A DIVISION OF THE NHP FOUNDATION

Operation Pathways

MAKING LIVES BETTER

FISCAL YEAR 2012 ANNUAL REPORT

OUR MISSION

The NHP Foundation is a nonprofit organization dedicated to making investments that preserve and create affordable multifamily housing for low- to moderate-income families and seniors while providing a comprehensive array of programs and services to enhance the quality of life for its residents.

THE VISION OF OPERATION PATHWAYS

Operation Pathways provides opportunities through dynamic programming that reduce everyday challenges people face, enhancing the lives of the residents of NHPF properties.

On a Mission to Make Residents' Lives Better

PLEASE TAKE A MOMENT to read The NHP Foundation (NHPF) mission statement to the left. Without Operation Pathways, the fulfillment of that mission would be virtually impossible. In this annual report, we're proud to share just a few stories of meaningful ways in which NHPF residents' lives are made better. The people and programs of Operation Pathways are essential to making that happen.

NHPF has grown to 24 housing communities in 12 states, and we're proud of the operations in each and every one of them. We are constantly looking for opportunities to increase the number of NHPF communities. We can do so with confidence, knowing that Operation Pathways' resident services coordinators work tirelessly to make our housing units more than just four walls and a roof over the heads of our residents. They make them places to live better lives—places to call home.

We salute the Operation Pathways staff members in all the NHPF housing communities for the exceptional commitment they bring to their work—all day and every day.

Sincerely,

Thomas Carr
Chairman, Board of Trustees

Richard F. Burns
Chief Executive Officer

The Key to Changing Lives

REFLECTING ON THE WORK of NHPF's Operation Pathways in 2012, it is clear the key to our success is the wonderful work of our site-based resident services coordinators. The daily interactions with the on-site staff members who implement programs and services and manage the operations of our community centers enhance the lives of our residents in ways too numerous to mention. Truly, the human contact and the trusting relationships they foster are the primary reasons our programs and services yield such positive outcomes.

The NHPF Operation Pathways team enhance our residents' lives because they strive every day to be **Leaders, Innovators, Visionaries, Experts,** and **Specialists.**

NHPF's Operation Pathways program changes lives by providing:

LEADERS	in resident services
INNOVATORS	in housing-based after school programs
VISIONARIES	in financial education
EXPERTS	in health and wellness initiatives
SPECIALISTS	in case management and referral services

I invite you to read the stories that bring the **LIVES** acronym to life. When you do, I hope you'll agree 2012 was another great year for NHPF's Operation Pathways. We are fortunate to have such a wonderful, caring staff of leaders, innovators, visionaries, experts, and specialists to do the very difficult and demanding, yet ultimately rewarding, work of resident services.

Thank you to all who continue to support us in this very important work.

Sincerely,

Kenneth D. White
Vice President, Resident Services

The Stories Behind the Acronym

L I V E S

Leaders

FOR MANY PEOPLE living on the east coast of the United States, 2012 will be remembered as the year of Superstorm Sandy. While our entire portfolio fared well during the storm, Operation Pathways and our property management companies worked hard in both the preparation for the storm as well as in its aftermath. Atlantic City Townehouse (ACT) was completely evacuated prior to the storm. The resident services coordinator and management worked with each resident to find temporary housing with relatives or friends. Buses were arranged to transport residents to emergency shelters if they were unable to find a place to stay.

With **leadership** from Operation Pathways, our residents were brought by bus to take shelter together, as opposed to being split up among several locations. This allowed for us to continue to provide services to our residents, even when they were displaced. The resident services coordinator visited often, assessed residents' needs, and provided support. Residents remained in emergency shelters for five days before city officials allowed them to return to ACT. The staff of Atlantic City Townehouse was formally praised by the Mayor of Atlantic City for the **leadership** they displayed in an expeditious and compassionate evacuation procedure.

"My favorite person to learn about was Ben Franklin because he invented lots of really cool things."

—TERRANCE

The Stories Behind the Acronym

L I V E S

Innovators

2012 WAS CLEARLY THE YEAR of health and wellness programming for NHPF's Operation Pathways. Our staff implemented fitness and nutrition activities using **innovative** approaches to motivate residents in fulfilling their goals for healthier living In our after school programs in Louisiana, 72 children were pre-tested in their fitness levels, using the President's Challenge Physical Fitness Test. The test consists of pushups for muscle endurance, shuttle runs for agility, and sit-and-reach for flexibility. The pre-test found that only 3% of the children in our program were testing above the 50th percentile nationally. At the end of a full year of focusing on fitness in our after school program, 36% of the same children were testing above the 50th percentile!

OPERATION PATHWAYS also created an **innovative** approach for measuring health outcomes using blood pressure monitoring. Since hypertension has been identified as a major health concern in low-income communities, we've installed blood pressure kiosks in some of our community centers for residents to monitor their own blood pressure. We keep track of the data collected for the participants in our health and wellness programs, confirming that eating healthier and increasing physical activity have a positive effect on blood pressure.

"The community center is great because everyone is nice, we eat healthy, delicious food, and do lots of art activities."

