ENDOWMENT FOR HEALTH, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 30, 2016 and 2015

With Independent Auditor's Report

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

September 30, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Endowment for Health, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Endowment for Health, Inc. and Subsidiary (a non-profit organization), which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 auditor's 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 consolidated financial position of Endowment for Health, Inc. and Subsidiary as of September 30, 2016 and 2015, and the consolidated changes in their net assets and their consolidated cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the accompanying statements is presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual entities, and is not a required part of the consolidated financial statements. Such consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 U.S. generally accepted auditing standards. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
January 30, 2017

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidated Statements of Financial Position

September 30, 2016 and 2015

ASSETS

	2016	2015
Cash and cash equivalents	**$ 872,941**	$ 909,166
Investments	**78,352,047**	76,068,462
Mission related investments	**1,350,000**	1,350,000
Accounts receivable	**-**	8,624
Prepaid federal excise tax	**20,823**	20,935
Other prepaid expenses	**19,099**	20,150
Total assets	**$ 80,614,910**	$ 78,377,337

LIABILITIES AND NET ASSETS

	2016	2015
Grants payable	**$ 1,321,820**	$ 1,028,493
Accounts payable and accrued expenses	**68,804**	61,773
Deferred tax liability	**146,164**	74,825
Total liabilities	**1,536,788**	1,165,091
Unrestricted net assets	**79,078,122**	77,212,246
Total liabilities and net assets	**$ 80,614,910**	$ 78,377,337

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

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidated Statements of Activities

Years Ended September 30, 2016 and 2015

	2016	2015
Changes in unrestricted net assets		
Revenue and net investment income (loss)		
Income (loss) on investments		
Interest and dividends	**$ 936,960**	$ 880,693
Investment management and custodial fees	**(151,694)**	(178,134)
Realized (losses) gains on investments	**(1,036,628)**	1,104,354
Unrealized gains (losses) on investments	**6,002,950**	(5,428,467)
Grant income	**102,804**	4,500
Other income	**-**	160,716
Total revenue and net investment income (loss)	**5,854,392**	(3,456,338)
Expenses		
Program services		
Grant expense	**2,372,159**	2,623,739
Salaries and benefits	**598,083**	668,981
Professional services	**484,362**	364,737
Building and related expenses	**37,160**	35,943
Program support	**61,198**	86,403
Miscellaneous expenses	**32,217**	30,436
Total program services	**3,585,179**	3,810,239
Management and general		
Salaries and benefits	**240,077**	227,501
Professional services	**33,836**	38,944
Building and related expenses	**12,996**	12,631
Administrative support	**14,261**	16,531
General operating expenses	**30,629**	27,879
Federal excise tax expense	**71,538**	94,565
Total management and general	**403,337**	418,051
Total expenses	**3,988,516**	4,228,290
Change in unrestricted net assets	**1,865,876**	(7,684,628)
Unrestricted net assets, beginning of year	**77,212,246**	84,896,874
Unrestricted net assets, end of year	**$ 79,078,122**	$ 77,212,246

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

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended September 30, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Change in net assets	**$ 1,865,876**	$ (7,684,628)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Realized losses (gains) on investments	**1,036,628**	(1,104,354)
Unrealized (gains) losses on investments	**(6,002,950)**	5,428,467
Changes in operating assets and liabilities		
Decrease (increase) in		
Accounts receivable	**8,624**	(7,974)
Prepaid federal excise tax	**112**	(8,582)
Other prepaid expenses	**1,051**	(1,226)
Increase in		
Grants payable	**293,327**	451,388
Accounts payable and accrued expenses	**7,031**	2,508
Deferred tax liability	**71,339**	74,825
Net cash used by operating activities	**(2,718,962)**	(2,849,576)
Cash flows from investing activities		
Proceeds from sale and redemption of investments	**8,957,461**	6,031,718
Purchase of investments	**(6,274,724)**	(2,969,192)
Net cash provided by investing activities	**2,682,737**	3,062,526
Net (decrease) increase in cash and cash equivalents	**(36,225)**	212,950
Cash and cash equivalents, beginning of year	**909,166**	696,216
Cash and cash equivalents, end of year	**$ 872,941**	$ 909,166
Supplemental disclosure of cash flow information		
Cash paid for federal excise taxes	**$ -**	$ 28,235

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

Nature of Activities

Endowment for Health, Inc. (the Foundation) is a state-wide, private, non-profit foundation dedicated to improving the health of the people of New Hampshire, especially those who are vulnerable and under-served.

