JERICHO PROJECT AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

JUNE 30, 2023

JERICHO PROJECT AND AFFILIATES

INDEX

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 (a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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 June 30, 2023, 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 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 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 28, 2023, 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 28, 2023

GELTRUDE & COMPANY, LLC

JERICHO PROJECT AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 786,993
Accounts receivable - tenants, net	1,030,356
Accounts receivable - other	2,256,844
Prepaid expenses	79,488
Investments	3,374,359
Total Current Assets	7,528,040
PROPERTY AND EQUIPMENT, AT COST, NET OF ACCUMULATED DEPRECIATION	74,812,142
OTHER ASSETS	
Security deposits	467,116
Investments in joint ventures	807,998
Replacement and other reserves	3,701,634
Operating lease right-of-use asset	5,779,400
Deferred start-up costs, net of accumulated amortization of $75,066	71,473
Total Other Assets	10,827,621
TOTAL ASSETS	$ 93,167,803

See Notes to Consolidated Financial Statements.

JERICHO PROJECT AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

LIABILITIES, NET ASSETS AND NONCONTROLLING INTERESTS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 1,659,619
Deferred revenue	246,942
Due to contractor	691,991
Due to related parties	22,998
Note payable, bank	900,000
Current maturities of operating lease liability	2,037,000
Total Current Liabilities	5,558,550
LONG-TERM LIABILITIES	
Mortgages and notes payable	68,869,805
Accrued interest payable	6,023,471
Operating lease liability, net of current maturities	3,797,217
Security deposits	82,543
Total Long-Term Liabilities	78,773,036
Total Liabilities	84,331,586
COMMITMENTS AND CONTINGENCIES	
NET ASSETS	
Without donor restrictions:	
Undesignated	2,019,500
Designated by Board of Directors (Jericho Fund)	3,374,359
Total Net Assets Without Donor Restrictions	5,393,859
Noncontrolling interests in limited partnerships	3,442,358
Total Net Assets and Noncontrolling Interests	8,836,217
TOTAL LIABILITIES, NET ASSETS AND NONCONTROLLING INTERESTS	$ 93,167,803

See Notes to Consolidated Financial Statements.

JERICHO PROJECT AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Rental income - subsidy and tenant	$ 6,450,114	$ -	$ 6,450,114
Supportive services	3,560,549	13,621,308	17,181,857
Foundations and other organizations	611,696	275,000	886,696
Corporations	547,739	-	547,739
Individuals	497,046	-	497,046
Fundraising events	235,154	-	235,154
Interest and dividends	440,431	-	440,431
Other	914,475	-	914,475
TOTAL REVENUE AND SUPPORT	13,257,204	13,896,308	27,153,512
NET ASSETS RELEASED FROM RESTRICTIONS:			
Satisfaction of program restrictions	13,896,308	(13,896,308)	-
	27,153,512	-	27,153,512
EXPENSES:			
Program Services			
Housing services	16,051,390	-	16,051,390
Social services	10,812,348	-	10,812,348
Supporting Services			
Management and general	2,667,699	-	2,667,699
Fundraising	589,033	-	589,033
TOTAL EXPENSES	30,120,470	-	30,120,470
Change in Net Assets including Noncontrolling Interests	(2,966,958)	-	(2,966,958)
Change in net assets attributable to Noncontrolling Interests	3,137,785	-	3,137,785
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	170,827	-	170,827
Net Assets Without Donor Restrictions – beginning of year	5,223,032	-	5,223,032
Net Assets Without Donor Restrictions – end of year	$ 5,393,859	$ -	$ 5,393,859
Noncontrolling interests - beginning of year	$ 6,580,143	$ -	$ 6,580,143
Change in net assets attributable to noncontrolling interest	(3,137,785)	-	(3,137,785)
Noncontrolling interests - end of year	$ 3,442,358	$ -	$ 3,442,358

See Notes to Consolidated Financial Statements.

