JEREMIAH PROGRAM

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

JEREMIAH PROGRAM
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YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, and the related consolidated statements of activities, functional expenses, the changes in their net assets and their 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, 2024 and 2023, and the changes in their net assets and their 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 $6,680,120 and $6,855,309 as of December 31, 2024 and 2023, respectively, and total revenues of $292,959 and $311,754, 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 $12,894,281 and $12,860,365 as of December 31, 2024 and 2023, respectively, and total revenues of $349,006 and $327,870, 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 audits 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 audits. 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.

Board of Trustees
Jeremiah Program

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 22, 2025

JEREMIAH PROGRAM
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 1,640,810	$ 2,752,850
Accounts Receivable, Less Allowance for Credit Losses of $92,232 and $69,540, Respectively	199,848	236,485
Tenant Receivable, Net	94,841	95,773
Current Portion of Pledges Receivable, Net	4,371,915	3,788,752
Prepaid Expenses	625,258	594,080
Inventory	141,232	170,673
Total Current Assets	7,073,904	7,638,613
PROPERTY AND EQUIPMENT		
Land and Improvements	2,859,837	2,865,147
Buildings and Improvements	32,478,185	32,138,102
Office Furniture and Equipment	1,566,425	1,010,247
Residential Furniture and Equipment	1,632,650	1,821,616
Construction in Progress	25,036	337,037
Total	38,562,133	38,172,149
Less: Accumulated Depreciation	13,955,670	12,719,573
Net Property and Equipment	24,606,463	25,452,576
OTHER ASSETS		
Investments	5,434,027	11,779,597
Investment in Campus Building Partnership	3,473,554	3,638,686
Assets Held in Trust	393,511	376,271
Restricted Reserves and Escrows	1,290,277	833,638
Long-Term Portion of Pledges Receivable, Net	640,718	1,064,216
Right-of-Use Assets - Operating	5,675,499	4,885,727
Right-of-Use Assets - Financing	5,792	7,574
Total Other Assets	16,913,378	22,585,709
Total Assets	$ 48,593,745	$ 55,676,898

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023

	2024	2023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 624,548	$ 390,670
Accrued Payroll and Related Benefits	859,887	689,723
Accrued Real Estate Taxes	16,234	108,564
Accrued Expenses	85,156	8,245
Other Current Liabilities	44,822	43,815
Deferred Revenue	68,200	55,600
Current Lease Liabilities - Operating	459,396	344,166
Current Lease Liabilities - Financing	1,779	1,755
Total Current Liabilities	2,160,022	1,642,538
OTHER LIABILITIES		
Mortgages Payable, Net of Discount	7,945,046	7,838,798
Less: Unamortized Financing Fees	(133,485)	(150,073)
Long-Term Lease Liabilities - Operating (Less Current Maturities)	5,345,750	4,578,765
Long-Term Lease Liabilities - Financing (Less Current Maturities)	4,092	5,871
Total Other Liabilities	13,161,403	12,273,361
Total Liabilities	15,321,425	13,915,899
NET ASSETS		
Without Donor Restriction:		
Undesignated	2,023,783	7,549,705
Undesignated: Limited Partnership - Noncontrolling Interest	9,110,217	9,187,765
Designated	14,207,745	17,977,118
Total Net Assets Without Donor Restriction	25,341,745	34,714,588
With Donor Restriction	7,930,575	7,046,411
Total Net Assets	33,272,320	41,760,999
Total Liabilities and Net Assets	$ 48,593,745	$ 55,676,898

