



**NEPHCURE KIDNEY INTERNATIONAL
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2016

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

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April 11, 2017

To the Board of Directors
NephCure Kidney International and Subsidiary
King of Prussia, Pennsylvania

We have audited the accompanying consolidated financial statements of NephCure Kidney International (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 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.

Auditor's Responsibility

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

To the Board of Directors
NephCure Kidney International and Subsidiary

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 NephCure Kidney International and Subsidiary as of December 31, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited NephCure Kidney International and Subsidiary's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of NephCure Kidney International and Subsidiary as a whole. The accompanying supplementary information presented on pages 14 - 16 is presented for purposes of additional analysis 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,427,354	\$ 709,348
Contributions receivable	355,403	156,940
Prepaid expenses and other assets	14,929	23,747
Asset held for resale	20,000	-
TOTAL CURRENT ASSETS	<u>1,817,686</u>	<u>890,035</u>
NONCURRENT ASSETS		
Fixtures and equipment, net of depreciation	37,532	47,602
Contributions receivable, net	333,333	311,305
TOTAL NONCURRENT ASSETS	<u>370,865</u>	<u>358,907</u>
TOTAL ASSETS	<u>\$ 2,188,551</u>	<u>\$ 1,248,942</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 72,329	\$ 55,380
Grants payable	68,166	527,988
Note payable	108,135	-
TOTAL CURRENT LIABILITIES	<u>248,630</u>	<u>583,368</u>
NONCURRENT LIABILITIES		
Note payable	<u>552,015</u>	<u>-</u>
Total Liabilities	<u>800,645</u>	<u>583,368</u>
NET ASSETS:		
Unrestricted		
Operating (deficit)	891,847	(381,291)
Board-designated	-	152,500
Donor-advised funds	165,571	157,516
Total unrestricted (deficit)	<u>1,057,418</u>	<u>(71,275)</u>
Temporarily restricted	330,488	736,849
Total Net Assets	<u>1,387,906</u>	<u>665,574</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,188,551</u>	<u>\$ 1,248,942</u>

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

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Summarized Comparative Totals for 2015)**

	Unrestricted	Temporarily Restricted	Totals	
			2016	2015
REVENUE, GAINS, AND OTHER SUPPORT:				
Contributions	\$ 2,405,358	\$ 150,024	\$ 2,555,382	\$ 1,543,373
In-kind services	136,615	-	136,615	42,621
Special event revenue, net of direct expenses of \$467,786	1,586,362	-	1,586,362	1,499,004
Investment income	1,621	-	1,621	316
Gains on restructuring of grants awarded	-	-	-	390,625
Symposia revenue	47,800	-	47,800	-
	<u>4,177,756</u>	<u>150,024</u>	<u>4,327,780</u>	<u>3,475,939</u>
Net assets released from restriction	556,385	(556,385)	-	-
	<u>4,734,141</u>	<u>(406,361)</u>	<u>4,327,780</u>	<u>3,475,939</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT				
EXPENSES:				
Program services	3,167,002	-	3,167,002	2,187,265
Support services	438,446	-	438,446	570,688
Direct benefits to donors	-	-	-	1,311
	<u>3,605,448</u>	<u>-</u>	<u>3,605,448</u>	<u>2,759,264</u>
TOTAL EXPENSES				
CHANGE IN NET ASSETS	1,128,693	(406,361)	722,332	716,675
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(71,275)</u>	<u>736,849</u>	<u>665,574</u>	<u>(51,101)</u>
NET ASSETS, END OF YEAR	<u>\$ 1,057,418</u>	<u>\$ 330,488</u>	<u>\$ 1,387,906</u>	<u>\$ 665,574</u>

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

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Summarized Comparative Totals for 2015)