JERICHO PROJECT AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services		Supporting Services		
	Social Services	Housing Services	Management and general	Fund-raising	Total
Personnel Expenses:					
Salaries	$ 7,042,044	$ 2,862,968	$ 1,594,085	$ 306,432	$ 11,805,529
Benefits & payroll taxes	1,626,537	695,602	408,167	67,858	2,798,164
Total Personnel Expenses	8,668,581	3,558,570	2,002,252	374,290	14,603,693
Professional Services:					
Consultants & contractors	140,628	100,021	64,825	13,700	319,174
Accounting & auditing	-	90,812	63,834	-	154,646
Legal & other professional	272,190	136,547	-	-	408,737
Total Professional Services	412,818	327,380	128,659	13,700	882,557
Program Expenses:					
Fundraising	-	-	-	120,864	120,864
Public relations	-	-	-	47,389	47,389
Program activities	67,734	-	-	-	67,734
Member assistance	302,792	2,451,354	-	-	2,754,146
Total Program Expenses	370,526	2,451,354	-	168,253	2,990,133
Occupancy Expenses:					
Tenant rent	-	2,357,364	-	-	2,357,364
Utilities	16,180	976,121	10,653	-	1,002,954
Repairs & maintenance	60,658	816,373	27,297	2,596	906,924
Insurance	29,363	697,752	14,082	149	741,346
Total Occupancy Expenses	106,201	4,847,610	52,032	2,745	5,008,588
Office Expenses:					
Office rent	496,855	-	283,513	-	780,368
Telephone & internet	152,613	48,229	19,847	1,452	222,141
Equipment rental	51,565	22,856	10,222	-	84,643
Postage & delivery	7,407	5,637	8,630	4,422	26,096
Office supplies	333,298	222,090	55,381	11,257	622,026
Total Office Expenses	1,041,738	298,812	377,593	17,131	1,735,274
Other Expenses:					
Travel & entertainment	93,093	34,081	44,891	3,666	175,731
Interest	-	1,446,512	-	-	1,446,512
Interest - debt issuance costs	-	30,192	-	-	30,192
Uncollected rents & advances	-	15	-	-	15
Filing fees	9,218	76,932	1,891	332	88,373
Miscellaneous	106,167	254,144	2,877	5,091	368,279
Bad debts	-	495,834	-	-	495,834
Marketing & outreach	3,996	-	-	3,825	7,821
Bank fees	10	-	57,504	-	57,514
Depreciation and amortization	-	2,229,954	-	-	2,229,954
Total Other Expenses	212,484	4,567,664	107,163	12,914	4,900,225
Total Expenses	$ 10,812,348	$ 16,051,390	$ 2,667,699	$ 589,033	$ 30,120,470

See Notes to Consolidated Financial Statements.

JERICHO PROJECT AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities	
Change in net assets	$ 170,827
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization of start-up costs	2,229,954
Amortization of debt issuance costs	30,192
Forgiveness of debt	(552,434)
Loss allocated to noncontrolling interests	(3,137,785)
Bad debt expense	495,834
Net realized and unrealized gain on securities	(335,286)
Non cash lease expense	54,817
(Increase)/decrease in assets	
Accounts receivable- other	440,881
Accounts receivable- tenants	(195,273)
Prepaid expenses	(31,950)
Increase/(decrease) in liabilities	
Accounts payable and accrued expenses	263,079
Accrued interest payable	192,197
Deferred revenue	(302,071)
Security deposits payable	3,151
Net Cash Used In Operating Activities	(673,867)
Cash Flows from Investing Activities	
Acquisition of property and equipment	(7,319,697)
Purchase of investments	(73,730)
Proceeds from sale of investments	250,000
Net Cash Used in Investing Activities	(7,143,427)
Cash Flows from Financing Activities	
Proceeds of mortgages payable	4,914,617
Proceeds of note payable, bank	900,000
Due to related parties	970,389
Due to contractor	(233,720)
Net Cash Provided by Financing Activities	6,551,286
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,266,008)
Cash and cash equivalents and restricted cash, beginning of year	6,221,751
Cash and cash equivalents and restricted cash, end of year	$ 4,955,743

See Notes to Consolidated Financial Statements.

