JEREMIAH PROGRAM

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

JEREMIAH PROGRAM
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Jeremiah Program
Minneapolis, Minnesota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Jeremiah Program (a nonprofit organization), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, the changes in its net assets and its cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jeremiah Program, as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Jeremiah St. Paul Limited Partnership, which statements reflect total assets of $7,560,418 and $7,914,761 as of December 31, 2021 and 2020, respectively, and total revenues of $290,997 and $201,784, respectively, for the years then ended. In addition we did not audit the financial statements of Jeremiah Program Rochester Limited Partnership, which statements reflect total assets of $13,737,879 and $13,519,172 as of December 31, 2021 and 2020, respectively, and total revenues of $359,053 and $115,002, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Jeremiah St. Paul Limited Partnership and Jeremiah Rochester Limited Partnership, is based solely on the reports of the other auditors.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Cloud, Minnesota
May 26, 2022

JEREMIAH PROGRAM
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	$ 2,615,461	$ 3,750,481
Accounts Receivable, Net	113,638	86,181
Current Portion of Pledges Receivable, Net	2,200,483	2,170,724
Prepaid Expenses	347,729	188,172
Inventory	155,045	-
Total Current Assets	5,432,356	6,195,558
PROPERTY AND EQUIPMENT		
Land and Improvements	2,846,676	2,846,676
Buildings and Improvements	31,835,305	31,799,365
Office Furniture and Equipment	796,433	740,468
Residential Furniture and Equipment	1,649,272	1,592,350
Total	37,127,686	36,978,859
Less: Accumulated Depreciation	10,630,786	9,505,220
Net Property and Equipment	26,496,900	27,473,639
OTHER ASSETS		
Investments	13,748,458	12,328,164
Investment in Campus Building Partnership	4,032,527	4,250,427
Assets Held in Trust	450,817	417,184
Restricted Reserves and Escrows	1,111,252	565,827
Long-Term Portion of Pledges Receivable, Net	188,542	212,542
Total Other Assets	19,531,596	17,774,144
Total Assets	$ 51,460,852	$ 51,443,341

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2021 AND 2020

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 311,977	$ 385,088
Accrued Payroll and Related Benefits	496,973	400,956
Accrued Real Estate Taxes	138,654	103,246
Other Current Liabilities	86,087	58,103
Deferred Revenue	125,556	-
Capital Lease Payable, Current	-	3,048
Total Current Liabilities	1,159,247	950,441
OTHER LIABILITIES		
Mortgages Payable, Net of Discount	7,638,289	7,543,728
Less: Unamortized Financing Fees	(183,252)	(199,840)
Capital Lease Payable, Less Current Portion	-	522
Total Other Liabilities	7,455,037	7,344,410
Total Liabilities	8,614,284	8,294,851
NET ASSETS		
Without Donor Restriction:		
Undesignated	7,283,028	3,668,864
Undesignated: Limited Partnership - Noncontrolling Interest	11,030,238	11,259,580
Designated	18,173,618	21,495,549
Total Net Assets Without Donor Restriction	36,486,884	36,423,993
With Donor Restriction	6,359,684	6,724,497
Total Net Assets	42,846,568	43,148,490
Total Liabilities and Net Assets	$ 51,460,852	$ 51,443,341

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT			
Grants and Contributions	$ 8,621,406	$ 1,566,484	$ 10,187,890
Special Event Income	277,373	-	277,373
Interest and Dividend Income	115,672	34,918	150,590
Rental Income	709,297	-	709,297
Child Care Income	686,102	-	686,102
In-Kind Contributions	81,825	-	81,825
Other Support	1,381,835	-	1,381,835
Net Assets Released from Restrictions	2,380,742	(2,380,742)	-
Total Revenues and Support	14,254,252	(779,340)	13,474,912
EXPENSE			
Program	12,636,453	-	12,636,453
Support Services:			
General and Administrative	1,279,956	-	1,279,956
Fundraising	2,097,759	-	2,097,759
Total Support Services	3,377,715	-	3,377,715
Total Expense	16,014,167	-	16,014,167
CHANGE IN NET ASSETS FROM OPERATIONS	(1,759,915)	(779,340)	(2,539,255)
NONOPERATING INCOME (LOSS)			
Gain on Investments	980,824	389,924	1,370,748
Change in Assets Permanently Restricted	-	8,980	8,980
Endowment Revenue	-	15,623	15,623
Change in Equity Method Investments	(217,900)	-	(217,900)
Developer Fee Revenue	18,441	-	18,441
Total Nonoperating Income	781,365	414,527	1,195,892
CHANGE IN NET ASSETS	(978,550)	(364,813)	(1,343,363)
Change in Net Assets Attributable to the Noncontrolling Interest	1,270,783	-	1,270,783
CHANGE IN NET ASSETS – CONTROLLING INTEREST	$ 292,233	$ (364,813)	$ (72,580)

