Consolidated Financial Report

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

December 31, 2022

JERICHO ROAD
EPISCOPAL HOUSING INITIATIVE

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Consolidated Financial Report

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

December 31, 2022

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New Orleans, Louisiana

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Jericho Road Episcopal Housing Initiative, Inc. and Affiliates,
New Orleans, Louisiana.

Opinion

We have audited the accompanying consolidated financial statements of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with 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 the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules (Schedules 1 through 6) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements of the Organization. The supplementary information in Schedule 7 is presented for purposes of additional analysis, is required by Louisiana Revised Statute 24:513(A)(3) 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 consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and our report dated June 28, 2022, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Organization's 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 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 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 the Organization's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
June 27, 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

New Orleans, Louisiana

December 31, 2022
(with comparative totals for 2021)

ASSETS

	2022	2021
Current Assets		
Cash and cash equivalents	$ 159,862	$ 229,377
Grants receivable	175,450	119,975
Promises to give	-	10,000
Inventory	1,180,402	1,117,173
Prepaid expenses	16,988	13,618
Total current assets	1,532,702	1,490,143
Property and Equipment		
Office equipment	4,075	11,871
Furniture and fixtures	26,130	31,390
Vehicles	25,714	25,714
Less accumulated depreciation	(52,682)	(65,177)
Total property and equipment, net	3,237	3,798
Other Assets		
Soft second mortgage loans receivable, net	112,508	150,109
Investment in Community Project	-	59,216
Total other assets	112,508	209,325
Total assets	$ 1,648,447	$ 1,703,266

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS

	2022	2021
Current Liabilities		
Accounts payable	$ 60,773	$ 53,101
Accrued expenses	17,756	22,909
Accrued interest payable	13,316	6,310
Lines of credit	243,717	224,269
Total current liabilities	335,562	306,589
Noncurrent Liabilities		
Long-term debt	340,354	425,558
Economic Injury Disaster Loan	500,000	150,000
Total noncurrent liabilities	840,354	575,558
Total liabilities	1,175,916	882,147
Net Assets		
Without donor restrictions	472,531	821,119
Total liabilities and net assets	$ 1,648,447	$ 1,703,266

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2022
(with comparative totals for 2021)

	2022			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	2021 Totals
Support and Revenue				
Sales of homes	$ 829,700	$ -	$ 829,700	$ 764,557
Grant income	521,366	-	521,366	408,099
Contributions	41,152	-	41,152	60,177
In-kind support	89,053	-	89,053	210,882
Miscellaneous income	11,885	-	11,885	36,976
Property development income	5,652	-	5,652	3,841
Net assets released from restrictions satisfaction of restrictions	-	-	-	-
Total support and revenue	1,498,808	-	1,498,808	1,484,532
Expenses				
Program expenses:				
Cost of homes sold:				
Inventory cost	779,838	-	779,838	572,655
Closing costs paid by seller	37,572	-	37,572	13,925
Total cost of homes sold	817,410	-	817,410	586,580
Home development	619,225	-	619,225	546,080
Vacant land management	30,171	-	30,171	27,065
Community engagement	56,908	-	56,908	65,222
Total program expenses	1,523,714	-	1,523,714	1,224,947

	2022			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	2021 Totals
Expenses (Continued)				
Administrative expenses	225,105	-	225,105	237,641
Marketing/fundraising	98,577	-	98,577	107,139
Total expenses	1,847,396	-	1,847,396	1,569,727
Change net assets	(348,588)	-	(348,588)	(85,195)
Net Assets				
Beginning of year	821,119	-	821,119	906,314
End of year	$ 472,531	$ -	$ 472,531	$ 821,119

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2022
(with comparative totals for 2021)

	Program Expenses			
	Home Development	Vacant Land Management	Community Engagement	Total Program Expenses
Advertising and marketing	$ -	$ -	$ -	$ -
Amortization of soft second mortgages	37,601	-	-	37,601
Bank fees	-	-	-	-
Business registration fees	-	-	-	-
Community development contract labor	-	-	25,000	25,000
Community promotions	-	700	9,885	10,585
Computer software and equipment	414	-	-	414
Cost of cancelled properties	59,216	-	-	59,216
Cost of homes sold	817,410	-	-	817,410
Depreciation	-	-	-	-
Fundraising	-	-	-	-
Home development	107,726	-	-	107,726
Insurance	50,444	-	-	50,444
Interest	861	-	-	861
Office supplies	5,001	-	-	5,001
Payroll taxes	-	-	-	-
Postage	-	-	-	-
Printing and copying	-	-	137	137
Professional fees	60	-	-	60
Rent	15,840	1,320	3,960	21,120
Salaries and benefits	311,315	20,151	13,068	344,534
Salaries and benefits in-kind	24,287	-	4,858	29,145
Telephone expense	100	-	-	100
Travel and meetings	6,360	-	-	6,360
Vacant land management	-	8,000	-	8,000
	$ 1,436,635	$ 30,171	$ 56,908	$ 1,523,714

See notes to consolidated financial statements.