JERICHO PROJECT AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Reconciliation to Cash and Restricted Cash on the Consolidated Statement of Financial Position		
Cash and cash equivalents	$	786,993
Security deposits		467,116
Replacement and other reserves		3,701,634
Cash and Restricted Cash on the Consolidated Statement of Cash Flows	$	4,955,743
Supplemental disclosure of cash flow information		
Cash paid during the year for:		
Capitalized interest	$	492,201
Interest	$	9,015
Supplemental Disclosure of Non-Cash Transactions:		
Lease assets obtained in exchange for lease obligations:		
Operating lease	$	7,297,510

See Notes to Consolidated Financial Statements.

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 approximately 600 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 accounting principles generally accepted ("GAAP") in the United States of America. GAAP 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 GAAP 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.

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 Anthony Avenue Housing Development Fund Corporation located at 1846, 1840 and 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 194th 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.

As of June 30, 2023, the affiliate entities owned were as follows:

Affiliates	Entity Owned	% Ownership
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 194th Street HDFC	355-359 East 194th Street Corp.	100%
2701 Kingsbridge Terrace HDFC	2701 Kingsbridge Terrace Corp.	100%

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

General Partner	Operating Partnership/Entity	Ownership
89-101 West Tremont Corp.	89-101 West Tremont, LP	General Partner – 0.01%
355-359 E. 194th Street Corp.	355-359 E. 194th 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.

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 June 30, 2023, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 accounts receivable - other, 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. At June 30, 2023 the allowance for doubtful accounts was $435,404. With the lifting of the moratorium on rent and the opening of the New York City Housing Court system, post pandemic, the Organization was able to fully evaluate accounts receivable at June 30, 2023 and has established a larger allowance than prior years.

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.

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:

	Years
Building and improvements	15 – 40
Furnishings and equipment	5 - 7

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 June 30, 2023.

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.

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. 194th 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.

GAAP requires 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 Internal Revenue Service (“IRS”) or the Department of Treasury. The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2023, 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 fiscal year ended June 30, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncement – Effective July 1, 2022, the Organization adopted Accounting Standard Codification 842, Leases ("ASC 842") issued by the Financial Accounting Standards Board, which supersedes the existing guidance for lease accounting under ASC 840, Leases. ASC 842 established new principles, presentation and disclosure requirements for lease accounting. ASC 842 was adopted using the modified retrospective transition method. The new standard requires a lessee to recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for all leases with terms of more than twelve months. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classifications.

The adoption of ASC 842 resulted in the recognition of an operating right-of-use-asset and corresponding operating lease liability of $7,297,510 as of July 1, 2022. The adoption of ASC 842 did not have a material impact on the Company's results of operations or cash flows.

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Building and improvements	$ 80,541,362
Furniture	2,698,659
Information systems	354,883
	83,594,904
Less: Accumulated depreciation	24,644,967
	58,949,937
Construction in progress	10,157,363
Land - E. 194th Street	1,175,000
Land - Kingsbridge Terrace	2,303,733
Land - 2065 Walton Avenue Associates	1,502,183
Land - Other	723,926
Net Property and Equipment	$ 74,812,142

Depreciation expense was $2,229,954 for the year ended June 30, 2023.

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 June 30, 2023 is as follows:

2024	$	9,769
2025		9,769
2026		9,011
2027		6,206
2028		6,206
Thereafter		30,512
	$	71,473

5. MORTGAGES AND NOTES PAYABLE

The mortgages and notes payable at June 30, 2023, consisted of the following:

Jericho Anthony Avenue 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.	$	2,094,608
Jericho Project HDFC - mortgage payable held by New York State Homes and Community Renewal ("HCR") in the amount of $602,116, secured by the property located at 170 West 121st Street. The loan is noninterest bearing and payable in 2020 or upon satisfaction of all indebtedness required to be repaid, whichever occurs later.		602,116
Jericho Residence V HDFC – mortgage payable held by HPD, secured by property at 1928 Loring Place 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 at 1928 Loring Place 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 at 1928 Loring Place 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 June 30, 2023, $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 June 30, 2023, $2,454,300 has been funded.		2,454,300