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT			
Grants and Contributions	$ 6,533,666	$ 2,365,010	$ 8,898,676
Special Event Income	612,169	-	612,169
Interest and Dividend Income	127,873	31,446	159,319
Rental Income	464,687	-	464,687
Child Care Income	689,687	-	689,687
In-Kind Contributions	50,975	-	50,975
Other Support	1,283,773	-	1,283,773
Net Assets Released from Restrictions	1,862,926	(1,862,926)	-
Total Revenues and Support	11,625,756	533,530	12,159,286
EXPENSE			
Program	9,989,643	-	9,989,643
Support Services:			
General and Administrative	1,230,270	-	1,230,270
Fundraising	1,767,701	-	1,767,701
Total Support Services	2,997,971	-	2,997,971
Total Expense	12,987,614	-	12,987,614
CHANGE IN NET ASSETS FROM OPERATIONS	(1,361,858)	533,530	(828,328)
NONOPERATING INCOME (LOSS)			
Gain on Investments	614,466	278,924	893,390
Change in Assets Permanently Restricted	-	5,209	5,209
Endowment Revenue	-	10,100	10,100
Change in Equity Method Investments	(169,325)	-	(169,325)
Contributions for Future Capital Projects	28,862	-	28,862
Developer Fee Revenue	35,147	-	35,147
Net Assets Released from Restrictions: Capital	1,075,586	(1,075,586)	-
Total Nonoperating Income (Loss)	1,584,736	(781,353)	803,383
CHANGE IN NET ASSETS	222,878	(247,823)	(24,945)
Change in Net Assets Attributable to the Noncontrolling Interest	1,006,036	-	1,006,036
CHANGE IN NET ASSETS – CONTROLLING INTEREST	$ 1,228,914	$ (247,823)	$ 981,091

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENTS OF NET ASSETS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	Without Donor Restriction	With Donor Restriction	Total
BALANCE - DECEMBER 31, 2019	$ 28,135,917	$ 6,972,320	$ 35,108,237
Change in Net Assets	222,878	(247,823)	(24,945)
Capital Contribution	8,065,198	-	8,065,198
BALANCE - DECEMBER 31, 2020	36,423,993	6,724,497	43,148,490
Change in Net Assets	(978,550)	(364,813)	(1,343,363)
Capital Contribution	1,041,441	-	1,041,441
BALANCE - DECEMBER 31, 2021	$ 36,486,884	$ 6,359,684	$ 42,846,568

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program	General and Administrative	Fundraising	Total
Salaries	$ 5,794,204	$ 860,125	$ 1,205,584	$ 7,859,913
Benefits	432,819	59,845	94,688	587,352
Payroll Taxes	400,143	61,529	86,910	548,582
Total Personnel Costs	6,627,166	981,499	1,387,182	8,995,847
Occupancy	1,841,454	28,600	11,050	1,881,104
Depreciation and Amortization	1,221,983	19,352	5,587	1,246,921
Consultants	487,896	34,495	56,283	578,674
Technology	412,974	22,943	22,943	458,860
Parent Programming	779,551	-	-	779,551
Marketing and Advertising	77,386	-	346,702	424,088
Family Programming	207,524	-	-	207,524
Professional and Admin Fees	352,955	123,054	60,615	536,624
Event Expenses	-	-	94,618	94,618
Staff Recruiting, Development, and Recognition	105,386	35,759	17,183	158,328
Interest Expense	94,559	152	-	94,711
Equipment Rental	10,649	592	592	11,832
Office Supplies, Postage, and Printing	69,428	7,961	76,062	153,451
Interest on Construction Loan	-	-	-	-
Telephone and Internet	89,602	4,877	4,818	99,296
Travel and Meetings	21,193	6,597	4,679	32,469
Campus Development and Start-up Costs	13,545	138	138	13,821
Nonproperty Business Insurance	41,605	5,270	8,598	55,473
Bad Debt Expense and Miscellaneous	99,772	8,668	709	109,149
Subtotal	12,554,628	1,279,956	2,097,759	15,932,342
In-Kind Expenses	81,825	-	-	81,825
Total Expenses	$ 12,636,453	$ 1,279,956	$ 2,097,759	$ 16,014,167

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program	General and Administrative	Fundraising	Total
Salaries	$ 4,492,580	$ 811,509	$ 1,121,076	$ 6,425,165
Benefits	406,116	74,956	109,455	590,527
Payroll Taxes	318,284	42,041	80,162	440,487
Total Personnel Costs	5,216,980	928,506	1,310,694	7,456,179
Occupancy	1,531,734	15,332	15,332	1,562,397
Depreciation and Amortization	991,467	10,117	10,117	1,011,701
Consultants	381,994	45,216	64,198	491,408
Technology	437,273	24,293	24,293	485,859
Parent Programming	341,939	-	-	341,939
Marketing and Advertising	191,743	33,242	47,227	272,212
Family Programming	240,032	-	-	240,032
Professional and Admin Fees	64,129	92,779	43,151	200,059
Event Expenses	-	-	154,479	154,479
Staff Recruiting, Development, and Recognition	49,225	32,001	17,039	98,265
Interest Expense	89,492	913	913	91,318
Equipment Rental	80,010	4,445	4,445	88,900
Write Off Financing Fees	89,080	-	-	89,080
Office Supplies, Postage, and Printing	39,804	6,324	30,636	76,764
Interest on Construction Loan	71,541	-	-	71,541
Telephone and Internet	55,316	3,073	3,073	61,462
Travel and Meetings	17,809	25,557	8,126	51,492
Campus Development and Start-up Costs	30,462	-	-	30,462
Nonproperty Business Insurance	12,298	2,132	3,027	17,457
Bad Debt Expense and Miscellaneous	6,340	6,340	30,952	43,632
Subtotal	9,938,668	1,230,270	1,767,701	12,936,639
In-Kind Expenses	50,975	-	-	50,975
Total Expenses	$ 9,989,643	$ 1,230,270	$ 1,767,701	$ 12,987,614

