



Audited Financial Statements

December 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Neighborhood Trust Financial Partners, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Neighborhood Trust Financial Partners, Inc. ("NTFP"), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the 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 organization'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 financial statements.

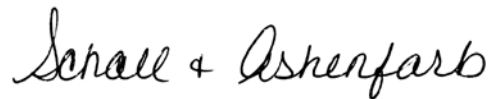
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neighborhood Trust Financial Partners, Inc. as of December 31, 2018, and the changes in its net assets and its 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 NTFP's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 21, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

April 18, 2019

NEIGHBORHOOD TRUST FINANCIAL PARTNERS, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2018
(With comparative totals at December 31, 2017)

	<u>12/31/18</u>	<u>12/31/17</u>
Assets		
Cash and cash equivalents	\$2,734,412	\$1,892,107
Investments (Note 3)	0	20,092
Pledges receivable, net (Note 4)	1,710,738	2,685,971
Accounts receivable	412,162	468,190
Prepaid expenses	159,919	114,555
Fixed assets, net (Note 5)	2,110,810	1,914,278
Security deposit	84,570	82,575
	<u> </u>	<u> </u>
Total assets	<u><u>\$7,212,611</u></u>	<u><u>\$7,177,768</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$124,957	\$116,061
Deferred rent	264,319	248,994
Deferred revenue	19,327	36,773
	<u> </u>	<u> </u>
Total liabilities	<u><u>408,603</u></u>	<u><u>401,828</u></u>
Net assets:		
Without donor restrictions;		
For operations	3,932,562	3,175,940
Board designated reserve fund	25,000	25,000
	<u> </u>	<u> </u>
Total without donor restrictions net assets	<u><u>3,957,562</u></u>	<u><u>3,200,940</u></u>
With donor restrictions (Note 6)	2,846,446	3,575,000
	<u> </u>	<u> </u>
Total net assets	<u><u>6,804,008</u></u>	<u><u>6,775,940</u></u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u><u>\$7,212,611</u></u>	<u><u>\$7,177,768</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

NEIGHBORHOOD TRUST FINANCIAL PARTNERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative totals for the year ended December 31, 2017)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/18</u>	<u>Total 12/31/17*</u>
Public support and revenue:				
Contributions	\$2,282,815	\$2,635,506	\$4,918,321	\$5,869,831
Government grants	841,603		\$841,603	\$829,497
Contract fees	444,179		444,179	254,326
In-kind contributions	70,731		70,731	0
Investment income	7,252		7,252	1,327
Net assets released from restrictions (Note 6)	<u>3,364,060</u>	<u>(3,364,060)</u>	<u>0</u>	<u>0</u>
 Total public support and revenue	 <u>7,010,640</u>	 <u>(728,554)</u>	 <u>6,282,086</u>	 <u>6,954,981</u>
Expenses:				
Program services	<u>4,720,872</u>		<u>4,720,872</u>	<u>5,432,647</u>
Supporting services:				
Management and general	966,356		966,356	673,822
Fundraising	<u>566,790</u>		<u>566,790</u>	<u>400,271</u>
Total supporting services	<u>1,533,146</u>	<u>0</u>	<u>1,533,146</u>	<u>1,074,093</u>
 Total expenses	 <u>6,254,018</u>	 <u>0</u>	 <u>6,254,018</u>	 <u>6,506,740</u>
 Change in net assets	 756,622	 (728,554)	 28,068	 448,241
 Net assets - beginning of year	 <u>3,200,940</u>	 <u>3,575,000</u>	 <u>6,775,940</u>	 <u>6,327,699</u>
 Net assets - end of year	 <u>\$3,957,562</u>	 <u>\$2,846,446</u>	 <u>\$6,804,008</u>	 <u>\$6,775,940</u>

* Reclassified for comparative purpose

The attached notes and auditor's report are an integral part of these financial statements.

