

**JERICHO PROJECT AND AFFILIATES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**

**MARCH 31, 2022**

# JERICHO PROJECT AND AFFILIATES

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## **INDEPENDENT AUDITORS' REPORT**

To The Board of Directors  
Jericho Project and Affiliates  
New York, NY

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Jericho Project and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of March 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and related notes to the consolidated financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jericho Project and Affiliates as of March 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Jericho Project and Affiliates 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 opinions.

#### ***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 Jericho Project and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

#### ***Auditors' Responsibilities 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 generally accepted auditing standards and Government Auditing Standards 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. The financial statements of certain affiliates were not audited in accordance with *Government Auditing Standards* as discussed in Note A in the Notes to Schedule of Expenditures of Federal Awards.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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 Jericho Project and Affiliates' 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 Jericho Project and Affiliates' 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.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position and consolidating statements of activities are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. The supplementary information included on the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of Jericho Project and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jericho Project and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jericho Project and Affiliates' internal control over financial reporting and compliance.



GELTRUDE & COMPANY, LLC

Nutley, New Jersey  
November 15, 2022

# JERICHO PROJECT AND AFFILIATES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2022

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### ASSETS

#### CURRENT ASSETS

Cash and cash equivalents	\$ 1,164,412
Accounts receivable - tenants	812,041
Accounts receivable - other	2,385,339
Due from related parties	219,489
Prepaid expenses	119,042
Investments	3,651,023

Total Current Assets 8,351,346

#### PROPERTY AND EQUIPMENT, AT COST, NET OF ACCUMULATED DEPRECIATION

68,885,511

#### OTHER ASSETS

Security deposits	446,645
Investments in joint ventures	807,998
Replacement and other reserves	5,076,072
Deferred start-up costs, net of accumulated amortization of \$60,413	86,126

Total Other Assets 6,416,841

#### TOTAL ASSETS

\$ 83,653,698

*See Notes to Consolidated Financial Statements.*

# JERICHO PROJECT AND AFFILIATES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2022

### LIABILITIES, NET ASSETS AND NONCONTROLLING INTERESTS

#### CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 1,278,125
Deferred revenue	1,376,935
Mortgages and notes payable - current portion	<u>31,270</u>

Total Current Liabilities 2,686,330

#### LONG-TERM LIABILITIES

Mortgages and notes payable - net of current portion	61,961,477
Accrued interest payable	5,190,610
Due to contractor	925,711
Security deposits	<u>79,392</u>

Total Long-Term Liabilities 68,157,190

Total Liabilities 70,843,520

#### COMMITMENTS AND CONTINGENCIES

#### NET ASSETS

##### Without donor restrictions:

Undesignated	1,409,784
Designated by Board of Directors (Jericho Fund)	<u>3,651,023</u>

Total Net Assets Without Donor Restrictions 5,060,807

Noncontrolling interests in limited partnerships 7,749,371

Total Net Assets and Noncontrolling Interests 12,810,178

TOTAL LIABILITIES, NET ASSETS AND NONCONTROLLING INTERESTS \$ 83,653,698

*See Notes to Consolidated Financial Statements.*

**JERICHO PROJECT AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT:</b>			
Rental income - subsidy and tenant	\$ 6,183,192	\$ -	\$ 6,183,192
Supportive services	2,919,493	12,928,054	15,847,547
Foundations and other organizations	62,520	480,000	542,520
Corporations	106,472	-	106,472
Individuals	174,081	-	174,081
Fundraising events	402,795	-	402,795
Interest and dividends	227,609	-	227,609
Other	257,880	-	257,880
Management and development fees	581,449	-	581,449
<b>TOTAL REVENUE AND SUPPORT</b>	<b>10,915,491</b>	<b>13,408,054</b>	<b>24,323,545</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS:</b>			
Satisfaction of program restrictions	13,408,054	(13,408,054)	-
	<u>24,323,545</u>	<u>-</u>	<u>24,323,545</u>
<b>EXPENSES:</b>			
Program Services			
Housing services	14,843,780	-	14,843,780
Social services	9,419,412	-	9,419,412
Supporting Services			
Management and general	2,503,389	-	2,503,389
Fundraising	384,430	-	384,430
<b>TOTAL EXPENSES</b>	<b>27,151,011</b>	<b>-</b>	<b>27,151,011</b>
Change in Net Assets including Noncontrolling Interests	(2,827,466)	-	(2,827,466)
Change in net assets attributable to Noncontrolling Interests	2,780,578	-	2,780,578
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(46,888)</b>	<b>-</b>	<b>(46,888)</b>
Net Assets Without Donor Restrictions – beginning of year	5,107,695	-	5,107,695
Net Assets Without Donor Restrictions – end of year	<u>\$ 5,060,807</u>	<u>\$ -</u>	<u>\$ 5,060,807</u>
Noncontrolling interests - beginning of year	\$ 10,531,949	\$ -	\$ 10,531,949
Distributions to noncontrolling interests	(2,000)	-	(2,000)
Change in net assets attributable to noncontrolling interest	<u>(2,780,578)</u>	<u>-</u>	<u>(2,780,578)</u>
Noncontrolling interests - end of year	<u>\$ 7,749,371</u>	<u>\$ -</u>	<u>\$ 7,749,371</u>

