

**Neighborhood Trust Financial Partners, Inc.**

Audited Financial Statements

December 31, 2025

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## **Independent Auditor's Report**

Board of Directors  
Neighborhood Trust Financial Partners, Inc.

### **Opinion**

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, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of NTFP as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NTFP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NTFP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NTFP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NTFP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited NTFP's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Sax LLP*

New York, NY  
July 10, 2026

# Neighborhood Trust Financial Partners, Inc.

## Statement of Financial Position

At December 31, 2025  
(With comparative totals as of December 31, 2024)

|                                                   | <u>December 31,</u>        |                             |
|---------------------------------------------------|----------------------------|-----------------------------|
|                                                   | <u>2025</u>                | <u>2024</u>                 |
| <b>ASSETS</b>                                     |                            |                             |
| Cash and cash equivalents                         | \$ 2,305,513               | \$ 1,417,745                |
| Investments                                       | 1,154,393                  | 2,490,430                   |
| Pledges receivable, net                           | 3,208,471                  | 3,245,923                   |
| Government grants and contracts receivable        | 191,063                    | 421,536                     |
| Other receivables                                 | 59,611                     | -                           |
| Employee retention tax credit ("ERTC") receivable | 226,299                    | 702,539                     |
| Prepaid expenses                                  | 108,328                    | 73,639                      |
| Property and equipment, net                       | 953,644                    | 1,175,299                   |
| Security deposit                                  | 78,000                     | 78,000                      |
| Operating lease right-of-use ("ROU") asset        | 302,262                    | 618,588                     |
| <b>TOTAL ASSETS</b>                               | <b><u>\$ 8,587,584</u></b> | <b><u>\$ 10,223,699</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>                 |                            |                             |
| <b>LIABILITIES</b>                                |                            |                             |
| Accounts payable and accrued expenses             | \$ 273,604                 | \$ 250,393                  |
| Deferred revenue                                  | 87,056                     | 66,585                      |
| Government refundable advance                     | 198,476                    | 183,170                     |
| Operating lease liability                         | 448,191                    | 865,918                     |
| Total liabilities                                 | <u>1,007,327</u>           | <u>1,366,066</u>            |
| <b>NET ASSETS</b>                                 |                            |                             |
| Without donor restrictions:                       |                            |                             |
| For operations                                    | 3,100,381                  | 5,244,971                   |
| Board designated reserve fund                     | 25,000                     | 25,000                      |
| Total without donor restrictions net assets       | <u>3,125,381</u>           | <u>5,269,971</u>            |
| With donor restrictions                           | 4,454,876                  | 3,587,662                   |
| Total net assets                                  | <u>7,580,257</u>           | <u>8,857,633</u>            |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>           | <b><u>\$ 8,587,584</u></b> | <b><u>\$ 10,223,699</u></b> |

*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, 2025  
(With comparative totals for the year ended December 31, 2024)