NEIGHBORHOOD TRUST FINANCIAL PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative totals for the year ended December 31, 2017)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/18	Total Expenses 12/31/17
	Program Services	Management and General	Fundraising			
Salaries	\$2,492,163	\$606,522	\$410,542	\$1,017,064	\$3,509,227	\$3,378,083
Payroll taxes and benefits	631,007	142,753	65,951	208,704	839,711	736,002
Occupancy (including in-kind)	519,861	37,309	26,448	63,757	583,618	486,252
Contributions to credit union (Note 7)	36,720			0	36,720	36,720
Telephone	65,367	1,992	1,811	3,803	69,170	67,948
Bank charges	504	6,224	540	6,764	7,268	12,365
Office supplies	36,835	8,502	7,405	15,907	52,742	72,006
Printing	23,148	141	781	922	24,070	42,254
Professional fees	239,079	99,727	24,584	124,311	363,390	454,620
Credit reports	34,962			0	34,962	47,271
Insurance	23,158	3,490	2,299	5,789	28,947	23,579
Equipment and repairs	45,452	3,228	4,703	7,931	53,383	481,390
Mailing	3,591	278	198	476	4,067	4,209
Conferences and staff training	40,598	13,975	6,276	20,251	60,849	54,134
Staff recruiting	28,966	19,367	1,326	20,693	49,659	141,367
Other	51,058	5,513	2,551	8,064	59,122	61,788
Total expenses before depreciation depreciation and amortization	4,272,469	949,021	555,415	1,504,436	5,776,905	6,099,988
Depreciation and amortization	448,403	17,335	11,375	28,710	477,113	406,752
Total	\$4,720,872	\$966,356	\$566,790	\$1,533,146	\$6,254,018	\$6,506,740

The attached notes and auditor's report are an integral part of these financial statements.

NEIGHBORHOOD TRUST FINANCIAL PARTNERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative totals for the year ended December 31, 2017)

	<u>12/31/18</u>	<u>12/31/17</u>
Cash flows from operating activities:		
Change in net assets	\$28,068	\$448,241
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation and amortization	477,113	406,752
Changes in assets and liabilities:		
Pledges receivable	975,233	(769,492)
Accounts receivable	56,028	(25,688)
Prepaid expenses	(45,364)	(20,252)
Security deposit	(1,995)	(2,310)
Accounts payable and accrued expenses	8,896	(99,822)
Deferred rent	15,325	22,225
Deferred revenue	(17,446)	36,773
Total adjustments	<u>1,467,790</u>	<u>(451,814)</u>
Net cash flows provided by/(used for) operating activities	<u>1,495,858</u>	<u>(3,573)</u>
Cash flows from investing activities:		
Outlays for fixed assets	(673,645)	(217,469)
Net investment income reinvested	0	(547)
Proceeds from sale of investment	20,092	0
Net cash flows used for investing activities	<u>(653,553)</u>	<u>(218,016)</u>
Cash flows from financing activities:		
Proceeds from line of credit	250,000	510,804
Repayments of line of credit	<u>(250,000)</u>	<u>(510,804)</u>
Net cash provided by financing activities	<u>0</u>	<u>0</u>
Net increase/(decrease) in cash and cash equivalents	842,305	(221,589)
Cash and cash equivalents - beginning of year	<u>1,892,107</u>	<u>2,113,696</u>
Cash and cash equivalents - end of year	<u>\$2,734,412</u>	<u>\$1,892,107</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$5,177</u>	<u>\$10,804</u>
Taxes paid	<u>\$0</u>	<u>\$0</u>

The attached notes and auditor's report are an integral part of these financial statements.

NEIGHBORHOOD TRUST FINANCIAL PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - Organization and Purpose

Neighborhood Trust Financial Partners, Inc. is a not-for-profit organization incorporated in New York on June 13, 1995. One of the nation's leading providers of financial empowerment services, its mission is to empower low-income individuals to become productive participants in the U.S. financial system and achieve their financial goals. Founded in response to the financial disenfranchisement of Washington Heights as a credit union serving the local Latino immigrant community, it has since grown as a nonprofit and social enterprise, partnering with a multitude of institutions with strong ties to financially underserved populations and continually innovating our services for those settings.

Neighborhood Trust's signature financial counseling model is designed to ensure that low-wage workers have the tools they need to control their finances. Its specially-trained Financial Counselors deliver services in settings that people trust--the workplace, government agencies, nonprofit service providers and credit unions--and they leverage behavioral theory to help clients take actionable steps to make the most out of their well-earned wages. Since its founding Neighborhood Trust has helped over 50,000 individuals repair and establish credit, reduce debt and achieve financial health. Neighborhood Trust's primary sources of revenue are contributions and fees.

Note 2 - Summary of Significant Accounting Policies

a. Tax Status

NTFP has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined under Section 509(a) of the Code.

b. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective, January 1, 2018, Neighborhood Trust adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016- .14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 10).