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Support and Revenue	$ 13,295,681	$ 12,490,785
Interest Received	159,570	164,528
Cash Paid to Suppliers and Employees	(16,063,123)	(12,769,148)
Interest Paid	(150)	(352)
Net Cash Used by Operating Activities	(2,608,022)	(114,187)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(3,499,423)	(3,472,060)
Proceeds from Sale of Investments	3,416,244	4,292,668
Purchase of Property and Equipment	(248,075)	(9,322,277)
Net Cash Used by Investing Activities	(331,254)	(8,501,669)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for:		
Capital Expansion	-	28,862
Payment of Tax Credit and Financing Fees	(5,409)	(25,616)
Proceeds from Capital Contributions	1,041,441	8,065,198
Proceeds from Loan Payable	1,317,219	1,280,028
Payments on Capital Lease Liability	(3,570)	(3,639)
Net Cash Provided by Financing Activities	2,349,681	9,344,833
NET CHANGE IN CASH AND RESTRICTED CASH	(589,595)	728,977
Cash and Restricted Cash – Beginning of Year	4,316,308	3,587,331
CASH AND RESTRICTED CASH – END OF YEAR	$ 3,726,713	$ 4,316,308

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	$ (1,343,363)	$ (24,945)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	1,246,811	1,011,701
Loan Forgiveness	(1,317,219)	(1,280,028)
Unrealized Gains	(938,671)	(502,838)
Realized Gains	(377,009)	(343,941)
Change in Value of Assets Held in Trust	(55,068)	(46,611)
Change in Investment in Campus Building Partnerships	217,900	169,325
Contributions Restricted for Financing Activities	-	(28,862)
Noncash Interest	94,561	90,966
(Increase) Decrease in Current Assets:		
Accounts Receivable, Net	(27,457)	35,089
Pledges Receivable, Net	(5,759)	410,482
Prepaid Expenses	(159,557)	(79,888)
Inventory	(155,045)	-
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(73,111)	245,953
Accrued Payroll and Related Benefits	96,017	199,257
Accrued Real Estate Taxes	35,408	15,400
Deferred Revenue	125,556	-
Other Current Liabilities	27,984	14,753
Net Cash Used by Operating Activities	$ (2,608,022)	$ (114,187)
CASH CONSISTS OF:		
Cash	$ 2,615,461	$ 3,750,481
Restricted Reserves and Escrows	1,111,252	565,827
Total Cash	$ 3,726,713	$ 4,316,308

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Purpose

Jeremiah Program (JP) offers one of the nation's most successful strategies for transforming families from poverty to prosperity two generations at a time. JP believes that no mother should have to make the untenable choice between investing in herself and her children. Their holistic approach allows families to dream what is possible when they are able to bring all their identities to bear in pursuit of their goals.

Jeremiah Program believes that the impacts of poverty and systemic racism can be disrupted through a two-generation (2Gen) approach -- investing in the dreams and voices of women and the education of their children. JP understands that the intersection of race and gender discrimination comes to a head for single mothers of color, which is why JP programming unapologetically focuses on dismantling the proven and institutional barriers that stand in the way to their success.

Headquartered in Minneapolis, MN in 1998, Jeremiah Program continues to expand throughout the country to meet the growing demand for its model. JP has campuses in Minneapolis and St. Paul, MN, Rochester-SE, MN, Austin, TX, and Fargo, ND as well as nonresidential campuses in Boston, MA and Brooklyn, NY. In 2021, JP partnered with 629 moms and their 954 children across the country.

Jeremiah Program provides life-changing experiences for moms and kids. Beginning with empowerment training, moms start to unravel the damaging narratives placed on low-income women, (especially women of color and especially single moms) and reassert their role as experts in their own lives. After completing empowerment, JP's ongoing programming ensures families have access to the resources every family needs to thrive: stable housing in JP's affordable housing units or through community housing partners, career-track education at a local postsecondary institution, high quality early childhood education at JP's Child Development Centers or local partner schools, and a supportive community of peers and caring staff. The interplay of 2Gen supports creates the conditions for mothers and children to tap into their unique strengths – strengths that are obscured, not eliminated, by the stress of living in poverty.

