank Dr. Dzvonik for her invaluable support.

At a young age, Dr. Dzvonik knew that she wanted to dedicate her life to helping others. Growing up, she would help her late mother, a grade school teacher, collect donations of lunch money, warm clothing, and boots for children in need. "I always wanted to imitate her, and thus to take care of patients who have had obstacles to finding the care they need," she explains. Throughout her time at Neighborhood Healthcare, she enjoyed getting to go home at the end of the day knowing she'd been able to help someone who otherwise may have gone without care.

One of Dr. Dzvonik's greatest strengths has been her genuine care for her patients and fellow health care providers. She explains, "I have been astonished by, and kept engaged by, the diversity and complexity of the patients' diagnoses and personalities, and the overlying challenges posed by their economic and social hardships. The biggest benefit has been to have the opportunity to learn how to practice good medicine from my coworkers, who also happen to be a whole lot of fun to work with! My coworkers epitomize in the provision of compassionate, high quality healthcare."

For the past 20 years, Dr. Dzvonik has consistently shared a spirit of commitment, dedication, and passion for her patients and their care. Neighborhood Healthcare looks forward to honoring her with the 2011 Pace Setter Award in June.

13th Annual Pace Setter Gala Saturday June 11, 2011 - 5:30-9:00 PM

Join us for an evening of gourmet dining, sumptuous wine, and fabulous auctions. Proceeds from this event will benefit Neighborhood Healthcare's Endowment Fund and patient care.

To purchase tickets for this year's gala, please register online at <http://pacesetter.maestroweb.com>, or contact Connie Burke at (760) 520-8365.

"It feels good to go home at night thinking that I may have helped someone who might otherwise have been in want of good care."

— Dr. Mary L. Dzvonik

Dr. Dzvonik and her husband, John Olson.





“Project Access helps our medical staff to feel better knowing that we can provide life-saving treatment for our patients.”

– Dr. Jim Schultz,
Neighborhood Healthcare
Chief Medical Officer

PARTNERING WITH PROJECT ACCESS TO TREAT EARLY AND SAVE LIVES

To ensure that our patients receive the highest quality of care possible, Neighborhood Healthcare has collaborated with Project Access San Diego (PASD). Project Access is a program that allows community health centers to connect with specialists who are willing to donate their services to patients in need. Since partnering in 2009, PASD has provided Neighborhood Healthcare patients with over \$628,000 in donated services.

Teresa Ardavin: “My doctors gave me my life back!” When Teresa came to Neighborhood Healthcare she had had a large mass on her throat for four years. The mass caused the patient so much pain that she often could not sleep well, and she became depressed. After several tests, Teresa was diagnosed with thyroid cancer. As a single mother of two, she felt scared and hopeless. Unable to pay for the surgery that she desperately needed, Teresa was referred to Project Access. Two surgeries later, Teresa is now cancer free, and thanks to the collaboration of Neighborhood Healthcare and Project Access, two children still have their mom.

Thomas Lindert: Thomas can blame it on genetics but he is a strong believer in preventative medicine after his personal experience. His grandmother died of colon cancer, and then his mother was diagnosed with colon cancer at age 81. Now his brother has been diagnosed with ulcerative colitis. “I feel that I can be next, maybe I have something? I don’t know!” he says very disappointed. “If my family had the resources to screen themselves at the appropriate age they could’ve done something to prevent it.” Thomas received a free GI procedure on August 22 from Kaiser Permanente. “I’m delighted to have this opportunity—prevention is very valuable.”



Teresa Ardavin, Project Access Patient

Since partnering in 2009, Project Access has provided Neighborhood Healthcare patients with over \$628,000 in donated services. For Teresa, it means her two children still have a mom.



Thomas Lindert, Project Access Patient

Thomas’ family has a history of colon cancer, so he was provided with a free gastrointestinal procedure as a preventative measure.

PEOPLE HELPING PEOPLE— OFFERING DENTAL SERVICES HERE AT HOME

Healthy Smiles

Desiring to help those less fortunate, Dr. Peter Do, a Neighborhood Healthcare board member and local dentist, had intentions of traveling to Mexico to offer a day of free dental care. “Then I realized that because MediCal no longer offers adult dental coverage, there was a need for care in my own hometown.” With this realization, Healthy Smiles came to be. On November 14, 2010, Dr. Do and a team of volunteers graciously donated their time to see 22 patients at Neighborhood Healthcare. Many of these patients were young adults that had never had adequate dental care; they were incredibly appreciative of the fillings and simple extractions they received. Dr. Do was happy to use his skills to improve the lives of others, and he plans to continue the Free Adult Dental Clinic on a quarterly basis.

