

**UNITY OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

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

#### ***Opinion***

We have audited the accompanying consolidated financial statements of UNITY of Greater New Orleans, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of UNITY of Greater New Orleans, Inc. and Subsidiaries as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 Financial Statements section of our report. We are required to be independent of UNITY of Greater New Orleans, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

***Auditors' Responsibilities for the Audit of the 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 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, the *Louisiana Governmental Audit Guide*, 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.

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 UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' 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.

To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of UNITY of Greater New Orleans, Inc. and Subsidiaries as a whole. The supplementary information contained in the consolidating schedules of financial position and the consolidating schedules of activities is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513 A.(3), is also presented for the purposes of additional analysis and is also not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for the purposes of additional analysis and is also 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 supplementary information is fairly stated in all material respects in relation to the consolidated 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 December 23, 2024, on our consideration of UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' internal control over financial reporting and compliance.

New Orleans, Louisiana  
December 23, 2024

*Erickson Krentel, LLP*  
Certified Public Accountants

## **FINANCIAL STATEMENTS**

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b><u>CURRENT ASSETS:</u></b>		
Cash and cash equivalents	\$ 3,782,571	\$ 4,377,152
Grants receivable	5,617,949	3,972,055
Tenant receivables, net	116,392	137,628
Other receivables	270,933	48,755
Prepaid expenses	325,978	323,145
Restricted cash and funded reserves	<u>900,256</u>	<u>900,092</u>
Total current assets	<u>11,014,079</u>	<u>9,758,827</u>
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	<u>26,381,462</u>	<u>26,593,441</u>
<b><u>OTHER ASSETS:</u></b>		
Syndication costs	50,000	50,000
Right of use assets - operating leases, net	<u>158,920</u>	<u>161,737</u>
Total other assets	<u>208,920</u>	<u>211,737</u>
Total assets	<u><u>\$ 37,604,461</u></u>	<u><u>\$ 36,564,005</u></u>
<b><u>CURRENT LIABILITIES:</u></b>		
Accounts payable	\$ 456,045	\$ 1,049,272
Accrued liabilities	406,698	364,576
Construction and developers fee payable	81,250	81,250
Tenant deposits	88,529	93,678
Deferred revenue	29,518	37,067
Refundable advances	935,628	632
Lines of credit	310,000	100,000
Current portion of long-term debt	-	-
Current portion of operating lease liabilities	2,946	2,817
Payments due to subrecipients	<u>3,836,068</u>	<u>2,596,839</u>
Total current liabilities	<u>6,146,682</u>	<u>4,326,131</u>
<b><u>LONG-TERM LIABILITIES:</u></b>		
Operating lease liabilities, net of current portion	155,974	158,920
Long-term debt, net of current portion	<u>14,104,523</u>	<u>13,845,963</u>
Total long-term liabilities	<u>14,260,497</u>	<u>14,004,883</u>
Total liabilities	<u>20,407,179</u>	<u>18,331,014</u>
<b><u>NET ASSETS:</u></b>		
Net assets without donor restrictions:		
Controlling interest	11,653,430	11,952,742
Non-controlling interest	3,770,267	4,066,179
Net assets with donor restrictions	<u>1,773,585</u>	<u>2,214,070</u>
Total net assets	<u>17,197,282</u>	<u>18,232,991</u>
Total liabilities and net assets	<u><u>\$ 37,604,461</u></u>	<u><u>\$ 36,564,005</u></u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>REVENUE:</u></b>			
Grants	\$ 39,774,012	\$ -	\$ 39,774,012
Contributions	143,968	-	143,968
Noncash contributions	204,921	-	204,921
Rental income	1,911,929	-	1,911,929
Forgiveness of debt	426,667	-	426,667
Other revenues	248,854	-	248,854
Net assets released from restrictions	<u>440,485</u>	<u>(440,485)</u>	<u>-</u>
 Total revenue	 <u>43,150,836</u>	 <u>(440,485)</u>	 <u>42,710,351</u>
<b><u>EXPENSES:</u></b>			
Program services	39,717,063	-	39,717,063
Supportive services:			
General and administrative	3,989,564	-	3,989,564
Fundraising	<u>39,433</u>	<u>-</u>	<u>39,433</u>
 Total expenses	 <u>43,746,060</u>	 <u>-</u>	 <u>43,746,060</u>
 Change in net assets	 (595,224)	 (440,485)	 (1,035,709)
Net assets, beginning of year	<u>16,018,921</u>	<u>2,214,070</u>	<u>18,232,991</u>
Net assets, end of year	<u>\$ 15,423,697</u>	<u>\$ 1,773,585</u>	<u>\$ 17,197,282</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>REVENUE:</u></b>			
Grants	\$ 35,602,576	\$ 63,079	\$ 35,665,655
Contributions	422,038	500	422,538
Noncash contributions	139,646	-	139,646
Rental income	1,881,746	-	1,881,746
Forgiveness of debt	426,667	-	426,667
Other revenues	299,313	-	299,313
Net assets released from restrictions	<u>232,559</u>	<u>(232,559)</u>	<u>-</u>
 Total revenue	 <u>39,004,545</u>	 <u>(168,980)</u>	 <u>38,835,565</u>
<b><u>EXPENSES:</u></b>			
Program services	35,195,640	-	35,195,640
Supportive services:			
General and administrative	4,003,801	-	4,003,801
Fundraising	<u>42,044</u>	<u>-</u>	<u>42,044</u>
 Total expenses	 <u>39,241,485</u>	 <u>-</u>	 <u>39,241,485</u>
 Change in net assets	 (236,940)	 (168,980)	 (405,920)
 Net assets, beginning of year	 <u>16,255,861</u>	 <u>2,383,050</u>	 <u>18,638,911</u>
 Net assets, end of year	 <u>\$ 16,018,921</u>	 <u>\$ 2,214,070</u>	 <u>\$ 18,232,991</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 1,208,072	\$ 1,236,999	\$ 21,454	\$ 2,466,525
Fringe benefits and payroll taxes	356,393	370,084	3,736	730,213
Total salaries and related expenses	1,564,465	1,607,083	25,190	3,196,738
Conferences, conventions and meetings	8,338	25,854	-	34,192
Contracts - subrecipients	22,453,081	-	-	22,453,081
Interest expense	-	43,573	-	43,573
Client assistance	13,578,836	-	-	13,578,836
Membership dues	-	1,916	-	1,916
Warehouse and moving truck expense	35,688	-	-	35,688
Miscellaneous	53,319	9,445	-	62,764
Property operations and maintenance	1,776,542	534,565	-	2,311,107
Occupancy	-	107,108	-	107,108
Telephone	6,910	13,386	-	20,296
Property insurance and taxes	92,650	277,948	-	370,598
Office expenses and supplies	39,125	78,375	3,653	121,153
Special events	-	-	7,684	7,684
Professional fees	75,665	293,955	2,906	372,526
Provision for credit losses	29,162	-	-	29,162
Depreciation expense	-	995,261	-	995,261
Repairs and maintenance	3,282	1,095	-	4,377
Total functional expenses	\$ 39,717,063	\$ 3,989,564	\$ 39,433	\$ 43,746,060