Principles of Consolidation

The consolidated financial statements include the accounts of Jeremiah Program, Jeremiah St. Paul Limited Partnership, and Jeremiah Program Rochester Limited Partnership. The General Partner of Jeremiah St. Paul Limited Partnership is TJP St. Paul LLC, whose sole member is Jeremiah Program, a nonprofit corporation. The General Partner of Jeremiah Program Rochester Limited Partnership is Jeremiah Program Rochester GP LLC, whose sole member is Jeremiah Program.

All intercompany accounts and transactions have been eliminated.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

Net assets and revenues, gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of JP and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, those net assets detailed out in Note 9.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specific by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

Estimates

The preparation of consolidated financial statements in conformity 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. Accordingly, actual results could differ from those estimates.

Reserves and Escrows

Reserves and escrows represent funds held and restricted by JP for various purposes. See Note 9 for further detail.

Investments

Investments are valued at market value, in accordance with accounting principles generally accepted in the United States of America. Accordingly, unrealized gains and losses are recognized in the statements of activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

JP provides an allowance for uncollectible accounts based on the reserve method using management's judgment considering historical information. Services are sold on an unsecured basis. Payment is required 30 days after receipt of the invoice. Accounts past due for more than 120 days are individually analyzed for collectability. An allowance is provided for accounts between 30 and 120 days when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written-off against the related allowance. At both December 31, 2021 and 2020, the allowance was $3,700.

Pledges Receivable

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received.

Conditional promises to give are recognized as revenue when the conditions are substantially met. There were no conditional promises to give outstanding at December 31, 2021 and 2020.

Property, Equipment, and Depreciation

Property and equipment are capitalized at cost or, if donated, at the approximate fair value at the date of donation for those items over $5,000. If donors stipulate how long assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as net assets without donor restriction. JP uses the straight-line method of depreciation over a useful life of 3 to 10 years for furniture and equipment and over a useful life of 35 to 40 years for the buildings. Included in property and equipment is capital projects in progress which relates to new campus development activity.

Intangible Assets

Intangible assets include tax credit fees which are being amortized over 10 years using the straight-line method.

Deferred Revenue

Deferred revenue consists of payments received from grantors in advance of services being performed, as well as payments received from sponsors for which JP has not yet fulfilled its obligations under the sponsorship. Such amounts are recorded as revenues when the related services are performed, or obligations are satisfied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by JP. Revenue for performance obligations satisfied over time is recognized based on the service period of the contract. JP measures the performance obligation from these particular services from the beginning of the performance period to the completion of services provided. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and JP does not believe they are required to provide additional goods or services to the client.

JP has performance obligations that are satisfied at a point in time as well as over a time period. JP's primary sources of revenue are grants, contributions, special event income, rental income, and childcare services. Special event income has a single performance obligation and is satisfied and recognized when the special event occurs. Childcare fees performance obligations are satisfied on a daily or weekly basis and are recognized on the day of the services.

Contributions are considered to be without donor restriction unless specifically restricted by the donor as to time period or use. Unconditional promises to give are recorded as revenue when JP receives the promise. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restriction.

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis. The vast majority of staff costs and other expenses are recorded directly to cost center by function. For staff that devote time to multiple functions, their salaries, and related expenses are allocated to program and supporting services based on time spent by function. Indirect costs are allocated based on square footage or full-time equivalents by function.

Occupancy

Occupancy expense includes maintenance, custodial, utilities, property insurance, property taxes, and on-site property manager salaries relating to the rental operations of fully operational Jeremiah Program campuses and other noncampus building occupancy expenses.

Tax Status

JP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and corresponding state tax codes, and therefore, the financial statements do not include a provision for income taxes. Contributions to JP qualify as a charitable tax deduction by the contributor. JP files as a tax-exempt organization. Should that status be challenged in the future, all years since inception would be subject to review by the Internal Revenue Service.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status (Continued)

Jeremiah St. Paul Limited Partnership and Jeremiah Program Rochester Limited Partnership are not tax paying entities, thus, no provision for income taxes has been recorded in the consolidated financial statements. All tax effects of these entities are passed through to the partners.

Fair Value of Financial Instruments

JP categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that JP has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, JP may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis.

Subsequent Events

In preparing these consolidated financial statements, JP has evaluated events and transactions for potential recognition or disclosure through May 26, 2022, the date the consolidated financial statements were available to be issued.

NOTE 2 CASH AND RESTRICTED CASH

	2021	2020
Checking	$ 2,615,461	$ 3,671,630
Savings	-	78,851
Restricted Reserves and Escrows	1,111,252	565,827
Total Cash and Restricted Cash	$ 3,726,713	$ 4,316,308

A significant portion of fundraising is done in the last quarter of each year resulting in higher year-end cash balances which are used to support seasonal cash flow needs in the new year.

JP maintains bank accounts which at times may exceed federally insured limits.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable balance for the years ended December 31, 2021 and 2020 was $113,638 and $86,181, respectively, and represents largely program receivables net of a $3,700 allowance for doubtful accounts.