*“Thank you so much
for offering this to me.
It was an amazing
process. I thank you
from the bottom of
my heart.”*

*— Nicolle T., Healthy
Smiles Patient*

Regular Dental Care, Vital for Good Health

Neighborhood Healthcare’s dental program has been in place since 1979. Dental services are currently offered at three of our centers: Pauma Valley, Lakeside, and Escondido. Each year, we provide much needed dental care to 6,500 people—most are children. When children come in for their annual checkup and they find out they are cavity free, they get to join our Cavity Free Club. Kids learn how to care for their teeth, and their parents have a place to help care for their family’s dental needs.



*About 6,500 people receive dental care
every year at our three dental centers.*





INVESTING IN OUR CHILDREN'S FUTURES DONORS GIVE \$32,000



Pace Setter 2010 guests gave generously to fund "Unfunded Care for Children."

Neighborhood Healthcare would like to extend a big thank you to everyone who made our 2010 Pace Setter Gala Auction a success. Together, you raised \$32,000 that will be used to provide care for children when no other funding exists. Your generous bids will help fund the following services:

WE HELP 1,960 BABIES get a good start in life every year. Thanks to our prenatal care and education, those without insurance can rely on us.

20,000 CHILDREN will receive care from us—many have no insurance.

CHILDHOOD OBESITY—Our passion is to help address and solve childhood obesity. We offer various programs to help educate the whole family and to help them adopt healthier habits.

TEEN MOMS—We are also passionate about providing education, counseling, and care for pregnant teens.

DENTAL CARE—If a family cannot afford medical insurance, dental insurance is often unattainable as well. We provide patients, mostly children, with important dental care, and we educate families on how to maintain healthy dental habits.



For a list of 2010 donations, visit www.nhcare.org or call Connie Burke, Director of Philanthropy, at (760)520-8365.

TREATING TEEN OBESITY AND DEPRESSION

Teenage years consist of many changes, both physical and mental. Amidst these changes, many teens feel scared and confused, and often neglect to care for their health.

A few years ago, Neighborhood Healthcare noticed a disturbing trend: too many of our teen patients were suffering from depression and obesity. Currently, 15 percent of teenage patients are already obese, and that number continues to rise. Fifty percent of the teens we see are at risk both for being overweight and suffering from depression.

It became apparent that it would be wise for Neighborhood Healthcare to deal with these issues as early as possible, so we began the Adolescent Health and Wellness Program in 2010. In addition, as teenage pregnancy rates have also been increasing, we created the Healthy Teen Moms and the Teen Pregnancy Prevention programs at some of our sites.

Adolescent Health and Wellness Program

The Adolescent Health & Wellness Program offers health education for teens, emphasizing wellness and prevention and provides teens with knowledge and skills to better cope with stressors in their lives. Topics range from staying fit to dealing with depression, anxiety, substance abuse, weight loss, and making good nutrition choices. In addition, doctors help the teens to find needed help from other organizations. The program has already resulted in teens reaching personal goals, and an increased number of adolescents receiving the care that they need.

Healthy Teen Moms Program

Healthy Teen Moms Program is a series of classes to help pregnant teens find resources to lead a healthy lifestyle and improve their social support and interaction among teen moms. Classes are led by a licensed psychologist who teaches subjects such as life changes with pregnancy, dealing with post-partum depression, and family planning. Pregnant teens also find it helpful that they can visit a dentist, access daycare and Lamaze classes, and more, as the program provides referrals to many different kinds of care. Upon graduation, teen moms receive a car seat or stroller, and are better prepared to raise their new babies.

"I learned things that I never knew about during the pregnancy and for labor. I have also learned how to care for my newborn baby."

– Ruby, a Healthy Teen Moms participant





We are an award-winning organization, founded in 1969, that has earned a significant reputation for solving community health issues. An association with Neighborhood Healthcare is an association with excellence.