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 990,523	\$ 1,069,067	\$ 23,269	\$ 2,082,859
Fringe benefits and payroll taxes	320,363	319,923	3,943	644,229
Total salaries and related expenses	1,310,886	1,388,990	27,212	2,727,088
Conferences, conventions and meetings	2,719	12,273	-	14,992
Contracts - subrecipients	20,358,820	-	-	20,358,820
Interest expense	-	31,312	-	31,312
Client assistance	11,487,505	-	-	11,487,505
Membership dues	-	3,710	-	3,710
Warehouse and moving truck expense	33,882	-	-	33,882
Miscellaneous	-	6,545	-	6,545
Property operations and maintenance	1,669,918	650,275	-	2,320,193
Occupancy	-	97,401	-	97,401
Telephone	6,496	14,084	-	20,580
Property insurance and taxes	33,989	351,076	-	385,065
Office expenses and supplies	85,600	14,082	-	99,682
Special events	-	-	14,832	14,832
Professional fees	200,128	374,101	-	574,229
Bad debt	5,697	-	-	5,697
Depreciation expense	-	1,024,548	-	1,024,548
Repairs and maintenance	-	35,404	-	35,404
Total functional expenses	\$ 35,195,640	\$ 4,003,801	\$ 42,044	\$ 39,241,485

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b><u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ (1,035,709)	\$ (405,920)
Adjustments to reconcile change in net assets to net cash from (used in) operating activities:		
Depreciation expense	995,261	1,024,548
Amortization expense	10,544	20,065
Forgiveness of debt	(426,667)	(426,667)
Provision for credit losses	29,162	-
Bad debt	-	5,697
(Increase) decrease in:		
Grant receivables	(1,645,894)	573,775
Tenant receivables	(7,926)	12,648
Other receivables	(222,178)	650,396
Prepaid expenses	(2,833)	(75,195)
Increase (decrease) in:		
Accounts payable	(593,227)	384,874
Accrued liabilities	42,122	(43,456)
Tenant deposits	(5,149)	(647)
Deferred revenue	(7,549)	(15,201)
Refundable advances	934,996	(48,672)
Payments due to subrecipients	<u>1,239,229</u>	<u>(421,954)</u>
Net cash from (used in) operating activities	<u>(695,818)</u>	<u>1,234,291</u>
<b><u>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</u></b>		
Purchase of property and equipment	<u>(108,599)</u>	<u>(86,728)</u>
Net cash (used in) investing activities	<u>(108,599)</u>	<u>(86,728)</u>
<b><u>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</u></b>		
Borrowings on lines of credit	2,223,353	50,510
Repayments on lines of credit	<u>(2,013,353)</u>	<u>(120,885)</u>
Net cash from (used in) financing activities	<u>210,000</u>	<u>(70,375)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(594,417)	1,077,188
Cash, cash equivalents, and restricted cash at beginning of year	<u>5,277,244</u>	<u>4,200,056</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 4,682,827</u>	<u>\$ 5,277,244</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

UNITY of Greater New Orleans, Inc. and Subsidiaries (UNITY) is a nonprofit corporation organized under the laws of the State of Louisiana. UNITY's mission is to coordinate partnerships to reduce, end, and prevent homelessness.

The subsidiaries were formed to acquire, develop, construct, and maintain housing for very low-, low-, and moderate-income individuals and families.

**Consolidated Financial Statements**

The financial statements have been consolidated to include all accounts of UNITY of Greater New Orleans and subsidiaries.

UNITY of Greater New Orleans's (UNITY GNO) wholly owned subsidiaries include the following:

- UNITY Housing, Inc., a nonprofit Louisiana corporation (UNITY Housing)
- 2222 Tulane Avenue Apartments Nonprofit, Inc., a nonprofit Louisiana corporation effective July 21, 2023 (2222 Tulane)
- 3222 Canal Street Apartments Nonprofit, Inc., a nonprofit Louisiana corporation effective July 21, 2023 (3222 Canal)
- 2101 Louisiana Apartments, LLC (2101 Louisiana), which has as its managing member, UNITY 2101 Louisiana Avenue, LLC (Louisiana Avenue), which has UNITY GNO as its sole and managing member.

The following partnership has been consolidated based on UNITY GNO's effective control as managing member:

- 0.01% interest of 2101 Louisiana Apartments, LLC (2101 Louisiana)

The accompanying consolidated financial statements are presented on a consolidated basis and significant intercompany balances and transactions have been eliminated.

**Basis of Accounting and Financial Reporting Framework**

The consolidated financial statements of UNITY have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities in accordance with accounting principles generally accepted in the United States of America promulgated by the Financial Accounting Standards Board (FASB).

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, UNITY is required to report information regarding its financial position and activities according to two classes of net assets:

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Financial Reporting Framework**

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UNITY. These net assets may be used at the discretion of the UNITY's management and the board of directors. The revenues received in conducting the mission of UNITY are included in this category.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UNITY or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated the funds be maintained in perpetuity.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, cash and cash equivalents include demand deposits, money market accounts, and highly liquid investments with an initial maturity of three months or less.

**Restricted Cash and Funded Reserves**

Restricted cash and funded reserves consist of balances in cash accounts that are required by grant, loan, and operating agreements.

**Grant Receivables**

UNITY closely monitors outstanding receivable balances and estimates an allowance for uncollectibles based on management's estimate of the collectability of receivables. At June 30, 2024 and 2023, no allowance for grants receivable was deemed necessary by management.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tenant Receivables**

Tenant receivables are stated at net realizable value as required by generally accepted accounting principles and consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. UNITY does not accrue interest on the tenant receivable balances. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of June 30, 2023, the amount recorded as the allowance for doubtful accounts from tenants was \$164,849.

On July 1, 2023, the UNITY adopted the Current Expected Credit Losses (CECL) accounting standard, as further described under the “New Accounting Standards Adopted” subheading. UNITY now maintains an allowance for credit losses based on an estimate of the losses it would incur if its tenants do not make required payments under the leases. UNITY generally requires rental payments to be made on the first of each month for rental payments, with a grace period until the 10<sup>th</sup> of the month. At the end of each month, UNITY groups its remaining tenant receivable balance on a collective (pool) basis. For tenant receivables, UNITY provides reserves for uncollectible accounts based on its receivable aging. These reserves range from 57% for amounts just past due to up to 83% for balances that are more than 90 days past due. As of June 30, 2024, the amount recorded as the allowance credit losses from tenants was \$207,871.

**Property and Equipment and Depreciation**

UNITY records property and equipment at cost. Property and equipment with acquisition costs in excess of \$5,000 are capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	20-40 years
Transportation equipment	5 years
Furniture and fixtures	5-10 years

**Debt Issuance Costs**

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is computed using the interest method and amortization expense is reported as a component of interest expense in the consolidated statements of functional expenses.

**Revenue Recognition**

**Grants**

Grant revenue is recognized as it is earned in accordance with approved agreements and contracts. Grants that contain certain compliance recapture provisions are recognized over the term of the compliance period or at the end of the compliance period, depending on the agreement.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Grants (Continued)

UNITY has been awarded a grant from the U.S. Department of Health and Human Services to provide rental assistance eligible individuals and families. The grant revenue is recognized as the required services are performed and expenses are recognized as incurred. As of June 30, 2024 and 2023, UNITY has recognized refundable advances totaling \$935,628 and \$632, respectively. These amounts represent obligations to fulfill the terms of rental assistance grant agreements and are classified as liabilities until the corresponding month in which the advance applies in accordance with the terms specified in the agreements.