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT			
Grants and Contributions	$ 10,308,022	$ 2,886,000	$ 13,194,022
Special Event Income	1,219,156	-	1,219,156
Interest and Dividend Income	115,151	44,250	159,401
Rental Income	1,081,553	-	1,081,553
Child Care Income	2,383,539	-	2,383,539
In-Kind Contributions	68,558	-	68,558
Other Support	298,632	-	298,632
Net Assets Released from Restrictions	2,409,254	(2,409,254)	-
Total Revenues and Support	17,883,865	520,996	18,404,861
EXPENSE			
Program	23,232,354	-	23,232,354
Support Services:			
General and Administrative	1,867,985	-	1,867,985
Fundraising	3,225,578	-	3,225,578
Total Support Services	5,093,563	-	5,093,563
Total Expense	28,325,917	-	28,325,917
CHANGE IN NET ASSETS FROM OPERATIONS	(10,442,052)	520,996	(9,921,056)
NONOPERATING INCOME			
Gain on Investments	694,341	339,684	1,034,025
Change in Assets Permanently Restricted	-	13,597	13,597
Endowment Revenue	-	9,887	9,887
Change in Equity Method Investments	(165,132)	-	(165,132)
Total Nonoperating Income	529,209	363,168	892,377
CHANGE IN NET ASSETS	(9,912,843)	884,164	(9,028,679)
CHANGE IN NET ASSETS ATTRIBUTABLE TO THE NONCONTROLLING INTEREST	617,548	-	617,548
CHANGE IN NET ASSETS – CONTROLLING INTEREST	$ (9,295,295)	$ 884,164	$ (8,411,131)

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT			
Grants and Contributions	$ 17,656,035	$ 2,176,995	$ 19,833,030
Special Event Income	1,430,094	-	1,430,094
Interest and Dividend Income	293,983	40,416	334,399
Rental Income	840,575	-	840,575
Child Care Income	1,305,995	-	1,305,995
In-Kind Contributions	69,260	-	69,260
Other Support	289,165	-	289,165
Net Assets Released from Restrictions	3,673,752	(3,673,752)	-
Total Revenues and Support	25,558,859	(1,456,341)	24,102,518
EXPENSE			
Program	20,401,273	-	20,401,273
Support Services:			
General and Administrative	1,982,600	-	1,982,600
Fundraising	3,328,855	-	3,328,855
Total Support Services	5,311,455	-	5,311,455
Total Expense	25,712,728	-	25,712,728
CHANGE IN NET ASSETS FROM OPERATIONS	(153,869)	(1,456,341)	(1,610,210)
NONOPERATING INCOME			
Gain on Investments	902,666	368,764	1,271,430
Change in Assets Permanently Restricted	-	13,353	13,353
Change in Equity Method Investments	(195,753)	-	(195,753)
Total Nonoperating Income	706,913	382,117	1,089,030
CHANGE IN NET ASSETS	553,044	(1,074,224)	(521,180)
CHANGE IN NET ASSETS ATTRIBUTABLE TO THE NONCONTROLLING INTEREST	363,712	-	363,712
CHANGE IN NET ASSETS – CONTROLLING INTEREST	$ 916,756	$ (1,074,224)	$ (157,468)

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENTS OF NET ASSETS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	Without Donor Restriction	With Donor Restriction	Total
BALANCE - DECEMBER 31, 2022	$ 34,161,544	$ 8,120,635	$ 42,282,179
Change in Net Assets	553,044	(1,074,224)	(521,180)
BALANCE - DECEMBER 31, 2023	34,714,588	7,046,411	41,760,999
Change in Net Assets	(9,912,843)	884,164	(9,028,679)
Capital Contribution	540,000	-	540,000
BALANCE - DECEMBER 31, 2024	$ 25,341,745	$ 7,930,575	$ 33,272,320

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program	General and Administrative	Fundraising	Total
Salaries	$ 10,983,688	$ 1,157,969	$ 1,727,310	$ 13,868,967
Benefits	1,510,499	131,378	223,913	1,865,790
Payroll Taxes	846,401	85,507	133,413	1,065,321
Total Personnel Costs	13,340,588	1,374,854	2,084,636	16,800,078
Occupancy	2,888,105	33,110	25,831	2,947,046
Depreciation and Amortization	1,227,451	16,894	8,156	1,252,501
Consultants	1,113,037	76,845	134,640	1,324,522
Technology	744,293	41,350	41,350	826,993
Parent Programming	1,812,066	-	-	1,812,066
Marketing and Advertising	50,852	-	24,962	75,814
Family Programming	692,914	-	-	692,914
Professional and Admin Fees	253,320	182,730	78,355	514,405
Event Expenses	-	-	610,556	610,556
Staff Recruiting, Development, and Recognition	304,116	101,161	28,297	433,574
Equipment Rental	22,141	1,230	1,230	24,601
Office Supplies, Postage, and Printing	76,183	5,918	107,716	189,817
Interest on Construction Loan	106,249	-	-	106,249
Telephone and Internet	92,301	5,106	5,093	102,500
Travel and Meetings	177,549	21,699	29,192	228,440
Nonproperty Business Insurance	84,015	6,777	11,874	102,666
Bad Debt Expense and Miscellaneous	178,615	311	33,690	212,616
Subtotal	23,163,795	1,867,985	3,225,578	28,257,358
In-Kind Expenses	68,559	-	-	68,559
Total Expenses	$ 23,232,354	$ 1,867,985	$ 3,225,578	$ 28,325,917