*See Notes to Consolidated Financial Statements.*

## JERICHO PROJECT AND AFFILIATES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2022

	Program Services		Supporting Services		Total
	Social Services	Housing Services	Management and general	Fund-raising	
Personnel Expenses:					
Salaries	\$ 5,964,926	\$ 3,233,980	\$ 1,397,749	\$ 250,796	\$ 10,847,451
Benefits & payroll taxes	1,549,550	933,431	461,083	61,356	3,005,420
Total Personnel Expenses	7,514,476	4,167,411	1,858,832	312,152	13,852,871
Professional Services:					
Consultants & contractors	129,587	-	62,986	-	192,573
Accounting & auditing	-	67,557	72,016	-	139,573
Legal & other professional	201,932	62,515	3,237	-	267,684
Total Professional Services	331,519	130,072	138,239	-	599,830
Program Expenses:					
Public relations	-	-	-	51,902	51,902
Program activities	53,025	-	-	-	53,025
Member assistance	177,939	2,102,547	-	-	2,280,486
Total Program Expenses	230,964	2,102,547	-	51,902	2,385,413
Occupancy Expenses:					
Tenant rent	-	2,144,408	-	-	2,144,408
Utilities	11,094	800,896	10,088	-	822,078
Repairs & maintenance	48,111	821,020	63,074	5,638	937,843
Insurance	38,175	636,018	26,772	346	701,311
Total Occupancy Expenses	97,380	4,402,342	99,934	5,984	4,605,640
Office Expenses:					
Office rent	528,756	-	223,271	-	752,027
Telephone & internet	150,774	44,547	20,831	1,039	217,191
Equipment rental	36,376	17,000	12,288	-	65,664
Postage & delivery	8,845	2,590	6,372	4,534	22,341
Office supplies	168,248	168,235	19,798	3,091	359,372
Total Office Expenses	892,999	232,372	282,560	8,664	1,416,595
Other Expenses:					
Travel & entertainment	66,727	15,399	16,403	1,970	100,499
Interest	-	1,047,780	-	-	1,047,780
Interest - debt issuance costs	-	16,385	-	-	16,385
Uncollected rents & advances	-	67	-	-	67
Filing fees	-	46,646	4,868	-	51,514
Miscellaneous	47,588	305,092	12,331	3,758	368,769
Bad debts	-	163,889	-	-	163,889
Debt service costs	-	7,677	-	-	7,677
Marketing & outreach	237,735	-	-	-	237,735
Bank fees	24	-	38,960	-	38,984
Depreciation and amortization	-	2,206,101	51,262	-	2,257,363
Total Other Expenses	352,074	3,809,036	123,824	5,728	4,290,662
Total Expenses	\$ 9,419,412	\$ 14,843,780	\$ 2,503,389	\$ 384,430	\$ 27,151,011

See Notes to Consolidated Financial Statements.



## JERICHO PROJECT AND AFFILIATES

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Cash Flows from Operating Activities	
Change in net assets	\$ (46,888)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization of start-up costs	2,257,363
Amortization of debt issuance costs	16,385
Loss allocated to noncontrolling interests	(2,780,578)
Bad debt expense	163,889
Net realized and unrealized gain on securities	(169,086)
Accrued interest payable	546,582
(Increase)/decrease in assets	
Accounts receivable- other	(326,146)
Accounts receivable- tenants	(246,188)
Due from related parties	(237,492)
Prepaid expenses	86,631
Increase/(decrease) in liabilities	
Accounts payable and accrued expenses	461,746
Deferred revenue	(30,157)
Security deposits payable	280
Net Cash Used in Operating Activities	<u>(303,659)</u>
Cash Flows from Investing Activities	
Acquisition of property and equipment	(3,173,342)
Purchase of investments	(58,479)
Proceeds from sale of investments	112,268
Net Cash Used in Investing Activities	<u>(3,119,553)</u>
Cash Flows from Financing Activities	
Proceeds of mortgages payable	3,109,183
Repayment of mortgages payable	(255,445)
Capital distributions from limited partners	(2,000)
Net Cash Provided by Financing Activities	<u>2,851,738</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(571,474)
Cash and cash equivalents and restricted cash, beginning of year	<u>7,258,603</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 6,687,129</u>
Reconciliation to Cash and Restricted Cash on the Consolidated Statement of Financial Position	
Cash and cash equivalents	\$ 1,164,412
Security deposits	446,645
Replacement and other reserves	5,076,072
Cash and Restricted Cash on the Consolidated Statement of Cash Flows	<u>\$ 6,687,129</u>

*See Notes to Consolidated Financial Statements.*

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 1. ORGANIZATION AND OPERATIONS

Jericho Project and Affiliates (the “Organization”) was formed to receive and administer funds for charitable purposes, as defined under Section 501(c) (3) of the Internal Revenue Code.

The Organization provides supportive housing, housing access, and supportive services to individuals and families who are experiencing homelessness in New York City. The organization currently owns or manages 581 units of supportive housing in eight congregate projects and two scatter site projects. In addition, the Organization provides homelessness prevention and rapid rehousing to approximately 1,000 households in New York City.

Jericho Project’s mission is to empower individuals and families experiencing homelessness or housing insecurity by providing housing and person-centered services to address social inequities. Its programs touch the cornerstones of a person’s life — housing, employment, wellness and family stability. This holistic approach to helping people enables individuals and families to access extensive, results-based programs at their level of need — whether they are coming to the Organization from a shelter, or are one paycheck away from homelessness.

Funding for the Organization is provided by government grant contracts with the NYC Department of Homeless Services, the NYC Department of Health and Mental Hygiene, the NYC Department of Housing Preservation and Development, US Department of Veterans Affairs, US Department of Housing and Urban Development, as well as rent paid by tenants and donations by individuals, corporations and foundations.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Financial Statement Presentation** – The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted (“GAAP”) in the United States of America. Accounting principles requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Assets accumulated and resources received and expended by Organization are either without donor restrictions or restricted by the donor for a particular purpose. Net assets with donor restrictions represent contributions to the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Organization itself does not constitute a basis for reclassifying them as net assets with donor restriction. None of the Organization’s net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions.

**Cash and cash equivalents** - For purposes of the consolidated statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

**Use of 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 of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# JERICO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Principles of consolidation** - The consolidated financial statements include the accounts of Jericho Project (which includes the Jericho Fund), Jericho Residence I Housing Development Fund Corporation, located at 1846 Anthony Avenue, Jericho Residence II Housing Development Fund Corporation located at 1840 Anthony Avenue, Jericho Anthony Avenue Housing Development Fund Corporation located at 1842 Anthony Avenue, Jericho Project Housing Development Fund Corporation, located at 2013 Adam Clayton Powell Boulevard, Jericho Residence V Housing Development Fund Corporation, located at 1928 Loring Place, Jericho West Tremont Housing Development Fund Corporation, located at 89-101 West Tremont, and three entities formed specifically for programs and housing of veterans: 355-359 East 194<sup>th</sup> Street Housing Development Corporation, 2701 Kingsbridge Terrace Housing Development Corporation and 2065 Walton Avenue Associates LLC. Material inter-organization balances and transactions have been eliminated.

The accounts of certain affiliates are consolidated as of their fiscal year-end of December 31. No events occurred between December 31 and March 31 that materially affected the Organization's consolidated financial position, changes in net assets or cash flows.