NOTE 4 PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give:

Year Ending December 31,	Operating	Capital	Total
2022	$ 2,204,483	$ 17,000	$ 2,221,483
2023	165,000	-	165,000
2024	15,000	-	15,000
2025	15,000	-	15,000
Total Pledge Receivable	2,399,483	17,000	2,416,483
Less: Discount	(6,458)	-	(6,458)
Allowance for Doubtful Accounts	(21,000)	-	(21,000)
Total	$ 2,372,025	$ 17,000	$ 2,389,025

The interest rate utilized for computing the discount for long-term pledges was JP's three-year average interest rate obtained on investments which was approximately 1.52% and 1.96% for the years ended December 31, 2021 and 2020, respectively.

Receivables from one contributor represented 13% of pledge receivables for the year ended December 31, 2021. Receivables from two contributors represented 21% of pledge receivables for the year ended December 31, 2020. If large pledges are not received, it might have a significant effect on JP's programs and activities.

NOTE 5 ASSETS HELD IN TRUST

In 2009, JP was named a 6.67% beneficiary in a perpetual trust. Under the terms of the trust agreement, the trustee will disburse earnings, up to 5% per year, to JP. The trust distributed $17,443 and $17,402 of earnings to Jeremiah Program during the years ended December 31, 2021 and 2020, respectively. See Note 13 for further detail.

NOTE 6 INVESTMENTS

Investments consist of the following:

	2021	2020
Securities	$ 7,011,269	$ 6,113,578
Bonds	2,287,582	2,016,319
Money Market and Short-Term Instruments	3,785,878	3,700,871
Community Foundation Holdings	663,729	497,396
Total	$ 13,748,458	$ 12,328,164

Investment income consists of the following:

	2021	2020
Interest and Dividend Income	$ 159,570	$ 164,528
Realized Gains	377,009	343,941
Unrealized Gains	993,739	549,449
Total	$ 1,530,318	$ 1,057,918

NOTE 7 MORTGAGES PAYABLE

The balances as of December 31 were as follows:

Description	2021	2020
0% Mortgage payable to Minnesota Housing Finance Agency. Loan matures on November 1, 2032. Secured by all assets of Minneapolis campus.	$ 200,000	$ 200,000
0% Mortgage payable to Family Housing Fund. Loan matures on November 1, 2032. Secured by all assets of Minneapolis campus.	250,000	250,000
1% per annum simple interest, mortgage payable to Minneapolis Community Development Agency. Loan matures on November 1, 2032. Secured by all assets of Minneapolis campus.	476,000	472,000
0% mortgage payable to Minneapolis Community Development Agency NRP loan. The loan will be forgiven if no event of default occurs before November 1, 2032. Secured by all assets of Minneapolis campus.	1,000,000	1,000,000
0% mortgage payable to Minnesota Housing Finance Agency Minnesota Families Affordable Rental Investment Fund Program. The loan will be forgiven if no event of default occurs before November 1, 2032. Secured by all assets of Minneapolis campus.	1,795,800	1,795,800
0% mortgage payable to Family Housing Fund. Loan matures on December 18, 2037. Secured by assets of St. Paul Campus.	300,000	300,000
0% mortgage payable to Greater Minnesota Housing Fund. Loan matures on June 30, 2059. Secured by assets of Rochester Campus.	450,000	450,000

NOTE 7 MORTGAGES PAYABLE (CONTINUED)

Description (Continued)	2021	2020
0% mortgage payable to the Minnesota Housing Finance Agency (MHFA). Loan matures March 4, 2038. Secured by assets of St. Paul Campus.	$ 550,000	$ 550,000
0% mortgage payable to the Rochester Area Foundation Loan matures June 30, 2059. Secured by assets of Rochester Campus.	320,000	320,000
0% mortgage payable to North Dakota Housing Finance Agency, up to $2.2M. The loan will be forgiven if no event of default occurs before September 10, 2035. Secured by assets of Fargo-Moorhead Campus.	2,200,000	2,200,000
0% mortgage payable to North Dakota Housing Finance Agency, up to $1,052,655. The loan will be forgiven if no event of default occurs before January 1, 2049. Secured by the land and building of the Fargo-Moorhead Campus.	1,052,655	1,052,655
0% mortgage payable to Federal Home Loan Bank of Des Moines. The loan will be forgiven if no event of default occurs before January 8, 2033. Secured by assets of Fargo Fargo-Moorhead Campus.	300,000	300,000
Total	8,894,455	8,890,455
Less: Current Portion of Mortgage Payable	-	-
Less: Discount on Below-Market Interest	1,256,166	1,346,727
Total Mortgages Payable, Net	$ 7,638,289	$ 7,543,728

Maturities on the debt are as follows:

Year Ending December 31,	Amount
2022	$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	8,894,455
Total Debt Before Discount	8,894,455
Less: Present Value Discount for Low Interest Loans	(1,256,166)
Total Debt, Net	$ 7,638,289

NOTE 7 MORTGAGES PAYABLE (CONTINUED)

JP has received mortgages payable that are interest free or have below market interest rates. In accordance with nonprofit accounting standards, at the inception of these mortgages, interest was imputed using the market rate at that date and the corresponding discount and restricted contributions were recorded for the difference between the fair value of the loans at the market rates and the value of the loans at their stated rate.

