

NPH USA, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014



CliftonLarsonAllen

**NPH USA, INC. AND AFFILIATE
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INDEPENDENT AUDITORS' REPORT

Board of Directors
NPH USA, Inc. and Affiliate
Chicago, Illinois

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NPH USA, Inc. and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit 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 consolidated 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 consolidated 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 consolidated 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 financial position of NPH USA, Inc. and Affiliate as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations, and is not a required part of the consolidated 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 consolidating 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
April 30, 2016

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 5,379,027	\$ 4,136,543
Pledges Receivable Net of Allowance for Uncollectible		
Pledges of \$41,240 in 2015 and \$57,515 in 2014	78,585	208,258
Prepaid Expenses	38,264	51,916
Investments	12,316,549	12,715,376
Beneficial Interest in Perpetual Trusts	2,496,469	2,720,733
Beneficial Interest in Land Trusts	37,500	37,500
Fixed Assets, Net	154,606	73,983
Other Assets	31,634	31,834
	\$ 20,532,634	\$ 19,976,143
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 243,012	\$ 240,657
Accrued Expenses and Other Liabilities	326,156	323,101
Total liabilities	569,168	563,758
NET ASSETS		
Unrestricted Net Assets	3,973,267	2,750,624
Temporarily Restricted Net Assets	2,834,304	3,485,287
Permanently Restricted Net Assets	13,155,895	13,176,474
Total Net Assets	19,963,466	19,412,385
Total Liabilities and Net Assets	\$ 20,532,634	\$ 19,976,143

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
UNRESTRICTED NET ASSETS		
Support:		
Contributions	\$ 12,079,003	\$ 12,781,358
Bequests	628,952	72,782
Donated Materials	1,724,909	1,259,310
Special Events	2,073,805	1,811,533
Revenue:		
Interest and Dividends	3,830	11,083
Unrealized Gain (Loss)	(2,491)	2,499
Realized Gain (Loss)	(205)	7,817
Distributions from Beneficial Interest in Trusts	119,762	167,733
Miscellaneous	-	5,479
Net Assets Released from Restrictions	730,209	1,051,654
Total Unrestricted Support and Revenue	17,357,774	17,171,248
Expenses:		
Program Services	12,064,003	13,134,506
Management and General	1,626,448	1,197,373
Fundraising	2,444,680	2,640,147
Total Expenses	16,135,131	16,972,026
Increase in Unrestricted Net Assets	1,222,643	199,222
TEMPORARILY RESTRICTED NET ASSETS		
Revenue:		
Contributions	-	32,960
Interest and Dividends	188,629	198,782
Unrealized Gain (Loss)	(385,488)	309,087
Realized Gain	276,085	315,213
Net Assets Released from Restrictions	(730,209)	(1,051,654)
Decrease in Temporarily Restricted Net Assets	(650,983)	(195,612)
PERMANENTLY RESTRICTED NET ASSETS		
Support:		
Contributions	203,685	214,370
Revenue:		
Change in Value of Trusts	(224,264)	(82,383)
Increase (Decrease) in Permanently Restricted Net Assets	(20,579)	131,987
CHANGE IN NET ASSETS	551,081	135,597
Net Assets - Beginning of Year	19,412,385	19,276,788
NET ASSETS - END OF YEAR	\$ 19,963,466	\$ 19,412,385

See accompanying Notes to Consolidated Financial Statements.