As of March 31, 2022, the affiliate entities owned were as follows:

<u>Affiliates</u>	<u>Entity Owned</u>	<u>% Ownership</u>
Jericho Residence I HDFC	None	
Jericho Residence II HDFC	None	
Jericho Project HDFC	None	
Jericho Anthony Avenue HDFC	None	
Jericho Residence V HDFC	None	
Jericho 2065 Walton Avenue HDFC	2065 Walton Avenue Associates, LLC	100%
Jericho West Tremont HDFC	89-101 West Tremont Corp.	100%
355-359 East 194 <sup>th</sup> Street HDFC	355-359 East 194 <sup>th</sup> Street Corp.	100%
2701 Kingsbridge Terrace HDFC	2701 Kingsbridge Terrace Corp.	100%

Additionally, through the Affiliates, the following Operating Partnerships owned were as follows:

<u>General Partner</u>	<u>Operating Partnership/Entity</u>	<u>Ownership</u>
89-101 West Tremont Corp.	89-101 West Tremont, LP	General Partner – 0.01%
355-359 E. 194 <sup>th</sup> Street Corp.	355-359 E. 194 <sup>th</sup> St. Bronx LP	General Partner – 0.01%
2701 Kingsbridge Terr. Corp	2701 Kingsbridge Terr. Bronx LP	General Partner – 0.01%
Jericho Project	2065 Walton Avenue Associates, LLC	Managing Member – 0.001%

The Organization has evaluated its general partnership interests noted above and determined that, based on the rights afforded to it in the agreements, the Organization through the general partners controls the Operating Partnerships and has included them in its consolidated financial statements. The noncontrolling interest reflected on the consolidated statement of financial position is the limited partners' ownership in the operating partnerships.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Revenue Recognition*

**Contributions and Grants** - The Organization recognizes government and private contracts and grants as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, contract and grant agreements contain a right of return or right of release from the respective obligation provision on the part of the grantor and the Organization has limited discretion over how funds transferred should be spent. As such, the Organization recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome. As of March 31, 2022, the Organization did not have any conditional contributions. Contracts awarded for the acquisition of long-lived assets are reported as revenue without donor restrictions during the fiscal year in which the assets are acquired. Governmental grants and contracts are subject to audit and potential disallowance. It is management's opinion that any potential disallowances will not have a material effect on the accompanying consolidated financial statements.

The Organization reports contributions within net assets with donor restrictions if such gifts are restricted by the donor to a specific program and/or include an explicit or implied time restriction. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Gifts whose donor-stipulated purposes are met in the same year as received are reported within net assets without donor restrictions.

Amounts reported as grants receivable, within the accompanying consolidated statements of financial position, represent expenses incurred in advance of the receipt of funds. Funds received in advance of conditions being met are reported as deferred revenue within the accompanying consolidated statements of financial position.

**Rental Income** - Rental revenue is recognized as earned. Rental income relating to the current year is recognized as revenue in the current year. The recognition of revenue related to rents received in advance is deferred until the following year. All leases between the Organization and the tenants of the properties are operating leases.

**Management and Other Fees Revenue** - Management and other fees are recognized based upon services rendered in accordance with contractual provisions.

**Accounts receivable and bad debts** - The Organization carries its accounts receivable at cost less any allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes allowances for doubtful accounts based on a history of past write-offs, collections and current credit conditions.

**Functional expenses** - The costs of providing various programs and support services have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated between the program and support services in reasonable ratios determined by management.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Property and Equipment** – The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Depreciation** - Depreciation is provided on the straight-line method to amortize the cost of the various classes of depreciable assets over their estimated useful lives.

Estimated useful lives are as follows:

	<u>Years</u>
Building and improvements	15 - 40
Furnishings and equipment	5 - 7

**Debt Issuance Costs** - Debt issuance costs are reported on the consolidated statement of financial position as a direct deduction from the face amount of debt.

The Company includes amortization of debt issuance costs as interest expense. The debt issuance costs are amortized on a straight-line basis over the life of the related debt.

**Impairment of long-lived assets** - The Organization reviews its rental property and other long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized. No impairment losses have been recognized for the year ended March 31, 2022.

**Marketable securities** - The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statement of financial position.

Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Contributed services** – No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Income tax status** - The Organization and all affiliates have obtained a determination of tax-exempt status from the Internal Revenue Service under Section 501(c)(3) and 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been reflected in the accompanying consolidated financial statements.

89-101 West Tremont, LP, 355-359 E. 194<sup>th</sup> St Bronx, LP, 2065 Walton Avenue Associates, LLC and 2701 Kingsbridge Terrace Bronx, LP, are not subject to federal income tax because their income and expenses are includable in the tax returns of their partners (members), but may be subject to certain state taxes.

Accounting principles generally accepted in the United States of America require the Organization to evaluate uncertain tax positions taken. The financial statement effects of an uncertain tax position are recognized when the tax position is more likely than not, based on the technical merits, not to be sustained upon examination by the IRS or Treasury. The Organization has analyzed the tax positions taken and has concluded that as of March 31, 2022, there were no uncertain positions taken or expected to be taken by the Organization. The Organization has recognized no interest or penalties related to uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to income tax examinations for years prior to the year ended March 31, 2019.

#### ***Recent Accounting Pronouncements***

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The guidance requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expire before the earliest comparative period presented. A full retrospective transition approach is not permitted. The guidance will be effective for the Organization's fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently assessing the impact this will have on their consolidated financial statements.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Building and improvements	\$ 79,117,024
Furniture	2,337,392
Information systems	276,203
	<u>81,730,619</u>
Less: Accumulated depreciation	<u>21,433,988</u>
	<u>60,296,631</u>
Construction in progress	2,884,513
Land - E. 194 <sup>th</sup> Street	1,175,000
Land - Kingsbridge Terrace	1,993,733
Land - 2065 Walton Avenue Associates	1,502,183
Land - Other	1,033,451
Net Property and Equipment	\$ <u>68,885,511</u>

Depreciation expense was \$2,257,363 for the year ended March 31, 2022.

Assets, such as furniture and equipment, acquired by the Organization, the costs of which are to be reimbursed under grant contracts with the Department of Health and Mental Hygiene of the City of New York ("DMH"), shall immediately vest in the DMH upon termination of the grant contracts.