5. MORTGAGES AND NOTES PAYABLE (CONTINUED)

355-359 E. 194th Street, LP - mortgage payable held by HPD, secured by the property, and is payable in June 2056. Interest of 2.5% per 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 June 30, 2023, $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% per annum. 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.		5,262,665
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 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 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 (9.42899% at June 30, 2023), 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.		12,292,431
Total Debt		69,304,440
Less: unamortized debt issuance costs		434,635
	$	68,869,805

6. NOTE PAYABLE, BANK

Jericho Project maintains a $1,000,000 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 the "Wall Street Journal" Prime Rate. The minimum interest rate on the note is 4% per annum. At June 30, 2023, line of credit had an outstanding balance of $900,000. The interest rate was 8.25% at June 30, 2023. Interest expenses on the note payable was $9,015 for the year ended June 30, 2023.

7. 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. 194th 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 June 30, 2023, the total operating reserve balance for these entities was $2,403,354 which is included in replacement and other reserves.

Replacement reserves **-** 355-359 E. 194th 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 June 30, 2023, the total replacement reserve balance for these entities was $445,917, which is included in replacement and other reserves.

Social services reserves **-** 355-359 E. 194th 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 June 30, 2023, the total social services reserve balance for these entities was $736,684, which is included in replacement and other reserves.

Escrow Deposits **-** 2065 Walton Avenue Associates, LLC is required to maintain escrow deposit account with the City of New York, Housing Development Corporation. As of June 30, 2023, the total escrow deposit account balance was $115,679 which is included in replacement and other reserves.

8. DEFERRED REVENUE

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

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/from affiliates **-** The Company from time to time makes short term advances to/from affiliates. The advances are noninterest bearing and due on demand. As of June 30, 2023, the consolidated balance of advances due to affiliates, not subject to elimination totaled $22,998.

9. RELATED PARTY TRANSACTIONS (CONTINUED)

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 June 30, 2023 is $335,286. Realized gains from the sale of investments totaled $78,660 for the year ended June 30, 2023. These investments are held under The Jericho Fund. The balance of these investments at June 30, 2023 was $3,374,359.

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.

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 June 30, 2023 are as follows:

	Fair Value	Original Costs	Unrealized Appreciation
Mutual Funds/ETFs	$ 3,109,083	$ 2,472,523	$ 636,560
Money Market Funds	265,276	265,276	-
Total	$ 3,374,359	$ 2,737,799	$ 636,560

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:

11. FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 June 30, 2023.

Mutual and Money Market Funds: Valued at the daily closing price as reported by the fund. Funds held by the Organization are open-end funds that are registered with the U.S. Securities and Exchange Commission ("SEC"). These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The funds held by the Organization 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 Organization investment assets at fair value by level within the fair value hierarchy as of June 30, 2023:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Level 3	Total
Mutual funds	$ 1,919,741	$ -	$ -	$ 1,919,741
Exchange traded funds	1,189,342	-	-	1,189,342
Money market funds	265,276	-	-	265,276
Total	$ 3,374,359	$ -	$ -	$ 3,374,359

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 (operating lease cost) for the year was attributed to the four leases for office space and to the program that provides scatter-site housing to veterans and to individuals with special needs in New York City.