Administrative Expenses	Marketing/ Fundraising	Totals 2022	Totals 2021
$ -	$ 2,690	$ 2,690	$ 10,188
-	-	37,601	38,602
2,518	-	2,518	354
462	-	462	302
-	25,000	50,000	51,800
137	-	10,722	563
3,059	33	3,506	10,333
-	-	59,216	-
5,178	-	822,588	586,580
561	-	561	615
1,475	7,143	8,618	3,019
1,901	-	109,627	55,583
16,626	-	67,070	69,042
29,881	-	30,742	31,549
5,718	-	10,719	21,095
16,756	-	16,756	15,991
225	-	225	287
80	-	217	3,182
14,099	-	14,159	17,670
5,280	-	26,400	26,400
117,443	3,628	465,605	448,206
-	59,908	89,053	160,882
3,700	-	3,800	4,900
6	175	6,541	5,400
-	-	8,000	7,184
$ 225,105	$ 98,577	$ 1,847,396	$ 1,569,727

CONSOLIDATED STATEMENT OF CASH FLOWS

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

New Orleans, Louisiana

For the year ended December 31, 2022
(with comparative totals for 2021)

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	$ (348,588)	$ (85,195)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donation of inventory	-	50,000
Depreciation	561	615
Amortization of soft second mortgages	37,601	38,602
Cost of cancelled properties	59,216	-
Gain on homes sold	(7,112)	(177,977)
(Increase) decrease in operating assets:		
Grants receivable	(55,475)	31,700
Other receivables	-	6,663
Promises to give	10,000	(10,000)
Prepaid expenses	(3,370)	9,141
Increase (decrease) in operating liabilities:		
Accounts payable	7,672	(58,629)
Accrued expenses	(5,153)	(8,398)
Accrued interest payable	7,006	5,931
Net cash used in operating activities	(297,642)	(197,547)
Cash Flows From Investing Activities		
Proceeds from homes sold	783,164	722,732
Cost of home/lot purchased for construction	(839,281)	(473,678)
Net cash provided by (used in) investing activities	(56,117)	249,054

	2022	2021
Cash Flows From Financing Activities		
Payments on long-term debt	(85,204)	(85,000)
Borrowings from Economic Injury Disaster Loan	350,000	-
Lines of credit draws (payments), net	19,448	(29,049)
Net cash provided by (used in) financing activities	284,244	(114,049)
Net Decrease In Cash and Cash Equivalents	(69,515)	(62,542)
Cash and Cash Equivalents		
Beginning of year	229,377	291,919
End of year	$ 159,862	$ 229,377
Supplemental Disclosure of Cash Flow Information		
Cash paid for:		
Interest	$ 51,499	$ 37,781

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

December 31, 2022 and 2021

Note 1 - NATURE OF ACTIVITIES

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (the "Organization") is a neighborhood-based non-profit organization that was formed as a tax exempt organization in March 2006. It is located in New Orleans, Louisiana, and the initial and sole member of the Organization was the Diocese of the Episcopal Church of Louisiana (the "Diocese"). In October 2011, sole membership was assigned and conveyed by the Diocese to Christ Church Corporation, a Louisiana non-profit religious corporation. The primary purpose of the Organization is to provide healthy and energy efficient affordable housing opportunities in New Orleans neighborhoods for working families and individuals.

The Organization works with other non-profit organizations, businesses, governmental agencies, and neighborhood residents to create and maintain a stable and thriving community. Long-term housing strategies include new construction and rehabilitation of existing owner-occupied homes. The Organization is supported primarily through contributions and grants.

On October 8, 2014, Jericho QALICB, L.L.C., (QALICB) was established as a non-profit corporation to operate exclusively for the benefit of the Organization and to support the charitable and social purposes of the Organization and specifically to facilitate the New Markets Tax Credit transaction. Upon dissolution of the QALICB, all of its assets, in excess of those necessary to liquidate its outstanding liabilities, shall be and becomes the property of the Organization. On October 23, 2020, QALICB exercised an option to assign and transfer the debt to QALICB in full satisfaction of the initial agreement.

On November 1, 2017, the Organization became the sole member of Project Homecoming, Inc. ("Project Homecoming"). Project Homecoming is a faith-based community development non-profit organization, established in April 2010, building resilient neighborhoods in the greater New Orleans area. Project Homecoming is committed to facilitating a culture of care in targeted communities through safe, durable, affordable, and environmentally sensitive construction, community driven partnerships, service, and fellowship.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Income Taxes

The Organization is a non-profit organization organized under the laws of the State of Louisiana and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of R.S. 47.121(5).