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program	General and Administrative	Fundraising	Total
Salaries	$ 9,133,551	$ 1,251,948	$ 1,838,461	$ 12,223,960
Benefits	1,070,775	126,546	182,434	1,379,755
Payroll Taxes	694,367	135,802	141,404	971,573
Total Personnel Costs	10,898,693	1,514,296	2,162,299	14,575,288
Occupancy	2,506,466	34,634	16,518	2,557,618
Depreciation and Amortization	1,146,526	18,590	4,808	1,169,924
Consultants	820,860	69,167	-	890,027
Technology	871,131	48,396	48,396	967,923
Parent Programming	1,872,362	-	-	1,872,362
Marketing and Advertising	161,619	-	21,879	183,498
Family Programming	516,048	-	-	516,048
Professional and Admin Fees	265,004	114,335	71,965	451,304
Event Expenses	-	-	667,590	667,590
Staff Recruiting, Development, and Recognition	268,112	72,607	34,076	374,795
Equipment Rental	13,645	758	758	15,161
Office Supplies, Postage, and Printing	106,079	10,668	132,112	248,859
Interest on Construction Loan	102,201	-	-	102,201
Telephone and Internet	85,438	4,638	4,576	94,652
Travel and Meetings	340,038	30,941	107,717	478,696
Nonproperty Business Insurance	49,521	5,372	8,160	63,053
Credit Losses and Other Write Offs	239,650	206	47,996	287,852
Miscellaneous	68,620	57,992	5	126,617
Subtotal	20,332,013	1,982,600	3,328,855	25,643,468
In-Kind Expenses	69,260	-	-	69,260
Total Expenses	$ 20,401,273	$ 1,982,600	$ 3,328,855	$ 25,712,728

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Support and Revenue	$ 18,116,910	$ 26,930,266
Interest Received	172,998	347,752
Cash Paid to Suppliers and Employees	(26,451,100)	(24,423,647)
Interest Paid	(17,948)	(117)
Net Cash Provided (Used) by Operating Activities	(8,179,140)	2,854,254
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(761,014)	(8,989,173)
Proceeds from Sale of Investments	8,123,369	7,887,776
Purchase of Property and Equipment	(376,861)	(962,423)
Net Cash Provided (Used) by Investing Activities	6,985,494	(2,063,820)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Capital Contributions	540,000	-
Payments on Finance Leases	(1,755)	(1,730)
Net Cash Provided (Used) by Financing Activities	538,245	(1,730)
NET CHANGE IN CASH AND RESTRICTED CASH	(655,401)	788,704
Cash and Restricted Cash – Beginning of Year	3,586,488	2,797,784
CASH AND RESTRICTED CASH – END OF YEAR	$ 2,931,087	$ 3,586,488

See accompanying Notes to Consolidated Financial Statements.

JEREMIAH PROGRAM
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	$ (9,028,679)	$ (521,180)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	1,230,627	1,169,815
Loss on Disposal of Assets	-	36,915
Unrealized Gains	(601,160)	(1,073,456)
Realized Gains	(401,196)	(142,149)
Change in Value of Assets Held in Trust	(31,669)	(55,825)
Change in Investment in Campus Building Partnerships	165,132	195,752
Noncash Interest	111,655	102,201
Change in Operating Leases	92,443	37,204
Credit Losses and Other Write Offs	150,825	287,822
(Increase) Decrease in Current Assets:		
Accounts Receivable, Net	(85,481)	1,626,995
Tenant Receivable, Net	(9,391)	41,848
Pledges Receivable, Net	(178,049)	1,285,815
Prepaid Expenses	(25,868)	(98,355)
Inventory	29,441	164,486
Increase (Decrease) in Current Liabilities:		
Accounts Payable	233,878	(250,360)
Accrued Payroll and Related Benefits	247,075	56,515
Accrued Real Estate Taxes	(92,330)	1,012
Deferred Revenue	12,600	5,800
Other Current Liabilities	1,007	(16,601)
Net Cash Provided (Used) by Operating Activities	$ (8,179,140)	$ 2,854,254
CASH CONSISTS OF		
Cash	$ 1,640,810	$ 2,752,850
Restricted Reserves and Escrows	1,290,277	833,638
Total Cash	$ 2,931,087	$ 3,586,488