WHY COMMUNITY HEALTH CENTERS MATTER, MAKING A DIFFERENCE IN YOUR COMMUNITY

- ◆ **We protect San Diego's and Southwest Riverside's work force.** We're the working person's hero. We get San Diego and Southwest Riverside counties' workforces well so they can make a living. Many of our adult patients are employed but that doesn't mean health insurance is available or affordable to them through their employer.
- ◆ **We keep your child's classmates healthy.** About 20,000 children depend on us each year.
- ◆ **We save your local emergency room.** We serve over 800 outpatients a day at our 10 health centers, keeping your local emergency room free for medical emergencies. In addition, we provide care for almost 150 inpatients each day at local hospitals.
- ◆ **We save lives.** After dealing with extreme pain and exhaustion for over four years, Teresa Ardavin came to Neighborhood Healthcare seeking help. After numerous tests, a cancerous tumor was discovered on her thyroid. Collaborating with several partners, Neighborhood Healthcare was able to get Teresa the surgery and treatment that she needed but could not pay for. Today Teresa is alive and well, and her two children still have a mother to care for them. "My doctors gave me my life back," she says with eternal gratefulness.

For a list of our locations, hours of operation, and contact information, please visit www.nhcare.org and select "Sites and Services."

2010 NEIGHBORHOOD HEALTHCARE FACTS

Providing medical, dental, behavioral health, inpatient care and wellness education for over 40 years to those most in need.

| | |
|-------------------------|---------|
| Adult Patients: | 65,000 |
| Children: | 22,000 |
| (12 and under) | |
| Outpatient visits/day: | 800 |
| Inpatient visits/day: | 150 |
| Outpatient visits/year: | 218,711 |
| Inpatient visits/year: | 50,103 |
| Employees: | 440 |

Number of Households that rely on Neighborhood Healthcare by Region/Health Center

| | |
|-------------------|------------------------------------|
| Temecula: | 1 out of 3 households |
| Pauma/Pala: | 1 out of 4 households |
| (two communities) | |
| Escondido: | 1 out of every 10 people (5 sites) |
| El Cajon: | 1 out of 5 households |
| Lakeside: | 1 out of 4 households |

BECOME A KEY LEADER JOIN OUR ADVOCACY TEAM

Join us this year and become one of our KEY LEADERS. This is going to be one of the toughest years for community health centers as budget cuts are happening at every level—county, state, and federal. As a Key Leader, you will receive educational information about community health centers, and emails when there is an opportunity to contact your legislative representative on behalf of Neighborhood Healthcare.

Community health centers ensure that our community stays healthy. If you believe in supporting community health centers like Neighborhood Healthcare, please contact Connie Burke at (760) 520-8365 or at connieb@nhcare.org to become a Key Leader.



Johnny Watson and Steve Yerxa, Neighborhood Healthcare board members invite you to join them in advocating for community health centers.

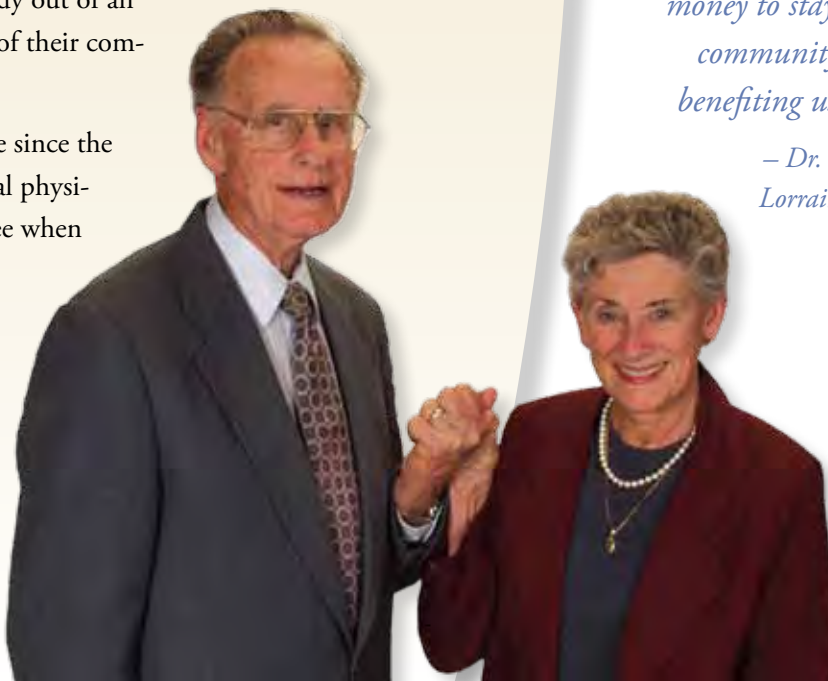
"I believe in supporting community health centers like Neighborhood Healthcare because they are a proven safety network for providing healthcare to our neighbors in need. They are cost effective, reliable and have a 50 year history of success. Join us this year and become one of our KEY LEADERS."