### 4. INTANGIBLE ASSETS

The future estimated amortization expense on intangible assets for each of the next five years as of March 31, 2022 is as follows:

2023	\$ 9,769
2024	9,769
2025	9,769
2026	9,769
2027	7,229
Thereafter	<u>39,821</u>
	\$ <u>86,126</u>

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 5. MORTGAGES AND NOTES PAYABLE

The mortgages and notes payable at March 31, 2022, consisted of the following:

Jericho Residence I HDFC – mortgage payable held by the City of New York, Department of Housing Preservation and Development (HPD), secured by properties at 1840, 1842 and 1846 Anthony Avenue, Bronx New York. The agreement was amended effective October 21, 2021, the note accrues interest at 2.06% per annum, no payments of principal and accrued interest shall be required until November 2056.	\$ 477,011
Jericho Residence II HDFC – mortgage payable held by HPD, secured by properties at 1840, 1842 and 1846 Anthony Avenue, Bronx New York. The agreement was amended effective October 21, 2021, the note accrues interest at 2.06% per annum, no payments of principal and accrued interest shall be required until November 2056.	1,633,753
Jericho Residence II HDFC – mortgage payable held by HPD, secured by properties at 1840, 1842 and 1846 Anthony Avenue, Bronx New York. Under the original agreement, interest accrued at 8% per annum. The agreement was amended effective October 21, 2021, the note accrues interest at 2.06% per annum, no payments of principal and accrued interest shall be required until November 2056.	167,235
Jericho Residence II HDFC – mortgage payable held by the HPD, secured by property and is maturing on January 1, 2042. The note is noninterest bearing.	8,431
Jericho Residence V HDFC – mortgage payable held by HPD, secured by property and is payable in July 2050. Interest of 3.01% per annum accrues monthly.	2,835,673
Jericho Residence V HDFC – mortgage payable held by HPD, secured by property and is payable in July 2050. Interest of 3.01% per annum accrues monthly.	675,851
Jericho Residence V HDFC – mortgage payable held by HDC, secured by property and is payable in July 2037. Interest of 3.01% per annum accrues monthly.	281,324
89-101 West Tremont, LP – mortgage payable held by HPD in the amount of \$5,740,155, secured by the property, and payable in May 2033. Interest of 1% per annum accrues monthly and is payable at maturity. As of March 31, 2022, \$5,667,937 has been funded.	5,667,937
89-101 West Tremont, LP – mortgage payable held by the New York State Homeless Housing and Assistance Corporation in the amount of \$2,471,700, secured by the property and payable in March 2032. Interest of 1% per annum accrues monthly and is payable at maturity. As of March 31, 2022, \$2,454,300 has been funded.	2,454,300



# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 5. MORTGAGES AND NOTES PAYABLE (CONTINUED)

355-359 E. 194 <sup>th</sup> Street, LP - mortgage payable held by HPD, secured by the property, and is payable in June 2056. Interest of 2.5% annum accrues monthly and is payable at maturity.	\$ 7,466,236
2701 Kingsbridge Terrace, LP - mortgage payable held by HPD in the amount of \$16,400,000, secured by the property. The loan is noninterest bearing and payable in 2057. As of March 31, 2022, \$15,718,299 has been funded.	15,718,299
2065 Walton Avenue Associates, LLC – mortgage payable with Wells Fargo Bank, NA in the amount of \$5,630,000, payable in monthly installments of \$31,089, including interest at 5.25%. Outstanding borrowings are secured by a mortgage on the rental property. Outstanding borrowings along with any accrued and unpaid interest are due at maturity on March 6, 2049.	5,401,579
2065 Walton Avenue Associates, LLC – building loan agreement with HPD in the amount of \$9,523,000. Outstanding borrowings are secured by a mortgage on the rental property and bear interest at a rate of 2.47% per annum which is payable monthly. Outstanding borrowings along with any accrued and unpaid interest are due at maturity on March 6, 2079.	9,523,000
2065 Walton Avenue Associates, LLC – mortgage with New York State Homeless Housing and Assistance Corporation (“HHAC”) in the amount of \$3,596,000, secured by the property. Interest accrues at a rate of 2.5% per annum. Principal and all previously accrued interest are payable on September 19, 2078.	3,596,000
2065 Walton Avenue Associates, LLC – mortgage with HHAC in the amount of \$84,000, secured by the property. Interest accrues at a rate of 2.5% per annum. Principal and all previously accrued interest are payable on September 19, 2078.	84,000
2065 Walton Avenue Associates, LLC – mortgage with HHAC in the amount of \$750,000, secured by the property. Interest accrues at a rate of 1.0% per annum. Principal and all previously accrued interest are payable on September 19, 2078.	750,000
Jericho Anthony Avenue HDFC – construction loan in the amount of \$20,679,028 held by CPC Funding SPE 1 LLC (“CPC”), secured by properties at 1840,1842 and 1846 Anthony Avenue, Bronx New York. Advances will be made based upon project costs incurred. Under the agreement, interest will be paid on a portion (\$10,054,028) of the loan at 400 basis points over LIBOR (7.875059% at March 31, 2022), the LIBOR floor shall be .25% per annum and accrued on a portion (\$10,625,000) of the loan at 2.06% per annum. The loan will convert to a permanent loan in October 2024. The loan is guaranteed by Jericho Project, Inc.	5,709,183
Total Debt	<u>62,449,812</u>

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 5. MORTGAGES AND NOTES PAYABLE (CONTINUED)

Total Debt	\$	62,449,812
Less: unamortized debt issuance costs		<u>457,065</u>
		61,992,747
Less: current portion of mortgages and notes payable		<u>31,270</u>
	\$	<u>61,961,477</u>

The future scheduled maturities of long-term debt are as follows:

2023	\$	31,270
2024		31,582
2025		31,898
2026		32,216
2027		32,538
Thereafter		<u>62,290,308</u>
	\$	<u>62,449,812</u>

### 6. NOTE PAYABLE, BANK

Jericho Project maintains a \$500,000 revolving line of credit from TD Bank, N.A. to help finance its short-term capital needs. This line is collateralized by all of the Organization's accounts receivable and equipment, and interest is payable monthly on outstanding balances at an interest rate of 0.740% over the "Wall Street Journal" Prime Rate. At March 31, 2022, line of credit had an outstanding balance of \$0. The interest rate was 5.25% at March 31, 2022. In June 2022, the amount available under the line of credit was increased to \$1,100,000.

### 7. DEFERRED REVENUE

The balance includes advances from various New York State and City funding sources for which the Organization has yet to provide services.

### 8. RESTRICTED FUNDS

The Organization includes several entities that are required to maintain various reserve accounts or escrow deposit accounts, in accordance with their partnership agreements, as follows:

**Operating reserves** - 355-359 E. 194<sup>th</sup> St, LP, 89-101 West Tremont, LP, 2701 Kingsbridge Terrace, LP, Jericho Residence II HDFC, Jericho Residence V HDFC and 2065 Walton Avenue Associates, LLC are required to maintain operating reserve accounts. As of March 31, 2022, the total operating reserve balance for these entities was \$2,345,886 which is included in replacement and other reserves.