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 544,220	\$ 655,374	\$ 896,664	\$ 1,552,038	\$ 2,096,258
Payroll Taxes	45,316	54,573	74,665	129,238	174,554
Employee Benefits	58,285	75,044	96,030	171,074	229,359
	<u>647,821</u>	<u>784,991</u>	<u>1,067,359</u>	<u>1,852,350</u>	<u>2,500,171</u>
Support to Orphanages - NPHI:					
Operations - Direct Support	5,927,927	-	-	-	5,927,927
Operations - Designated and Sharing	3,412,530	-	-	-	3,412,530
Donated Materials and Supplies	1,724,909	-	-	-	1,724,909
	<u>11,065,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,065,366</u>
Bank and Credit Card Fees	-	4,965	128,663	133,628	133,628
Consulting and Outside Services	-	-	310,889	310,889	310,889
Cultivation	-	-	26,550	26,550	26,550
Bad Debt Expense	-	117,735	-	117,735	117,735
Depreciation and Amortization	-	16,912	-	16,912	16,912
Dues and Subscriptions	-	2,296	-	2,296	2,296
Employee Search and Relocation	-	96,847	-	96,847	96,847
Event Supplies	-	-	425,527	425,527	425,527
Hospitality and Meals	-	40,373	-	40,373	40,373
Insurance	-	27,628	-	27,628	27,628
Investment Fees	-	738	-	738	738
Licenses and Fees	-	76,461	-	76,461	76,461
Occupancy	56,036	88,765	134,384	223,149	279,185
Office Equipment	-	33,290	-	33,290	33,290
Office Supplies	17,860	27,430	27,429	54,859	72,719
Outside Services	27,204	82,949	45,580	128,529	155,733
Postage and Shipping	19,831	19,831	39,662	59,493	79,324
Professional Fees	-	99,126	-	99,126	99,126
Program Education and Marketing	-	-	132,230	132,230	132,230
Promotion	-	-	2,371	2,371	2,371
Repair and Maintenance	-	2,961	-	2,961	2,961
Telecommunications	-	24,091	18,008	42,099	42,099
Training and Seminars	-	22,798	17,041	39,839	39,839
Travel	229,885	18,346	68,987	87,333	317,218
Miscellaneous	-	37,915	-	37,915	37,915
	<u>350,816</u>	<u>841,457</u>	<u>1,377,321</u>	<u>2,218,778</u>	<u>2,569,594</u>
Total Functional Expenses	<u><u>\$ 12,064,003</u></u>	<u><u>\$ 1,626,448</u></u>	<u><u>\$ 2,444,680</u></u>	<u><u>\$ 4,071,128</u></u>	<u><u>\$ 16,135,131</u></u>

See accompanying Notes to Consolidated Financial Statements.
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NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 389,697	\$ 505,299	\$ 1,317,613	\$ 1,822,912	\$ 2,212,609
Payroll Taxes	35,725	46,322	120,789	167,111	202,836
Employee Benefits	41,775	58,981	141,245	200,226	242,001
	<u>467,197</u>	<u>610,602</u>	<u>1,579,647</u>	<u>2,190,249</u>	<u>2,657,446</u>
Support to Orphanages - NPHI:					
Operations - Direct Support	8,136,698	-	-	-	8,136,698
Operations - Designated and Sharing	2,907,431	-	-	-	2,907,431
Donated Materials and Supplies	1,259,310	-	-	-	1,259,310
	<u>12,303,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,303,439</u>
Bank and Credit Card fees	-	4,182	125,489	129,671	129,671
Consulting and Outside Services	-	5,104	20,000	25,104	25,104
Cultivation	-	-	15,284	15,284	15,284
Bad Debt Expense	39,174	-	-	39,174	39,174
Depreciation and Amortization	-	31,647	-	31,647	31,647
Dues and Subscriptions	-	2,750	-	2,750	2,750
Employee Search and Relocation	-	2,147	-	2,147	2,147
Event Supplies	-	-	421,782	421,782	421,782
Hospitality and Meals	-	26,477	-	26,477	26,477
Insurance	-	34,232	-	34,232	34,232
Investment Fees	-	8,857	-	8,857	8,857
Licenses and Fees	-	71,336	-	71,336	71,336
Occupancy	74,872	82,820	111,339	194,159	269,031
Office Equipment	-	33,391	-	33,391	33,391
Office Supplies	-	57,988	28,312	86,300	86,300
Outside Services	-	99,738	10,000	109,738	109,738
Postage and Shipping	17,617	17,617	35,234	52,851	70,468
Professional Fees	-	40,978	-	40,978	40,978
Program Education and Marketing	-	-	198,380	198,380	198,380
Promotion	-	-	3,387	3,387	3,387
Repair and Maintenance	-	8,635	-	8,635	8,635
Telecommunications	-	11,411	16,798	28,209	28,209
Training and Seminars	-	3,859	5,682	9,541	9,541
Travel	232,207	17,584	68,813	86,397	318,604
Loss on Disposal	-	26,018	-	26,018	26,018
Miscellaneous	<u>363,870</u>	<u>586,771</u>	<u>1,060,500</u>	<u>1,686,445</u>	<u>2,011,141</u>
Total Functional Expenses	<u>\$ 13,134,506</u>	<u>\$ 1,197,373</u>	<u>\$ 2,640,147</u>	<u>\$ 3,876,694</u>	<u>\$ 16,972,026</u>

See accompanying Notes to Consolidated Financial Statements.