The Foundation was established in 1999 as a result of the sale of Blue Cross Blue Shield New Hampshire to Anthem Insurance. It was created for the purpose of improving the health and reducing the burden of illness of the people of New Hampshire. It accomplishes this purpose by awarding grants, making mission investing/program-related investments, and providing technical and financial assistance to health-related programs, organizations and projects benefiting the people of New Hampshire. The Foundation's spending policy requires a percentage of these funds be distributed annually in accordance with the Internal Revenue Code requirements.

Since 2001, the Foundation has awarded more than 1,100 grants, totaling more than $45 million, to support a wide range of health-related programs and projects in New Hampshire. The major source of the Foundation's revenue is investment income.

In July 2007, Health Strategies of New Hampshire, Inc. (Health Strategies), the Foundation's wholly-owned subsidiary, was created in order to conduct initiatives, projects, programs, research and data collection and analysis, independently and with others, to address key issues and public policies that promote the health of New Hampshire residents. The major source of its revenue is grant income.

1. Summary of Significant Accounting Policies

Use of Estimates

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

Principles of Consolidation

The accompanying financial statements include the consolidated financial statements of the Foundation and Health Strategies. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Foundation and its subsidiary have different fiscal years. The Foundation's fiscal year is October 1 to September 30 and Health Strategies' fiscal year is July 1 to June 30.

For the September 30, 2016 and 2015 consolidated financial statements, Health Strategies presents the twelve months October 1, 2015 to September 30, 2016 and October 1, 2014 to September 30, 2015, respectively.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Foundation and its subsidiary consider cash equivalents to consist of interest-bearing, demand bank accounts.

Money market accounts and other highly liquid debt securities held by its investment managers are considered investments and not cash equivalents, since it is the Foundation's Board's intention to invest these funds for long-term purposes.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position as provided by investment managers. Other investments, for which no such quotations or valuations are readily available, are carried at fair value as estimated by management using audited or unaudited values provided by external investment managers. The Foundation reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed.

Investments in general are exposed to various risks, such as interest rates, credit, and overall market volatility. As such, it is reasonably possible that changes could materially affect the amounts reported in the statements of financial position.

Grants

The Foundation recognizes a liability and corresponding expense for unconditional grants in the amount expected to be paid when grants are approved by the Board of Directors and the award is communicated to the grantee. Such liabilities are not recorded at their present values using a discount rate commensurate with the risks involved because the present value is not materially less than the amounts expected to be paid. Conditional grants approved by the Board of Directors, if any, are recorded when the recipient organizations meet the conditions.

Income and Excise Taxes

The Foundation and its subsidiary are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Code imposes a federal excise tax equal to 2% (reduced to 1% if certain requirements are met) on its net investment income (principally interest, dividends and net realized capital gains less expenses incurred in the production of investment income). The income tax filings for the tax years before 2012 are no longer subject to examination by federal and state taxing authorities.

The Foundation has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification 740-10-25, *Accounting for Uncertainty in Income Taxes*. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits.

Recently Adopted Accounting Pronouncement

Effective in the year ended September 30, 2016, the Foundation retrospectively adopted the provisions of FASB Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement: Disclosures for Investments in Certain Entities that Calculate NAV per Share (or its Equivalent)*. Among other things, this ASU removes the requirement to classify within the fair value hierarchy table in Levels 2 or 3 investments in certain funds measured at net asset value (NAV) as a practical expedient to estimate fair value. The ASU also requires that any NAV-measured investments excluded from the fair value hierarchy table be summarized as an adjustment to the table so that total investments can be reconciled to the balance sheet. The adoption resulted only in changes to the Foundation's investment disclosures. As a result of the adoption, the September 30, 2015 fair value hierarchy table was restated to reflect the removal of NAV-measured investments aggregating $37,809,689 in Level 2 and 3 assets.