**Replacement reserves** - 355-359 E. 194<sup>th</sup> St, LP, 89-101 West Tremont, LP, Jericho Residence II HDFC, Jericho Residence V HDFC and 2065 Walton Avenue Associates, LLC are each required to maintain replacement reserve accounts. As of March 31, 2022, the total replacement reserve balance for these entities was \$382,985, which is included in replacement and other reserves.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 8. RESTRICTED FUNDS (CONTINUED)

*Social services reserves* - 355-359 E. 194<sup>th</sup> St, LP, 89-101 West Tremont, LP, Jericho Residence II HDFC, Jericho Residence V HDFC and 2065 Walton Avenue Associates, LLC are each required to maintain social services reserve accounts. As of March 31, 2022, the total social services reserve balance for these entities was \$821,608, which is included in replacement and other reserves.

*Escrow Deposits* - 2701 Kingsbridge Terrace, LP and 2065 Walton Avenue Associates, LLC are required to maintain escrow deposit accounts with the City of New York, Housing Development Corporation. As of March 31, 2022, the total escrow deposit account balance for these entities was \$1,525,593, which is included in replacement and other reserves.

### 9. RELATED PARTY TRANSACTIONS

*Due from/to Related Parties* – Funds are periodically advanced from (to) entities affiliated with the limited partnerships. These advances are unsecured, non-interest bearing and have no specific repayment terms.

*Advances to affiliates* - The Company from time to time makes short term advances to affiliates. The advances are noninterest bearing and due on demand. As of March 31, 2022, the consolidated balance not subject to elimination of such advances totaled \$219,489.

*Advances to Walton* – In 2017 Jericho Project received a \$600,000 grant under the Affordable Housing Program (“AHP”). The grant proceeds were required to be used for hard costs to construct the apartment complex located at 2065 Walton Avenue, Bronx New York. The grant restricts the sale of the property and the use of the property as affordable housing for a 15-year period. The grant also has various reporting requirements. AHP can require repayment of the grant if the Organization violates any of the grant restrictions. The advances to Walton are noninterest bearing and have no formal repayment terms.

### 10. INVESTMENTS

The Organization has investments in marketable securities which are being reported at fair value. The unrealized gain from investments recorded at fair value for the year ended March 31, 2022 is \$169,086. Realized gains from the sale of investments totaled \$42,378 for the year ended March 31, 2022. These investments are held under The Jericho Fund. The balance of these investments at March 31, 2022 was \$3,651,023.

The Jericho Project’s Board of Directors established The Jericho Fund, without donor restrictions, Board-designated fund that will ensure Jericho’s programs have the ongoing financial resources to serve more homeless men and women and their families in the long-term. Specifically, The Jericho Fund will: 1) sustain the broad array of supplemental services (such as Workforce Opportunities and Family Reunification programs) that make Jericho unique; and 2) develop and provide new programs and services for current residents and new populations including people with mental illness, families and veterans.

# JERICOHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 10. INVESTMENTS (CONTINUED)

Contributors to The Jericho Fund include individuals, foundations, corporations and churches. Fundraising is ongoing. The Jericho Project's Board of Directors will distribute funds on an annual basis, or as needed, to support ongoing or new program initiatives consistent with the mission of The Jericho Project.

Investments are stated at fair value. Fair values and unrealized appreciation at March 31, 2022 are as follows:

	Fair Value	Original Costs	Unrealized Appreciation
Mutual Funds/ETFs	\$ 3,397,687	\$ 2,566,290	\$ 831,397
Money Market Funds	253,336	253,336	-
Total	\$ <u>3,651,023</u>	\$ <u>2,819,626</u>	\$ <u>831,397</u>

### 11. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 — Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2022.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 11. FAIR VALUE MEASUREMENTS (CONTINUED)

**Mutual and Money Market Funds:** Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Plan are deemed to be actively traded.

**Exchange Traded Funds:** These investments are valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth the plan investment assets at fair value by level within the fair value hierarchy as of March 31, 2022:

	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 2,076,157	\$ -	\$ -	\$ 2,076,157
Exchange traded funds	1,321,530	-	-	1,321,530
Money market funds	253,336	-	-	253,336
Total	<u>\$ 3,651,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,651,023</u>

### 12. COMMITMENTS

**Program Audits** - The Organization has contracted with various governmental agencies to perform certain supportive services, and receives contract revenue from the State and City of New York and the federal government. Reimbursements received under these contracts and payments under welfare are subject to audit by the federal and state governments. Upon audit, if discrepancies are discovered, the Organization could be responsible for reimbursing the agencies for the amount in question.

**Lease Agreements** - The Organization occupies office space under four separate leases. The first and second, for the main administrative offices located in Manhattan, NY, have terms from May 1, 2017 through April 30, 2027, and May 15, 2019 through April 14, 2028. The third, for the scatter site program office located in Bronx, NY, has a term from August 1, 2016 through November 30, 2023. The fourth, for the RRH and SSVF program office located in Manhattan, NY, and has a term from January 1, 2020 through September 30, 2030. Rental expense for the year ended March 31, 2022 was \$2,896,434. The amount of \$855,752 was attributed to the four leases for office space and the remainder of \$2,040,682 to the program that provides scatter-site housing to veterans and to individuals with special needs in New York City.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 12. COMMITMENTS (CONTINUED)

The future minimum lease payments for the four office space leases for the next five years and thereafter are as follows:

2023	\$	855,752
2024		801,976
2025		709,462
2026		729,595
2027		750,303
Thereafter		<u>2,000,337</u>
	\$	<u>5,847,425</u>

### 13. EMPLOYEE BENEFITS PLANS

The Organization maintains a tax deferred annuity plan where employees can defer a portion of their income through contributions to the plan. Full time employees become eligible after one year of continuous employment. The Organization will match 50% of the employee's contribution, up to 3% of their total annual salary. Company contributions to this plan are discretionary. Pension expense for the year ended March 31, 2022 totaled \$80,619.