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 31, 2022, management believes the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. Tax years ended December 31, 2019 and later remain subject to examination by the taxing authorities.

b. Basis of Accounting

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

c. Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that impact certain reported amounts and disclosures. Actual results could differ from those estimates.

d. Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as:

Net Assets without Donor Restrictions - Resources that are available to support the general operations of the Organization.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time, or net assets that are maintained permanently by the Organization. There were no net assets with donor restrictions as of December 31, 2022 and 2021.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Principles of Consolidation

The accompanying consolidated financial statements show the combined assets, liabilities and transactions of the Jericho Road Episcopal Housing Initiative, Inc., QALICB, and Project Homecoming. All intercompany transactions and resulting balances accounts have been eliminated from the consolidated financial statements.

f. Cash and Cash Equivalents

For purposes of the Consolidated Statements of Cash Flows, the Organization considers all short-term highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Unconditional promises are recorded net of an allowance for uncollectible amounts estimated by the management of the Organization. There is no allowance for uncollectible accounts as of December 31, 2022 and 2021.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were approximately $100,000 and $167,500 in conditional promises to give as of December 31, 2022 and 2021, respectively.

h. Inventory

All direct material, labor, and equipment costs and those indirect costs related to home construction such as indirect labor, supplies and tool costs are recorded as inventory on the Consolidated Statements of Financial Position as they are incurred. Land costs included in inventory are stated at cost or fair value at the date of the contribution. Included in land costs are any costs incurred in development. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the Consolidated Statements of Activities.

i. Property and Equipment

Property and equipment is stated at cost. The Organization capitalizes all costs with an estimated useful life greater than one year and an original cost in excess of $2,500. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Property and Equipment (Continued)

Depreciation is provided principally on the straight-line method, over the following estimated useful lives:

	Years
Office equipment	5
Furniture and fixtures	5-20
Vehicles	5

j. Soft Second Mortgage Loans Receivable

Soft second mortgage loans receivable consists of non-interest bearing forgivable loans secured by real estate. No repayment is required unless the borrower fails to maintain ownership of the property and resides in it as his/her principal place of residency for the duration of the applicable period of affordability, which is 15 years. In the event the borrower ceases to occupy the property, the entire amount of the loan, less any portion earned by the borrower, will be due and payable.

The borrower will earn a portion of the loan for each month that he/she owns and resides in the property as his/her principal place of residency. The borrower will earn the loan on a pro-rata basis for each month of ownership and occupancy as measured against the period of affordability.

The Organization records the earned portion on a straight-line basis. The amortization expense is included in administrative expenses in the Consolidated Statements of Activities and Changes in Net Assets.

Soft second mortgage loans receivable totaled $112,508 and $150,109, net of amortization of $466,525 and $428,924 as of December 31, 2022 and 2021, respectively.

k. Allowance for Doubtful Accounts

The allowance for doubtful accounts is estimated based on existing economic conditions and the financial stability of home buyers. Management closely monitors outstanding grants receivable and other receivables and charges off to expense any balances that are determined to be uncollectible and establishes an allowance for estimated uncollectible receivables. No allowance was deemed necessary as of December 31, 2022 and 2021.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Revenue Recognition

Revenue from Exchange Transactions: The Organization recognizes revenue in accordance with Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*", as amended. ASU No. 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its Consolidated Statements of Activities and Changes in Net Assets for the years ended December 31, 2022 and 2021:

Homes sold - The Organization's mission to provide affordable housing opportunities results in the sale of homes constructed in the course of business. The performance obligation is the delivery of the home to the customer. Revenue is recognized at the closing date of the sale of the home.

Property development income - The Organization has significant expertise in project management as it relates to the construction of affordable housing supported by private funding. The Organization offers development services to other non-profit organizations that are also developing affordable housing but do not have the level of expertise that the Organization does. The performance obligation is the delivery of services to the co-developer. Revenue is recognized at the time that services are rendered.

Costs incurred by the Organization in obtaining a contract are not capitalized. As part of the Organization's adoption of the revenue recognition guidance, the Organization elected to apply the practical expedient to recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Organization otherwise would have recognized is one year or less. These costs are included in operating expenses in the Consolidated Statements of Activities and Changes in Net Assets.

The Organization has elected to apply practical expedients to not disclose the revenue related to unsatisfied performance obligations if the contract has an original duration of one year or less, and the Organization has recognized revenue for the amount in which it has the right to bill.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Support

Contributions are recorded as contributions without donor restrictions, or contributions with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as contributions without donor restrictions.

n. Methods Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on direct identification of expense related to each function.

o. Land Development Costs

Costs that relate to land development projects are capitalized. Costs are allocated to project components by the specific identification method.

p. Warranties

The Organization provides a new home warranty in the deed of trust on the sale of new homes as required by the State of Louisiana's New Warranty Act. The warranty is for one year and is generally for defects in materials and workmanship. The Organization did not record a warranty liability because the subcontractor furnishes a warranty. The Organization would only be liable if the subcontractor fails to honor their warranty.

q. Advertising and Marketing

The Organization uses advertising and marketing to promote its programs. Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses for the years ended December 31, 2022 and 2021 totaled $2,690 and $10,188, respectively.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Recently Issued Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Consolidated Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Consolidated Statement of Activities and Changes in Net Assets and the Consolidated Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. The adoption of this standard did not have an impact on the consolidated financial statements of the Organization.