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 551,081	\$ 135,597
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Provision for Bad Debts	117,735	39,174
Depreciation and Amortization	16,912	31,647
Realized Gain on Investments	(275,880)	(323,030)
Unrealized Loss (Gain) on Investments	387,979	(311,586)
Change in Value of Perpetual Trusts	224,264	82,383
Permanently Restricted Contributions	(203,685)	(214,370)
(Increase) Decrease in:		
Accounts Receivable	-	-
Pledges Receivable	11,938	(72,135)
Prepaid Expenses and Other Assets	13,852	36,720
Increase (Decrease) in:		
Accounts Payable	2,355	(90,133)
Accrued Expenses and Other Liabilities	3,055	(77,826)
Due to Other Organizations	-	(2,033)
Net Cash Provided (Used) by Operating Activities	849,606	(765,592)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Software	(97,535)	(77,453)
Proceeds from Sales and Maturities of Investments	1,912,526	1,930,828
Purchase of Investments	(1,625,798)	(1,344,731)
Net Cash Provided by Investing Activities	189,193	508,644
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Received for Endowment	203,685	214,370
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,242,484	(42,578)
Cash and Cash Equivalents - Beginning of Year	4,136,543	4,179,121
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,379,027	\$ 4,136,543

**NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

NPH USA was organized as an Illinois nonprofit corporation on June 29, 2004. NPH USA, Inc. is organized and operated exclusively for charitable and educational purposes. NPH USA, Inc. is dedicated to improving the lives of orphaned, abandoned, and disadvantaged children through its support of the Nuestros Pequeños Hermanos International, A.C. (NPHI) network of orphanages in Latin America and the Caribbean.

Father Wasson Legacy Endowment, Inc. (FWLEI), is a nonprofit endowment described in Section 501(c)(3) of the Internal Revenue Code (IRC). The FWLEI is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of NPH USA, Inc., its sole member.

Significant accounting policies followed by NPH USA, Inc. and FWLEI are presented below.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of NPH USA, Inc. and FWLEI, collectively known as the Organization. Interorganization transactions and balances have been eliminated in consolidation.

Basis of Presentation

Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Donor-restricted contributions are reported as unrestricted support where the restrictions have been satisfied in the same year in which the revenue is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as "Net assets released from restrictions." Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Those resources over which the board of directors (board) has discretionary control. It is the policy of the board to review its plans for future support of orphaned, abandoned, and disadvantaged children and other related special purposes and designate sums of unrestricted net assets to specific locations and special purposes.

Temporarily Restricted Net Assets - Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or the passage of time.

Permanently Restricted Net Assets - Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization. The donors of these resources permit the Organization to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents are comprised of demand deposits and money market accounts. The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

Pledges Receivable

Contributions are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other 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.

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

Investments

The Organization carries investments in marketable securities with readily determinable market values (considered Level 1 in the fair value hierarchy) and all investments in debt securities at their fair values.

Beneficial Interests in Trusts

Beneficial interests in trusts consist of assets held in perpetual trusts and a beneficial interest in a land trust.

Beneficial Interests in Perpetual Trust

The Organization is the beneficiary of two perpetual trusts held by a third party. Under the terms of the trusts, the Organization has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interest in the perpetual trusts is recorded at fair value as based on the fair value of the trust assets. Changes in net assets of the trusts are recorded as gain or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as permanently restricted. Distributions received from these trusts are recorded as temporarily restricted or unrestricted income, in accordance with the respective trust agreements.

**NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interests in Trusts (Continued)

Beneficial Interest in Land Trust

The Organization is the beneficiary of a land trust held by a third party. Under the terms of the trust, the Organization has the irrevocable right to receive 25% of the income generated by the trust. The beneficial interest in the land trust is recorded at fair value as based on the fair value of the trust property. Changes in net assets of the trust are recorded as gains or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as temporarily restricted. Distributions received from this trust are recorded as unrestricted income.

Fixed Assets

Furniture, equipment, and vehicles are stated at cost or estimated value if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, generally five years. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized.

Donated Services and Materials

Donated services are recognized for those that improve or enhance property and equipment (as contributions and increases to the basis of property and equipment) or for those that require specialized skills (as contributions and expenses), are performed by people with those skills and would otherwise be purchased by the Organization.

Donations of materials and non-cash assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are recorded as increases in unrestricted net assets unless the donor has restricted the donated materials to a specific purpose. Donated materials are expensed as program supplies. Donated non-cash assets are recorded in accordance with the Organization's capitalization policy and depreciated if required.