The following summarizes the line items in the balance sheets which include amounts for the lease as of June 30, 2023:

Operating lease right-of-use-asset	$ 5,779,400
Current maturities of operating lease liability	$ 2,037,000
Operating lease liability, net of current maturities	3,797,217
Total operating lease liability	$ 5,834,217

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2023:

Weighted Average Remaining Lease Term:	
Operating lease	4.8yrs
Weighted Average Discount Rate:	
Operating lease	8.50%

The following summarizes the line items in the income statements which include the components of lease expense for the year ended June 30, 2023:

Operating lease cost included in operating expenses	$ 3,147,962

12. COMMITMENTS (CONTINUED)

The maturities of the operating lease liability as of June 30, 2023 are as follows:

Year ending June 30,	
2024	$ 2,442,837
2025	1,378,846
2026	734,707
2027	728,683
2028	592,740
Thereafter	1,243,767
Total lease payment	7,121,580
Less: interest	1,287,363
Present value of operating lease liability	$ 5,834,217

The following summarizes cash flow information related to the lease for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of the operating lease liability:	
Operating cash flows from the operating lease	$ 3,082,915

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 June 30, 2023 totaled $93,538.

14. PROPERTY PURCHASE OPTION

According to the Right of First Refusal agreement, certain affiliates of 89-101 West Tremont, LP, 355-359 E. 194th 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. 194th 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.

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.

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 ("FDIC") 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.

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	$	786,993
Accounts receivable - tenants		1,030,356
Accounts receivable - other		2,256,844
Total	$	4,074,193

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 $3,374,359 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 28, 2023, 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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SUPPLEMENTAL INFORMATION

JERICHO PROJECT AND AFFILIATES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

	Jericho Project, Inc.	Jericho Project 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
Assets											
Cash and cash equivalents	$ 277,781	$ 23,467	$ 65,715	$ 35,278	$ 127,698	$ 86,740	$ 63,897	$ 106,417	$ 786,993	$ -	$ 786,993
Accounts receivable - tenants, net	230,290	54,675	118,899	48,420	152,940	10,097	363,651	51,384	1,030,356	-	1,030,356
Accounts receivable - other	2,301,323	-	(27)	24,716	-	265,735	-	-	2,591,747	(334,903)	2,256,844
Note and interest receivable - related party	1,670,885	-	-	-	-	-	-	-	1,670,885	(1,670,885)	-
Prepaid expenses	42,761	1,955	2,868	1,806	5,587	15,587	6,230	2,694	79,488	-	79,488