Contributions and Unconditional Promises to Give

Contributed support that is restricted by the donor is reported as increases in net assets without donor restrictions if the restrictions expire (that is, when stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Noncash Contributions

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Nonfinancial assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases net assets with donor restrictions. UNITY reclassifies net assets with donor restrictions to net assets without donor restrictions each year for the amount of depreciation expense related to the donated property.

Donated services are recognized as contributions in accordance with FASB ASC 958-605-25, *Revenue Recognition for Not-for-Profit Organizations*, if the services (a) create or enhance nonfinancial assets or (b) required specialized skills, are performed by people with those skills, and would otherwise be purchased by UNITY. Volunteers donated their time and services to UNITY during the years ended June 30, 2024 and 2023. No amounts are reflected in the consolidated financial statements for such services as they do not meet the criteria for recognition.

Contributed Securities

UNITY sometimes receives investments during the year as securities are donated. These donated securities are liquidated shortly after donation in line with UNITY's policy.



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

**Rental Income**

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between UNITY and the tenants of the property are operating leases. Tenant rent charges for the current month are due on the first of that month. Tenants whom are evicted or move out are charged with damages or cleaning fees, if applicable.

**Leases**

UNITY applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. UNITY determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that UNITY will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

Lease contracts may include extension and termination options. UNITY applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, UNITY considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, UNITY reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

UNITY is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. UNITY generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

UNITY determines the incremental borrowing rate of each lease by estimating the credit rating of UNITY at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities of UNITY have been summarized on a functional basis in the consolidated statements of activities. Directly identifiable expenses are charged to programs, management and general, and fundraising. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and fringe benefits and payroll taxes, which are allocated on the basis of estimates of time and effort; occupancy and depreciation expense, which are allocated on a square footage basis; and miscellaneous, property operations and maintenance, telephone, property insurance and taxes, office expenses and supplies, and professional fees, which are allocated based on usage studies conducted annually.

**Date of Management Review**

Management has evaluated subsequent events through December 23, 2024, which is the date the consolidated financial statements were available to be issued.

**New Accounting Pronouncements Adopted**

UNITY has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "*Financial Instruments – Credit Losses (Topic 326)*." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. UNITY has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on UNITY's financial position, results of operations, or cash flows.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects UNITY's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date. However, amounts already appropriated for general expenditure within one year of the consolidated statement of financial position date have not been subtracted as unavailable.

	<u>2024</u>	<u>2023</u>
Financial assets, at year end	\$ 10,688,101	\$ 9,435,682
Less those unavailable for general expenditure within one year due to:		
Restricted cash and funded reserves (Note 5)	(900,256)	(900,092)
Donor restrictions lasting longer than 1 year	<u>(1,773,584)</u>	<u>(2,214,070)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,014,260</u>	<u>\$ 6,321,520</u>

Because a donor's restriction requires resources to be used in a particular manner or in a future period, UNITY must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of UNITY'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.

**(3) SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid for interest during the years ended June 30, 2024 and 2023 totaled \$34,632 and \$24,862, respectively.

Non-cash financing activities for the years ended June 30, 2024 and 2023, consisted of \$426,667 of annual scheduled debt forgiveness for each year by LHC, formerly LA Housing Finance Agency, for the 1602 Act of Mortgage disclosed in Note 9.

Non-cash investing and financing activities for the years ended June 30, 2024 and 2023 consisted of \$674,683 and \$548,670 of property and equipment additions through note payable financing, respectively.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(4) CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

Cash, cash equivalents, and restricted cash consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,782,571	\$ 4,377,152
Cash restricted for (Note 5):		
Operating deficit reserves	429,312	428,406
Replacement reserves	206,119	202,181
Shelter + care overhang reserves	126,991	126,166
Supportive service reserves	53,218	52,872
Tenants' security deposits	<u>84,616</u>	<u>90,467</u>
Total restricted cash	<u>900,256</u>	<u>900,092</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 4,682,827</u>	<u>\$ 5,277,244</u>

**(5) RESTRICTED CASH AND FUNDED RESERVES**

**Operating Reserves**

2222 Tulane

In accordance with original Louisiana Housing Corporation (LHC) requirements, 2222 Tulane was required to establish an operating reserve in the initial amount of \$120,000 with funds provided through the final/close out draw through the Office of Community Development (OCD) as part of the CDBG Piggyback Program Gap Financing Loan requirements. In February 2016, the OCD closed out the subsidy layering review for 2222 Tulane with an additional requirement that the operating reserve be funded at an increased amount of \$260,000 based upon six (6) months of expenses. The OCD also imposed these requirements: (1) the operating reserve is to be held by a third-party acceptable to OCD; (Initially, Butler Snow, previously Foley & Judell, as the Asset Manager on behalf of the LHC, agreed to act as that third-party but then later withdrew. 2222 Tulane later made a request to LHC to act as the third-party but the request was rejected. 2222 Tulane has made additional requests to other entities but has not been able to obtain a trustworthy third-party. The LHC and OCD are aware the organization has not been able to secure a third-party). (2) OCD's prior written approval is required to make any withdrawal from the operating reserve balance; (3) withdrawals will be limited to covering negative surplus cash, as measured by a surplus cash computation acceptable to OCD (this computation can be made at any time, not just as of December 31<sup>st</sup>); and (4) once the reserve is no longer required by the LHC, the balance must be used to repay the GAP Financing Loan.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(5) RESTRICTED CASH AND FUNDED RESERVES (CONTINUED)**

**Operating Reserves (Continued)**

**2222 Tulane (Continued)**

The final/close-out draw process with OCD was finalized in January 2017 when \$379,500 was deposited to the original 2222 Tulane checking account (“2222 Tulane Cash Account”) opened during development and managed by UNITY GNO. Inclusive of the \$379,500 amount was the \$260,000 in operating reserves. for which OCD agreed to allow the continued maintenance of the reserve funds within the 2222 Tulane Cash Account until a new Operating Reserve checking account specific for operating reserves was opened. In 2019, the property ownership was transferred to 2222 Tulane, new bank accounts were opened, including an operating reserve account (“2222 Tulane Operating Reserve Account”). In March 2020, \$260,000 was transferred from the 2222 Tulane Cash Account to the 2222 Tulane Operating Reserve Account. Tulane Cash Account until the new operating reserve checking account was opened. For the years ended June 30, 2024, and 2023 the 2222 Tulane Operating Reserve account had a balance of \$260,091 and \$260,127, respectively.

**2101 Louisiana**

In accordance with the Operating Agreement, “2101 Louisiana is required to establish and maintain an Operating Deficit Reserve Account in an amount equal to the greater of \$175,000, or an amount equal to six months of operating expenses. The Operating Deficit Reserve Account shall be held in a dual signature bank account of 2101 Louisiana requiring the signature of the Managing Members and the Administrative Member”. The funds are now maintained in the Key Bank Operating Deficit Reserve bank account, which is controlled and administered by the Investor and Administrative members. At June 30, 2024 and 2023, the Operating Deficit Reserve Account amounted to \$169,110 and \$168,012, respectively. The funding requirements on this account are calculated on an annual basis at December 31, which is 2101 Louisiana’s year end. The Administrative and Investor Members upon its authority, withdrew funds from the account in 2018 to make payment for specific company invoicing, which is why the account is not currently funded at \$175,000. To date, the Administrative and Investor Members have not required the account to be funded back to \$175,000.