—ASIA

The Stories Behind the Acronym

L I V E S

Visionaries

THE N.O.W. CAFÉ in one of our fitness centers became a place of financial education in 2012. The **visionary** leadership of our resident services staff saw an opportunity to reach out to residents who were already active in our very popular Healthy Living program to become engaged in "fiscal fitness" as well. After their workouts, residents may enjoy a smoothie in The N.O.W. Café, where financial literature can be found and financial education workshops are hosted. The most useful classes that we provide for our residents are also the most difficult to recruit for: financial education. Now, residents can envision a healthier version of themselves during their workouts, and a more financially stable version of themselves after attending a financial education workshop.

AN IMPORTANT PART of our program is health and wellness education. On a daily basis, and thanks to our partnership with Sodexo Remote Sites, we provide children with healthy snacks such as fruit, yogurt, whole grains, and vegetables. Many children who attend our program know very little about healthy eating habits and report that they do not generally include fresh fruit and vegetables in their diet. One participant, who was never excited about having fruit for a snack, tried different fruits during our program and quickly learned that fruit is a tasty and healthy alternative to less nutritious snacks.

"At the after school program, I love oranges because they are so sweet and they smell so good."

—YA'MYA

The Stories Behind the Acronym

L I V E S

Experts

IN 2012, the NHPF Operation Pathways staff from across the country converged in New Orleans for a three-day training session. They learned from **experts** in the fields of youth development, health and wellness, geriatrics, and financial education. The training session also featured an **expert** to assess and demonstrate how our individual personality traits affect our own work and our working relationships with one another, the site-based staffs, and our external partners and collaborators.

AT WALNUT SQUARE APARTMENTS, we have noticed outstanding progress of a 3rd grader since her participation in "The Exploration Station." When she first enrolled in our program, she was defiant about completing homework or participating in group activities that involved any text. Using our Brigance Word Recognition Assessment, we discovered that she placed at a kindergarten reading level. This young lady has signed into "The Exploration Station" over 20 times during the school year, practicing her phonetic decoding skills of unfamiliar words and exposing herself to new sight-word vocabulary. Her interest and focus for completing homework improved dramatically, she is more social and cooperative during group activities, and she recently placed at a 3rd grade level in our Brigance Word Recognition Assessment Post-Test.

"I like the community center because I learn a lot, I have fun with my friends, and I love my teachers."

—TAJANIQUE

The Stories Behind the Acronym

L I V E S

Specialists

AMONG OUR RESIDENT SERVICES coordinators, many have special skills, knowledge, and experience that enhance our programs and services. One of these resident services coordinators specializes in tax preparation for low-income families. Her expertise in helping our residents process their tax return resulted in $822,000 of refunds. As a free service, we educated our residents in the Earned Income Tax Credit for low-income families. Another **specialist** on our team was invited to make a national presentation on how NHPF's Operation Pathways infuses learning into out-of-school-time programs. Our after school curriculum, developed by our own **specialist**, has been lauded by experts in the after school community as a highly engaging and effective way to help children develop a love of learning.

THE CRAWFORD FAMILY is more physically active because of the fitness options offered in the health and wellness programs at Walnut Square. Mrs. Crawford has been attending the group fitness classes and participating in the walking club since 2010. She has lost weight and is thankful for the energy she has gained since becoming physically active. Mr. Crawford and his son started using the fitness center as soon as the equipment arrived. Though his son has returned to college, Mr. Crawford still uses the fitness center on a regular basis. He has lost weight, lowered his cholesterol, and is eating healthier to make sure all his hard work is not being lost. He even finds time to volunteer to coach football for the kids who attend our after school programs.

"I love relay races with Coach T and everybody else at the community center!"

—CIERRA

Audited Financial Statement

NHP FOUNDATION is audited according to standard practices in accordance with audit standards generally accepted in the United States of America. The audit for 2012 was completed by the CohnReznick Group and were found to present fairly, in all material respects, the financial position of The NHP Foundation and its affiliated entitles as of December 31, 2012 and the changes in their net assets and their cash flows for the year then ended.

Beyond that solid report from our auditors, it's important for our supporters and grant makers to understand the financial relationship between NHPF and its resident services division, Operation Pathways.

As a tax exempt charitable organization, NHPF preserves and increases America's supply of affordable housing by operating 24 multifamily housing complexes in 12 states. Its mission is also able to provide meaningful and life-affirming services to the residents of those NHPF properties and that is accomplished through Operation Pathways.

The majority of NHPF's $35 million annual operating budget is devoted to the operation and preservation of its affordable housing properties. In fact, only $1,180,487 of the total budget was devoted to Operation Pathways in 2012. Of that budget for resident services, $723,723 came from operating property fees and real estate transactions. The balance of $456,764 was raised through grants and other tax-deductible contributions generously made by supporters of the NHPF/Operation Pathways mission.

A COMPLETE COPY OF OUR 2012 AUDITED FINANCIALS IS AVAILABLE UPON REQUEST TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER, 122 EAST 42ND STREET, NEW YORK, NY 10168, OR BY CALLING 646.336.4940.

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