	Program Services				Support Services			Totals	
	Research	Health and Education	NephCure	Total	Fund Raising	Management and General	Total Support Services	2016	2015
			Accelerating Cures Institute	Program Services					
Payroll and related costs	\$ 499,937	\$ 374,953	\$ -	\$ 874,890	\$ 156,230	\$ 10,415	\$ 166,645	\$ 1,041,535	\$ 1,104,096
Bank charges	558	558	-	1,116	558	35,496	36,054	37,170	3,883
Conferences and meetings	62,389	115,864	-	178,253	-	-	-	178,253	29,120
Consultants and professional fees	846	14,662	23,869	39,377	1,974	10,715	12,689	52,066	112,908
Contracted services	70,576	47,531	248,410	366,517	21,605	4,321	25,926	392,443	196,122
Depreciation	-	-	-	-	-	10,070	10,070	10,070	9,388
Insurance	-	-	-	-	-	9,697	9,697	9,697	10,631
Interest	-	-	-	-	-	10,150	10,150	10,150	7,537
Marketing	-	61,112	18,311	79,423	-	-	-	79,423	34,474
Occupancy	52,689	33,721	-	86,410	15,807	3,161	18,968	105,378	69,136
Office and program supplies	17,455	63,519	75,484	156,458	-	21,476	21,476	177,934	248,182
Patient family education	-	-	-	-	-	-	-	-	28,581
Research grants	793,622	-	212,000	1,005,622	-	-	-	1,005,622	295,719
Technology	52,673	75,247	15,680	143,600	15,049	7,525	22,574	166,174	197,556
Telephone	2,839	5,109	934	8,882	1,419	95	1,514	10,396	17,994
Travel	9,239	82,223	96,598	188,060	-	924	924	188,984	67,659
Other	5,686	32,695	13	38,394	32,695	69,064	101,759	140,153	326,278
TOTAL EXPENSES	\$ 1,568,509	\$ 907,194	\$ 691,299	\$ 3,167,002	\$ 245,337	\$ 193,109	\$ 438,446	\$ 3,605,448	\$ 2,759,264

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

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 722,332	\$ 716,675
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,070	9,388
Gain on restructuring of grants awarded	-	(390,625)
(Increase) Decrease in contributions receivable	(230,016)	337,365
Increase in discount on contributions receivable	9,525	3,280
Decrease in prepaid expenses and other assets	8,818	7,440
Increase in assets held for sale	(20,000)	-
Increase in accounts payable and accrued expenses	16,949	38,549
Decrease in grants payable	(459,822)	(27,422)
Decrease in deferred revenues	-	(29,723)
NET CASH PROVIDED BY OPERATING ACTIVITIES	57,856	664,927
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(6,825)
Sale of investments	-	218,507
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	211,682
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of debt	725,000	-
Repayment of debt	(64,850)	(625,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	660,150	(625,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	718,006	251,609
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	709,348	457,739
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,427,354	\$ 709,348
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 10,150	\$ 7,537
Taxes paid	\$ -	\$ -

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

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A PURPOSE OF THE ORGANIZATION

NephCure Kidney International and Subsidiary ("the Organization") is a nonprofit organization founded in 2000. The Organization's mission is to seek a cause and cure for Nephrotic Syndrome and Focal Segmental Glomerulosclerosis ("FSGS"). The Organization provides financial support for research, conducts advocacy and outreach initiatives, and provides educational programs for patient/families, physicians, and other medical professionals.

Effective December 21, 2015, the Organization founded NephCure Accelerating Cures Institute, LLC, a wholly-owned subsidiary. Effective January 1, 2016, NephCure Accelerating Cures Institute, LLC operates the NephCure Accelerating Cures Institute.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements of NephCure Accelerating Cures Institute, LLC are consolidated with the financial statements of NephCure Kidney International. Interorganizational transactions and balances have been eliminated in consolidation.

Financial Statement Presentation

In accordance with the section of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, NephCure Kidney International is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. Board-designated assets consist of amounts designated for future projects and grants.

Contributions

In accordance with the section of the FASB ASC regarding accounting for contributions received and contributions made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In-kind Services

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to make contributions which are expected to be paid over a period in excess of one year are discounted and recorded at their present value. Conditional promises to make contributions are recorded as support in the period the condition is met. Promises to give are charged to the allowance for uncollectible accounts when determined to be uncollectible by management. Management has not provided for an allowance for doubtful accounts since it believes all balances are fully collectible.

Fixtures and Equipment and Depreciation

Acquisitions of fixtures and equipment in excess of \$1,000 are capitalized. Fixtures and equipment are stated at cost if purchased. Donations of fixtures and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Expenditures for maintenance and repairs are charged to expense as incurred. Cost of renewals and betterments are capitalized. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in the statement of activities.

The cost of fixtures and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. The estimated useful lives of fixtures and equipment for purposes of calculating depreciation are seven and five years, respectively.

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Marketing Costs

The Organization markets to promote its various programs to the public. The marketing costs are expensed when incurred.

Comparative Amounts

The financial statements include certain prior year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Use of Estimates in the Preparation of Financial Statements

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

NOTE C CONTRIBUTIONS RECEIVABLE

At December 31, 2016, contributions receivable have anticipated cash receipts of the following:

Less than one year	\$ 355,403
One to five years	350,000
	<hr/>
	705,403
Less discount to net present value (5%)	16,667
	<hr/>
	\$ 688,736

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D GRANTS PAYABLE

Unconditional grants promised but unpaid at year-end are reported as liabilities. Grants authorized and payable were \$68,166 at December 31, 2016. All grants payable are due within one year or less.