As the loans amortize, interest expense is recognized by reducing the recorded discount, and a corresponding amount is recorded as released from restriction. A present value discount of 3% - 4% is applied to below market rate loans.

NOTE 8 CAPITAL AND OPERATING LEASES

JP has entered into capital leases for office equipment. At December 31, 2021, the gross cost of equipment under the capital leases is $52,518 and the corresponding accumulated depreciation is $52,518. Depreciation of the office equipment under capital lease is included in depreciation expense. The leases expired in 2021 and were moved to month-to-month leases as of year-end.

JP has entered into two operating leases for office space.

Future operating lease payments are as follows:

Year Ending December 31,	Amount
2022	$ 150,594
2023	122,062
Total	$ 272,656

JP is additionally liable for annual taxes and operating expenses associated with one of the leases.

NOTE 9 NET ASSETS

Net Assets with Donor Restriction

Net assets with donor restriction consist of the following:

	2021	2020
Purpose and Time Restricted:		
Austin	$ 362,167	$ 376,192
Fargo-Moorhead	105,639	176,975
National Office	408,000	1,169,500
Boston	260,375	271,875
Rochester	32,000	4,500
New York	155,375	438,675
MSP - Miscellaneous Purpose	583,928	202,257
Total Purpose and Time Restricted Donations	1,907,484	2,639,974
Restricted for Future Period Loan Amortization	1,256,166	1,346,727
Endowment Earnings	991,505	733,233
Donations Required to be Maintained in Perpetuity by Donor	2,204,529	2,004,563
Total Net Assets with Donor Restriction	$ 6,359,684	$ 6,724,497

Net Assets Released from Restrictions

	2021	2020
Restricted Capital Releases	$ -	$ 1,075,586
National Office Activity	936,500	791,191
Austin, TX Activity	334,525	319,517
Boston, MA Activity	231,500	124,125
Fargo, ND - Moorhead, MN Activity	100,150	50,434
MSP Activity	196,500	231,490
New York Activity	398,300	95,075
Rochester, SE-MN Activity	1,500	4,000
Endowment Releases	91,206	160,137
Restricted for Future Period Loan Amortization	90,561	86,957
Total Net Assets Released from Restrictions	$ 2,380,742	$ 2,938,512

MSP = Minneapolis/St. Paul campuses.

NOTE 9 NET ASSETS (CONTINUED)

Board-Designated Net Assets

Board-designated net assets consists of the following:

	2021	2020
Board-Designated - Operating Reserve	$ -	$ 6,117,411
Board-Designated - Capital Reserve	165,256	485,896
Board-Designated - Endowment	5,626,474	4,935,758
Board-Designated - St. Paul & ROC, MN Campuses	8,291,522	5,706,057
Board-Designated - Austin, TX Campus	4,090,366	4,250,427
Total Board-Designated Net Assets	$ 18,173,618	$ 21,495,549

Operating Reserve

As part of JP's minimum operating reserve requirement policy, the operating reserves may be applied to stabilize unexpected and temporary cash flow issues such as seasonal cash flow deficits, unbudgeted expenses, income source disruptions, or economic downturns. Any shortfall to the target balance should be replenished with future years' excess revenue.

Capital Reserve

The capital reserve was established in anticipation of future capital replacements and improvements. Capital reserves are intended for large planned or emergency capital needs when current year funding is not available to cover expenditures. A separate capital reserve was established in 2009 and is increased periodically with board approval in anticipation of future capital replacements and improvements.

Endowment

The endowment reserve is designated for long-term investment and was established for the purpose of providing additional income to support Minneapolis/St. Paul campus operations. See Note 13 for further detail.

St. Paul, MN Campus

Funds designated for the St. Paul, MN campus represent JP's investment in property and equipment for that campus.

Austin, TX Campus

Funds designated for the Austin, TX campus represent JP's investment in the property for that campus.

NOTE 9 NET ASSETS (CONTINUED)

Limited Partnership – Noncontrolling Interest

Limited Partnership - Noncontrolling Interest represents the limited partner's share of equity in the Jeremiah St. Paul Limited Partnership and Jeremiah Program Rochester Limited Partnership. The limited partner for Jeremiah St. Paul Limited Partnership is NEF Community Investment Fund II, L.P. and the limited partner for Jeremiah Program Rochester Limited Partnership is NEF Assignment Corporation.

Change in consolidated net assets without donor restriction is as follows:

	Total	Controlling Interest	Noncontrolling Interest
Balance - December 31,2019	$ 28,135,917	$ 23,935,499	$ 4,200,418
Change in Net Assets Without Donor Restriction	222,878	1,228,914	(1,006,036)
Capital Contributions	8,065,198	-	8,065,198
Balance - December 31, 2020	36,423,993	25,164,413	11,259,580
Change in Net Assets Without Donor Restriction	(978,550)	292,233	(1,270,783)
Capital Contributions	1,041,441	-	1,041,441
Balance - December 31, 2021	$ 36,486,884	$ 25,456,646	$ 11,030,238

NOTE 10 DONATED GOODS AND SERVICES

JP may receive goods and services without payment or compensation. When the value of such goods and services meets recognition criteria, it is reflected in the accompanying consolidated financial statements as revenues and expenses in accordance with accounting principles generally accepted in the United States of America. For the years ended December 31, 2021 and 2020, the value of contributed goods and services recognized in the accompanying consolidated statements of activities was $81,825 and $50,975, respectively.