**Replacement Reserves**

**2222 Tulane**

In accordance with the Louisiana State office of Community Development (OCD) CDBG Piggyback Program Gap Financing Loan Agreement and the Louisiana Housing Corporation (LHC and formerly Louisiana Housing Finance Agency) 1602 Replacement Reserve Agreement, 2222 Tulane is required to establish the Replacement Reserve in the initial amount of \$0 and, thereafter, in the amount of \$1,500 per month, or \$18,000 per year, commencing on the first month in which the project is placed in service (April 12, 2012). Effective January 2023, the Replacement Reserve annual requirement increased to \$21,000 per year or \$1,750 per month. The total amount approved for withdrawal by the LHC and OCD from the placed-in-service date of April 12, 2012 through June 30, 2024 is \$128,700. At June 30, 2024 and 2023, the Replacement Reserve balance amounted to \$96,300 and \$96,968, respectively.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(5) RESTRICTED CASH AND FUNDED RESERVES (CONTINUED)**

**Replacement Reserves (Continued)**

2222 Tulane (Continued)

Although the account balance may or may not reflect an amount equal to the cumulative monthly requirement less any approved withdrawals at UNITY GNO's fiscal year end of June 30<sup>th</sup>, it is not applicable because the Replacement Reserve annual deposit requirement is calculated annually at 2222 Tulane's fiscal year end of December 31<sup>st</sup>. It is UNITY GNO's intent to have the account fully funded to the cumulative required amount to date by December 31st annually, less any LHC and OCD approved withdrawals, provided there is adequate cash flow to complete such a transaction, as will be determined in the last month of the fiscal year.

2101 Louisiana

In accordance with the Operating Agreement, 2101 Louisiana is required to establish and maintain a Replacement Reserve Account to be funded on a monthly basis commencing in the month following the month in which completion occurs at an annual rate equal to the greater of (a) \$300 per apartment unit (which annual rate shall be adjusted on January 1 of each fifth year thereafter, to equal the product of \$300 multiplied by the CPI Adjustment as of the adjustment date), or (b) that required by the Permanent Lender. Effective January 2023 and January 2022, the investment member/general partner increased the requirement to \$16,198.33 per year or \$1,349.86 per month and \$13,428.04 per year or \$1,119 per month, respectively. The total amount approved for withdrawal by the investment member/general partner from the placed-in-service date of October 24, 2013 through June 30, 2024 is \$30,878. At June 30, 2024 and 2023, the Replacement Reserve balance amounted to \$109,819 and \$105,213, respectively. This account was fully funded as of June 30, 2023 and 2022 in an amount that reflects an amount equal to the cumulative monthly requirement less any approved withdrawals.

Although the account balance may or may not reflect an amount equal to the cumulative monthly requirement less any approved withdrawals at UNITY GNO's fiscal year end of June 30<sup>th</sup>, it is not applicable because the Replacement Reserve annual deposit requirement is calculated annually at 2101 Louisiana's fiscal year end of December 31<sup>st</sup>. It is UNITY GNO's intent to have the account fully funded to the cumulative required amount to date by December 31st annually, less any investment member and general partner approved withdrawals, provided there is adequate cash flow to complete such a transaction, as will be determined in the last month of the fiscal year.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(5) RESTRICTED CASH AND FUNDED RESERVES (CONTINUED)**

**Shelter + Care Overhang Reserve**

**2101 Louisiana**

In accordance with Section 4.6 of the Operating Agreement, the Managing Member of 2101 Louisiana shall cause 2101 Louisiana to establish a shelter + care overhang reserve (the "Shelter + Care Overhang Reserve Account") in the amount of \$123,000. The Shelter + Care Overhang Reserve Account shall be funded in full from the Investor Member Contribution made pursuant to Section 3.4D of the Operating Agreement. If at any time during the Compliance Period the Rental Assistance Contract is not renewed, or is otherwise terminated or funding is reduced, the Managing Member shall be entitled to withdraw funds from such account with the Consent of the Administrative Member to cover any operating shortfalls and/or re-tenant the Apartment Complex, if needed. Upon the expiration of the Compliance Period, the unused balance (including any accrued interest thereon) of the Shelter + Care Overhang Reserve Account shall be released as cash flow and distributed in accordance with Section 9.2A of the Operating Agreement. At June 30, 2024 and 2023, the Shelter + Care Overhang Reserve Account had a balance of \$126,991 and \$126,166, respectively. This account was adequately funded at June 30, 2024 and 2023.

**Supportive Services Reserve**

**2101 Louisiana**

In accordance with Section 4.7 of the Operating Agreement, the Managing Member of 2101 Louisiana shall cause 2101 Louisiana to establish a supportive services reserve account (the "Supportive Services Reserve Account") in the amount of \$51,610. The Supportive Services Reserve Account shall be funded in full from the Investor Member Contribution made pursuant to Section 3.4D of the Operating Agreement or other available funds. The Managing Member shall be entitled to withdraw funds from such account to fund the costs of social services required pursuant to Section 5.10 of the Operating Agreement with the Consent of the Administrative Member which shall not be unreasonably withheld, conditioned or delayed. Upon the expiration of the Compliance Period, the unused balance (including any accrued interest thereon) of the Supportive Services Reserve Account shall be released first to pay any outstanding amounts owed to the Investor Member and/or Administrative Member under any provision of the Operating Agreement, and thereafter to the Managing Member as payment of a tax credit compliance and operating deficit guaranty fee. At June 30, 2024 and 2023, the Supportive Services Reserve Account had a balance of \$53,218 and \$52,872, respectively. This account was adequately funded at June 30, 2024 and 2023.

**Tenants' Security Deposits**

Tenants' security deposits are held in a restricted cash account for each property. At June 30, 2024 and 2023, the total account balances were \$84,616 and \$90,467, respectively.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(6) GRANTS RECEIVABLE**

Grants receivable at June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Department of Housing and Urban Development	\$ 3,460,638	\$ 3,943,250
Louisiana Housing Corporation	1,861,321	-
Metropolitan Human Services Authority	<u>295,990</u>	<u>28,805</u>
	<u>\$ 5,617,949</u>	<u>\$ 3,972,055</u>

**(7) PROPERTY AND EQUIPMENT AND DEPRECIATION**

Property and equipment consists of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Buildings and improvements	\$ 37,065,105	\$ 35,733,153
Transportation equipment	133,954	133,954
Furniture and fixtures	<u>1,716,269</u>	<u>1,716,269</u>
	38,915,328	37,583,376
Less: accumulated depreciation	<u>(13,583,822)</u>	<u>(12,588,561)</u>
Net depreciable property and equipment	25,331,506	24,994,815
Construction in progress	-	548,670
Land	<u>1,049,956</u>	<u>1,049,956</u>
Total property and equipment not being depreciated	<u>1,049,956</u>	<u>1,598,626</u>
Net property and equipment	<u>\$ 26,381,462</u>	<u>\$ 26,593,441</u>

Depreciation expense for the years ended June 30, 2024 and 2023 totaled \$995,261 and \$1,024,548, respectively.