Subsequent Events

The Foundation has considered events occurring through January 30, 2017, which was the date that the financial statements were available to be issued.

2. Investments

Investments consisted of the following at September 30:

	2016		2015	
	Cost	**Fair Value**	Cost	Fair Value
Invested cash equivalents	**$ 1,050,794**	**$ 1,050,794**	$ 2,555,595	$ 2,555,595
Mutual funds				
Equities	**26,574,377**	**31,527,403**	28,645,765	30,265,663
Fixed income securities	**7,122,027**	**7,358,164**	5,413,097	5,437,515
International equity funds	**3,947,441**	**4,041,739**	3,946,043	3,499,065
Fixed income funds	**4,536,355**	**4,744,971**	3,946,683	3,897,037
Flexible capital	**17,584,277**	**21,877,312**	18,000,000	22,056,040
Public real assets	**1,127,794**	**896,160**	2,086,322	1,772,263
Non-marketable investments				
Private equity	**2,400,647**	**2,890,706**	1,767,975	2,026,158
Private real assets	**4,264,107**	**3,964,798**	5,965,704	4,559,126
	$ 68,607,819	**$ 78,352,047**	$ 72,327,184	$ 76,068,462

Non-Marketable Investments

Private Equities

During the years ended September 30, 2016 and 2015, the Foundation contributed $140,000 and $250,000, respectively, to increase its interest in a private equity investment, Legacy Venture VI, LLC, a diversified portfolio of capital partnerships. The Foundation's total commitment is $1,000,000 for a 0.4997% interest. As of September 30, 2016 and 2015, the Foundation has invested $850,000 and $710,000, and received $93,123 and received $82,025 in return of capital, respectively.

During the years ended September 30, 2016 and 2015, the Foundation contributed $180,000 and $190,000, respectively, to increase its interest in a private equity investment, Legacy Venture VII, LLC, a diversified portfolio of capital partnerships. The Foundation's total commitment is $1,000,000 for a 0.3949% interest. As of September 30, 2016 and 2015, the Foundation has invested $450,000 and $270,000, respectively.

During the year ended September 30, 2016, the Foundation contributed $30,000 to obtain an interest in a private equity investment, Legacy Venture VIII, LLC, a diversified portfolio of capital partnerships. The Foundation's total commitment is $1,0269,155 for a 0.3595% interest. As of September 30, 2016, the Foundation has invested $30,000.

During the years ended September 30, 2016 and 2015, the Foundation contributed $193,770 and $270,000, respectively, to increase its interest in a private equity partnership, Borealis Granite Fund, L.P. The Foundation's total commitment is $1,269,125 for a 5.9672% interest. As of September 30, 2016 and 2015, the Foundation has invested $913,770 and $720,000, respectively.

During the years ended September 30, 2016 and 2015, the Foundation contributed $100,000 and $140,000, respectively, to increase its interest in a limited partnership, RCP Fund IX, LP. The Foundation's total commitment is $1,000,000 for a 0.2900% interest. As of September 30, 2016 and 2015, the Foundation has invested $250,000 and $150,000, respectively.

The Foundation has committed to an energy private equity investment, Juniper Capital II, LP, a limited partnership. The Foundation's committed capital is $1,500,000 for a 0.2998% interest. As of September 30, 2016, the Foundation has not made any investment.

Private Real Assets

The Foundation has invested $3,000,000, its total commitment, for a 0.5450% interest in a private real asset investment, BPG Investment Partnership VIIA, LP, a limited partnership which invests in commercial real estate. As of September 30, 2016 and 2015, $286,529 and $142,556 of capital, respectively, has been returned to the Foundation.

The Foundation has invested in a private real asset investment, BPG Investment Partnership VIIIA, LP, a limited partnership which invests in commercial real estate. The Foundation's original committed capital was $3,000,000 for a 0.5450% interest. The partnership amended the committed capital to $1,870,589 on July 1, 2013. As of September 30, 2016 and 2015, the Foundation has invested $1,789,443 and received $1,023,807 and $635,573 in return of capital, respectively.