Although highly valued by the Organization, contributions of time and services provided by many volunteers do not meet the criteria for recognition and, therefore, are not recognized in the consolidated financial statements.

Functional Expenses

Operating expenses directly identified with a functional area are charged to such area and, where such expenses affect more than one area, they are allocated to the respective areas on the basis of ratios, as estimated by management.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Organization has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange; such as the New York Stock Exchange, as well as the U.S. Treasury, and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Level 1 includes various mutual funds, collective funds, and U.S. Treasury futures.

Level 2 - Financial assets and liabilities are valued using inputs quoted prices for similar assets or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

Level 3 - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset; inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate, as well as beneficial interests in trusts.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is a nonprofit organization exempt from paying corporate federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

The Organization has evaluated its tax positions and determined it has no uncertain tax positions at December 31, 2015 and 2014.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Organization for annual periods beginning after December 15, 2018. Early adoption is permitted beginning for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. While the Organization does not anticipate to be affected by the new standard based upon its current revenue streams, management is aware that if the Organization developed any program-related revenue generating activity in the future, it may apply.

Leases

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standard. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's financial statements.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition for disclosure through April 30, 2016, the date the financial statements were available to be issued.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2015 and 2014 consist of time restricted contributions from various donors to support ongoing operations and the NPHI network of orphanages in Latin America. Pledges receivable consist of the following at December 31:

	2015	2014
Pledges Receivable Due:		
In Less than One Year	\$ 81,730	\$ 135,799
In One to Five Years	37,995	129,774
In More than Five Years	100	200
Total	119,825	265,773
Less: Allowance for Uncollectible Pledges	(41,240)	(57,515)
Total Pledges Receivable	\$ 78,585	\$ 208,258

Pledges expected to be received more than one year from the statements of financial position date are discounted to present value. At December 31, 2015 and 2014, any related present value discount was considered insignificant.

NOTE 3 INVESTMENTS

Investments consist of the following at December 31:

	2015	2014
Common Stocks	\$ 9,641,530	\$ 9,884,656
Fixed Income Government Agencies	522,157	587,669
Exchange Traded Funds:		
Commodities	-	113,580
Fixed Income	2,152,862	2,129,471
Total Investments	\$ 12,316,549	\$ 12,715,376

Investment management fees incurred during the years ended December 31, 2015 and 2014 totaled \$108,725 and \$109,604, respectively.

NOTE 4 FIXED ASSETS

Fixed assets consist of the following at December 31:

	2015	2014
Furniture and Equipment	\$ 313,270	\$ 215,736
Less: Accumulated Depreciation and Amortization	(158,664)	(141,753)
Total Fixed Assets	\$ 154,606	\$ 73,983

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 4 FIXED ASSETS (CONTINUED)

Depreciation and amortization expense charged to operations for the years ended December 31, 2015 and 2014 totaled \$16,912 and \$31,647, respectively.

NOTE 5 RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31:

	2015	2014
Beneficial Interest in Land Trust	37,500	37,500
Time Restricted Pledges Receivable	78,585	208,257
Unappropriated Earnings from Endowment	2,718,219	3,239,530
Total Temporarily Restricted Net Assets	\$ 2,834,304	\$ 3,485,287

Permanently restricted net assets consist of the following at December 31:

	2015	2014
General Fund	\$ 10,552,600	\$ 10,349,025
Medical Fund	44,535	44,535
Education Fund	44,535	44,535
Hightower/Kloos Legacy Fund	17,756	17,646
Total Endowment Funds	10,659,426	10,455,741
Beneficial Interest in Perpetual Trusts	2,496,469	2,720,733
Total Permanently Restricted Net Assets	\$ 13,155,895	\$ 13,176,474

Endowment contributions are to be invested and held indefinitely, with the income from the endowment expendable to support the NPHI orphanages and pay endowment expenses. At the time of their gifts, donors are given the opportunity to designate that the endowment may expend the principal in the event of a major, natural disaster. As of December 31, 2015 and 2014, donors have designated \$6,192,601 and \$6,012,591 respectively, to be used in the event of a natural disaster as further defined in the endowment's policies.

NOTE 6 DONATED MATERIALS

During the years ended December 31, 2015 and 2014, the Organization received donated materials of \$1,724,909 and \$1,259,310, respectively.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 7 FAIR VALUE MEASUREMENTS

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 values all other assets and liabilities refer to Note 1 - Summary of Significant Accounting Policies - Organization.