**(8) LINES OF CREDIT**

UNITY GNO obtained a revolving line of credit from Hope Federal Credit Union in the amount of \$750,000 that is utilized for working capital needs. At June 30, 2024, the outstanding balance was \$250,000. There were no amounts outstanding under this line as of June 30, 2023. Interest on outstanding balance accrues at a rate equal to the Prime Rate, 8.50% at June 30, 2024 and 8.25% at June 30, 2023, and is payable monthly. The credit line matures in July 2024, at which time any outstanding principal and accrued interest are payable in full. In October 2024, the line of credit was extended through October 2026 with an adjusted interest rate that of the prime rate as published in the Wall Street Journal plus 1.5%.



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(8) LINES OF CREDIT (CONTINUED)**

3222 Canal, as the borrower and UNITY GNO, as the guarantor, has obtained a revolving line of credit from Hancock Whitney in the amount of \$1,000,000 to bridge payments for plumbing and mechanical repairs to be paid for through City of New Orleans \$1,223,353 funding award and any other extra ordinary repair expenses that may come up. The \$1,00,000 line of credit matured annually in December and was subject for renewal. In December 2023 the line of credit was extended through March 2024 as UNITY GNO was closing out the City of New Orleans funding payments. In March 2024, the line of credit was paid down to \$60,000 and 3222 Canal and UNITY GNO chose to renew the line of credit through March 2025 at the reduced amount of \$60,000. The line of credit will be subject to renewal at each annual maturity date in March. The loan carries a variable interest rate, based on the “Prime rate for the U.S.” as published by the Wall Street Journal (8.50% at June 30, 2024 and 8.25% at June 30, 2023), and the interest rate cannot be less than 4.00%. In March 2024, the line was renewed through March 2025 in the amount of \$60,000. At June 30, 2024 and 2023 the outstanding balance was \$60,000 and \$100,000, respectively.

Interest incurred and charged to expense on the above lines of credit totaled \$30,705 and \$11,707 for the years ended June 30, 2024 and 2023, respectively, which is included in interest expense on the consolidated statements of activities.

**(9) LONG-TERM DEBT**

Long-term debt consists of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<u>Forgivable Note Payable – UNITY GNO</u>		
\$1,000,000 direct subsidy from Federal Home Loan Bank of Atlanta with an interest rate of 0% per annum; principal due only upon recapture event; forgivable at April 2029 after maintaining compliance with the Bank's Affordable Housing Program for 15 years subsequent to completion of construction of the property located at 2101 Louisiana Avenue; collateralized by property and assignment of rents and leases.	\$ 1,000,000	\$ 1,000,000
<u>Forgivable Note Payable – 3222 Canal</u>		
Note payable to Gulf Coast Housing Partnership (HOME Funds) with an interest rate of 0% per annum; principal due only upon default under HOME regulatory agreement; forgivable at February 2030 after maintaining compliance for 15 years subsequent to completion of construction of the property located at 3222 Canal Street; collateralized by property and assignment of rents.	1,000,000	1,000,000

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(9) LONG-TERM DEBT (CONTINUED)**

	<u>2024</u>	<u>2023</u>
<u>Forgivable Note Payable – 3222 Canal</u>		
Note payable to Gulf Coast Housing Partnership (FHLB AHP) with an interest rate of 0% per annum; principal due only upon recapture event; forgivable at February 2030 after maintaining compliance with the Bank's Affordable Housing Program for 15 years subsequent to completion of construction of the property located at 3222 Canal Street; collateralized by property and assignment of rents.	1,000,000	1,000,000
<u>Note Payable – 3222 Canal</u>		
Note payable to City of New Orleans with an interest rate of 0% per annum; principal due only from surplus cash; matures upon the sale or refinancing of the project, an event of default, or 35 years from project completion; collateralized by property and pledge leases and rents.	1,223,353	548,670
<u>Forgivable Note Payable – 2222 Tulane</u>		
\$862,600 HOME award from LHC, formerly LA Housing Finance Agency with a 0% interest Rate; principal is payable annually to the extent of surplus cash approved by LHC; due and payable upon noncompliance with the regulatory agreement or April 2046; collateralized by the property located at 2222 Tulane Avenue.	817,211	817,211
<u>Forgivable Note Payable – 2222 Tulane</u>		
\$7,590,000 gap financing loan from State of Louisiana, Division of Administration, Office of Community Development with a 0% interest rate; beginning July 1, 2013, annual installments of the sum of 1/3 of the first \$60,000 of surplus cash, plus 2/3 of surplus cash in excess of \$60,000; matures upon default/noncompliance or December 10, 2045; collateralized by the property located at 2222 Tulane Avenue.	7,413,184	7,413,184

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(9) LONG-TERM DEBT (CONTINUED)**

	<u>2024</u>	<u>2023</u>
<u>Forgivable Note Payable – 2222 Tulane</u>		
\$6,400,000 sub award investment agreement from LHC, formerly LA Housing Finance Agency with a 0% interest rate; matures on the earliest of (i) recapture event; (ii) default under permanent loan; (iii) December 31, 2027; reduced annually over 15 years (\$426,667 per year) if no recapture event occurs; collateralized by the property located at 2222 Tulane Avenue.	<u>1,706,663</u>	<u>2,133,330</u>
Total debt	14,160,411	13,912,395
Less amount due in one year	-	-
Less unamortized debt issuance costs	<u>(55,888)</u>	<u>(66,432)</u>
Total long-term debt	<u>\$ 14,104,523</u>	<u>\$ 13,845,963</u>

Interest incurred and charged to expense on the above notes totaled \$6,911 and \$6,342 for the years ended June 30, 2024 and 2023, respectively, which is included in interest expense on the consolidated statements of activities.

The aggregate maturities of long-term debt consist of the following at June 30, 2024:

2025	\$ -
Loans based on cash flow	9,453,748
Forgivable loans	<u>4,706,663</u>
	<u>\$ 14,160,411</u>

Loans based on cash flow are loans whereby interest is paid out of surplus cash or available cash flow. Forgivable loans are forgivable over time or certain milestones obtained specified by the loan agreements.

**(10) OPERATING LEASE**

UNITY entered into a lease agreement for a certain tract of land (leasehold site) effective March 17, 1997 and shall terminate 55 years from that date unless earlier terminated by the lessor or UNITY. The leasehold site is to be used as an elderly housing and care facility. For so long as the leasehold site is being used as an elderly housing and care facility, rent in any calendar year shall be equal to the lesser of 1.5% of rent receipts or the positive cash flow realized by UNITY, provided, however, in no event shall rent in any calendar year be less than \$10,000.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(10) OPERATING LEASE (CONTINUED)**

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 10,000	\$ 10,000
Operating cash flows from operating leases	10,000	10,000
Right-of-use assets obtained in exchange for new operating lease liabilities	-	164,430
Weighted average remaining lease term (in months)	333	345
Weighted average discount rate	4.5%	4.5%

The maturities of lease liabilities as of June 30, 2024 were as follows:

2025	\$ 10,000
2026	10,000
2027	10,000
2028	10,000
2029	10,000
Thereafter	227,500
Less: imputed interest	<u>(118,580)</u>
Present value of lease liabilities	<u>\$ 158,920</u>