The Foundation has invested in a private real estate investment, AG Realty Fund IX, LP, a limited partnership. During the year ended September 30, 2016, the Foundation contributed $785,000. The Foundation's committed capital is $2,000,000 for a 0.15% interest. As of September 30, 2016, the Foundation has invested $785,000. As of September 30, 2015, the Foundation had not made any investment.

The Foundation has committed to a private real estate investment, GEM Realty Fund VI, LP, a limited partnership. The Foundation's committed capital is $1,000,000 for a 0.0986% interest. As of September 30, 2016, the Foundation has not made any investment.

3. Mission Related Investments

In July 2004 (renewed in July 2012) and July 2006 (renewed in July 2014), the Foundation loaned the New Hampshire Community Loan Fund, Inc. (NHCLF) $1,000,000 and $350,000, respectively. The purpose of these loans is to assist the NHCLF to provide access to financing and support for people with low and moderate income. Under the terms of the agreements, NHCLF pays the Foundation annual interest at the rate of 5% and 3%, respectively, and the principal is due and payable in July 2022 and July 2019, respectively.

4. Fair Value Measurements

U.S. generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair values of assets measured at fair value on a recurring basis are summarized below based on input level:

September 30, 2016	Total	Level 1
Investments		
Invested cash equivalents	**$ 1,050,794**	**$ 1,050,794**
Mutual funds		
Equities	**34,754,893**	**34,754,893**
Fixed income securities	**4,130,674**	**4,130,674**
Total assets at fair value	**39,936,361**	**$ 39,936,361**
Investments measured at net asset value	**38,415,686**	
Total	**$ 78,352,047**	

September 30, 2015	Total	Level 1
Investments		
Invested cash equivalents	$ 2,555,595	$ 2,555,595
Mutual funds		
Equities	30,265,663	30,265,663
Fixed income securities	5,437,515	5,437,515
Total assets at fair value	38,258,773	$ 38,258,773
Investments measured at net asset value	37,809,689	
Total	$ 76,068,462	

The following table sets forth a summary of the Organization's investments valued using a reported NAV at September 30, 2016:

Investment	Fair Value Estimated Using NAV Per Share at September 30 **2016**	2015	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Weatherlow Offshore Fund, Ltd	**$ 9,607,961**	$10,005,737	Quarterly	N/A	65 days
Forester Diversified, Ltd.	**10,027,276**	9,879,183	Annually	First calendar quarter occurring two years after purchase	95 days
Steben Futures Portfolio Fund, LP	**2,242,075**	2,171,120	Monthly	Minimum account size following redemptions: $1 million	5 days
Convexity Capital	**896,160**	1,772,264	Quarterly	Limited to 1/3 redemption each year	60 days
Kiltearn Global Equity Fund	**2,016,759**	1,744,633	Monthly	N/A	6 days
Highclere Intl SMID Fund	**2,024,980**	1,754,432	Monthly	N/A	6 days
Colchester Global Bond Fund	**-**	1,868,256	Monthly	N/A	N/A
Colchis P2P Income Fund	**3,208,441**	2,028,781	Quarterly	N/A	120 days
Stoneridge Lending	**1,536,530**	-	Quarterly	N/A	10 days
The TAP Fund	**-**	1,211,896	Monthly	N/A	N/A
Legacy VI	**1,119,675**	915,897	N/A	N/A	N/A
Legacy VII	**447,106**	266,270	N/A	N/A	N/A
Legacy VIII	**28,017**	-	N/A	N/A	N/A
Borealis	**1,053,618**	720,000	N/A	N/A	N/A
RCP Fund IX	**242,290**	123,991	N/A	N/A	N/A
BPG Partnership VII	**2,189,988**	2,075,675	N/A	N/A	N/A
BPG Partnership VIII	**992,535**	1,271,554	N/A	N/A	N/A
AG Realty Fund	**782,275**	-	N/A	N/A	N/A
	$ 38,415,686	$37,809,689			

5. Grants Payable

For the years ended September 30, 2016 and 2015, the Foundation awarded grants totaling $2,372,159 and $2,623,739, respectively. As of September 30, 2016 and 2015, the unpaid grants payable balance was $1,321,820 and $1,028,493, respectively.