– Johnny Watson, Board Member and Advocacy Chair, Neighborhood Healthcare

HEROES IN COMMUNITY HEALTH LEAVING A LEGACY

"A lot of people say they have a big family so they can't afford to leave anything to a nonprofit organization," says Lorraine Boyce of Escondido. "I tell them," she continues, "that we've got 22 grandchildren and 7 great grandchildren. Giving a gift of real estate doesn't cut anybody out of an inheritance. People can do both—take care of their community and their family."

Supporters of Neighborhood Healthcare since the late 1960's, Dr. Boyce was one of the original physicians who volunteered to see children for free when the center was first founded. Culminating their long relationship and commitment to Neighborhood Healthcare, the Boyces have established a gift arrangement known as a charitable gift annuity. This arrangement financially benefits both the Boyce's and Neighborhood Healthcare.



"We've done this three times now with three different pieces of property. It allows the money to stay in the community while benefiting us now."

– Dr. Bill and Lorraine Boyce

2010



| |
|--------------------------|
| Medical (70.2%) |
| Dental (7.0%) |
| Behavioral Health (4.2%) |
| Inpatient (18.6%) |



| |
|--------------------------|
| Uninsured (16.2%) |
| Medi-Cal (41.1%) |
| Medicare (13.5%) |
| Public Programs (20.5%) |
| Private Insurance (5.7%) |



| |
|--|
| Federal, State and Local Grants (11.4%) |
| 3rd Party Reimbursement (62.9%) |
| Community Program Grants & Contracts (11.3%) |
| Patient Fees (4.9%) |
| Private Insurance (5.1%) |
| Donations (3.8%) |
| Other (0.6%) |

GROWTH AND VISION OF THE FUTURE

The financial information contained in this annual report represents a condensed version of the Fiscal Year 2010 audited financial statements. A complete set of the audited financial statements, with accompanying notes and report of independent accountant, is available at Neighborhood Healthcare's administrative offices.

Growth (5-Year Trend)

| FY | Annual Visits | Total Expenses | Total Assets | Total Net Assets |
|------|---------------|----------------|--------------|------------------|
| 2000 | 81,566 | 7,107,949 | 4,576,810 | 3,277,699 |
| 2006 | 209,684 | 22,731,401 | 14,321,850 | 10,519,052 |
| 2007 | 219,150 | 25,147,812 | 17,451,201 | 12,742,510 |
| 2008 | 231,478 | 29,010,792 | 20,116,014 | 14,031,746 |
| 2009 | 258,543 | 31,620,862 | 23,817,039 | 16,487,277 |
| 2010 | 268,814 | 33,867,514 | 27,498,573 | 19,893,742 |

Visits by Program

| FY | Medical | Dental | Behavioral Health | Inpatient | TOTAL |
|------|---------|--------|-------------------|-----------|---------|
| 2009 | 179,995 | 17,408 | 11,188 | 49,952 | 258,543 |
| 2010 | 188,599 | 18,874 | 11,238 | 50,103 | 268,814 |

Visits by Payor (5-Year Trend)

| FY | Uninsured | Medi-Cal | Medicare | Public Insurance | Private Insurance | TOTAL |
|------|-----------|----------|----------|------------------|-------------------|---------|
| 2006 | 31,641 | 83,796 | 24,469 | 57,047 | 12,731 | 209,684 |
| 2007 | 37,008 | 88,903 | 28,031 | 51,921 | 13,287 | 219,150 |
| 2008 | 44,268 | 93,433 | 33,402 | 47,397 | 12,978 | 231,478 |
| 2009 | 47,239 | 106,519 | 35,743 | 55,325 | 13,717 | 258,543 |
| 2010 | 43,510 | 118,572 | 36,290 | 54,969 | 15,473 | 268,814 |

Note: Public Insurance includes EAPC, FPACT, CMS, MISP, CDP, Ryan White, MHSA, CI, Impact, Healthy Families Medical & Dental programs. MediCal and MediCare include Managed Care MediCal and Managed Care MediCare and DentiCal.