In November 2021, the FASB issued ASU No. 2021-09, "*Leases Discount Rate for Lessees That Are Not Public Business Entities*" (Topic 842) currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. Entities that have not yet adopted Topic 842 are required to adopt the amendments in this update at the same time that they adopt Topic 842. The adoption of this standard did not have an impact on the consolidated financial statements of the Organization.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Recently Issued Accounting Standards (Continued)

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, "*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*" (Topic 958). The amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for fiscal years beginning after June 15, 2021. The adoption of this standard was retrospectively applied.

s. Subsequent Events

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through June 27, 2023, which is the date the financial statements were available to be issued.

Note 3 - LIQUIDITY AND AVAILABILITY OF ASSETS

The Organization is substantially supported by restricted contributions and grants. Because a donor's or grantor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors and grantors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Annual operations are defined as activities occurring during, and included in the budget for, a fiscal year.

Note 3 - LIQUIDITY AND AVAILABILITY OF ASSETS (Continued)

The following table represents financial assets available for general expenditures within one year as of December 31, 2022 and 2021:

	2022	2021
Financial assets:		
Cash and cash equivalents	$ 159,862	$ 229,377
Grants receivable	175,450	119,975
Promises to give	-	10,000
Total financial assets, as of December 31, 2022 and 2021	335,312	359,352
Less amounts not available to be used within one year, due to:		
Contractual or donor imposed restrictions:		
Purpose restricted net assets	-	-
Financial assets available to meet general expenditures within one year	$ 335,312	$ 359,352

Note 4 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains deposits with local financial institutions. Accounts at these institutions are insured by the U.S. Federal Deposit Insurance Corporation up to $250,000 per account. The balances at times may exceed federally insured limits. As of December 31, 2022, there were no balances in excess of insured amounts.

Note 5 - INVENTORY

Inventory activity for the years ended December 31, 2022 and 2021 consist of the following components:

		2022				
Inventory Classification	# of Units	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Lots available for development	24	$ 607,623	$ 19,082	$ -	$ (50,863)	$ 575,842
Construction-in-progress	2	488,950	789,956	-	(694,946)	583,960
Completed homes	-	-	-	745,809	745,809	-
Project Homecoming	1	20,600	-	-	-	20,600
Totals		$1,117,173	$809,038	$745,809	$ -	$1,180,402

Note 5 - INVENTORY (Continued)

		2021				
Inventory Classification	# of Units	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Lots available for development	25	$ 557,107	$ 50,516	$ -	$ -	$ 607,623
Construction-in-progress	3	660,543	338,170	-	(509,763)	488,950
Completed homes	-	-	-	509,763	509,763	-
Project Homecoming	1	20,600	-	-	-	20,600
Totals		$ 1,238,250	$388,686	$ 509,763	$ -	$ 1,117,173

Inventories are stated at cost plus the estimated fair value of donated land and property at the time of donation.

Note 6 - INVESTMENT IN COMMUNITY PROJECT

Investment in Community Project was stated at cost. This investment represented costs incurred on a project to develop a community park. The property is owned by the City of New Orleans (the "City") and the Organization's plan was to enter into an agreement with the City, solicit grants and/or funds and direct the development of this property into a community park for the benefit of homeowners in the area. During the year ended December 31, 2022, it was determined that this project was no longer viable and was written off to cost of cancelled properties on the Statement of Functional Expenses.

Note 7 - LINES OF CREDIT

On June 18, 2020, the Organization entered into a construction line of credit with a maturity date of June 18, 2021. The line of credit had a balance of $119,900 as of December 31, 2020, and was paid in full during the year ending December 31, 2021. Interest on the line of credit accrued at Wall Street Journal prime rate plus 1.0% or a minimum of 4.75%. The line of credit was secured with property under construction. Interest expense on the line of credit totaled $2,796 for the year ended December 31, 2021. This interest was capitalized as inventory.

On March 6, 2020, the Organization entered into three construction lines of credit with the maturity date of September 6, 2021. One line of credit was extended through September 6, 2022, and had a balance of $73,855 and $41,455 as of December 31, 2022 and 2021, respectively. The second line of credit was paid in full upon the sale of inventory during the year ended December 31, 2021. The third line of credit with a balance of $182,814 as of December 31, 2021 was paid in full upon the sale of inventory during the year ended December 31, 2022. Interest on the lines of credit accrue at Wall Street Journal prime rate plus 1% (8.5% and 4.25% as of December 31, 2022 and 2021, respectively). The lines of credit are secured with property under construction. Interest expense on the line of credit totaled $10,684 and $3,436 for the years ended December 31, 2022 and 2021, respectively. This interest was capitalized as inventory.