Future grant payments as of September 30, 2016 are as follows:

Fiscal Year Awarded	Future 2017 Payments
2015	$ 348,566
2016	973,254
Total	$ 1,321,820

6. Lease Commitments

During the year ended September 30, 2013, the Foundation entered into an operating lease for office space expiring in August 2018. Based on the terms of the lease, the base rent is $27,500 for the first year of the lease with a 3% annual increase thereafter. In addition to base rent, the Foundation is responsible for its share of real estate taxes, insurance, common area maintenance and utilities that service the property, which is currently $18,750 annually.

In addition, the Foundation entered into an operating lease for a copier. The lease expires in July 2018 and requires a monthly payment of $237.

Future minimum lease payments are as follows:

Year	Amount
2017	$ 51,644
2018	47,930
Total	$ 99,574

For the years ended September 30, 2016 and 2015, rent expense was $47,998 and $47,021, respectively.

7. Concentration of Credit Risk

The Foundation maintains its cash balance in a national bank. The Federal Deposit Insurance Corporation (FDIC) insures the balance up to $250,000. The bank has collateralized all deposits for the Foundation in excess of the FDIC limit.

In the normal course of business, the Foundation utilizes counterparties which primarily include a bank, investment fund managers, and an investment advisor. In the event that these counterparties do not fulfill their obligations, the Foundation may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Foundation's policy to review, as necessary, the credit standing of each counterparty.

8. Retirement Savings Plan

The Foundation has a 403(b) defined contribution plan covering substantially all of its employees who have completed six months of service. Contributions to the plan are based on a fixed percentage of the participant's compensation. The fixed percentage rate since January 2005 has been 10%. For the years ended September 30, 2016 and 2015, retirement savings expense was $60,975 and $62,113, respectively.

9. Federal Excise Tax

Federal excise tax expense consists of the following for the years ended September 30:

	2016	2015
Current	**$ 199**	$ 19,740
Deferred	**71,339**	74,825
	$ 71,538	$ 94,565

Temporary differences related to cumulative unrealized gains on investments give rise to the deferred taxes.

10. Funds Held by Others

The Foundation has the right to recommend grant distributions from a donor-advised fund maintained at the New Hampshire Charitable Foundation (NHCF). Pursuant to the terms of the resolution establishing this fund, property contributed by unrelated parties to NHCF is held as a separate fund designated for the benefit of the Foundation. The Board of Directors of NHCF has been granted the power to re-designate the funds contributed by unrelated parties if the Foundation is incapable of fulfilling its mission.

The fund is not included in these financial statements since the fund is not an asset of the Foundation and NHCF has the ability to re-designate funds contributed by unrelated parties. The total market value of the fund was approximately $457,524 and $501,662 at September 30, 2016 and 2015, respectively. During 2016, $70,000 was distributed from this fund.

SUPPLEMENTARY INFORMATION

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position

September 30, 2016

ASSETS

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Consolidated Total
Cash and cash equivalents	$ 549,020	$ 323,921	$ 872,941
Investments	78,352,047	-	78,352,047
Mission related investments	1,350,000	-	1,350,000
Prepaid federal excise tax	20,823	-	20,823
Other prepaid expenses	19,099	-	19,099
Total assets	$ 80,290,989	$ 323,921	$ 80,614,910

LIABILITIES AND NET ASSETS

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Consolidated Total
Grants payable	$ 1,321,820	$ -	$ 1,321,820
Accounts payable and accrued expenses	66,930	1,874	68,804
Deferred tax liability	146,164	-	146,164
Total liabilities	1,534,914	1,874	1,536,788
Unrestricted net assets	78,756,075	322,047	79,078,122
Total liabilities and net assets	$ 80,290,989	$ 323,921	$ 80,614,910