NOTE E INCOME TAXES

NephCure Kidney International is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

NephCure Accelerating Cures Institute, LLC is considered a disregarded entity for tax purposes. To the extent its activities are consistent with the charitable purposes of NephCure Kidney International, NephCure Accelerating Cures Institute, LLC is exempt from federal income tax.

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

NOTE F FIXTURES AND EQUIPMENT

At December 31, 2016, fixtures and equipment consisted of the following:

Fixtures and Equipment	\$ 60,676
Less: accumulated depreciation	<u>(23,144)</u>
	<u>\$ 37,532</u>

Depreciation expense totaled \$10,070 for the year ended December 31, 2016.

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets at and for the year ended December 31, 2016 related to contributions received by the Organization are as follows:

	<u>2015</u>	<u>Additions</u>	<u>Released</u>	<u>2016</u>
Purpose restrictions:				
NephCure Accelerating Cures Institute	\$ 189,434	\$ -	\$ (189,434)	\$ -
International Podocyte Conference	80,000	140,496	(179,451)	41,045
Time restrictions:				
Retrophin grant	461,305	9,528	(187,500)	283,333
Beneficial interest in charitable remainder trusts	<u>6,110</u>	<u>-</u>	<u>-</u>	<u>6,110</u>
Total	<u>\$ 736,849</u>	<u>\$ 150,024</u>	<u>\$ (556,385)</u>	<u>\$ 330,488</u>

NOTE H DONOR-ADVISED FUND

Unrestricted net assets include \$165,571 of donor-advised funds as of December 31, 2016. Although grant recommendations are accepted from the donors or other advisors of these funds, the Organization has variance power; that is, the ultimate discretion of the use of these funds lies with the Organization. As a result, these donor-advised funds represent unrestricted net assets of the Organization.

NOTE I CONCENTRATION OF CREDIT RISK

The Organization maintains multiple cash accounts. At December 31, 2016, these accounts are covered under the Federal Deposit Insurance Corporation ("FDIC") and are insured by the FDIC up to \$250,000. At December 31, 2016, the Organization had \$998,944 of uninsured balances. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE J RELATED PARTY NOTE PAYABLE

The Organization entered into an agreement to borrow the principal sum of \$725,000 with interest on the outstanding principal balance at an interest rate of 2.00 percent per annum from a Board member on April 11, 2016. As of December 31, 2016, the outstanding balance of the note was \$660,150. The Organization owes \$108,135 in 2017 and \$552,015 in 2018. Interest expense for 2016 was \$10,150.

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE K CONCENTRATIONS

At December 31, 2016, 99 percent of the outstanding contributions receivable of the Organization is due from one organization in the form of multi-year pledges. Additionally, for the year ended December 31, 2016, 14 percent of revenue, gains, and other support was received from one organization.

NOTE L DONATED SERVICES AND IN-KIND CONTRIBUTIONS

The Organization recognizes professional donated services and in-kind contributions at their fair value. All donated professional services recognized required specialized skills that would have been purchased if they were not donated.

The fair value of donated services and in-kind contributions included as support in the financial statements and the corresponding expenses for the year ended December 31, 2016 are as follows:

Symposium services	\$ 99,040
Special event donations	<u>37,575</u>
Total Expenses	<u>\$ 136,615</u>

NOTE M 401(k) PLAN

All full-time employees who have completed one year of employment are eligible to participate in the Insperity 401(k) Plan, a defined contribution plan which is offered by Insperity, the Organization's professional employer organization. Eligible employees may make either pre-tax or Roth salary deferral contributions to the Plan, including catch-up contributions, from one percent to 80 percent of their eligible compensation each pay period. Contributions of up to six percent of eligible compensation are matched at 50 percent by the Organization. The Organization contributed \$14,356 to the Plan during 2016.

NOTE N OPERATING LEASES

The Organization leases office space and a copier. The leasing arrangements expire in various years through 2020 and have varying renewal options. Rental payments for office space during 2016 totaled \$105,378. Copier rental payments during 2016 totaled \$2,693 and are included in office and program supplies on the statement of functional expenses.

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N OPERATING LEASES (cont'd)

Future minimum payments are as follows:

Year Ending December 31,

2017	\$ 111,967
2018	112,472
2019	113,875
2020	<u>57,513</u>
	<u>\$ 395,827</u>

NOTE O SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through April 11, 2017, the date the financial statements were available to be issued.