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, Minnesota, Jeremiah Program continues to expand throughout the country to meet the growing demand for its model. The organization has campuses in Minneapolis and St. Paul, Minnesota, Rochester-SE, Minnesota, Austin, Texas, and Fargo, North Dakota, Boston, Massachusetts, Brooklyn, New York, Baltimore, Maryland, and Las Vegas, Nevada. In 2024, JP partnered with 1,500 moms and their 2,001 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 13 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 and Allowance for Credit Losses

JP provides an allowance for credit losses based on the reserve method using management's judgment considering historical information. The allowance represents the estimate of expected credit losses based on historical experience, current economic conditions, and certain forward-looking information. The allowance for credit losses was $92,232 and $69,540 at December 31, 2024 and 2023, respectively. 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.

Accounts receivable are reported net of an allowance for credit losses to represent the JP's estimate of expected losses at the balance sheet date. The adequacy of the JP's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

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, 2024 and 2023.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

JP leases office space and copiers. JP determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the consolidated statements of financial position. Finance leases are included in financing lease right-of-use (ROU) assets, other current liabilities, and other long-term liabilities on our consolidated statements of financial position.

ROU assets represent JP's right to use an underlying asset for the lease term and lease liabilities represent JP's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, JP uses risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that JP will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. JP has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheets.

JP has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

In evaluating contracts to determine if they qualify as a lease, JP considers factors such as if JP has obtained substantially all of the rights to the underlying asset through exclusivity, if JP can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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.

A portion of JP’s revenue is derived from cost reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when JP has incurred expenditures in compliance with specific contract or grant provisions. JP received cost-reimbursable grants of $1,539,000 and $-0- for which qualifying expenditures have not yet been incurred for the year ended December 31, 2024 and 2023, respectively.

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 22, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 CASH AND RESTRICTED CASH

	2024	2023
Checking	$ 1,640,810	$ 2,752,850
Restricted Reserves and Escrows	1,290,277	833,638
Total Cash and Restricted Cash	$ 2,931,087	$ 3,586,488

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 AND ALLOWANCE FOR CREDIT LOSSES

Accounts receivable balance for the years ended December 31, 2024 and 2023, was $294,689 and $332,258, respectively, and represents largely program receivables net of a $92,232 and $69,540 allowance for credit losses, respectively.

Changes in the allowance for credit losses for the years ended December 31 were as follows:

	2024	2023
Allowance for Credit Losses:		
Balance - Beginning of Year	$ 69,540	$ 32,327
Provision for Losses	114,924	209,818
Amounts Written Off	(92,232)	(172,605)
Balance - End of Year	$ 92,232	$ 69,540

NOTE 4 PLEDGES RECEIVABLES

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

Year Ending December 31,	Operating	Capital	Total
2025	$ 4,398,336	$ -	$ 4,398,336
2026	560,000	-	560,000
2027	110,000	-	110,000
Total Pledge Receivable	5,068,336	-	5,068,336
Less: Discount	(29,282)	-	(29,282)
Allowance for Doubtful Accounts	(26,421)	-	(26,421)
Total	$ 5,012,633	$ -	$ 5,012,633

The interest rate utilized for computing the discount for long-term pledges was JP's two-year average interest rate obtained on investments which was approximately 2.09% and 1.85% for the years ended December 31, 2024 and 2023, respectively.