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended September 30, 2016

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Consolidating Entries	Consolidated Total
Changes in unrestricted net assets				
Revenue and net investment income				
Income (loss) on investments				
Interest and dividends	$ 936,122	$ 838	$ -	$ 936,960
Investment management and custodial fees	(151,694)	-	-	(151,694)
Realized losses on investments	(1,036,628)	-	-	(1,036,628)
Unrealized gains on investments	6,002,950	-	-	6,002,950
Grant income	-	282,418	(179,614)	102,804
Total revenue and net investment income	5,750,750	283,256	(179,614)	5,854,392
Expenses				
Program services				
Grant expense	2,551,773	-	(179,614)	2,372,159
Salaries and benefits	598,083	-	-	598,083
Professional services	80,575	403,787	-	484,362
Building and related expenses	37,160	-	-	37,160
Program support	47,132	14,066	-	61,198
Program operating expenses	28,972	3,245	-	32,217
Total program services	3,343,695	421,098	(179,614)	3,585,179
Management and general				
Salaries and benefits	240,077	-	-	240,077
Professional services	31,481	2,355	-	33,836
Building and related expenses	12,996	-	-	12,996
Administrative support	14,261	-	-	14,261
General operating expenses	30,315	314	-	30,629
Federal excise tax expense	71,538	-	-	71,538
Total management and general	400,668	2,669	-	403,337
Total expenses	3,744,363	423,767	(179,614)	3,988,516
Increase (decrease) in unrestricted net assets	2,006,387	(140,511)	-	1,865,876
Unrestricted net assets, beginning of year	76,749,688	462,558	-	77,212,246
Unrestricted net assets, end of year	$ 78,756,075	$ 322,047	$ -	$ 79,078,122

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Financial Position

September 30, 2015

ASSETS

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Consolidated Total
Cash and cash equivalents	$ 435,776	$ 473,390	$ 909,166
Investments	76,068,462	-	76,068,462
Mission related investments	1,350,000	-	1,350,000
Accounts receivable	8,624	-	8,624
Prepaid federal excise tax	20,935	-	20,935
Other prepaid expenses	20,150	-	20,150
Total assets	$ 77,903,947	$ 473,390	$ 78,377,337

LIABILITIES AND NET ASSETS

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Consolidated Total
Grants payable	$ 1,028,493	$ -	$ 1,028,493
Accounts payable and accrued expenses	50,941	10,832	61,773
Accounts payable and accrued expenses	74,825	-	74,825
Total liabilities	1,154,259	10,832	1,165,091
Unrestricted net assets	76,749,688	462,558	77,212,246
Total liabilities and net assets	$ 77,903,947	$ 473,390	$ 78,377,337

ENDOWMENT FOR HEALTH, INC. AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended September 30, 2015

	Endowment for Health, Inc.	Health Strategies of New Hampshire, Inc.	Consolidating Entries	Consolidated Total
Changes in unrestricted net assets				
Revenue and net investment loss				
(Loss) income on investments				
Interest and dividends	$ 880,189	$ 504	$ -	$ 880,693
Investment management and custodial fees	(178,134)	-	-	(178,134)
Realized gains on investments	1,104,354	-	-	1,104,354
Unrealized losses on investments	(5,428,467)	-	-	(5,428,467)
Grant income	-	158,166	(153,666)	4,500
Other income	160,716	-	-	160,716
Total revenue and net investment loss	(3,461,342)	158,670	(153,666)	(3,456,338)
Expenses				
Program services				
Grant expense	2,777,405	-	(153,666)	2,623,739
Salaries and benefits	668,981	-	-	668,981
Professional services	59,030	305,707	-	364,737
Building and related expenses	35,943	-	-	35,943
Program support	42,507	43,896	-	86,403
Program operating expenses	29,508	928	-	30,436
Total program services	3,613,374	350,531	(153,666)	3,810,239
Management and general				
Salaries and benefits	227,501	-	-	227,501
Professional services	37,144	1,800	-	38,944
Building and related expenses	12,631	-	-	12,631
Administrative support	16,531	-	-	16,531
General operating expenses	27,804	75	-	27,879
Federal excise tax expense	94,565	-	-	94,565
Total management and general	416,176	1,875	-	418,051
Total expenses	4,029,550	352,406	(153,666)	4,228,290
Decrease in unrestricted net assets	(7,490,892)	(193,736)	-	(7,684,628)
Unrestricted net assets, beginning of year	84,240,580	656,294	-	84,896,874
Unrestricted net assets, end of year	$ 76,749,688	$ 462,558	$ -	$ 77,212,246