|                                             | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With<br/>Donor<br/>Restrictions</b> | <b>Total<br/>12/31/25</b>  | <b>Total<br/>12/31/24</b>  |
|---------------------------------------------|-------------------------------------------|----------------------------------------|----------------------------|----------------------------|
| <b>PUBLIC SUPPORT AND REVENUE</b>           |                                           |                                        |                            |                            |
| Contributions                               | \$ 2,334,512                              | \$ 2,800,306                           | \$ 5,134,818               | \$ 5,781,111               |
| Government grants                           | 667,122                                   | -                                      | 667,122                    | 606,132                    |
| Contract fees                               | 502,431                                   | -                                      | 502,431                    | 635,986                    |
| In-kind contributions                       | -                                         | -                                      | -                          | 19,337                     |
| Interest and dividends                      | 313                                       | -                                      | 313                        | 402                        |
| Other income                                | 146,399                                   | -                                      | 146,399                    | -                          |
| Net assets released from restrictions       | 1,933,092                                 | (1,933,092)                            | -                          | -                          |
| Total public support and revenue            | <u>5,583,869</u>                          | <u>867,214</u>                         | <u>6,451,083</u>           | <u>7,042,968</u>           |
| <b>EXPENSES</b>                             |                                           |                                        |                            |                            |
| Program services                            | <u>6,098,761</u>                          | <u>-</u>                               | <u>6,098,761</u>           | <u>6,031,198</u>           |
| Supporting services:                        |                                           |                                        |                            |                            |
| Management and general                      | 1,051,291                                 | -                                      | 1,051,291                  | 1,154,210                  |
| Fundraising                                 | 655,740                                   | -                                      | 655,740                    | 736,762                    |
| Total supporting services                   | <u>1,707,031</u>                          | <u>-</u>                               | <u>1,707,031</u>           | <u>1,890,972</u>           |
| Total expenses                              | <u>7,805,792</u>                          | <u>-</u>                               | <u>7,805,792</u>           | <u>7,922,170</u>           |
| Change in net assets from operations        | <b>(2,221,923)</b>                        | <b>867,214</b>                         | <b>(1,354,709)</b>         | <b>(879,202)</b>           |
| Non-operating activity                      |                                           |                                        |                            |                            |
| Investment return                           | <u>77,333</u>                             | <u>-</u>                               | <u>77,333</u>              | <u>172,508</u>             |
| Change in net assets                        | <b>(2,144,590)</b>                        | <b>867,214</b>                         | <b>(1,277,376)</b>         | <b>(706,694)</b>           |
| <b>NET ASSETS, <i>beginning of year</i></b> | <u>5,269,971</u>                          | <u>3,587,662</u>                       | <u>8,857,633</u>           | <u>9,564,327</u>           |
| <b>NET ASSETS, <i>end of year</i></b>       | <u><b>\$ 3,125,381</b></u>                | <u><b>\$ 4,454,876</b></u>             | <u><b>\$ 7,580,257</b></u> | <u><b>\$ 8,857,633</b></u> |

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, 2025  
(With comparative totals for the year ended December 31, 2024)

|                                                        | Program<br>Services | Supporting Services          |                   | Total<br>Supporting<br>Services | Total<br>Expenses<br>12/31/25 | Total<br>Expenses<br>12/31/24 |
|--------------------------------------------------------|---------------------|------------------------------|-------------------|---------------------------------|-------------------------------|-------------------------------|
|                                                        |                     | Management<br>and<br>General | Fundraising       |                                 |                               |                               |
| Salaries                                               | \$ 3,228,404        | \$ 666,242                   | \$ 472,029        | \$ 1,138,271                    | \$ 4,366,675                  | \$ 4,541,329                  |
| Payroll taxes and benefits                             | 697,196             | 123,325                      | 79,511            | 202,836                         | 900,032                       | 1,033,092                     |
| Occupancy                                              | 379,893             | 37,337                       | 24,091            | 61,428                          | 441,321                       | 441,128                       |
| Contribution to credit union                           | -                   | -                            | -                 | -                               | -                             | 5,546                         |
| Telephone                                              | 70,478              | 2,870                        | 1,960             | 4,830                           | 75,308                        | 76,266                        |
| Office expense                                         | 14,825              | 293                          | 1,018             | 1,311                           | 16,136                        | 24,192                        |
| Professional fees                                      | 687,403             | 121,207                      | 51,579            | 172,786                         | 860,189                       | 555,703                       |
| Technology expense                                     | 343,307             | 48,700                       | 7,403             | 56,103                          | 399,410                       | 404,279                       |
| Credit reports                                         | 26,411              | -                            | -                 | -                               | 26,411                        | 26,511                        |
| Insurance                                              | 31,468              | 4,514                        | 3,085             | 7,599                           | 39,067                        | 39,548                        |
| Equipment and repairs                                  | 3,697               | 357                          | 245               | 602                             | 4,299                         | 3,662                         |
| Conferences and staff training                         | 10,507              | 1,569                        | 2,138             | 3,707                           | 14,214                        | 62,566                        |
| Incentives and staff recruitment                       | -                   | 17,700                       | 29                | 17,729                          | 17,729                        | 32,467                        |
| Operational expenses                                   | 16,600              | 2,656                        | 1,837             | 4,493                           | 21,093                        | 25,641                        |
| Other expenses                                         | 794                 | 8,743                        | 19                | 8,762                           | 9,556                         | 40,227                        |
| Total expenses before<br>depreciation and amortization | 5,510,983           | 1,035,513                    | 644,944           | 1,680,457                       | 7,191,440                     | 7,312,157                     |
| Depreciation and amortization                          | 587,778             | 15,778                       | 10,796            | 26,574                          | 614,352                       | 610,013                       |
| <b>Total expenses for<br/>statement of activities</b>  | <b>\$ 6,098,761</b> | <b>\$ 1,051,291</b>          | <b>\$ 655,740</b> | <b>\$ 1,707,031</b>             | <b>\$ 7,805,792</b>           | <b>\$ 7,922,170</b>           |