NOTE 4 PLEDGES RECEIVABLES (CONTINUED)

Receivables from two contributors represented 40% of pledge receivables for the year ended December 31, 2024. Receivables from two contributors represented 55% of pledge receivables for the year ended December 31, 2023. 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 $15,809 and $31,183 of earnings to Jeremiah Program during the years ended December 31, 2024 and 2023, respectively. See Note 14 for further detail.

NOTE 6 INVESTMENTS

Investments consist of the following:

	2024	2023
Securities	$ 3,396,968	$ 5,945,842
Bonds	1,013,550	2,620,216
Money Market and Short-Term Instruments	316,352	2,563,575
Community Foundation Holdings	707,157	649,964
Total	$ 5,434,027	$ 11,779,597

Investment income consists of the following:

	2024	2023
Interest and Dividend Income	$ 172,998	$ 347,752
Realized Gains	401,196	142,149
Unrealized Gains	632,829	1,129,281
Total	$ 1,207,023	$ 1,619,182

NOTE 7 LINE OF CREDIT

JP has a line of credit with a financial institution, which provides for borrowings up to $3,000,000. The line of credit is secured by all assets of JP. Interest on the line of credit is payable monthly at a rate of 5.326%. The line of credit matures on December 31, 2025. As of December 31, 2024 and 2023, JP had an outstanding balance of $0 for both years ended, respectively.

NOTE 8 MORTGAGES PAYABLE

The balances as of December 31 were as follows:

Description	2024	2023
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.	488,000	484,000
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
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

NOTE 8 MORTGAGES PAYABLE (CONTINUED)

Description (Continued)	2024	2023
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	8,906,455	8,902,455
Less: Current Portion of Mortgage Payable	-	-
Less: Discount on Below-Market Interest	961,409	1,063,657
Total Mortgages Payable, Net	$ 7,945,046	$ 7,838,798

Maturities on the debt are as follows:

Year Ending December 31,	Amount
2025	$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	8,906,455
Total Debt Before Discount	8,906,455
Less: Present Value Discount for Low Interest Loans	(961,409)
Total Debt, Net	$ 7,945,046

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% to 4% is applied to below market rate loans.

NOTE 9 LEASES – ASC 842

The Organization leases a copier as well as office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through May 2035. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the Organization's leases:

	2024	2023
Finance Lease Costs:		
Amortization of Right-of-Use Assets	$ 1,782	$ 1,782
Interest on Lease Liabilities	93	117
Operating Lease Cost	697,213	301,215
Short-Term Lease Cost	-	19,589
Total Lease Costs	$ 699,088	$ 322,703

	2024	2023
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Finance Leases	$ 93	$ 117
Operating Cash Flows from Operating Leases	$ 607,875	$ 301,215
Financing Cash Flows from Finance Leases	$ 1,782	$ 1,782
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	$ -	$ -
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 1,305,283	$ 3,410,337
Weighted-Average Remaining Lease Term - Finance Leases	3.3 Years	4.3 Years
Weighted-Average Remaining Lease Term - Operating Leases	9.3 Years	10.4 Years
Weighted-Average Discount Rate - Finance Leases	1.37%	1.37%
Weighted-Average Discount Rate - Operating Leases	3.44%	3.22%

NOTE 9 LEASES – ASC 842 (CONTINUED)

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024, is as follows:

Year Ended December 31,	Operating Leases	Financing Leases
2025	$ 649,186	$ 1,848
2026	669,269	1,848
2027	689,862	1,848
2028	710,983	462
2029	732,649	-
Thereafter	3,404,227	-
Total Lease Payments	6,856,176	6,006
Less: Interest	(1,051,030)	(135)
Present Value of Lease Liabilities	$ 5,805,146	$ 5,871

NOTE 10 NET ASSETS

<u>Net Assets with Donor Restriction</u>

Net assets with donor restriction consist of the following:

	2024	2023
Purpose and Time Restricted:		
Austin	$ 13,945	$ 43,945
Fargo-Moorhead	158,197	98,197
Campus Support Team	3,037,101	2,544,128
Boston	133,989	121,489
Rochester	165	65,520
Baltimore	125,000	-
Las Vegas	200,000	100,000
MSP - Miscellaneous Purpose	23,459	106,505
Total Purpose and Time Restricted Donations	3,691,856	3,079,784
Restricted for Future Period Loan Amortization	961,409	1,063,657
Endowment Earnings	1,086,659	786,752
Donations Required to be Maintained in Perpetuity by Donor	2,190,651	2,116,218
Total Net Assets with Donor Restriction	$ 7,930,575	$ 7,046,411