Property and equipment, net	1,034,630	995,116	3,474,094	1,842,284	6,284,627	9,866,660	15,111,327	30,424,756	69,033,494	(4,378,715)	64,654,779
Construction in progress	-	-	10,157,363	-	-	-	-	-	10,157,363	-	10,157,363
Security deposits	334,788	5,186	20,522	3,135	18,946	22,710	34,894	26,935	467,116	-	467,116
Investments	3,374,359	-	-	-	-	-	-	-	3,374,359	-	3,374,359
Investment in joint ventures	(887,745)	-	-	-	-	-	-	-	(887,745)	1,695,743	807,998
Replacement, other reserves and escrow deposits	-	-	144,016	329,562	806,040	789,188	587,966	1,044,862	3,701,634	-	3,701,634
Operating lease right-of-use asset	5,779,400	-	-	-	-	-	-	-	5,779,400	-	5,779,400
Intangible assets - net	-	-	-	-	-	9,931	-	61,542	71,473	-	71,473
Total Assets	**$ 14,158,472**	**$ 1,080,399**	**$ 13,983,450**	**$ 2,285,201**	**$ 7,395,838**	**$ 11,066,648**	**$ 16,167,965**	**$ 31,718,590**	**$ 97,856,563**	**$ (4,688,760)**	**$ 93,167,803**
Liabilities, Net Assets and Noncontrolling Interests											
Liabilities											
Accounts payable and accrued expenses	$ 796,001	$ 45,930	$ 127,453	$ 31,786	$ 195,037	$ 153,899	$ 219,999	$ 89,514	$ 1,659,619	$ -	$ 1,659,619
Due to contractor	-	-	691,991	-	-	-	-	-	691,991	-	691,991
Deferred revenue	174,028	-	-	-	15,717	24,457	32,740	-	246,942	-	246,942
Accrued interest	-	-	69,386	767,194	1,487,638	2,895,386	120,702	1,432,954	6,773,260	(749,789)	6,023,471
Note payable, bank	900,000	-	-	-	-	-	-	-	900,000	-	900,000
Mortgages and notes payable	-	602,116	14,327,039	3,711,680	8,100,069	8,083,770	15,943,256	19,622,971	70,390,901	(1,521,096)	68,869,805
Security deposits	2,963	5,232	2,797	2,580	8,984	22,613	11,922	25,452	82,543	-	82,543
Due to related parties	(9,362,030)	4,313,367	1,470,315	145,779	1,601,455	(128,065)	1,336,898	45,279	(577,002)	600,000	22,998
Operating lease liability	5,834,217	-	-	-	-	-	-	-	5,834,217	-	5,834,217
Developer fee payable	-	-	-	-	-	-	912,000	652,036	1,564,036	(1,564,036)	-
Total Liabilities	(1,654,821)	4,966,645	16,688,981	4,659,019	11,408,900	11,052,060	18,577,517	21,868,206	87,566,507	(3,234,921)	84,331,586
Commitments and Contingencies											
Net Assets											
Unrestricted:											
Operations, undesignated	12,438,934	(3,886,246)	(2,705,531)	(2,373,818)	-	-	-	-	3,473,339	(1,453,839)	2,019,500
Operations, designated by Board of Directors	3,374,359	-	-	-	-	-	-	-	3,374,359	-	3,374,359
Total Net Assets	15,813,293	(3,886,246)	(2,705,531)	(2,373,818)	-	-	-	-	6,847,698	(1,453,839)	5,393,859
Noncontrolling interests in limited partnerships	-	-	-	-	(4,013,062)	14,588	(2,409,552)	9,850,384	3,442,358	-	3,442,358
Total Net Assets and noncontrolling interests	15,813,293	(3,886,246)	(2,705,531)	(2,373,818)	(4,013,062)	14,588	(2,409,552)	9,850,384	10,290,056	(1,453,839)	8,836,217
Total Liabilities, Net Assets and Noncontrolling Interests	**$ 14,158,472**	**$ 1,080,399**	**$ 13,983,450**	**$ 2,285,201**	**$ 7,395,838**	**$ 11,066,648**	**$ 16,167,965**	**$ 31,718,590**	**$ 97,856,563**	**$ (4,688,760)**	**$ 93,167,803**