**(11) RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions are available for the following purposes at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Client assistance	\$ -	\$ 227,439
Contracts - subrecipients	<u>1,773,585</u>	<u>1,986,631</u>
	<u>\$ 1,773,585</u>	<u>\$ 2,214,070</u>

The following net assets with donor restrictions were released from restrictions during the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Client assistance	\$ 227,439	\$ 110,202
Personnel	-	83,455
Planning and coordination	-	17,033
Contracts - subrecipients	<u>213,046</u>	<u>21,869</u>
	<u>\$ 440,485</u>	<u>\$ 232,559</u>

UNITY participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. UNITY's management believes that the amount of disallowances, if any, which may arise from future audits, will not be material to the consolidated financial statements.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(12) NONCONTROLLING INTEREST**

The following table reconciles the changes in net assets without donor restrictions attributable to the noncontrolling interest (investor) for 2101 Louisiana:

	<u>Total</u>	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>
Net assets without donor restrictions June 30, 2022	\$ 16,255,861	\$ 11,858,163	\$ 4,397,698
Change in net assets	<u>(236,940)</u>	<u>94,579</u>	<u>(331,519)</u>
Net assets without donor restrictions June 30, 2023	16,018,921	11,952,742	4,066,179
Change in net assets	<u>(595,224)</u>	<u>(299,312)</u>	<u>(295,912)</u>
Net assets without donor restrictions June 30, 2024	<u>\$ 15,423,697</u>	<u>\$ 11,653,430</u>	<u>\$ 3,770,267</u>

**(13) INCOME TAXES**

UNITY GNO and UNITY Housing are exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and have been classified as organizations other than a private foundation under Section 509(a)(2). 2101 Louisiana is a limited liability corporation and files a separate partnership return. 2101 Louisiana (of which UNITY GNO is the sole and managing member), the managing member for Louisiana Avenue, also files an independent return. The remaining subsidiaries are 2222 Tulane and 3222 Canal with income tax explanations further explained.

Original 2222 Tulane ownership entity, 2222 Tulane Apartments, LLC and original 3222 Canal ownership entity, 3222 Canal Apartments, LLC were considered disregarded entities under IRS guidelines and therefore their operations were considered by the IRS as tax exempt under the provisions of IRC Section 501(c)(3). In 2016, the 2222 Tulane ownership and the 3222 Canal ownership were transferred from 2222 Tulane Apartments, LLC and 3222 Canal Apartments, LLC, respectively, to UNITY Housing, which meant exemption from corporate income taxes under Section 501(c)(3) of the IRC continued. Upon the transfer of 2222 Tulane ownership and 3222 Canal ownership from UNITY Housing to their respective independent stand-alone nonprofit entities, 2222 Tulane Avenue Apartments Nonprofit, Inc. (formerly 2222 Tulane Apartments, LLC, which was converted to Inc.) and 3222 Canal Street Apartments Nonprofit, Inc. (formerly 3222 Canal Apartments, LLC, which was converted to the Inc.), respectively, on January 1, 2019, UNITY then began working on their respective independent 501(c)(3) status to be effective as of that January 1, 2019 transfer date. Both 2222 Tulane Avenue Apartments Nonprofit, Inc. and 3222 Canal Street Nonprofit, Inc. filed for separate tax exemptions under IRS Section 501(c)(3) in July 2023.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(13) INCOME TAXES (CONTINUED)**

In June 2024, both 2222 Tulane and 3222 Canal received IRS final letters granting IRC Section 501(c)(3) status effective on the 501(c)(3) application date of July 21, 2023. UNITY GNO is pursuing corrective actions with IRS to adjust the effective date of the exemption to January 1, 2019 and at the same time, UNITY GNO's accounting team is working on tax returns for the years 2019 to current. The financial positions and activities of 3222 Canal and 2222 Tulane are being reported in UNITY GNO's annual Form 990 filing through June 30, 2023 as management awaits final IRS determination.

UNITY's evaluation as of June 30, 2024 revealed no tax positions that would have a material impact on the consolidated financial statements. The 2021 through 2023 tax years remain subject to examination by the IRS. UNITY does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the consolidated financial statements.

**(14) RETIREMENT PLAN**

UNITY sponsors a defined contribution retirement plan covering all employees twenty-one years or older who have worked a minimum of six months. UNITY decides the amount, if anything, to contribute each year to the individual retirement accounts for the eligible employees based on a percentage of annual compensation. The Board of Directors approved a contribution of \$103,460 and \$98,854 for the years ended June 30, 2024 and 2023, respectively.

**(15) COMMITMENTS AND CONTINGENCIES**

**Grants**

UNITY received certain grant revenues, which require compliance with certain provisions stated in the instrument of the grant. Failure to comply with these provisions could result in a request for the return of funds to the grantor. Although, this is a possibility, UNITY's management deems the contingency remote since, in management's opinion, the UNITY has fully complied with the provisions of the grants.

**Developer Fees**

2222 Tulane, 2101 Louisiana, and 3222 Canal entered into a co-developer agreement for the development of each apartment building. Included in construction and developers fee payable on the consolidated statements of financial position are \$81,250 of unpaid fees at June 30, 2024 and 2023.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(15) COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Management Fees**

2222 Tulane, 2101 Louisiana, and 3222 Canal entered into a management agreement with HRI Management Corporation (HRI) requiring monthly payments of the greater of \$7,500 (\$2,500 per property) or 6% of gross revenues. However, in September 2023, HRI and UNITY negotiated a deal to reduce the unpaid 3222 Canal monthly management fees retroactively and prospectively to a fixed rate of \$2,500 per month. The agreement automatically renews annually for one year on the anniversary effective date each year unless terminated by written notification. Unpaid HRI management fees included in accounts payable on the consolidated statements of financial position, amounted to \$5,515 June 30, 2024. Unpaid HRI management fees included in accounts payable on the consolidated statements of financial position, amounted to \$65,380, of which \$60,000 relates to 3222 Canal's unpaid balance, at June 30, 2023. For the years ended June 30, 2024 and 2023, HRI management fees incurred totaled \$62,040 and \$82,649, respectively, and is included in property operations and maintenance on the consolidated statements of functional expenses.

**Pending Sale of Operating Lease Land**

During 2024, the lessor of the ground lease described in Note 10 put the property up for sale, stipulating that the property is subject to a long-term lease. In September 2024, UNITY contracted with an architect to assess the potential costs of purchasing and repairing the land and other buildings on the property to determine whether UNITY should purchase or continue to lease. The assessment is expected to be completed in January 2025. As of the report date, the property has not been sold and the lease continues to operate in accordance with the lease agreement.

**Legal Proceedings**

UNITY is involved in litigation and other legal proceedings arising in the ordinary course of its business. The ultimate extent of liability, if any, with respect to such matters, as well as the timing of any potential cash disbursements, cannot be predicted with certainty. However, the eventual resolution of these matters is not expected to have a material adverse effect on UNITY's consolidated financial position, results of consolidated operations, or consolidated cash flows. The UNITY carries commercial insurance in order to insure itself against claims resulting from certain litigation or other legal proceedings.

**(16) RELATED PARTY TRANSACTIONS**

For the years ended June 30, 2024 and 2023, UNITY received contributions of \$20,600 and \$34,450 from board of directors members, respectively.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

**(17) BOARD OF DIRECTORS COMPENSATION**

The Board of Directors is a voluntary board; therefore no compensation was paid to any board member during the years ended June 30, 2024 and 2023.