Assets measured at fair value on a recurring basis are as follows:

<u>December 31, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 9,641,530	\$ -	\$ -	\$ 9,641,530
Fixed Income Government Agencies	522,157	-	-	522,157
Exchange Traded Funds:				
Fixed-Income	2,152,862	-	-	2,152,862
Beneficial Interest in Perpetual Trusts	-	-	2,496,469	2,496,469
Beneficial Interest in Land Trust	-	-	37,500	37,500
Total Assets at Fair Value	<u>\$ 12,316,549</u>	<u>\$ -</u>	<u>\$ 2,533,969</u>	<u>\$ 14,850,518</u>

<u>December 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 9,884,656	\$ -	\$ -	\$ 9,884,656
Fixed Income Government Agencies	483,103	104,566	-	587,669
Exchange Traded Funds:				
Commodities	113,580	-	-	113,580
Fixed-Income	2,129,471	-	-	2,129,471
Beneficial Interest in Perpetual Trusts	-	-	2,720,733	2,720,733
Beneficial Interest in Land Trust	-	-	37,500	37,500
Total Assets at Fair Value	<u>\$ 12,610,810</u>	<u>\$ 104,566</u>	<u>\$ 2,758,233</u>	<u>\$ 15,473,609</u>

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Balance, January 1	\$ 2,758,233	\$ 2,840,616
Change in Value	<u>(224,264)</u>	<u>(82,383)</u>
Balance, December 31	<u>\$ 2,533,969</u>	<u>\$ 2,758,233</u>

The valuation of the Level 3 beneficial interest in perpetual trust is based on the fair market value of assets as indicated on the annual statement received from the trustee. The valuation of the Level 3 beneficial interest in land trust is based on 25% of the value of the trust property determined through an independent appraisal at December 31, 2011.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 8 ENDOWMENT

The FWLEI endowment fund consists of four individual funds and reflects the donor-imposed restriction that the original gifts are maintained and income be used to support operations and for annual distributions to NPH USA, Inc. for the exclusive benefit of NPHI. Consistent with donor wishes, funds may be distributed to one or more NPHI family homes in the event of extensive destruction of property or life as a result of a major, natural, devastating disaster. 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.

Interpretation of Relevant Law

FWLEI has interpreted the state of Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 endowment classifies as permanently restricted net assets as: (a) the original value of gifts donated to the permanent endowment, plus (b) the original value of the subsequent gifts to the permanent endowment and 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the endowment in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the endowment considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund.
- The purposes of the endowment and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the endowment.
- The investment policies of the endowment.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 8 ENDOWMENT (CONTINUED)

Endowment net assets consisted of the following at December 31:

<u>December 31, 2015</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 2,718,219	\$ 10,659,426	\$ 13,377,645
 <u>December 31, 2014</u>				
Donor-Restricted Endowment Funds	\$ -	\$ 3,239,530	\$ 10,455,741	\$ 13,695,271

During the year ended December 31, 2014, the FWLEI board of directors elected to undesignate the quasi-endowment funds.

Changes in the endowment fund net assets included the following:

<u>December 31, 2015</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ -	\$ 3,239,530	\$ 10,455,741	\$ 13,695,271
Investment Return:				
Investment Income	-	188,629	-	188,629
Net Appreciation (Realized and Unrealized)	-	(109,403)	-	(109,403)
Total Investment Return	-	79,226	-	79,226
Contributions	-	-	203,685	203,685
Appropriation of Endowment Assets for Expenditures	600,537	(600,537)	-	-
Withdrawals for Current Distributions	(576,000)	-	-	(576,000)
Withdrawals for Current Year Operating Expenses	(24,537)	-	-	(24,537)
Total Release	(600,537)	-	-	(600,537)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 2,718,219</u>	<u>\$ 10,659,426</u>	<u>\$ 13,377,645</u>

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 8 ENDOWMENT (CONTINUED)

<u>December 31, 2014</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets -				
Beginning of Year	\$ 259,793	\$ 3,211,786	\$ 10,241,371	\$ 13,712,950
Investment Return:				
Investment Income	4,929	198,782	-	203,711
Net Appreciation (Realized and Unrealized)	15,483	624,300	-	639,783
Total Investment Return	20,412	823,082	-	843,494
Contributions	-	-	214,370	214,370
Appropriation of Endowment				
Assets for Expenditures	795,338	(795,338)	-	-
Withdrawals for Current				
Distributions	(490,899)	-	-	(490,899)
Withdrawals for Current and Prior				
Year Operating Expenses	(304,439)	-	-	(304,439)
Elimination of Quasi-Endowment	(280,205)	-	-	(280,205)
Total Release	(1,075,543)	-	-	(1,075,543)
Endowment Net Assets -				
End of Year	<u>\$ -</u>	<u>\$ 3,239,530</u>	<u>\$ 10,455,741</u>	<u>\$ 13,695,271</u>