### 14. PROPERTY PURCHASE OPTION

According to the Right of First Refusal agreement, certain affiliates of 89-101 West Tremont, LP, 355-359 E. 194<sup>th</sup> St Bronx, LP, 2701 Kingsbridge Terrace Bronx, LP, and 2065 Walton Avenue Associates, LLC have an option to purchase partnership property at the end of the low-income tax credit compliance period at a price which would facilitate the purchase while protecting the Partnership's tax benefits from the Project. Such option is based upon the affiliate maintaining the low-income occupancy of the Project and is in a form satisfactory to legal and accounting counsel.

### 15. CONTINGENCY

89-101 West Tremont, LP's, 355-359 E. 194<sup>th</sup> St Bronx, LP's, 2065 Walton Avenue Associates, LLC and 2701 Kingsbridge Terrace Bronx, LP's low-income housing tax credits are contingent on their ability to maintain compliance with applicable sections of Internal Revenue Code Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or correct noncompliance within a specific time period, could result in recapture of previously taken tax credits plus interest.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 16. RISK AND UNCERTAINTIES

The Organization's operations are concentrated in the multi-family real estate market. In addition, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by various agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a public health emergency of international concern, which continues to spread throughout the world, including the United States and in the geographic area where the Organization is located. The Organization's operating results depend significantly on the occupancy levels and the rent subsidies that it receives. While the Organization has not seen a significant impact on rental revenue or operations resulting from the COVID-19 outbreak as of the date of this report, if the outbreak continues to cause weakness in national, regional and local economies that could negatively impact the occupancy levels, rent subsidies, and or increase bad debts, or if there is an outbreak that directly impacts the Organization, then the Organization's financial condition, liquidity and results of operations could be adversely impacted. The financial statements do not include any adjustments to reflect the potential impact from the COVID-19 outbreak, given the dynamic nature of the situation.

The Organization invests in various securities including mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the participants' account balances and the amounts reported in the consolidated statement of financial position.

### 17. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in several accounts in various banks. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance.

Investments are not bank deposits or FDIC insured and are not guaranteed by the brokerage house. These funds are subject to investment risk due to market fluctuations including possible loss of the principal amount invested.

# JERICHO PROJECT AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2022

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### 18. LIQUIDITY AND AVAILABILTY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of the following:

Cash and cash equivalents	\$	1,164,412
Accounts receivable - tenants		812,041
Accounts receivable - other		<u>2,385,339</u>
Total	\$	<u>4,361,792</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to financial assets available to meet general expenditures over the next year, Jericho Project and Affiliates anticipates collecting sufficient revenue to cover general expenditures.

The board designated Jericho Fund of \$3,651,023 is subject to spending appropriations directed by the Board of Directors. Although the Organization does not intend on spending from Jericho Fund unless it is for certain programs or services, this amount could be made available if necessary.

### 19. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 15, 2022, the date which the financial statements were available to be issued. Based upon this evaluation, the Organization has determined that no subsequent events have occurred which would require disclosure in or adjustment to the financial statements.

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# **JERICOHO PROJECT AND AFFILIATES**

**MARCH 31, 2022**

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SUPPLEMENTAL INFORMATION

**JERICHO PROJECT AND AFFILIATES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2022**

	Jericho Project, Inc.	Jericho Project HDFC	Jericho Residence I HDFC	Jericho Residence II HDFC	Jericho Anthony Ave HDFC	Jericho Residence V HDFC	89-101 West Tremont, LP	355-359 E. 194th Street LP	2701 Kingsbridge Terrace LP	2065 Walton Ave Associates LLC	Sub-Total	Consolidating Eliminations	Total
<b>Assets</b>													
Cash and cash equivalents	\$ 343,563	\$ 24,547	\$ 73,301	\$ 21,736	\$ 52,991	\$ 57,089	\$ 23,968	\$ 404,157	\$ 44,021	\$ 119,039	\$ 1,164,412	\$ -	\$ 1,164,412
Accounts receivable - tenants	269,884	19,131	32,035	44,712	-	75,258	23,973	55,835	140,705	150,508	812,041	-	812,041
Accounts receivable - other	2,060,727	23,732	9,612	10,204	-	25,091	75,232	70,260	110,481	-	2,385,339	-	2,385,339
Note and interest receivable - related party	1,561,833	-	-	-	-	-	-	-	-	-	1,561,833	(1,561,833)	-
Prepaid expenses	27,267	-	-	-	5,307	-	19,849	20,721	20,476	25,422	119,042	-	119,042
Property and equipment - net	1,339,567	369,937	500,926	112,030	2,858,283	1,939,565	6,493,847	10,178,000	15,196,362	31,726,099	70,714,616	(4,713,618)	66,000,998
Construction in progress	40,754	-	-	-	2,843,759	-	-	-	-	-	2,884,513	-	2,884,513
Security deposits	325,634	5,183	1,730	1,080	-	3,133	18,538	30,945	33,486	26,916	446,645	-	446,645
Due from (to) related parties	8,510,313	(4,264,765)	(270,459)	(695,398)	(148,132)	(424,065)	(1,470,114)	(26,014)	(446,474)	54,597	819,489	(600,000)	219,489
Investments	3,651,023	-	-	-	-	-	-	-	-	-	3,651,023	-	3,651,023
Investment in joint ventures	(887,745)	-	-	-	-	-	-	-	-	-	(887,745)	1,695,743	807,998
Replacement, other reserves and escrow deposits	-	-	-	132,608	-	329,562	1,147,245	777,793	1,813,233	875,631	5,076,072	-	5,076,072
Intangible assets - net	-	-	-	-	-	-	-	15,275	-	70,851	86,126	-	86,126
<b>Total Assets</b>	<b>\$ 17,242,820</b>	<b>\$ (3,822,235)</b>	<b>\$ 347,145</b>	<b>\$ (373,028)</b>	<b>\$ 5,612,208</b>	<b>\$ 2,005,633</b>	<b>\$ 6,332,538</b>	<b>\$ 11,526,972</b>	<b>\$ 16,912,290</b>	<b>\$ 33,049,063</b>	<b>\$ 88,833,406</b>	<b>\$ (5,179,708)</b>	<b>\$ 83,653,698</b>
<b>Liabilities, Net Assets and Noncontrolling Interests</b>													
<b>Liabilities</b>													
Accounts payable and accrued expenses	\$ 772,517	\$ 118,814	\$ 14,050	\$ 8,531	\$ 240	\$ 3,239	\$ 28,529	\$ 34,551	\$ 183,121	\$ 114,533	\$ 1,278,125	\$ -	\$ 1,278,125
Due to contractor	-	-	-	-	-	-	-	-	925,711	-	925,711	-	925,711
Deferred revenue	919,242	-	-	-	26,303	25,674	99,734	125,639	170,688	9,655	1,376,935	-	1,376,935
Accrued interest	-	-	50,885	309,727	-	591,851	1,365,793	2,525,045	102,160	885,886	5,831,347	(640,737)	5,190,610
Mortgages and notes payable- long and short term	-	-	477,011	1,809,419	5,649,183	3,707,639	8,097,199	8,081,090	15,941,933	19,750,369	63,513,843	(1,521,096)	61,992,747
Security deposits	2,963	5,232	1,723	1,074	-	2,580	8,984	20,863	10,521	25,452	79,392	-	79,392
Developer fee payable	-	-	-	-	-	-	-	-	912,000	652,036	1,564,036	(1,564,036)	-
<b>Total Liabilities</b>	<b>1,694,722</b>	<b>124,046</b>	<b>543,669</b>	<b>2,128,751</b>	<b>5,675,726</b>	<b>4,330,983</b>	<b>9,600,239</b>	<b>10,787,188</b>	<b>18,246,134</b>	<b>21,437,931</b>	<b>74,569,389</b>	<b>(3,725,869)</b>	<b>70,843,520</b>
<b>Commitments and Contingencies</b>													
<b>Net Assets</b>													
Unrestricted:													
Operations, undesignated	11,897,075	(3,946,281)	(196,524)	(2,501,779)	(63,518)	(2,325,350)	-	-	-	-	2,863,623	(1,453,839)	1,409,784
Operations, designated by Board of Directors	3,651,023	-	-	-	-	-	-	-	-	-	3,651,023	-	3,651,023
<b>Total Net Assets</b>	<b>15,548,098</b>	<b>(3,946,281)</b>	<b>(196,524)</b>	<b>(2,501,779)</b>	<b>(63,518)</b>	<b>(2,325,350)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,514,646</b>	<b>(1,453,839)</b>	<b>5,060,807</b>
Noncontrolling interests in limited partnerships	-	-	-	-	-	-	(3,267,701)	739,784	(1,333,844)	11,611,132	7,749,371	-	7,749,371
<b>Total Net Assets and noncontrolling interests</b>	<b>15,548,098</b>	<b>(3,946,281)</b>	<b>(196,524)</b>	<b>(2,501,779)</b>	<b>(63,518)</b>	<b>(2,325,350)</b>	<b>(3,267,701)</b>	<b>739,784</b>	<b>(1,333,844)</b>	<b>11,611,132</b>	<b>14,264,017</b>	<b>(1,453,839)</b>	<b>12,810,178</b>
<b>Total Liabilities, Net Assets and Noncontrolling Interests</b>	<b>\$ 17,242,820</b>	<b>\$ (3,822,235)</b>	<b>\$ 347,145</b>	<b>\$ (373,028)</b>	<b>\$ 5,612,208</b>	<b>\$ 2,005,633</b>	<b>\$ 6,332,538</b>	<b>\$ 11,526,972</b>	<b>\$ 16,912,290</b>	<b>\$ 33,049,063</b>	<b>\$ 88,833,406</b>	<b>\$ (5,179,708)</b>	<b>\$ 83,653,698</b>