Note 7 - LINES OF CREDIT (Continued)

On February 2, 2022 the Organization entered into two construction lines of credit of $150,000 each with the maturity date of February 24, 2023. One line of credit was extended through May 24, 2023, and had a balance of $141,962 as of December 31, 2022. The second line of credit was paid in full upon the sale of inventory during the year ended December 31, 2022. Interest on the lines of credit accrue at Wall Street Journal Prime rate plus 1%, with a floor of 4.75% (8.5% as of December 31, 2022). The lines of credit are secured with property under construction. Interest expense on the lines of credit totaled $9,375 for the year ended December 31, 2022. This interest was capitalized as inventory.

On January 12, 2021 the Organization entered into a line of credit with no stated maturity date. The line of credit had a balance of $27,900 as of December 31, 2022. There was no balance on this line of credit as of December 31, 2021. Interest on the line of credit accrues at 2.5%. The line of credit is secured with property under construction. Interest expense on the line of credit totaled $698 for the year ended December 31, 2022. This interest was capitalized as inventory.

Note 8 - NOTE PAYABLE

Note payable as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Note payable to Hancock Whitney Bank, executed October 16, 2014, bearing interest at 5.5%, interest payable with a balloon payment due April 30, 2024, secured by inventory.	$340,354	$425,558

Interest expense on the note payable totaled $20,685 and $25,618 for the years ended December 31, 2022 and 2021, respectively.

The maturity of long-term debt is as follows:

Year Ending December 31,	
2024	$340,354

Note 9 - ECONOMIC INJURY DISASTER LOAN

On June 23, 2020, the Organization entered into an Economic Injury Disaster Loan (EIDL) agreement administered by the United States Small Business Administration (SBA) totaling $150,000. On May 5, 2022, the Organization borrowed an additional $350,000 under this program. Interest on the loan is 2.75%. The loan requires principal and interest payments of $2,191 beginning December 22, 2022 through maturity, June 30, 2050. The loan is secured by substantially all tangible and intangible property of the Organization. The Organization has a balance outstanding of $500,000 and $150,000 as of December 31, 2022 and 2021, respectively. Interest expense on the loan totaled $10,057 and $5,931 for the years ended December 31, 2022 and 2021, respectively.

The future maturities of this loan as of December 31, 2022 are as follows:

Year Ending December 31,	
2023	$ -
2024	9,247
2025	13,018
2026	13,381
2027	13,753
Thereafter	450,601
Total	$ 500,000

Note 10 - GRANTS

During the years ended December 31, 2022 and 2021, the following grant revenue was recorded:

Grantor	2022	2021
New Orleans Redevelopment Authority	$134,200	$ -
Baptist Community Ministries	50,000	50,000
W.K. Kellogg Foundation	50,000	-
Louisiana Housing Corporation	48,158	-
Enterprise Community Partners, Inc.	47,709	189,250
Regions Foundation	40,000	-
Capital One	28,993	20,000
Greater New Orleans Foundation	28,800	-
United Way of Greater New Orleans	25,000	25,000
U.S. Department of Housing and Urban Development - Pass-through funds from Jefferson Parish	20,586	57,474
Ella West Foundation	20,000	-
The Max & Victoria Dreyfous Foundation	15,000	-
Other miscellaneous	12,920	8,000
Hancock Whitney	-	40,000
Delta Regional Authority	-	15,875
The Episcopal Church Center	-	2,500
Totals	$521,366	$408,099

Grants receivable as of December 31, 2022 and 2021 are as follows:

	2022	2021
Grants receivable:		
New Orleans Redevelopment Authority	$134,200	$ -
Regions Foundation	40,000	-
Baptist Community Ministries	1,250	-
Enterprise Community Partners	-	57,000
Hancock Whitney Bank	-	40,000
US Department of Housing and Urban Development - Pass-through funds from Jefferson Parish	-	20,475
Episcopal Diocese of Greater New Orleans	-	2,500
Totals	$175,450	$119,975

Note 11 - HOMES SOLD

During both of the years ended December 31, 2022 and 2021, three homes were sold to qualifying applicants.

	2022	2021
Homes sold	$ 829,700	$ 764,557
Less due to seller	(46,536)	(41,825)
Homes sold, net proceeds	783,164	722,732
Cost of homes sold	822,588	586,580
Less due to seller	(46,536)	(41,825)
Costs of homes sold, net	776,052	544,755
Net gain on homes sold	$ 7,112	$ 177,977

Note 12 - CONTRIBUTED NONFINANCIAL ASSETS

The Organization records the in-kind value of goods and services contributed to support various activities as support and related expenses. In-kind support for the years ended December 31, 2022 and 2021 consisted of $89,053 and $210,882 in donated goods and services, respectively. Salaries and benefits include $89,053 and $160,882 of this in-kind support for the years ended December 31, 2022 and 2021, respectively. Other in-kind support totaling $50,000 includes land donated during the year ended December 31, 2021.