Return Objectives and Risk Parameters

The endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment fund while seeking to maintain the purchasing power of the endowment fund assets. Endowment fund assets include those assets of donor-restricted funds that the endowment must hold in perpetuity. Under this policy, the endowment fund assets are diversified in order to control volatility of returns and invested to obtain future growth to offset inflation while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The endowment has adopted a spending policy of making one annual distribution of up to 5% of the total of assets, excluding current year contributions, from the endowment fund as of December 31. Notwithstanding the foregoing, no distribution shall reduce the value of the endowment fund below the original capital contributions increased by the value of all additional capital contributions received during that year (subject to any donor limitations or restrictions). Capital contributions are defined as the original value of the donation (on the date of the donation) and do not include earnings, dividends, unrealized gains or losses, or other changes based on the investment of the endowment fund.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 8 ENDOWMENT (CONTINUED)

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. At December 31, 2015 and 2014, there were no deficient endowment funds.

NOTE 9 LEASE COMMITMENTS

The Organization has entered into various operating lease agreements for office space and equipment throughout the United States of America. Under certain agreements, the Organization is also liable for a proportionate share of common operating costs.

Future minimum cash payments under these lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 270,620
2016	\$ 225,240
2017	178,428
2018	157,142
2019	156,850
Thereafter	10,089
Total	<u>\$ 727,749</u>

Total charges to operations for rental expense during the years ended December 31, 2015 and 2014 amounted to \$272,029 and \$266,016, respectively.

NOTE 10 POST RETIREMENT BENEFIT CONTRACT

The Organization has a retirement benefit contract for one former executive. The contract provides payments for health and dental benefits for a period that ends on June 30, 2018 or the death of the participant. The payment amounts are based on the actual premium amounts subject to periodic maximums and a specified supplemental cash payment. These amounts are insignificant and not accrued. The amount paid by the Organization for the years ended December 31, 2015 and 2014 totaled \$4,855 and \$4,814, respectively.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 11 RETIREMENT PLAN

The Organization has a 403(b) retirement plan for all employees to participate in beginning on the date of hire. Employee's who have been employed for at least one year and worked at least 1,000 hours and have attained the age of 21, may participate in employer matching contributions. The plan allows eligible employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. The Organization will match 100% of up to 10% of the employee's compensation, not to exceed \$5,000 annually. Contributions to the plan charged against operations, including plan administration fees, amounted to \$51,795 and \$45,590 for the years ended December 31, 2015 and 2014, respectively.

NOTE 12 RELATED-PARTY TRANSACTIONS

Contribution revenues from members of the board of the Organization totaled \$773,243 and \$254,284 for the years ended December 31, 2015 and 2014, respectively.

Contribution revenues from members of the board of the FWLEI totaled \$61,242 and \$-0- for the years ended December 31, 2015 and 2014, respectively.

NOTE 13 CONDITIONAL PLEDGES

FWLEI has received pledges from individuals indicating an intention to name the endowment as the beneficiary in wills, trusts, and life insurance contracts. These pledges are all revocable. Since these pledges do not meet the criteria for revenue recognition, they are not reflected as contributions in the consolidated statements of activities. These conditional pledges totaled approximately \$1,745,000 at December 31, 2015 and 2014.

NOTE 14 COMMITMENT

During 2015, the Organization's board approved a commitment to provide funding to NPFI in the amount of \$6,600,000 for the year 2016. This commitment is conditional based upon adequate funding being available through the Organization's fundraising efforts.

NOTE 15 CONCENTRATIONS

Financial instruments that potentially subject NPH USA, Inc. to a concentration of credit risk consist of cash deposits. NPH USA, Inc. maintains bank accounts at several local banks that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash balances may exceed federally insured limits; however, NPH USA, Inc. has not experienced any losses in such accounts and limits the exposure to credit risk by maintaining its cash and cash equivalents in highly reputable institutions.

NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2015

	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,214,613	\$ 1,164,414	\$ -	\$ 5,379,027
Accounts Receivable	-	16,710	(16,710)	-
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$41,240	78,585	-	-	78,585
Prepaid Expenses	38,264	-	-	38,264
Investments	120,028	12,196,521	-	12,316,549
Beneficial Interest in Perpetual Trusts	2,496,469	-	-	2,496,469
Beneficial Interest in Land Trust	37,500	-	-	37,500
Fixed Assets, Net	154,606	-	-	154,606
Other Assets	31,634	-	-	31,634
	<u>\$ 7,171,699</u>	<u>\$ 13,377,645</u>	<u>\$ (16,710)</u>	<u>\$ 20,532,634</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 243,012	\$ -	\$ -	\$ 243,012
Accrued Expenses and Other Liabilities	326,156	-	-	326,156
Due to Other Organizations	16,710	-	(16,710)	-
Total Liabilities	<u>585,878</u>	<u>-</u>	<u>(16,710)</u>	<u>569,168</u>
NET ASSETS				
Unrestricted Net Assets:				
Undesignated for General Activities	3,681,703	-	-	3,681,703
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	154,607	-	-	154,607
	<u>3,973,267</u>	<u>-</u>	<u>-</u>	<u>3,973,267</u>
Temporarily Restricted Net Assets	116,085	2,718,219	-	2,834,304
Permanently Restricted Net Assets	2,496,469	10,659,426	-	13,155,895
Total Net Assets	<u>6,585,821</u>	<u>13,377,645</u>	<u>-</u>	<u>19,963,466</u>
Total Liabilities and Net Assets	<u>\$ 7,171,699</u>	<u>\$ 13,377,645</u>	<u>\$ (16,710)</u>	<u>\$ 20,532,634</u>

NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2014

	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,100,044	\$ 1,036,499	\$ -	\$ 4,136,543
Accounts Receivable	-	84,880	(84,880)	-
Pledges Receivable, Net of Allowance for Uncollectible				
Pledges of \$57,515	208,258	-	-	208,258
Prepaid Expenses	51,916	-	-	51,916
Investments	131,484	12,583,892	-	12,715,376
Beneficial Interest in Perpetual Trusts	2,720,733	-	-	2,720,733
Beneficial Interest in Land Trust	37,500	-	-	37,500
Fixed Assets, Net	73,983	-	-	73,983
Other Assets	31,834	-	-	31,834
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,355,752</u>	<u>\$ 13,705,271</u>	<u>\$ (84,880)</u>	<u>\$ 19,976,143</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 230,657	\$ 10,000	\$ -	\$ 240,657
Accrued Expenses and Other Liabilities	323,101	-	-	323,101
Due to Other Organizations	84,880	-	(84,880)	-
Total Liabilities	<u>638,638</u>	<u>10,000</u>	<u>(84,880)</u>	<u>563,758</u>
NET ASSETS				
Unrestricted Net Assets				
Undesignated for General Activities	2,539,683	-	-	2,539,683
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	73,984	-	-	73,984
	<u>2,750,624</u>	<u>-</u>	<u>-</u>	<u>2,750,624</u>
Temporarily Restricted Net Assets	245,757	3,239,530	-	3,485,287
Permanently Restricted Net Assets	2,720,733	10,455,741	-	13,176,474
Total Net Assets	<u>5,717,114</u>	<u>13,695,271</u>	<u>-</u>	<u>19,412,385</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 6,355,752</u>	<u>\$ 13,705,271</u>	<u>\$ (84,880)</u>	<u>\$ 19,976,143</u>

**NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Total</u>
UNRESTRICTED NET ASSETS				
Support:				
Contributions	\$ 12,655,003	\$ -	\$ (576,000)	\$ 12,079,003
Bequests	628,952	-	-	628,952
Donated Materials	1,724,909	-	-	1,724,909
Special Events	2,073,805	-	-	2,073,805
Revenue:				
Interest and Dividends	3,830	-	-	3,830
Unrealized Loss	(2,491)	-	-	(2,491)
Realized Loss	(205)	-	-	(205)
Distributions from Beneficial Interest in Trusts	119,762	-	-	119,762
Miscellaneous	20,000	-	(20,000)	-
Net Assets Released from Restrictions	129,672	600,537	-	730,209
Total Unrestricted Support and Revenue	<u>17,353,237</u>	<u>600,537</u>	<u>(596,000)</u>	<u>17,357,774</u>
Expenses:				
Program Services	12,064,003	576,000	(576,000)	12,064,003
Management and General	1,621,911	24,537	(20,000)	1,626,448
Fundraising	2,444,680	-	-	2,444,680
Total Expenses	<u>16,130,594</u>	<u>600,537</u>	<u>(596,000)</u>	<u>16,135,131</u>
Increase (Decrease) in Unrestricted Net Assets	1,222,643	-	-	1,222,643
TEMPORARILY RESTRICTED NET ASSETS				
Revenue:				
Contributions	-	-	-	-
Interest and Dividends	-	188,629	-	188,629
Unrealized Loss	-	(385,488)	-	(385,488)
Realized Gain	-	276,085	-	276,085
Net Assets Released from Restrictions	<u>(129,672)</u>	<u>(600,537)</u>	<u>-</u>	<u>(730,209)</u>
Decrease in Temporarily Restricted Net Assets	(129,672)	(521,311)	-	(650,983)
PERMANENTLY RESTRICTED NET ASSETS				
Support:				
Contributions	-	203,685	-	203,685
Revenue:				
Change in Value of Trusts	<u>(224,264)</u>	<u>-</u>	<u>-</u>	<u>(224,264)</u>
Increase (Decrease) in Permanently Restricted Net Assets	<u>(224,264)</u>	<u>203,685</u>	<u>-</u>	<u>(20,579)</u>
CHANGE IN NET ASSETS	868,707	(317,626)	-	551,081
Net Assets - Beginning of Year	<u>5,717,114</u>	<u>13,695,271</u>	<u>-</u>	<u>19,412,385</u>
NET ASSETS - END OF YEAR	<u>\$ 6,585,821</u>	<u>\$ 13,377,645</u>	<u>-</u>	<u>\$ 19,963,466</u>

**NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Total</u>
UNRESTRICTED NET ASSETS				
Support:				
Contributions	\$ 13,271,257	\$ -	\$ (489,899)	\$ 12,781,358
Bequests	72,782	-	-	72,782
Donated Materials	1,259,310	-	-	1,259,310
Special Events	1,811,533	-	-	1,811,533
Revenue:				
Interest and Dividends	6,154	4,929	-	11,083
Unrealized Gain (Loss)	(5,167)	7,666	-	2,499
Realized Gain	-	7,817	-	7,817
Distributions from Beneficial Interest in Trusts	167,733	-	-	167,733
Miscellaneous	5,479	-	-	5,479
Net Assets Released from Restrictions	<u>256,316</u>	<u>795,338</u>	<u>-</u>	<u>1,051,654</u>
Total Unrestricted Support and Revenue	16,845,397	815,750	(489,899)	17,171,248
Expenses:				
Program Services	13,133,506	490,899	(489,899)	13,134,506
Management and General	1,168,044	29,329	-	1,197,373
Fundraising	<u>2,640,147</u>	<u>-</u>	<u>-</u>	<u>2,640,147</u>
Total Expenses	<u>16,941,697</u>	<u>520,228</u>	<u>(489,899)</u>	<u>16,972,026</u>
Increase (Decrease) in Unrestricted Net Assets	(96,300)	295,522	-	199,222
TEMPORARILY RESTRICTED NET ASSETS				
Revenue:				
Contributions	32,960	-	-	32,960
Interest and Dividends	-	198,782	-	198,782
Unrealized Gain	-	309,087	-	309,087
Realized Gain	-	315,213	-	315,213
Net Assets Released from Restrictions	<u>(256,316)</u>	<u>(795,338)</u>	<u>-</u>	<u>(1,051,654)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	(223,356)	27,744	-	(195,612)
PERMANENTLY RESTRICTED NET ASSETS				
Support:				
Contributions	-	214,370	-	214,370
Revenue:				
Interest and dividends	-	-	-	-
Unrealized gain	-	-	-	-
Realized gain	-	-	-	-
Change in Value of Trusts	<u>(82,383)</u>	<u>-</u>	<u>-</u>	<u>(82,383)</u>
Increase (Decrease) in Permanently Restricted Net Assets	<u>(82,383)</u>	<u>214,370</u>	<u>-</u>	<u>131,987</u>
CHANGE IN NET ASSETS	(402,039)	537,636	-	135,597
Net Assets - Beginning of Year	<u>6,119,153</u>	<u>13,157,635</u>	<u>-</u>	<u>19,276,788</u>
NET ASSETS - END OF YEAR	<u>\$ 5,717,114</u>	<u>\$ 13,695,271</u>	<u>\$ -</u>	<u>\$ 19,412,385</u>