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, 2025  
(With comparative totals for the year ended December 31, 2024)

|                                                                                          | December 31,               |                            |
|------------------------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                                          | 2025                       | 2024                       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                              |                            |                            |
| Change in net assets                                                                     | \$ (1,277,376)             | \$ (706,694)               |
| Adjustments to reconcile change in net assets to net cash used for operating activities: |                            |                            |
| Depreciation and amortization                                                            | 614,352                    | 610,013                    |
| Changes in assets and liabilities:                                                       |                            |                            |
| Pledges receivable, net                                                                  | 37,452                     | (1,204,446)                |
| Government grants and contracts receivable                                               | 230,473                    | 363,185                    |
| Other receivables                                                                        | (59,611)                   | -                          |
| ERTC receivable                                                                          | 476,240                    | -                          |
| Prepaid expenses                                                                         | (34,689)                   | (36,567)                   |
| Accounts payable and accrued expenses                                                    | 23,211                     | 40,626                     |
| Deferred revenue                                                                         | 20,471                     | 16,535                     |
| Government refundable advance                                                            | 15,306                     | 183,170                    |
| Operating lease ROU asset and liability                                                  | (101,401)                  | (84,588)                   |
| Net cash flows used for operating activities                                             | <u>(55,572)</u>            | <u>(818,766)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                              |                            |                            |
| Purchase of investments (including reinvested earnings)                                  | (1,641,031)                | (305,513)                  |
| Sale of investments                                                                      | 2,977,068                  | -                          |
| Purchases of property and equipment                                                      | (392,697)                  | (439,167)                  |
| Net cash flows provided by/(used for) investing activities                               | <u>943,340</u>             | <u>(744,680)</u>           |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                              | <b>887,768</b>             | <b>(1,563,446)</b>         |
| <b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>                               | <u>1,417,745</u>           | <u>2,981,191</u>           |
| <b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>                                     | <u><b>\$ 2,305,513</b></u> | <u><b>\$ 1,417,745</b></u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                                  |                            |                            |
| Interest paid                                                                            | <u>\$ -</u>                | <u>\$ -</u>                |
| Taxes paid                                                                               | <u>\$ -</u>                | <u>\$ -</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, 2025

### Note 1 - Organization and Purpose

Neighborhood Trust Financial Partners, Inc. ("NTFP") 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. NTFP was originally founded as a credit union in response to the financial disenfranchisement of the Latino immigrant community in Upper Manhattan, New York City. Since then, it has grown to become a national financial services innovator and nonprofit social enterprise building financial solutions for workers.

NTFP's model provides low-wage workers a suite of interventions that equips them with the personalized guidance, tools, and products they need to solve their financial pain points—all with an expert, empathetic Financial Coach by their side who is trained to help them navigate a financial system that was designed to work against them. Its specially trained Financial Coaches deliver services within settings where workers are accessing their income and benefits: the workplace, financial institutions, and nonprofit service providers. NTFP helps thousands of workers every year reduce their debt, establish and build credit, and build assets. NTFP also uses its client data and insights to drive systemic change by supporting pro-worker product innovation and policy agendas. NTFP's primary sources of revenue are contributions and fees.

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. NTFP's primary sources of revenue are contributions and fees.

### Note 2 - Summary of Significant Accounting Policies

#### *a. Basis of Accounting*

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

NTFP considers operating activities to include all revenue and support, and all expenses, that are directly associated with carrying out its mission and ongoing programmatic, management and general, and fundraising activities. Non-operating activity consists only of investment return.

#### *b. Basis of Presentation*

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 - *Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires NTFP to report information regarding its financial position and activities according to the following two classes of net assets:

- *Net Assets without Donor Restrictions* - represents all activity without donor-imposed restrictions. NTFP has created a board restricted cash reserve of \$25,000 to be used for long term purposes.
- *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.