Note 12 - CONTRIBUTED NONFINANCIAL ASSETS (Continued)

The Organization recognized contributed nonfinancial assets within contributions and other grants on the Consolidated Statements of Activities and Changes in Net Assets.

	Revenue Recognized 2022	Revenue Recognized 2021	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Professional fees and consultants	$ 89,053	$ 160,882	Home Development, Community Engagement, Marketing/ Fundraising	No associated donor restrictions.	The Organization estimated the fair value based on the market salary of individuals providing the services.
Lots available for development inventory	$ -	$ 50,000	Home Development	No associated donor restrictions.	The Organization estimated the fair value based on the sale price of similar property in the same neighborhood.

Note 13 - LEASE

During the years ended December 31, 2022 and 2021, the Organization leased office space under a month-to-month lease agreement from Christ Church Corporation. The monthly rent for the lease totaled $2,200. Rent expense related to the lease totaled $26,400 for both the years ended December 31, 2022 and 2021.

Note 14 - PENSION PLAN

The Organization, as an eligible sponsoring employer, participates in the Episcopal Church Lay Employees' Defined Benefit Plan. The plan is administered by the Church Pension Fund. The Organization contributes 9% of each employee's base pay. Pension expenses totaled $19,875 and $21,675 for the years ended December 31, 2022 and 2021, respectively, and covered current service costs.

The actuarial information for the plan as of March 31, 2022 and 2021 indicates that it is in compliance with the Employee Retirement Security Act (ERISA) regulations regarding funding. The assumed interest rate used in determining actuarial present values of accumulated benefits was 3.89% and 3.25% for the years ended December 31, 2022 and 2021, respectively. There were no changes in the actuarial assumption or the treatment of actuarial gains and losses. The actuarial valuation includes all plan amendments as of March 31, 2022.

Note 15 - RELATED PARTY TRANSACTIONS

For the years ended December 31, 2022 and 2021, the Organization rented office space from Christ Church Corporation (see Note 13).

Note 16 - MAJOR VENDORS

During the years ended December 31, 2022 and 2021, the Organization incurred $536,696 and $160,244, respectively, of construction expense from one major vendor which accounted for approximately 61% and 39%, respectively, of total construction expenses.

Note 17 - MAJOR GRANTORS

During the year ended December 31, 2022, the Organization received a substantial portion of its grant income from three major grantors totaling $234,200, which accounted for 45% of grant income.

During the year ended December 31, 2021, the Organization received a substantial portion of its grant income from three major grantors totaling $296,724, which accounted for 73% of grant income.

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

New Orleans, Louisiana

December 31, 2022

ASSETS

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Eliminated	Totals
Current Assets					
Cash and cash equivalents	$ 159,862	$ -	$ -	$ -	$ 159,862
Grants receivable	175,450	-	-	-	175,450
Other receivable	-	-	1,547	(1,547)	-
Inventory	1,159,802	-	20,600	-	1,180,402
Prepaid expenses	16,988	-	-	-	16,988
Total current assets	1,512,102	-	22,147	(1,547)	1,532,702
Property and Equipment					
Office equipment	1,800	-	2,275	-	4,075
Furniture and fixtures	9,421	-	16,709	-	26,130
Vehicles	-	-	25,714	-	25,714
Less accumulated depreciation	(7,984)	-	(44,698)	-	(52,682)
Total property and equipment, net	3,237	-	-	-	3,237
Other Assets					
Soft second mortgage loans receivable, net of accumulated amortization of $466,525 as of December 31, 2022	112,508	-	-	-	112,508
Total other assets	112,508	-	-	-	112,508
Total assets	$ 1,627,847	$ -	$ 22,147	$ (1,547)	$ 1,648,447

LIABILITIES AND NET ASSETS

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Eliminated	Totals
Current Liabilities					
Accounts payable	$ 58,589	$ -	$ 3,731	$ (1,547)	$ 60,773
Accrued expenses	4,613	-	13,143	-	17,756
Accrued interest	13,316	-	-	-	13,316
Lines of credit	243,717	-	-	-	243,717
Total current liabilities	320,235	-	16,874	(1,547)	335,562
Noncurrent Liabilities					
Long-term debt	340,354	-	-	-	340,354
Economic Injury Disaster Loan	500,000	-	-	-	500,000
Total noncurrent liabilities	840,354	-	-	-	840,354
Total liabilities	1,160,589	-	16,874	(1,547)	1,175,916
Net Assets					
Without donor restrictions	467,258	-	5,273	-	472,531
Total liabilities and net assets	$ 1,627,847	$ -	$ 22,147	$ (1,547)	$ 1,648,447