CONSOLIDATING FINANCIAL STATEMENTS

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

	NephCure Kidney International	NephCure Accelerating Cures Institute, LLC	Eliminations	Consolidated Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 589,545	\$ 837,809	\$ -	\$ 1,427,354
Contributions receivable	355,403	-	-	355,403
Prepaid expenses and other assets	14,929	-	-	14,929
Asset held for resale	20,000	-	-	20,000
TOTAL CURRENT ASSETS	979,877	837,809	-	1,817,686
NONCURRENT ASSETS				
Fixtures and equipment, net	37,532	-	-	37,532
Contributions receivable, net	333,333	-	-	333,333
TOTAL NONCURRENT ASSETS	370,865	-	-	370,865
TOTAL ASSETS	\$ 1,350,742	\$ 837,809	\$ -	\$ 2,188,551
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 72,329	\$ -	\$ -	\$ 72,329
Grants payable	68,166	-	-	68,166
Note payable	108,135	-	-	108,135
TOTAL CURRENT LIABILITIES	248,630	-	-	248,630
NONCURRENT LIABILITIES				
Note payable	552,015	-	-	552,015
Total Liabilities	800,645	-	-	800,645
NET ASSETS				
Unrestricted:				
Operating	54,038	837,809	-	891,847
Donor-advised funds	165,571	-	-	165,571
Total unrestricted	219,609	837,809	-	1,057,418
Temporarily restricted	330,488	-	-	330,488
Total Net Assets	550,097	837,809	-	1,387,906
TOTAL LIABILITIES AND NET ASSETS	\$ 1,350,742	\$ 837,809	\$ -	\$ 2,188,551

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	NephCure Kidney International		NephCure Accelerating Cures Institute, LLC	Eliminations	Consolidated Totals
	Unrestricted	Temporarily Restricted	Unrestricted		
REVENUE AND OTHER SUPPORT:					
Contributions	\$ 876,250	\$ 150,024	\$ 1,529,108	\$ -	\$ 2,555,382
In-kind services	136,615	-	-	-	136,615
Special event revenue, net of direct expenses of \$467,786	1,586,362	-	-	-	1,586,362
Investment income	1,621	-	-	-	1,621
Symposia revenue	47,800	-	-	-	47,800
	<u>2,648,648</u>	<u>150,024</u>	<u>1,529,108</u>	<u>-</u>	<u>4,327,780</u>
Net assets released from restriction	556,385	(556,385)	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	<u>3,205,033</u>	<u>(406,361)</u>	<u>1,529,108</u>	<u>-</u>	<u>4,327,780</u>
EXPENSES:					
Program services	2,475,703	-	691,299	-	3,167,002
Support services	438,446	-	-	-	438,446
TOTAL EXPENSES	<u>2,914,149</u>	<u>-</u>	<u>691,299</u>	<u>-</u>	<u>3,605,448</u>
CHANGE IN NET ASSETS	290,884	(406,361)	837,809	-	722,332
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(71,275)</u>	<u>736,849</u>	<u>-</u>	<u>-</u>	<u>665,574</u>
NET ASSETS, END OF YEAR	<u>\$ 219,609</u>	<u>\$ 330,488</u>	<u>\$ 837,809</u>	<u>\$ -</u>	<u>\$ 1,387,906</u>

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	NephCure Kidney International	NephCure Accelerating Cures Institute, LLC	Eliminations	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ (115,477)	\$ 837,809	\$ -	\$ 722,332
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:				
Depreciation	10,070	-	-	10,070
Increase in contributions receivable	(230,016)	-	-	(230,016)
Increase in discount on contributions receivable	9,525	-	-	9,525
Decrease in prepaid expenses and other assets	8,818	-	-	8,818
Increase in asset held for resale	(20,000)	-	-	(20,000)
Increase in accounts payable and accrued expenses	16,949	-	-	16,949
Decrease in grants payable	(459,822)	-	-	(459,822)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(779,953)</u>	<u>837,809</u>	<u>-</u>	<u>57,856</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Issuance of debt	725,000	-	-	725,000
Repayment of debt	(64,850)	-	-	(64,850)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>660,150</u>	<u>-</u>	<u>-</u>	<u>660,150</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(119,803)	837,809	-	718,006
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>709,348</u>	<u>-</u>	<u>-</u>	<u>709,348</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 589,545</u>	<u>\$ 837,809</u>	<u>\$ -</u>	<u>\$ 1,427,354</u>
SUPPLEMENTAL INFORMATION:				
Interest paid	<u>\$ 10,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,150</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>