Other donated goods and services have not been recognized in these consolidated financial statements due to not meeting this criteria; however, a substantial number of individuals have donated significant amounts of time and/or goods to JP.

NOTE 11 FAIR VALUE MEASUREMENTS

JP uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how JP measures fair value, refer to Note 1 – Summary of Significant Accounting Policies.

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the fair value hierarchy for the balances of the assets and liabilities of JP measured at fair value on a recurring basis as of December 31:

December 31, 2021				
Assets:	Level 1	Level 2	Level 3	Total
Securities	$ 7,011,269	$ -	$ -	$ 7,011,269
Bonds	2,287,582	-	-	2,287,582
Money Market and Short-Term Instruments	3,785,878	-	-	3,785,878
Community Foundation Holdings	-	-	663,729	663,729
Total	13,084,729	-	663,729	13,748,458
Assets Held in Trust	-	-	450,817	450,817
Total	$ 13,084,729	$ -	$ 1,114,546	$ 14,199,275

December 31, 2020				
Assets:	Level 1	Level 2	Level 3	Total
Securities	$ 6,113,578	$ -	$ -	$ 6,113,578
Bonds	2,016,319	-	-	2,016,319
Money Market and Short-Term Instruments	3,700,871	-	-	3,700,871
Community Foundation Holdings	-	-	497,396	497,396
Total	11,830,768	-	497,396	12,328,164
Assets Held in Trust	-	-	417,184	417,184
Total	$ 11,830,768	$ -	$ 914,580	$ 12,745,348

Unrealized changes in fair value for investments and realized gains and losses from sales are recorded in nonoperating income in the consolidated statements of activities.

The changes in investment measured at fair value using Level 3 inputs are reflected below:

	2021	2020
Balance - Beginning of Year	$ 914,580	$ 621,640
Distributions	(23,346)	(17,402)
Change in Value	223,312	310,342
Balance - End of Year	$ 1,114,546	$ 914,580

NOTE 12 PARTNERSHIP AGREEMENT REQUIREMENTS

TJP St. Paul LLC, whose sole member is Jeremiah Program, is the General Partner of the Jeremiah St. Paul Limited Partnership. Jeremiah Program Rochester GP LLC, whose sole member is Jeremiah Program, is the General Partner of the Jeremiah Program Rochester Limited Partnership. The financial results of these entities are, therefore, consolidated in Jeremiah Program's audited financial statements. In accordance with the partnership agreements, the General Partner is obligated to provide funds for any operating deficits and maintain compliance with these partnership agreements.

Escrows and Reserves

The mortgage and partnership agreements require various reserve funds including, but not limited to, Operating Reserves and Replacement Reserves. Withdrawals from these accounts typically require lender and/or Limited Partner consent prior to distribution.

Commitments and Contingencies

The partnerships' operations are concentrated in the St. Paul and Rochester, Minnesota multifamily real estate markets. In addition, the partnerships operate in a heavily regulated environment. The operations of the partnerships are subject to rules and regulations of federal, state, and local governmental agencies. Changes may occur with little notice or inadequate funding to pay for the related costs to comply with a change.

The partnerships' housing tax credits are contingent on their ability to maintain compliance with applicable sections of IRC Section 42. Failure to maintain compliance with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously taken tax credits plus interest.

In addition, such potential noncompliance may require an adjustment to the contributed capital of the Limited Partner.

Property Purchase Option

The partnerships have granted Jeremiah Program an option to purchase partnership property or purchase the Limited Partners' limited partnership interest after the close of the 15-year compliance period for the low-income housing tax credit for the Project. Jeremiah Program has also been granted a right of first refusal to purchase partnership property.

NOTE 13 ENDOWMENT

JP has a board-designated endowment fund established for the purpose of providing income to support operations. JP also is the beneficiary of a perpetual trust that is classified as an endowment fund with donor restriction. While future campus communities may establish endowment funds, currently JP's endowment consists of three individual funds established for providing income to support its Minneapolis/St. Paul campus operations.

NOTE 13 ENDOWMENT (CONTINUED)

As required by accounting principles generally accepted in the United States of America, net assets of the endowment fund, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. As a result of this interpretation, JP classifies the board-designated endowment assets as net assets without donor restriction.

JP's endowment policy allows for a 3-5% distribution from endowment funds annually that is based on rolling 12-quarter average of both endowment balances with and without donor restriction.

JP invests its endowment funds in a portfolio including a liquid money market account, mutual funds consisting of short-term treasury investments, inflation-protected securities, total bond market, and large cap stock, in addition to exchange traded funds, with the objective of preservation of capital and long-term capital appreciation. The portfolio investment return objective is to produce returns over time at a moderate level of risk to invested capital.