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

New Orleans, Louisiana

December 31, 2021

ASSETS

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Eliminated	Totals
Current Assets					
Cash and cash equivalents	$ 229,377	$ -	$ -	$ -	$ 229,377
Grants receivable	119,975	-	-	-	119,975
Other receivable	-	-	13,773	(13,773)	-
Promises to give	10,000	-	-	-	10,000
Inventory	1,096,573	-	20,600	-	1,117,173
Prepaid expenses	9,305	-	4,313	-	13,618
Total current assets	1,465,230	-	38,686	(13,773)	1,490,143
Property and Equipment					
Office equipment	3,626	-	8,245	-	11,871
Furniture and fixtures	14,681	-	16,709	-	31,390
Vehicles	-	-	25,714	-	25,714
Less accumulated depreciation	(14,509)	-	(50,668)	-	(65,177)
Total property and equipment, net	3,798	-	-	-	3,798
Other Assets					
Soft second mortgage loans receivable, net of accumulated amortization $428,924 as of December 31, 2021	150,109	-	-	-	150,109
Investment in community project	59,216	-	-	-	59,216
Total other assets	209,325	-	-	-	209,325
Total assets	$ 1,678,353	$ -	$ 38,686	$ (13,773)	$ 1,703,266

LIABILITIES AND NET ASSETS

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Eliminated	Totals
Current Liabilities					
Accounts payable	$ 48,722	$ -	$ 18,152	$ (13,773)	$ 53,101
Accrued expenses	4,612	-	18,297	-	22,909
Accrued interest	6,310	-	-	-	6,310
Line of credit loan	224,269	-	-	-	224,269
Total current liabilities	283,913	-	36,449	(13,773)	306,589
Noncurrent Liabilities					
Long-term debt, net of current portion	425,558	-	-	-	425,558
Economic Injury Disaster Loan	150,000	-	-	-	150,000
Total noncurrent liabilities	575,558	-	-	-	575,558
Total liabilities	859,471	-	36,449	(13,773)	882,147
Net Assets					
Without donor restrictions	818,882	-	2,237	-	821,119
Total liabilities and net assets	$ 1,678,353	$ -	$ 38,686	$ (13,773)	$ 1,703,266

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2022

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Totals
Support and Revenue				
Homes sold	$ 829,700	$ -	$ -	$ 829,700
Grant income	521,366	-	-	521,366
Contributions	41,148	-	4	41,152
In-kind support	89,053	-	-	89,053
Interest income	-	-	-	-
Miscellaneous income	1,823	-	10,062	11,885
Property development income	5,652	-	-	5,652
Transfers in/out	-	-	-	-
Total support and revenue	1,488,742	-	10,066	1,498,808
Expenses				
Program expenses:				
Cost of homes sold:				
Inventory costs	779,838	-	-	779,838
Closing costs paid by seller	37,572	-	-	37,572
Total costs of homes sold	817,410	-	-	817,410
Home development	613,572	-	5,653	619,225
Vacant land management	30,171	-	-	30,171
Community engagement	56,771	-	137	56,908
Total program expenses	1,517,924	-	5,790	1,523,714
Administrative expenses	224,455	-	650	225,105
Marketing/fundraising	97,987	-	590	98,577
Total expenses	1,840,366	-	7,030	1,847,396
Change net assets	(351,624)	-	3,036	(348,588)
Net Assets				
Beginning of year	818,882	-	2,237	821,119
End of year	$ 467,258	$ -	$ 5,273	$ 472,531

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2021

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Totals
Operating Revenue				
Homes sold	$ 764,557	$ -	$ -	$ 764,557
Grant income	408,099	-	-	408,099
Contributions	60,172	-	5	60,177
In-kind support	210,882	-	-	210,882
Interest income	-	-	-	-
Miscellaneous income	36,976	-	-	36,976
Property development income	3,841	-	-	3,841
Transfers in/out	12,720	(12,720)	-	-
Total support and revenue	1,497,247	(12,720)	5	1,484,532
Expenses				
Program expenses:				
Cost of homes sold:				
Inventory costs	572,655	-	-	572,655
Closing costs paid by seller	13,925	-	-	13,925
Total costs of homes sold	586,580	-	-	586,580
Home development	544,614	-	1,466	546,080
Vacant land management	26,554	-	511	27,065
Community engagement	65,193	-	29	65,222
Total program expenses	1,222,941	-	2,006	1,224,947
Administrative expenses	237,641	-	-	237,641
Marketing/ fundraising	103,565	-	3,574	107,139
Total expenses	1,564,147	-	5,580	1,569,727
Change net assets	(66,900)	(12,720)	(5,575)	(85,195)
Net Assets				
Beginning of year	885,782	12,720	7,812	906,314
End of year	$ 818,882	$ -	$ 2,237	$ 821,119