Implementation of ASU 2016-14 did not require any reclassification or restatement of any opening balances related to the periods presented.

c. Basis of Presentation

NTPFP reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity that has not been restricted by donors or applicable law.
- *Net Assets with Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

d. Cash and Cash Equivalents

NTPFP considers all liquid investments with a maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments, which potentially subject NTPFP to concentration of credit risk, consist of cash, money market accounts and investment securities which have been placed with financial institutions that management deems to be creditworthy. At year end and at certain times during the year, NTPFP had material uninsured balances; however, they have not suffered any losses due to the failure of any of these institutions.

f. Investments

Investments are carried at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reflected in the statement of activities as investment income. (See Note 3 for additional information.)

g. Contributions

NTPFP reports contributions at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified net assets without donor restriction. However, when a restriction is met in the same period the contribution is received, it is recorded as net assets without donor restriction.

h. Government Grants

Government grants are recorded as revenue when earned based on incurring expenses that are reimbursable under the terms of the grant. The difference between cash received and revenue earned is reflected as government grants receivable or refundable advances.

- i. Pledges Receivable
Unconditional promises to give are recorded at net realizable value if expected to be received in less than one year or at fair value using a risk adjusted discount rate if expected to be received in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

- j. Accounts Receivable and Fee Income
Fee income is recognized as services are performed. Fees that have not been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

- k. Allowance for Uncollectable Receivables
Receivables are reviewed for collectability based on various factors such as past history and credit worthiness of customers and donors. Management has not established a reserve for uncollectable pledges as they deem all pledges to be collectable.

- l. Fixed Assets
Fixed assets to which NTFP retains title to and that benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Depreciation and amortization is taken using the straight-line method over the useful life of the asset or terms of the lease as noted below:

Leasehold improvements – 15 years
Computers and software – 5 and 3 years
Furniture and equipment – 5 years

NTFP also capitalizes certain costs incurred in the development of software for internal use in accordance with the American Institute of Certified Public Accountants' Statement of Position 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use* (subsequently codified as ASC 350-40).

- m. Deferred Rent
Rent expense is recorded evenly on the straight-line basis over the life of the lease. Rent expense recognized in excess of cash payments is reflected as deferred rent. As future payments exceed the annual expense recognized, deferred rent will be reduced to zero by the end of the lease term.

- n. Deferred Revenue
Amounts received for fees on contracts that have not been earned as of year end are recorded as deferred revenue and are recognized as income in the period in which the fees are earned.

- o. Accrued Compensation Absences
NTFP has not accrued for vacation earned but not yet taken because the amounts have not been determined. The amount is not considered material.

p. Management Estimates

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

q. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset 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 NTFP's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

r. Functional Allocation of Expenses

The financial statements contain certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently and equitably applied. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and effort
Occupancy	Full Time Equivalent
Telephone	Full Time Equivalent
Office Supplies	Full Time Equivalent
Printing	Full Time Equivalent
Professional fees	Full Time Equivalent
Insurance	Full Time Equivalent
Equipment and repairs	Full Time Equivalent
Mailing	Full Time Equivalent

s. Accounting for Uncertainty of Income Taxes

NTFP does not believe its financial statements include any uncertain tax positions. Tax filings for periods ending December 31, 2015 and later are subject to examination by applicable taxing authorities.

t. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through April 18, 2019, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

u. New Pronouncements

On June 21, 2018, FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU which becomes effective for the December 31, 2019 year, provides guidance on whether a receipt from a third-party resource provider should be accounted for as a contribution (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transactions.

In addition, FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. The ASU, which becomes effective for the December 31, 2019 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

Lastly, FASB issued ASU No. 2016-02, Leases. The ASU which becomes effective for the December 31, 2020 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

NTFP is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Investments

At December 31, 2018 and 2017, NTFP invested in a loan fund held by FJC, A Foundation of Philanthropic Funds. In the first quarter of 2018, NTFP withdrew the funds and closed the account. Accounting standards establish a fair market hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that NTFP has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The investments above have been valued based on Level 3 of the above hierarchy.

Changes to Level 3 investments are as follows:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$20,092	\$19,545
Interest income	0	745
Bank service fees	(25)	(198)
Disbursements	<u>(20,067)</u>	<u>0</u>
Ending balance	<u>\$ 0</u>	<u>\$20,092</u>

Note 4 - Pledges Receivable

Contributions receivable are expected in the following periods:

Year ending: December 31, 2019	\$1,228,601
December 31, 2020	250,000
December 31, 2021	<u>250,000</u>
	1,728,601
Present value discount (2.46%)	<u>(17,863)</u>
Net contributions receivable	<u>\$1,710,738</u>

Note 5 - Fixed Assets

Fixed assets consist of the following:

	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$1,930,764	\$1,930,764
Computers and software (a)	1,772,553	1,098,908
Furniture and equipment	<u>169,905</u>	<u>169,905</u>
	3,873,222	3,199,577
Less: accumulated depreciation	<u>(1,762,412)</u>	<u>(1,285,299)</u>
Total	<u>\$2,110,810</u>	<u>\$1,914,278</u>

(a) Includes the development costs of three software products: Digital Finance Action Plan, WageGoal and Trusted Advisor.