See Independent Auditors' Report.

**JERICHO PROJECT AND AFFILIATES**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2022**

	Jericho Project, Inc.	Jericho Project HDFC	Jericho Residence I HDFC	Jericho Residence II HDFC	Jericho Residence V HDFC	Jericho Anthony Ave HDFC	89-101 West Tremont, LP	355-359 E. 194th Street LP	2701 Kingsbridge Terrace LP	2065 Walton Ave Associates LLC	Sub - Total	Consolidating Eliminations	Total
<b>Revenue and Support</b>													
Rental revenue - subsidy and tenant	\$ 380,052	\$ 525,014	\$ 273,208	\$ 214,322	\$ 496,621	\$ -	\$ 925,592	\$ 807,255	\$ 959,419	1,601,709	\$ 6,183,192	\$ -	\$ 6,183,192
Supportive services	13,721,690	212,890	118,193	80,249	159,888	-	468,771	424,196	661,670	-	15,847,547	-	15,847,547
Foundations	542,520	-	-	-	-	-	-	-	-	-	542,520	-	542,520
Corporations	106,472	-	-	-	-	-	-	-	-	-	106,472	-	106,472
Individuals	174,081	-	-	-	-	-	-	-	-	-	174,081	-	174,081
Fundraising events	402,795	-	-	-	-	-	-	-	-	-	402,795	-	402,795
Investment income	300,041	3	1	-	2	-	128	-	117	-	300,292	(72,683)	227,609
Other	56,250	-	-	188,791	-	-	-	8,619	1,134	3,086	257,880	-	257,880
Management and development fees	2,096,988	-	-	-	-	-	-	-	-	-	2,096,988	(1,515,539)	581,449
<b>Total Revenue and Support</b>	<b>17,780,889</b>	<b>737,907</b>	<b>391,402</b>	<b>483,362</b>	<b>656,511</b>	<b>-</b>	<b>1,394,491</b>	<b>1,240,070</b>	<b>1,622,340</b>	<b>1,604,795</b>	<b>25,911,767</b>	<b>(1,588,222)</b>	<b>24,323,545</b>
<b>Expenses</b>													
Housing service	6,178,818	629,221	393,825	419,921	669,247	20,253	1,334,622	1,361,877	1,517,458	2,789,975	15,315,217	(471,437)	14,843,780
Social service	7,927,647	322,255	201,847	186,862	259,244	-	515,752	429,142	671,556	21,892.00	10,536,197	(1,116,785)	9,419,412
Supporting services													
Management and General	2,503,389	-	-	-	-	-	-	-	-	-	2,503,389	-	2,503,389
Fundraising	384,430	-	-	-	-	-	-	-	-	-	384,430	-	384,430
<b>Total Expenses</b>	<b>16,994,284</b>	<b>951,476</b>	<b>595,672</b>	<b>606,783</b>	<b>928,491</b>	<b>20,253</b>	<b>1,850,374</b>	<b>1,791,019</b>	<b>2,189,014</b>	<b>2,811,867</b>	<b>28,739,233</b>	<b>(1,588,222)</b>	<b>27,151,011</b>
Change in net assets including noncontrolling interest	786,605	(213,569)	(204,270)	(123,421)	(271,980)	(20,253)	(455,883)	(550,949)	(566,674)	(1,207,072)	(2,827,466)	-	(2,827,466)
Change in net assets attributable to noncontrolling interest	-	-	-	-	-	-	455,883	550,949	566,674	1,207,072	2,780,578	-	2,780,578
<b>Change in Net Assets Without Donor Restrictions</b>	<b>786,605</b>	<b>(213,569)</b>	<b>(204,270)</b>	<b>(123,421)</b>	<b>(271,980)</b>	<b>(20,253)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,888)</b>	<b>-</b>	<b>(46,888)</b>
<b>Net Assets Without Donor Restrictions, beginning of year</b>	<b>14,761,493</b>	<b>(3,732,712)</b>	<b>7,746</b>	<b>(2,378,358)</b>	<b>(2,053,370)</b>	<b>(43,265)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,561,534</b>	<b>(1,453,839)</b>	<b>5,107,695</b>
<b>Net Assets Without Donor Restrictions, end of year</b>	<b>\$ 15,548,098</b>	<b>\$ (3,946,281)</b>	<b>\$ (196,524)</b>	<b>\$ (2,501,779)</b>	<b>\$ (2,325,350)</b>	<b>\$ (63,518)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,514,646</b>	<b>\$ (1,453,839)</b>	<b>\$ 5,060,807</b>
<b>Noncontrolling interests, beginning of year</b>							(2,811,818)	1,292,733	(767,170)	12,818,204	10,531,949	-	10,531,949
Distributions to noncontrolling interests							-	(2,000)	-	-	(2,000)	-	(2,000)
Change in net assets attributable to noncontrolling interest							(455,883)	(550,949)	(566,674)	(1,207,072)	(2,780,578)	-	(2,780,578)
<b>Noncontrolling interests, end of year</b>							<b>\$ (3,267,701)</b>	<b>\$ 739,784</b>	<b>\$ (1,333,844)</b>	<b>\$ 11,611,132</b>	<b>\$ 7,749,371</b>	<b>\$ -</b>	<b>\$ 7,749,371</b>