NOTE 10 NET ASSETS (CONTINUED)

Net Assets Released from Restrictions

	2024	2023
Campus Support Team	$ 1,757,027	$ 2,477,787
Austin, TX Activity	49,500	134,634
Boston, MA Activity	120,000	250,000
Fargo, ND - Moorhead, MN Activity	50,000	81,400
Las Vegas, NV Activity	100,000	-
MSP Activity	92,289	290,161
Rochester, SE-MN Activity	65,036	28,817
Baltimore, MD Activity	40,000	185,000
Endowment Releases	33,154	127,752
Restricted for Future Period Loan Amortization	102,248	98,201
Total Net Assets Released from Restrictions	$ 2,409,254	$ 3,673,752

MSP = Minneapolis/St. Paul campuses.

Board-Designated Net Assets

Board-designated net assets consists of the following:

	2024	2023
Board-Designated - Capital Reserve	$ 34,784	$ 34,783
Board-Designated - Endowment	1,806,916	5,073,402
Board-Designated - St. Paul & ROC, MN Campuses	8,892,491	9,230,247
Board-Designated - Austin, TX Campus	3,473,554	3,638,686
Total Board-Designated Net Assets	$ 14,207,745	$ 17,977,118

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.

NOTE 10 NET ASSETS (CONTINUED)

St. Paul, Minnesota Campus

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

Austin, Texas Campus

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

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 was NEF Community Investment Fund II, L.P. until May 2023 when their partnership interest was purchased by Jeremiah LP, LLC. This resulted in the partnership becoming wholly owned by Jeremiah Program. 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, 2022	$ 34,161,544	$ 24,610,067	$ 9,551,477
Change in Net Assets Without Donor Restriction	553,044	916,756	(363,712)
Balance - December 31, 2023	34,714,588	25,526,823	9,187,765
Change in Net Assets Without Donor Restriction	(9,912,843)	(9,295,295)	(617,548)
Capital Contribution	540,000	-	540,000
Balance - December 31, 2024	$ 25,341,745	$ 16,231,528	$ 9,110,217

NOTE 11 DONATED GOODS AND SERVICES

Donated items and services received by the Organization are recorded as in-kind contribution revenue and expense. The Organization received the following contributions of nonfinancial assets for the years ended December 31:

	2024	2023
Child Care Items	$ 7,517	$ 5,079
Clothing	5,264	9,768
Food	17,775	8,487
Holiday Donations	23,860	26,255
General Program	14,142	19,321
Technology	-	350
Total Donated Goods and Services	$ 68,558	$ 69,260

Jeremiah Program recognized contributed nonfinancial assets within revenue, including donated food, holiday donations, clothing, childcare items, program supplies, and technology. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. All contributed assets and services were utilized by JP's programs and supporting services. The value of each donation is noted by the donor upon receipt and verified by JP Staff. Verification consists of searching various websites to confirm the donated value, and the value is adjusted accordingly.

Contributed food was given to support a sense of community among families for family dinners as well as sisterhood events. Holiday donations, clothing and childcare items were contributed to supply JP families with essential items they did not have resources. Programmatic supplies were contributed to support JP mission of disrupting the cycle of poverty for single mothers and their children two generations at a time.

Technology donation was contributed to supply JP moms with personal laptops to assist JP Moms in their journey of higher education. Once the personal laptops are disbursed, the laptops are expensed.

NOTE 12 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.

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:

	2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Securities	$ 3,396,968	$ -	$ -	$ 3,396,968
Bonds	1,013,550	-	-	1,013,550
Money Market and Short-Term Instruments	316,352	-	-	316,352
Community Foundation Holdings	-	-	707,157	707,157
Total	4,726,870	-	707,157	5,434,027
Assets Held in Trust	-	-	393,511	393,511
Total	$ 4,726,870	$ -	$ 1,100,668	$ 5,827,538

	2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Securities	$ 5,945,842	$ -	$ -	$ 5,945,842
Bonds	2,620,216	-	-	2,620,216
Money Market and Short-Term Instruments	2,563,575	-	-	2,563,575
Community Foundation Holdings	-	-	649,964	649,964
Total	11,129,633	-	649,964	11,779,597
Assets Held in Trust	-	-	376,271	376,271
Total	$ 11,129,633	$ -	$ 1,026,235	$ 12,155,868

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:

	2024	2023
Balance - Beginning of Year	$ 1,026,235	$ 948,181
Distributions	(34,812)	(56,820)
Change in Value	109,245	134,874
Balance - End of Year	$ 1,100,668	$ 1,026,235

NOTE 13 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.