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### **Note 2 - Summary of Significant Accounting Policies - Continued**

#### *c. Revenue Recognition*

NTPF follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. NTPF training and consultation services fall under FASB ASC 606 and have been included in the statement of activities as contract fees. Each different source of revenue is analyzed to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Contract fees are recognized when the services described in the contract are delivered to customers. Fees that have not been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

NTPF follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized when considered unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Government grants have been evaluated and are considered to be non-reciprocal; therefore, they are also treated as contributions under FASB ASC 958-605. In addition, government grants meet the criteria of being conditional. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of the conditions being met are treated as liabilities.

Contributions expected to be received within one year are recorded at net realizable value.

Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Government grants and contracts receivable are expected to be collected within one year. 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 uncollectible pledges as they deem all pledges to be collectible.

NTPF states accounts receivable at the amount it expects to collect from outstanding balances. Expected credit losses on fees for service receivable are estimated based on historical credit loss experience, aging analysis and management's assessment of current conditions and reasonable execution of future conditions. Based on that evaluation, management has determined that no allowance for credit losses is warranted.

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *d. Cash and Cash Equivalents*

NTPF considers all liquid investments available for current use and with an initial maturity of three months or less to be cash and cash equivalents except for money market funds held as part of an investment portfolio.

#### *e. Investments*

Investments are recorded at fair value, which refers to the price that would be received to sell an asset or paid to transfer a liability (*i.e.*, “exit price”) in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are recognized in the statement of activities.

#### *f. Concentration of Credit Risk*

Financial instruments, which potentially subject NTPF to a 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. NTPF maintains its cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 each. At times, balances may exceed federally insured limits. At various times throughout the year, and at year end, balances were in excess of insured amounts. NTPF did not suffer any losses due to bank failure.

#### *g. Capitalization Policy*

Property and equipment that exceed \$1,000 and have a useful life of greater than one year are recorded at cost or at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the respective asset as follows:

- Leasehold improvements - *2-year life*
- Computers and software - *3 to 5-year life*
- Furniture and equipment - *5-year life*

Maintenance and repairs, which neither materially add to the value of the asset nor appreciably prolong its life are charged to expenses as incurred.

NTPF also capitalizes certain costs incurred in the development of software for internal use in accordance with FASB ASC 350-40 *Intangibles-Goodwill and Other - Internal-Use Software*.

#### *h. Leases*

NTPF determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term.

NTPF does not report ROU assets and lease liabilities for short term leases (leases with a term of twelve months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *i. Accrued Compensated Absences*

NTFP allows for accrued vacation. The value of accrued vacation earned is not considered material.

#### *j. Use of Estimates*

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### *k. Prior Year Comparative 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 GAAP. Accordingly, such information should be read in conjunction with NTFP's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

#### *l. Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of NTFP.

The following expenses were allocated using time and effort as the basis:

- Salaries
- Payroll taxes and benefits

The following expenses were allocated using full time equivalent hours as the basis:

- Occupancy
- Telephone
- Office expense
- Insurance
- Equipment and repairs

All other expenses have been charged directly to the applicable program or supporting services.

#### *m. Advertising*

The cost of advertising is expensed as incurred.

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *n. Accounting for Uncertainty of Income Taxes*

NTFP does not believe its financial statements include any material uncertain tax positions. Tax filings for periods ending December 31, 2022 and later are subject to examination by applicable taxing authorities.

### Note 3 - Pledges Receivable, Net

Pledges receivable are expected in the following periods:

Year ending:

|                                        |                            |
|----------------------------------------|----------------------------|
| December 31, 2026                      | \$ 1,520,183               |
| December 31, 2027                      | 783,334                    |
| December 31, 2028                      | 400,000                    |
| December 31, 2029                      | 400,000                    |
| Thereafter                             | 400,000                    |
|                                        | <u>3,503,517</u>           |
| Present value discount (4.27% - 4.48%) | <u>(295,046)</u>           |
| Total pledges receivable, net          | <u><u>\$ 3,208,471</u></u> |

### Note 4 - Investments

Investments are recorded at fair value. Accounting standards have established a fair value 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.

All investments are considered to be Level 1 securities.