Note 6 - Net Assets with Donor Restrictions

Activity in the with donor restrictions class of net assets can be summarized as follows:

	<u>December 31, 2018</u>			
	<u>1/1/18</u>	<u>Contributions</u>	Released From <u>Restriction</u>	<u>12/31/18</u>
Trusted Advisor	\$3,290,000	\$50,000	(\$2,067,905)	\$1,272,095
Staff Development	0	125,000	(32,786)	92,214
Time	<u>285,000</u>	<u>2,460,506</u>	<u>(1,263,369)</u>	<u>1,482,137</u>
Total	<u>\$3,575,000</u>	<u>\$2,635,506</u>	<u>(\$3,364,060)</u>	<u>\$2,846,446</u>
	<u>December 31, 2017</u>			
	<u>1/1/17</u>	<u>Contributions</u>	Released From <u>Restriction</u>	<u>12/31/17</u>
Trusted Advisor	\$2,281,770	\$2,905,750	(\$1,897,520)	\$3,290,000
Getting Ahead	135,000	0	(135,000)	0
Technology	2,285	0	(2,285)	0
Federation	<u>12,004</u>	<u>0</u>	<u>(12,004)</u>	<u>0</u>
Total program	2,431,059	2,905,750	(2,046,809)	3,290,000
Time	<u>239,000</u>	<u>531,000</u>	<u>(485,000)</u>	<u>285,000</u>
Total	<u>\$2,670,059</u>	<u>\$3,436,750</u>	<u>(\$2,531,809)</u>	<u>\$3,575,000</u>

Note 7 - Related Party Transactions

The chief executive officer of NTFP is also on the board of directors of NTFCU. NTFP provided contributions of \$36,720 to help support NTFCU's operations during the years ended December 31, 2018 and 2017, respectively. Additionally, NTFP provided space to NTFCU at no charge.

Note 8 - Commitments and Contingencies

- a. NTFP has a lease for office space that expires on January 24, 2026. The future minimum rental requirements are as follows:

Year ending:	December 31, 2019	\$358,968
	December 31, 2020	366,144
	December 31, 2021	373,464
	December 31, 2022	388,404
	December 31, 2023	403,944
	Thereafter	<u>1,311,384</u>
		<u>\$3,202,308</u>

- b. NTFP has a revolving line of credit that charges interest at a variable rate based on 3% over LIBOR. The borrowing limit is equal to the loan value of certain pledged collateral, which was \$2,202,535 and \$1,433,855 at December 31, 2018 and December 31, 2017, respectively. There was no outstanding balance at December 31, 2018 and the full line was available.

Note 9 - Retirement Plan

NTFP sponsors a 401(K) retirement plan. Under this plan all employees with a minimum age of 18 and after one (1) year of service along with the minimum required service hours, are considered eligible to participate. NTFP matches 50% of the employee's contributions up to \$1,000. Participants in the plan are fully vested after one (1) year of service. Contributions to the plan by NTFP were \$45,384 and \$51,640 as of December 31, 2018 and 2017, respectively.

Note 10 - Availability and Liquidity

Financial assets at year-end:

Cash and cash equivalents	\$2,734,412
Pledges receivable	1,710,738
Accounts receivable	<u>412,162</u>
Total financial assets	4,857,312
Less amounts not available for general expenditures:	
Net assets with donor restrictions	(592,214)
Board designated reserve fund	<u>(25,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$4,240,098</u>

NTFP receives significant contributions and promises to give with and without donor restrictions, and it earns revenue from programmatic contractual engagements. It considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the organization considers all expenditures related to its ongoing activities, related to consumer financial health including counseling services and technical assistance to other organizations, as well as the services undertaken to support those activities to be general expenditures.

NTPF manages its liquidity and reserves by following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and building a reserve over the next few years to provide reasonable assurance that long-term obligations will be discharged. NTPF will build this reserve starting with an existing board-designated fund of \$25,000.

NTPF has a liquidity policy to maintain 3 months of operating cash on hand. To achieve these targets, NTPF forecasts its future cash flows and monitors its liquidity on a monthly basis. If circumstances change and we anticipate falling below 3 months of cash on hand, we inform our board and mitigations efforts (cost cutting and/or revenue timing) are executed to regain three months cash on hand as soon as possible.

As of 12/31/18, NTPF had 60% of its total 2019 budget in assets available for that year. NTPF anticipates it will cover and exceed the remaining amount with philanthropic gifts and fees during 2019.