See Independent Auditors' Report.

JERICHO PROJECT AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Jericho Project, Inc.	Jericho Project 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
Revenue and Support											
Rental revenue - subsidy and tenant	$ 368,372	$ 402,624	$ 451,752	$ 799,198	$ 951,459	$ 860,648	$ 997,754	1,618,307	$ 6,450,114	$ -	$ 6,450,114
Supportive services	14,466,497	205,840	234,952	159,090	514,005	702,314	899,159	-	17,181,857	-	17,181,857
Foundations	886,696	-	-	-	-	-	-	-	886,696	-	886,696
Corporations	547,739	-	-	-	-	-	-	-	547,739	-	547,739
Individuals	497,046	-	-	-	-	-	-	-	497,046	-	497,046
Fundraising events	235,154	-	-	-	-	-	-	-	235,154	-	235,154
Investment income	512,116	2	1	1	164	-	190	-	512,474	(72,043)	440,431
Other	2,866	352,181	552,435	-	-	211	2,002	4,780	914,475	-	914,475
Management and development fees	1,520,176	-	-	-	-	-	-	-	1,520,176	(1,520,176)	-
Total Revenue and Support	**19,036,662**	**960,647**	**1,239,140**	**958,289**	**1,465,628**	**1,563,173**	**1,899,105**	**1,623,087**	**28,745,731**	**(1,592,219)**	**27,153,512**
Expenses											
Housing service	6,563,047	619,807	896,537	973,933	1,516,427	1,411,209	1,740,055	2,881,397	16,602,412	(551,022)	16,051,390
Social service	8,843,298	312,382	318,894.00	239,281	511,622	704,373	904,515	19,180.00	11,853,545	(1,041,197)	10,812,348
Supporting services											
Management and General	2,667,699	-	-	-	-	-	-	-	2,667,699	-	2,667,699
Fundraising	589,033	-	-	-	-	-	-	-	589,033	-	589,033
Total Expenses	18,663,077	932,189	1,215,431	1,213,214	2,028,049	2,115,582	2,644,570	2,900,577	31,712,689	(1,592,219)	30,120,470
Change in net assets including noncontrolling interest	373,585	28,458	23,709	(254,925)	(562,421)	(552,409)	(745,465)	(1,277,490)	(2,966,958)	-	(2,966,958)
Change in net assets attributable to noncontrolling interest	-	-		-	562,421	552,409	745,465	1,277,490	3,137,785	-	3,137,785
Change in Net Assets Without Donor Restrictions	373,585	28,458	23,709	(254,925)	-	-	-	-	170,827	-	170,827
Net Assets Without Donor Restrictions, beginning of year	15,439,708	(3,914,704)	(2,729,240)	(2,118,893)	-	-	-	-	6,676,871	(1,453,839)	5,223,032
Net Assets Without Donor Restrictions, end of year	**$ 15,813,293**	**$ (3,886,246)**	**$ (2,705,531)**	**$ (2,373,818)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,847,698**	**$ (1,453,839)**	**$ 5,393,859**
Noncontrolling interests, beginning of year					(3,450,641)	566,997	(1,664,087)	11,127,874	6,580,143	-	6,580,143
Change in net assets attributable to noncontrolling interest					(562,421)	(552,409)	(745,465)	(1,277,490)	(3,137,785)	-	(3,137,785)
Noncontrolling interests, end of year					**$ (4,013,062)**	**$ 14,588**	**$ (2,409,552)**	**$ 9,850,384**	**$ 3,442,358**	**$ -**	**$ 3,442,358**

JERICHO PROJECT AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Program or Cluster Title	Federal Assistance Listing Number ("ALN")	Federal Expenditures
Federal Awards:		
U. S. Department of Housing and Urban Development - Supportive Housing Program	14.235/Section 8	$ 1,584,121
U. S. Department of Housing and Urban Development - Continuum of Care Program	14.267/Section 8	1,328,713
Department of Veterans Affairs - Supportive Services for Veterans Families	64.033/14-NY-250	2,866,809
Department of Veterans Affairs- Supportive Services for Veterans Families	64.033/S20-NY-600A	1,978,008
U. S. Department of Housing and Urban Development - Continuum of Care Program	14.267/NY0303	46,295
U. S. Department of Housing and Urban Development - Continuum of Care Program	14.267/NY1044	3,736,104
Total expenditures of Federal awards		11,540,050
State and City Awards:		
NYCHA SEC8		1,714,304
N.Y.S. Office of Mental Health		6,449,913
N.Y.C Human Resources Administration Department of Social Services		691,591
N.Y.C Department of Youth and Community Development		340,000
N.Y.C Human Resources Administration ("HRA")- Subcontract Home Base		810,769
Total expenditures of State and City awards		10,006,577
Total expenditures of Federal and State awards		$ 21,546,627

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2023

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 June 30, 2023. 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 June 30, 2023, there were no outstanding loans due to federal government agencies.

GELTRUDE

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 non-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2023. The financial statements of certain affiliates (89-101 West Tremont, L.P., 355-359 E. 194th Street LP, 2701 Kingsbridge Terrace LP, and 2065 Walton Ave Associates LLC, which are excluded in the reference to Jericho Project and Affiliates going forward in this report) 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.

Geltrude & Company, LLC

GELTRUDE & COMPANY, LLC

Nutley, New Jersey
November 28, 2023

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 June 30, 2023. 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 June 30, 2023.

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.

Geltrude + Company, LLC

GELTRUDE & COMPANY, LLC

Nutley, New Jersey
November 28, 2023

JERICHO PROJECT AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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

Federal Assistance Listing Number	Name of Federal Program or Cluster
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