The fair value of investments is as follows:

|                    | December 31,               |                            |
|--------------------|----------------------------|----------------------------|
|                    | 2025                       | 2024                       |
| Debt securities    | \$ -                       | \$ 272,573                 |
| Money market funds | 1,154,393                  | 2,217,857                  |
| Total              | <u><u>\$ 1,154,393</u></u> | <u><u>\$ 2,490,430</u></u> |

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### Note 4 - Investments - Continued

The fair value of debt securities were determined using Level 1 inputs, which were based on quoted prices in active markets they are traded on. Management believes the fair value of these investments to be a reasonable approximation of their exit price.

Investment return consists of the following:

|                                                       | December 31,     |                   |
|-------------------------------------------------------|------------------|-------------------|
|                                                       | 2025             | 2024              |
| Interest and dividends                                | \$ 86,710        | \$ 168,657        |
| Realized and unrealized<br>(loss)/gain on investments | (9,377)          | 3,851             |
| Total investment return                               | <u>\$ 77,333</u> | <u>\$ 172,508</u> |

### Note 5 - Employee Retention Tax Credit

NTFP holds an ERTC receivable. The ERTC was established by the Coronavirus Aid, Relief, and Economic Security Act in 2020 and provides fully refundable tax credits through payroll tax filings for qualified wages paid between March 13, 2020, and September 30, 2021.

NTFP accounted for the ERTC as a conditional contribution in accordance with FASB ASC 958-605. As of December 31, 2025 and 2024, NTFP reported an ERTC receivable of \$226,299 and \$702,539, respectively.

### Note 6 - Property and Equipment

Property and equipment consist of the following:

|                                                 | December 31,      |                     |
|-------------------------------------------------|-------------------|---------------------|
|                                                 | 2025              | 2024                |
| Leasehold improvements                          | \$ 1,930,764      | \$ 1,930,764        |
| Computers and software                          | 5,365,357         | 4,972,660           |
| Furniture and equipment                         | 169,905           | 169,905             |
|                                                 | <u>7,466,026</u>  | <u>7,073,329</u>    |
| Less: accumulated amortization and depreciation | (6,512,382)       | (5,898,030)         |
| Total property and equipment, net               | <u>\$ 953,644</u> | <u>\$ 1,175,299</u> |

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### Note 7 - Operating Lease Right-of-Use ("ROU") Asset and Operating Lease Liability

NTPF evaluated current contracts to determine which met the criteria of a lease. NTPF leases office space in New York, NY under an agreement that expires in December 2026, which was determined to be an operating lease. The lease does not include specific extension terms.

The ROU assets represent NTPF's right to use the underlying asset for the lease term, and the lease liabilities represent NTPF's obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. NTPF has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2025 and 2024 was 1.55%. As of December 31, 2025 and 2024, the weighted average remaining lease term for NTPF's operating lease was approximately 0.92 years and 1.92 years, respectively.

For the years ended December 31, 2025 and 2024, total operating lease cost was \$335,508. Cash paid for operating leases for the years ended December 31, 2025 and 2024 was \$436,908 and \$420,096, respectively. NTPF did not have any short-term leases during the years ended December 31, 2025 and 2024.

Future minimum annual lease payments are as follows:

Year ending:

|                                            |                   |
|--------------------------------------------|-------------------|
| December 31, 2026                          | \$ 454,380        |
|                                            | 454,380           |
| Less: Present value discount               | (6,189)           |
| Total lease liability at December 31, 2025 | <u>\$ 448,191</u> |

### Note 8 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

|            | December 31, 2025              |                     |                                 |                               |
|------------|--------------------------------|---------------------|---------------------------------|-------------------------------|
|            | Beginning<br>Balance<br>1/1/25 | Contributions       | Released<br>from<br>Restriction | Ending<br>Balance<br>12/31/25 |
| TrustPlus  | \$ 627,500                     | \$ 2,028,775        | \$ (891,353)                    | \$ 1,764,922                  |
| Pathways   | -                              | 20,000              | (1,667)                         | 18,333                        |
| Technology | 6,739                          | -                   | (6,739)                         | -                             |
| Time       | 2,953,423                      | 751,531             | (1,033,333)                     | 2,671,621                     |
| Total      | <u>\$ 3,587,662</u>            | <u>\$ 2,800,306</u> | <u>\$ (1,933,092)</u>           | <u>\$ 4,454,876</u>           |