**(18) CONCENTRATIONS OF CREDIT RISK**

UNITY maintains cash in bank deposit accounts at various financial institutions. The Federal Deposit Insurance Corporation (FDIC) ensures the accounts held at member institutions up to \$250,000. The balances at times may exceed federally insured limits. At June 30, 2024 and 2023, UNITY had \$2,258,095 and \$1,982,064, respectively, of cash in excess of amounts covered by the FDIC. UNITY also maintains cash in money market accounts at an investment institution. The Securities Investor Protection Corporation (SIPC) insures accounts at each member institution up to \$500,000. At June 30, 2024 and 2023, UNITY had \$1,075,132 and \$1,961,166, respectively, in excess of the SIPC coverage. UNITY has not experienced any losses in these accounts.

The subsidiary LLCs' operations are concentrated in the low-income real estate market. In addition, the LLCs operate in a heavily regulated environment subject to administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance authority.

**(19) ECONOMIC DEPENDENCY**

UNITY receives the majority of its revenue from funds provided through direct grants from the U.S. Department of Housing and Urban Development, the U.S. Department of Health and Human Services and pass-through grants from the State of Louisiana and the City of New Orleans.

The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of funds UNITY receives could be reduced significantly and have an adverse impact on its operations. As of the report date, management was not aware of any actions taken that would adversely affect the amount of funds to be received in the next fiscal year. UNITY's support through federal grants totaled approximately 92% of revenue for each of the years ended June 30, 2024 and 2023.

**(20) RECLASSIFICATIONS**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.



## **SUPPLEMENTARY INFORMATION**

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF FINANCIAL POSITION**  
JUNE 30, 2024

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b><u>CURRENT ASSETS:</u></b>							
Cash and cash equivalents	\$ 3,140,506	\$ 37,296	\$ 42,865	\$ 531,348	\$ 30,556	\$ -	\$ 3,782,571
Grants receivable	5,617,949	-	-	-	-	-	5,617,949
Tenant receivables, net	-	-	30,093	19,401	66,898	-	116,392
Other receivables	245,438	-	25,467	28	-	-	270,933
Prepaid expenses	2,141	-	95,950	118,895	108,992	-	325,978
Due from affiliates	178,033	21,898	17,683	131,113	62,557	(411,284)	-
Restricted cash and funded reserves	-	-	477,027	388,854	34,375	-	900,256
Total current assets	9,184,067	59,194	689,085	1,189,639	303,378	(411,284)	11,014,079
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	1,192,253	110,362	7,511,933	11,060,292	6,536,163	(29,541)	26,381,462
<b><u>OTHER ASSETS:</u></b>							
Note receivable	3,390,715	-	-	-	-	(3,390,715)	-
Syndication costs	-	-	50,000	-	-	-	50,000
Investment in affiliate	865,000	-	-	-	-	(865,000)	-
Right of use assets - operating leases, net	-	-	-	-	158,920	-	158,920
Total other assets	4,255,715	-	50,000	-	158,920	(4,255,715)	208,920
Total assets	\$ 14,632,035	\$ 169,556	\$ 8,251,018	\$ 12,249,931	\$ 6,998,461	\$ (4,696,540)	\$ 37,604,461
<b><u>CURRENT LIABILITIES:</u></b>							
Accounts payable	\$ 154,038	\$ 17,623	\$ 45,355	\$ 54,949	\$ 184,080	\$ -	\$ 456,045
Accrued liabilities	116,170	-	123,201	85,234	82,093	-	406,698
Construction and developers fee payable	-	-	56,233	-	81,250	(56,233)	81,250
Tenant deposits	-	4,228	17,889	33,021	33,391	-	88,529
Deferred revenue	-	-	3,732	25,786	-	-	29,518
Refundable advances	935,628	-	-	-	-	-	935,628
Due to affiliates	101,953	3,478	2,111	2,430	216,306	(326,278)	-
Lines of credit	250,000	-	-	-	60,000	-	310,000
Current portion of long-term debt	-	-	-	-	-	-	-
Current portion of operating lease liabilities	-	-	-	-	2,946	-	2,946
Payments due to subrecipients	3,836,068	-	-	-	-	-	3,836,068
Total current liabilities	5,393,857	25,329	248,521	201,420	660,066	(382,511)	6,146,682
<b><u>LONG-TERM LIABILITIES:</u></b>							
Operating lease liabilities, net of current portion	-	-	-	-	155,974	-	155,974
Long-term debt, net	1,000,000	-	3,367,581	9,903,781	3,223,353	(3,390,192)	14,104,523
Total long-term liabilities	1,000,000	-	3,367,581	9,903,781	3,379,327	(3,390,192)	14,260,497
Total liabilities	6,393,857	25,329	3,616,102	10,105,201	4,039,393	(3,772,703)	20,407,179
<b><u>NET ASSETS:</u></b>							
Net assets without donor restrictions:							
Controlling interest	6,464,593	144,227	864,649	2,144,730	2,959,068	(923,837)	11,653,430
Non-controlling interest	-	-	3,770,267	-	-	-	3,770,267
Net assets with donor restrictions	1,773,585	-	-	-	-	-	1,773,585
Total net assets	8,238,178	144,227	4,634,916	2,144,730	2,959,068	(923,837)	17,197,282
Total liabilities and net assets	\$ 14,632,035	\$ 169,556	\$ 8,251,018	\$ 12,249,931	\$ 6,998,461	\$ (4,696,540)	\$ 37,604,461

(See Independent Auditors' Report)

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF FINANCIAL POSITION (CONTINUED)**  
JUNE 30, 2023