Interpretation of Relevant Law

Our board of directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2021 and 2020, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of JP and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of JP
(7) The investment policies of JP

NOTE 13 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

Endowment net asset composition by type and changes in endowment net assets for the years ended December 31 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
December 31, 2021			
Board-Designated Endowment Funds	$ 5,626,473	$ -	$ 5,626,473
Donor-Restricted Endowment Funds	-	2,745,217	2,745,217
Restricted Trusts	-	450,817	450,817
Total Funds	$ 5,626,473	$ 3,196,034	$ 8,822,507

	Without Donor Restriction	With Donor Restriction	Total
December 31, 2020			
Board-Designated Endowment Funds	$ 4,935,758	$ -	$ 4,935,758
Donor-Restricted Endowment Funds	-	2,320,612	2,320,612
Restricted Trusts	-	417,184	417,184
Total Funds	$ 4,935,758	$ 2,737,796	$ 7,673,554

	Without Donor Restriction	With Donor Restriction	Total
Endowment Fund Balance - December 31, 2019	$ 4,545,524	$ 2,296,518	$ 6,842,042
Contributions	-	10,100	10,100
Transfers	-	200,000	200,000
Earnings:			
Interest and Dividends	86,825	36,655	123,480
Realized and Unrealized Losses	486,409	278,924	765,333
Total	573,234	315,579	888,813
Appropriations	(183,000)	(84,401)	(267,401)
Endowment Fund Balance - December 31, 2020	4,935,758	2,737,796	7,673,554
Contributions	-	15,623	15,623
Transfers	-	100,000	100,000
Earnings:			
Interest and Dividends	93,949	43,898	137,847
Realized and Unrealized Gains	778,766	389,924	1,168,690
Total	872,715	433,822	1,306,537
Appropriations	(182,000)	(91,207)	(273,207)
Endowment Fund Balance - December 31, 2021	$ 5,626,473	$ 3,196,034	$ 8,822,507

NOTE 14 INVESTMENT IN PARTNERSHIP AT EQUITY METHOD

A legal housing partnership was formed with GNDC Saldaña GP, LLC (Guadalupe Neighborhood Development Corporation (GNDC) is the sole member) and Jeremiah Program Austin, LLC (Jeremiah Program is the sole member) under the legal name of Guadalupe Jeremiah Limited Partnership (Ltd Partnership) which provides safe affordable housing, early childhood education, life skills training, career track coaching, and a supportive community, serving 35 low income families in addition to one family currently being served through other GNDC housing. Construction was completed in 2017 through a partnership with GNDC, a low-income nonprofit housing developer and property management organization. GNDC provided the land for the Jeremiah Program site and is the developer for the project, working closely with Jeremiah Program Austin Building Committee.

Furnishings for apartments, child development center, community space, and offices are carried on Jeremiah Program books.

GNDC serves as property manager and Jeremiah makes monthly operating contributions to the Ltd Partnership to cover operating expenses, net of building income. GNDC, as general partner with controlling interest, has overall accountability for the Ltd Partnership, but the partnership agreement provides for joint approval of annual operating budgets and other key decisions regarding the assets of the partnership.

Jeremiah Program, as the limited partner, has a 66.01% interest in Guadalupe Jeremiah Limited Partnership as of December 31, 2021.

JP follows accounting policies which include a presumption that a general partner controls the partnership no matter what the ownership interest is and requires the sole general partner in a limited partnership to consolidate the partnership unless that presumption of control is overcome.

JP evaluated its relationship with the limited partnership in which it is currently the Limited Partner and determined the presumption of control resides with the General Partner. Therefore, JP accounts for the investment on an equity method.

The financial information for this entity is as follows for December 31:

	2021	2020
Assets	$ 6,223,217	$ 6,491,103
Liabilities	113,774	51,559
Equity	6,109,443	6,439,544
Net Loss	(351,746)	(253,068)

Included in net loss for the both the years ended December 31, 2021 and 2020 is $299,345 of noncash depreciation expense.

NOTE 15 LIQUIDITY, AVAILABILITY, AND RESERVES MANAGEMENT

JP maintains and manages adequate operating reserves per policies set by its board of directors. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated balance sheet date, are made up of the following:

	2021	2020
Cash	$ 2,615,461	$ 3,750,481
Accounts Receivable, Net	113,638	86,181
Current Portion of Pledges Receivable, Net	2,221,483	2,136,484
Investments	13,084,729	11,830,768
Less: Net Assets with Donor Restriction	(6,359,684)	(6,724,497)
Total Liquid Assets, Net	$ 11,675,627	$ 11,079,417

Per its financial policies, each campus/location is expected to carry appropriate reserves for its campus/location needs. New campuses in pre-development are required to raise operating reserves equal to one year of their fully operational expense projections before breaking ground on a new campus building, while established campuses with stable donor bases may require a lower reserve amount. Mature campuses will be required to maintain a minimum of six months of operating reserves. In addition, the national office maintains additional reserves to support temporary cash flow and start-up needs among the campus/locations. During 2021 and 2020, the level of liquidity and reserves was managed within policy requirements.