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### Note 8 - Net Assets With Donor Restrictions - Continued

|            | December 31, 2024              |                     |                                 |                               |
|------------|--------------------------------|---------------------|---------------------------------|-------------------------------|
|            | Beginning<br>Balance<br>1/1/24 | Contributions       | Released<br>from<br>Restriction | Ending<br>Balance<br>12/31/24 |
| TrustPlus  | \$ 1,305,324                   | \$ 461,343          | \$ (1,139,167)                  | \$ 627,500                    |
| Pathways   | 206,250                        | -                   | (206,250)                       | -                             |
| Technology | 2,490                          | 10,000              | (5,751)                         | 6,739                         |
| Time       | 1,266,666                      | 3,353,423           | (1,666,666)                     | 2,953,423                     |
| Total      | <u>\$ 2,780,730</u>            | <u>\$ 3,824,766</u> | <u>\$ (3,017,834)</u>           | <u>\$ 3,587,662</u>           |

### Note 9 - Related Party Transactions

The Chief Executive Officer of NTFP is also on the Board of Directors of Neighborhood Trust Federal Credit Union ("NTFCU"). NTFP provided contributions of \$5,546 to help support NTFCU's operations during the years ended December 31, 2024. Additionally, NTFP provided space and other office support to NTFCU at no charge during December 31, 2024. The amount of the expense to NTFP for the space and other office support that were provided to NTFCU was approximately \$11,800 for the year ended December 31, 2024. Support provided to NTFCU ended during 2024, as such there were no expenses for the year ended December 31, 2025. There were also no contributions to NTFCU during 2025.

### Note 10 - Commitments and Contingencies

NTFP has a revolving line of credit, subject to NTFP meeting certain thresholds of organizational financial health, including at least \$2,500,000 in net assets without donor restrictions, tested quarterly. The line is collateralized by all present and future personal property of NTFP. The borrowing limit is \$500,000 and the line carries a variable interest rate equal to the greater of the prime rate as published in the Wall Street Journal and 3.25%. The line was set to expire on February 11, 2026. Subsequent to year end, it was renewed and is now set to expire on February 10, 2027. There was no outstanding balance at December 31, 2025 or 2024 and the full line was available.

### Note 11 - Retirement Plan

NTFP sponsors a 401(k) retirement plan. Under this plan all employees at least 18 years of age that work 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 immediately fully vested. Contributions to the plan by NTFP were \$45,450 and \$45,264 as of December 31, 2025 and 2024, respectively.

# Neighborhood Trust Financial Partners, Inc.

## Notes to Financial Statements

December 31, 2025

### Note 12 - Availability and Liquidity

The following reflects NTFP's financial assets at December 31, 2025 that are available to meet cash needs for general expenditures within one year.

Financial assets at year-end:

|                                            |               |              |
|--------------------------------------------|---------------|--------------|
| Cash and cash equivalents                  | \$ 2,305,513  |              |
| Investments                                | 1,154,393     |              |
| Pledges receivable due within one year     | 1,520,183     |              |
| Government grants and contracts receivable | 191,063       |              |
| Other receivables.                         | <u>59,611</u> |              |
| Total financial assets                     |               | \$ 5,230,763 |

Less amounts not available for general expenditures:

|                                                |                 |                    |
|------------------------------------------------|-----------------|--------------------|
| Net assets with donor restrictions - TrustPlus | (1,764,922)     |                    |
| Board designated reserve fund                  | <u>(25,000)</u> |                    |
| Total not available for general expenditures:  |                 | <u>(1,789,922)</u> |

Financial assets available to meet cash needs

|                                          |  |                            |
|------------------------------------------|--|----------------------------|
| for general expenditures within one year |  | <u><u>\$ 3,440,841</u></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, NTFP considers all expenditures 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.

NTFP 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. NTFP will build this reserve starting with an existing board-designated cash fund of \$25,000.

NTFP has a liquidity policy to maintain six months of operating cash on hand. To achieve these targets, NTFP forecasts its future cash flows and monitors its liquidity on a monthly basis. If circumstances change and NTFP anticipates falling below six months of cash on hand, the board is informed, and mitigation efforts (cost cutting and/or revenue timing) are executed to regain three months cash on hand as soon as possible.

### Note 13 - Subsequent Events

Subsequent events have been evaluated through July 10, 2026, the date the financial statements were available to be issued. The Organization had events that were disclosed in the notes to the financial statements. There were no additional material events that have occurred that required adjustment to our disclosure to the financial statements.