Revenue

| FY | TOTAL | Government | Patient Services | Non-Government Grants & Contracts |
|------|------------|------------|------------------|-----------------------------------|
| 2009 | 34,076,393 | 2,541,522 | 23,368,975 | 4,215,735 |
| 2010 | 36,913,363 | 4,183,124 | 23,193,088 | 4,168,278 |

| FY | Patient Fees | Private Insurance | Contributions | Others |
|------|--------------|-------------------|---------------|---------|
| 2009 | 1,852,152 | 1,647,715 | 297,987 | 152,307 |
| 2010 | 1,766,687 | 1,951,840 | 1,391,703 | 258,644 |

Statement of Financial Position

June 30, 2010 and 2009

| Assets | 2010 | 2009 |
|---|-------------------|-------------------|
| Current Assets | 13,552,615 | 11,063,430 |
| Property and Equipment | 13,234,427 | 12,125,014 |
| Board Designated Endowment | 711,531 | 628,595 |
| TOTAL ASSETS | 27,498,573 | 23,817,039 |
| Liabilities & Net Assets | | |
| Liabilities: | | |
| Current Liabilities | 3,999,675 | 4,711,733 |
| Long Term Debt | 3,605,156 | 2,618,029 |
| TOTAL LIABILITIES | 7,604,831 | 7,329,762 |
| Net Assets: | | |
| Unrestricted | 19,893,742 | 16,487,277 |
| Temporarily Restricted | 0 | 0 |
| TOTAL NET ASSETS | 19,893,742 | 16,487,277 |
| TOTAL LIABILITIES & NET ASSETS | 27,498,573 | 23,817,039 |

“Neighborhood Healthcare achieved strong financial results in fiscal year 2010. While patient visits grew by 4%, total revenue grew by 8%, due in large part to the generosity of Mr. Fulton’s bequest and other investment income. This allowed us to improve access to care for 65,000 patients at our 10 health centers and puts us in a strong position to take on healthcare reform.”

*– Lisa Daigle,
Chief Financial Officer*

Financial Growth

| Growth in Assets from 2006 - 2010 | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 6/30/10 | 6/30/09 | 6/30/08 | 6/30/07 | 6/30/06 |
| Total Assets | \$27,498,573 | \$23,817,039 | \$20,116,014 | \$17,451,201 | \$14,321,850 |
| Net Assets | \$19,893,742 | \$16,487,277 | \$14,031,746 | \$12,742,510 | \$10,519,052 |

Statement of Activities

For the Years Ended June 30, 2010 and 2009

| Revenue And Other Support | 2010 | 2009 |
|---------------------------------------|-------------------|-------------------|
| Patient and third party revenues, net | 26,911,614 | 26,854,327 |
| Grant revenue | 8,351,402 | 6,771,771 |
| Donations | 1,391,703 | 297,987 |
| Other | 258,644 | 152,308 |
| TOTAL SUPPORT AND REVENUE | 36,913,363 | 34,076,393 |
| Expenses | | |
| Personnel | 25,517,402 | 23,884,630 |
| Contract services | 1,985,150 | 1,845,044 |
| Supplies | 2,242,239 | 2,105,693 |
| Communications | 407,566 | 422,495 |
| Equipment | 616,472 | 375,712 |
| Occupancy | 1,261,266 | 1,185,299 |
| Insurance | 145,623 | 133,018 |
| Depreciation and amortization | 515,049 | 445,245 |
| Provision for bad debt | 548,785 | 563,645 |
| Other expenses | 627,962 | 660,081 |
| TOTAL EXPENSES | 33,867,514 | 31,620,862 |

| Annual Patient Visits: Growth | 2010 | 2009 |
|---|----------------|----------------|
| Patient Service Fees | 43,510 | 47,239 |
| Medi-Cal (fee for service and mgd care) | 118,572 | 106,519 |
| Medicare | 36,290 | 35,743 |
| Categorical Programs: subsidized patients | 54,969 | 55,325 |
| Private Insurance | 15,473 | 13,717 |
| TOTAL PATIENT VISITS | 268,814 | 258,543 |



WANT TO GET INVOLVED?

Call Connie Burke, Director of Philanthropy at
(760) 520-8365 or email her at connieb@nhcare.org
*You can find a list of all our health centers with contact
information and hours on our website at www.nhcare.org.*

Mission Statement

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

2010 BOARD OF DIRECTORS

Olivia Leschick, President
Richard Marino, Attorney at Law,
Vice President
Johnny Watson, Treasurer
Carmen Miranda-Griffith, Secretary
Cabiria "Bea" Lizarraga, RN, Director
Federico Salas, Director
Judith Descalso, Attorney at
Law, Director
Katherine "KC" Schafer, RN, Director
Margaret Estrada, Director
Peter DO, DDS, Director
Sandra Nooe, LCSW, Director
Stephen P. Yerxa, Director

LEADERSHIP TEAM

Tracy Ream, Chief Executive Officer
Dr. James Schultz, Chief Medical Officer
Lisa Daigle, Chief Finance Officer
Amparo Mahler, Chief Operations Officer
Lynn Graykowski, Director of
Human Resources



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