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2022

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Totals
Expenses				
Advertising and marketing	$ 2,100	$ -	$ 590	$ 2,690
Amortization of soft second mortgages	37,601	-	-	37,601
Bank fees	2,518	-	-	2,518
Business registration fees	462	-	-	462
Community development contract labor	50,000	-	-	50,000
Community promotions	10,585	-	137	10,722
Computer software and equipment	3,506	-	-	3,506
Cost of cancelled properties	59,216	-	-	59,216
Cost of homes sold	819,275	-	3,313	822,588
Depreciation	561	-	-	561
Fundraising	8,618	-	-	8,618
Home development	107,285	-	2,342	109,627
Insurance	67,070	-	-	67,070
Interest	30,742	-	-	30,742
Office supplies	10,270	-	449	10,719
Payroll taxes	16,756	-	-	16,756
Postage	225	-	-	225
Printing and copying	217	-	-	217
Professional fees	14,060	-	99	14,159
Rent	26,400	-	-	26,400
Salaries and benefits	465,605	-	-	465,605
Salaries and benefits in-kind	89,053	-	-	89,053
Telephone expense	3,700	-	100	3,800
Travel and meetings	6,541	-	-	6,541
Vacant land management	8,000	-	-	8,000
Total expenses	$ 1,840,366	$ -	$ 7,030	$ 1,847,396

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2021

	Jericho Road Episcopal Housing Initiative, L.L.C.	Jericho QALICB, L.L.C.	Project Homecoming, Inc.	Totals
Expenses				
Advertising and marketing	$ 7,151	$ -	$ 3,037	$ 10,188
Amortization of soft second mortgages	38,602	-	-	38,602
Bank fees	354	-	-	354
Business registration fees	302	-	-	302
Community development contract labor	51,800	-	-	51,800
Community promotions	563	-	-	563
Computer software and equipment	10,333	-	-	10,333
Continuing education	-	-	-	-
Cost of homes sold	586,580	-	-	586,580
Depreciation	570	-	45	615
Fundraising	3,019	-	-	3,019
Home development	55,583	-	-	55,583
Insurance	68,876	-	166	69,042
Interest	31,549	-	-	31,549
Office supplies	19,082	-	2,013	21,095
Payroll taxes	15,991	-	-	15,991
Postage	240	-	47	287
Printing and copying	3,182	-	-	3,182
Professional fees	17,528	-	142	17,670
Rent	26,400	-	-	26,400
Salaries and benefits	448,176	-	30	448,206
Salaries and benefits in-kind	160,882	-	-	160,882
Telephone expense	4,800	-	100	4,900
Travel and meetings	5,400	-	-	5,400
Vacant land management	7,184	-	-	7,184
Total expenses	$ 1,564,147	$ -	$ 5,580	$ 1,569,727

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

New Orleans, Louisiana

For the year ended December 31, 2022

Agency Head Name: Nicole Barnes, Executive Director

Purpose	
Salary	$ 100,004
Benefits - insurance	12,600
Benefits - retirement	9,000
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	425
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	$ 122,029

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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 Road Episcopal Housing Initiative, Inc. and Affiliates,
New Orleans, Louisiana.

We have audited, 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, the consolidated financial statements of Jericho Road Episcopal Housing Initiative, Inc. and Affiliates (a non-profit organization) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 27, 2023.

Report on Internal Control Over Financial Reporting

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

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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 a material weakness 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatements, 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
June 27, 2023.

SCHEDULE OF FINDINGS AND RESPONSES

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates

New Orleans, Louisiana

For the year ended December 31, 2022

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? __ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? __ Yes _X_ None reported

Noncompliance material to financial statements noted? __ Yes _X_ No

b) Federal Awards

The Organization did not expend more than $750,000 in Federal awards during the year ended December 31, 2022, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Consolidated Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings, material to the consolidated financial statements, were reported during the audit for the year ended December 31, 2022.

Compliance and Other Matters

No compliance findings, material to the consolidated financial statements, were reported during the audit for the year ended December 31, 2022.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

The Organization did not expend more than $750,000 in Federal awards during the year ended December 31, 2022, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Consolidated Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings, material to the consolidated financial statements, were reported during the audit for the year ended December 31, 2021.

Compliance and Other Matters

No compliance findings, material to the consolidated financial statements, were reported during the audit for the year ended December 31, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

The Organization did not expend more than $750,000 in Federal awards during the year ended December 31, 2021, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

MANAGEMENT'S CORRECTIVE ACTION PLAN ON CURRENT YEAR FINDINGS

Jericho Road Episcopal Housing Initiative, Inc. and Affiliates
New Orleans, Louisiana

For the year ended December 31, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Consolidated Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings, material to the consolidated financial statements, were reported during the audit for the year ended December 31, 2022.

Compliance and Other Matters

No compliance findings, material to the consolidated financial statements, were reported during the audit for the year ended December 31, 2022.

Section II - Internal Control and Compliance Material to Federal Awards

The Organization did not expend more than $750,000 in Federal awards during the year ended December 31, 2022, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2022.