See Independent Auditors' Report.

# JERICHO PROJECT AND AFFILIATES

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED MARCH 31, 2022

<u>Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number/Grant ID number</u>	<u>Federal Expenditures</u>
<b><u>Federal Awards:</u></b>		
U. S. Department of Housing and Urban Development - Supportive Housing Program	14.235/Section 8	\$ 3,143,130
U. S. Department of Housing and Urban Development - Continuum of Care Program	14.267/Section 8	1,200,964
Department of Veterans Affairs - Supportive Services for Veterans Families	64.033/14-NY-250	4,190,093
Department of Veterans Affairs- Supportive Services for Veterans Families	64.033/S20-NY-600A	461,797
Department of Veterans Affairs-Homeless Providers Grant and Per Diem Program	64.024/JERP525-1123-526-CM-20	42,492
U. S. Department of Housing and Urban Development - Continuum of Care Program	14.267/NY0303	51,181
U. S. Department of Housing and Urban Development - Continuum of Care Program	14.267/NY1044	<u>3,583,764</u>
Total expenditures of Federal awards		<u>12,673,421</u>
<b><u>State and City Awards:</u></b>		
N.Y.S. Office of Mental Health		5,403,674
Dormitory Authority of the State of New York		40,753
N.Y.C Human Resources Administration Department of Social Services		622,562
N.Y.C Department of Youth and Community Development		493,940
N.Y.C Human Resources Administration (HRA)- Subcontract Home Base		<u>811,127</u>
Total expenditures of State and City awards		<u>7,372,056</u>
Total expenditures of Federal and State awards		<u>\$ 20,045,477</u>

*See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal and State Awards*

# JERICHO PROJECT AND AFFILIATES

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS MARCH 31, 2022

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### A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the “Schedule”) includes the federal award activity of Jericho Project and Affiliates under programs of the federal government for the year ended March 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jericho Project and Affiliates, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of Jericho Project and Affiliates. The financial statements of certain affiliates included in the consolidated financial statements were not audited in accordance with *Government Auditing Standards* as they are not subject to the requirements under the Uniform Guidance.

### B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Jericho Project and Affiliates has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### C. SUBRECIPIENTS

The Project did not provide any funds related to their federal and state awards to any subrecipients.

### D. LOAN AND GUARANTEE PROGRAMS

As of March 31, 2022, there were no outstanding loans due to federal government agencies



## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To The Board of Directors  
Jericho Project and Affiliates  
New York, NY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Jericho Project and Affiliates (a nonprofit organization), which comprise the statement of financial position as of March 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2022. The financial statements of certain affiliates were not audited in accordance with Government Auditing Standards and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these affiliates.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Jericho Project and Affiliates' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jericho Project and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Jericho Project and Affiliates' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jericho Project and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nutley, New Jersey

November 15, 2022

  
GELTRUDE & COMPANY, LLC



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To The Board of Directors  
Jericho Project and Affiliates  
New York, NY

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Jericho Project and Affiliates' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Jericho Project and Affiliates' major federal programs for the year ended March 31, 2022. Jericho Project and Affiliates' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jericho Project and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2022.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jericho Project and Affiliates and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jericho Project and Affiliates' compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Jericho Project and Affiliates' federal programs.

#### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jericho Project and Affiliates' compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jericho Project and Affiliates' compliance with the requirements of each major federal program as a whole.



In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Jericho Project and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jericho Project and Affiliates' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jericho Project and Affiliates' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Nutley, New Jersey

November 15, 2022

  
GELTRUDE & COMPANY, LLC

**JERICHO PROJECT AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of Auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?            Yes       X       No

Significant deficiencies identified that are not considered to be material weaknesses?            Yes       X       No

Noncompliance material to financial statements noted?            Yes       X       No

Federal Awards

Internal control over major programs:

Material weaknesses identified?            Yes       X       No

Significant deficiencies identified that are not considered to be material weaknesses?            Yes       X       No

Type of Auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?            Yes       X       No

Identification of Major Programs

<u>C DFA Number</u>	<u>Name of Federal Program or Cluster</u>
64.033	Department of Veterans' Affairs Supportive Services for Veterans' Families
14.235/Section 8	U. S. Department of Housing and Urban Development - Supportive Housing Program
14.267/Section 8	U. S. Department of Housing and Urban Development - Continuum of Care Program

Dollar threshold used to distinguish between Type A and Type B programs?       \$750,000      

Auditee qualified as low-risk auditee?       X       Yes            No

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Section IV - Prior Audit Findings**

None