Jeremiah LP LLC, whose sole member is Jeremiah Program, replaced the withdrawing limited partner, NEF Community Investment Fund II, L.P. in TJP St. Paul LLC on May 18, 2023.

NOTE 14 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.

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, 2024 and 2023, 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.

NOTE 14 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

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

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

December 31, 2024	Without Donor Restriction	With Donor Restriction	Total
Board-Designated Endowment Funds	$ 2,484,884	$ -	$ 2,484,884
Donor-Restricted Endowment Funds	-	2,883,799	2,883,799
Restricted Trusts	-	393,511	393,511
Total Funds	$ 2,484,884	$ 3,277,310	$ 5,762,194

December 31, 2023	Without Donor Restriction	With Donor Restriction	Total
Board-Designated Endowment Funds	$ 5,073,402	$ -	$ 5,073,402
Donor-Restricted Endowment Funds	-	2,526,699	2,526,699
Restricted Trusts	-	376,271	376,271
Total Funds	$ 5,073,402	$ 2,902,970	$ 7,976,372

NOTE 14 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

December 31, 2024	Without Donor Restriction	With Donor Restriction	Total
Endowment Fund Balance - Beginning of Year	$ 5,073,402	$ 2,902,970	$ 7,976,372
Contributions	-	9,963	9,963
Earnings:			
Interest and Dividends	77,965	57,847	135,812
Realized and Unrealized Losses	600,004	339,684	939,688
Total	677,969	397,531	1,075,500
Appropriations	(3,266,487)	(33,154)	(3,299,641)
Endowment Fund Balance - End of Year	$ 2,484,884	$ 3,277,310	$ 5,762,194

December 31, 2023	Without Donor Restriction	With Donor Restriction	Total
Endowment Fund Balance - Beginning of Year	$ 4,485,650	$ 2,608,188	$ 7,093,838
Earnings:			
Interest and Dividends	108,939	53,769	162,708
Realized and Unrealized Losses	697,780	368,764	1,066,544
Total	806,719	422,533	1,229,252
Appropriations	(218,967)	(127,751)	(346,718)
Endowment Fund Balance - End of Year	$ 5,073,402	$ 2,902,970	$ 7,976,372

NOTE 15 INVESTMENTS 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.

NOTE 15 INVESTMENTS IN PARTNERSHIP AT EQUITY METHOD (CONTINUED)

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, 2024.

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:

	2024	2023
Assets	$ 5,582,564	$ 5,572,190
Liabilities	61,228	59,386
Equity	5,521,336	5,512,803
Net Loss	29,739	(296,550)

Included in net loss for the years ended December 31, 2024 and 2023, is $302,693 and $300,150, respectively, of noncash depreciation expense.

NOTE 16 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:

	2024	2023
Cash	$ 1,640,810	$ 2,752,850
Accounts Receivable, Net	199,848	236,485
Current Portion of Pledges Receivable, Net	4,371,915	3,788,752
Investments	4,726,870	11,129,633
Less: Net Assets With Donor Restriction	(7,930,575)	(7,046,411)
Total Liquid Assets, Net	$ 3,008,868	$ 10,861,309

As of December 31, 2024, JP had $3,000,000 available for future borrowings under the line of credit as described in Note 7. The line of credit is used to manage short-term cash flow needs and to finance specific projects.

Jeremiah Program will use the operating reserve ratio to ensure current assets can sustain four months of essential operational expenses. This is measured monthly by the Finance department using the operating reserve ratio. This ratio is reported to the Finance Committee and The Governing Board in the regular financial reports. During 2024 and 2023, the level of liquidity and reserves was managed within policy requirements.