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b><u>CURRENT ASSETS:</u></b>							
Cash and cash equivalents	\$ 3,578,128	\$ 45,325	\$ 135,616	\$ 611,343	\$ 6,740	\$ -	\$ 4,377,152
Grants receivable	3,423,385	-	-	-	548,670	-	3,972,055
Tenant receivables, net	-	-	40,082	16,264	81,282	-	137,628
Other receivables	38,353	-	10,402	-	-	-	48,755
Prepaid expenses	1,987	-	70,306	130,339	120,513	-	323,145
Due from affiliates	180,662	48,844	17,828	75,562	33,578	(356,474)	-
Restricted cash and funded reserves	-	-	471,286	393,008	35,798	-	900,092
Total current assets	7,222,515	94,169	745,520	1,226,516	826,581	(356,474)	9,758,827
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	1,278,504	105,068	7,714,271	11,434,158	6,090,981	(29,541)	26,593,441
<b><u>OTHER ASSETS:</u></b>							
Note receivable	3,355,384	-	-	-	-	(3,355,384)	-
Syndication costs	-	-	50,000	-	-	-	50,000
Investment in affiliate	865,000	-	-	-	-	(865,000)	-
Right of use assets - operating leases, net	-	-	-	-	161,737	-	161,737
Total other assets	4,220,384	-	50,000	-	161,737	(4,220,384)	211,737
Total assets	\$ 12,721,403	\$ 199,237	\$ 8,509,791	\$ 12,660,674	\$ 7,079,299	\$ (4,606,399)	\$ 36,564,005
<b><u>CURRENT LIABILITIES:</u></b>							
Accounts payable	\$ 169,827	\$ 12,351	\$ 55,061	\$ 40,133	\$ 771,900	\$ -	\$ 1,049,272
Accrued liabilities	105,887	-	102,769	65,041	90,879	-	364,576
Construction and developers fee payable	-	-	56,233	-	81,250	(56,233)	81,250
Tenant deposits	-	4,228	19,023	35,649	34,778	-	93,678
Deferred revenue	-	-	16,602	20,465	-	-	37,067
Refundable advances	632	-	-	-	-	-	632
Due to affiliates	100,250	4,736	2,010	2,228	162,366	(271,590)	-
Lines of credit	-	-	-	-	100,000	-	100,000
Current portion of long-term debt	-	-	-	-	-	-	-
Current portion of operating lease liabilities	-	-	-	-	2,817	-	2,817
Payments due to subrecipients	2,596,839	-	-	-	-	-	2,596,839
Total current liabilities	2,973,435	21,315	251,698	163,516	1,243,990	(327,823)	4,326,131
<b><u>LONG-TERM LIABILITIES:</u></b>							
Operating lease liabilities, net of current portion	-	-	-	-	158,920	-	158,920
Long-term debt, net	997,706	-	3,327,235	10,327,736	2,548,670	(3,355,384)	13,845,963
Total long-term liabilities	997,706	-	3,327,235	10,327,736	2,707,590	(3,355,384)	14,004,883
Total liabilities	3,971,141	21,315	3,578,933	10,491,252	3,951,580	(3,683,207)	18,331,014
<b><u>NET ASSETS:</u></b>							
Net assets without donor restrictions:							
Controlling interest	6,536,192	177,922	864,679	2,169,422	3,127,719	(923,192)	11,952,742
Non-controlling interest	-	-	4,066,179	-	-	-	4,066,179
Net assets with donor restrictions	2,214,070	-	-	-	-	-	2,214,070
Total net assets	8,750,262	177,922	4,930,858	2,169,422	3,127,719	(923,192)	18,232,991
Total liabilities and net assets	\$ 12,721,403	\$ 199,237	\$ 8,509,791	\$ 12,660,674	\$ 7,079,299	\$ (4,606,399)	\$ 36,564,005

(See Independent Auditors' Report)

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b><u>REVENUE:</u></b>							
Grants	\$ 39,100,538	\$ 192,339	\$ 220,322	\$ 46,023	\$ 214,790	\$ -	\$ 39,774,012
Contributions	143,968	-	-	-	116,723	(116,723)	143,968
Noncash contributions	204,921	-	-	-	-	-	204,921
Rental income	-	-	424,148	673,077	814,704	-	1,911,929
Forgiveness of debt	-	-	-	426,667	-	-	426,667
Other revenues	311,427	60,472	2,898	(567)	272	(125,648)	248,854
	<u>39,760,854</u>	<u>252,811</u>	<u>647,368</u>	<u>1,145,200</u>	<u>1,146,489</u>	<u>(242,371)</u>	<u>42,710,351</u>
<b><u>EXPENSES:</u></b>							
Salaries	2,466,525	28,937	18,820	18,929	1,986	(68,672)	2,466,525
Fringe benefits and payroll taxes	730,213	9,491	5,284	5,312	659	(20,746)	730,213
Conferences, conventions and meetings	34,192	-	-	-	-	-	34,192
Contracts - subrecipients	22,453,081	-	-	-	-	-	22,453,081
Interest expense	4,764	-	41,124	2,712	30,558	(35,585)	43,573
Client assistance	13,578,836	-	-	-	-	-	13,578,836
Membership dues	1,894	-	11	11	-	-	1,916
Warehouse and moving truck expense	35,688	-	-	-	-	-	35,688
Miscellaneous	126,650	-	30,498	21,799	540	(116,723)	62,764
Property operations and maintenance	173,094	225,678	443,813	600,112	868,410	-	2,311,107
Occupancy	107,108	-	-	-	-	-	107,108
Telephone	20,296	-	-	-	-	-	20,296
Property insurance and taxes	-	12,470	90,827	127,287	140,014	-	370,598
Office expenses and supplies	113,254	1,305	1,313	2,567	2,714	-	121,153
Special events	7,684	-	-	-	-	-	7,684
Professional fees	307,869	5,370	3,089	8,762	47,436	-	372,526
Provision for credit losses	-	-	30,033	5,807	(6,678)	-	29,162
Depreciation and amortization	111,790	3,255	276,849	373,866	229,501	-	995,261
Repairs and maintenance	-	-	1,649	2,728	-	-	4,377
	<u>40,272,938</u>	<u>286,506</u>	<u>943,310</u>	<u>1,169,892</u>	<u>1,315,140</u>	<u>(241,726)</u>	<u>43,746,060</u>
Total expenses							
Change in net assets	(512,084)	(33,695)	(295,942)	(24,692)	(168,651)	(645)	(1,035,709)
Net assets, beginning of year	8,750,262	177,922	4,930,858	2,169,422	3,127,719	(923,192)	18,232,991
Net assets, end of year	<u>\$ 8,238,178</u>	<u>\$ 144,227</u>	<u>\$ 4,634,916</u>	<u>\$ 2,144,730</u>	<u>\$ 2,959,068</u>	<u>\$ (923,837)</u>	<u>\$ 17,197,282</u>

(See Independent Auditors' Report)

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b><u>REVENUE:</u></b>							
Grants	\$ 34,919,137	\$ 247,075	\$ 204,632	\$ 149,905	\$ 144,906	\$ -	\$ 35,665,655
Contributions	322,538	50,000	-	-	50,000	-	422,538
Noncash contributions	139,646	-	-	-	-	-	139,646
Rental income	-	-	419,938	631,316	830,492	-	1,881,746
Forgiveness of debt	-	-	-	426,667	-	-	426,667
Other revenues	308,261	60,691	2,017	17,540	1,619	(90,815)	299,313
	<u>35,689,582</u>	<u>357,766</u>	<u>626,587</u>	<u>1,225,428</u>	<u>1,027,017</u>	<u>(90,815)</u>	<u>38,835,565</u>
<b><u>EXPENSES:</u></b>							
Salaries	2,082,097	28,092	24,258	29,945	11,105	(92,638)	2,082,859
Fringe benefits and payroll taxes	644,226	9,141	6,148	7,081	2,070	(24,437)	644,229
Conferences, conventions and meetings	14,992	-	-	-	-	-	14,992
Contracts - subrecipients	20,358,820	-	-	-	-	-	20,358,820
Interest expense	2,294	-	40,054	5,220	18,259	(34,515)	31,312
Client assistance	11,487,505	-	-	-	-	-	11,487,505
Membership dues	3,661	-	37	12	-	-	3,710
Warehouse and moving truck expense	33,882	-	-	-	-	-	33,882
Miscellaneous	10,808	109	(4,505)	(62,612)	133	62,612	6,545
Property operations and maintenance	185,327	212,993	453,439	635,422	833,012	-	2,320,193
Occupancy	97,401	-	-	-	-	-	97,401
Telephone	20,580	-	-	-	-	-	20,580
Property insurance and taxes	-	74,914	87,603	107,915	114,633	-	385,065
Office expenses and supplies	91,486	2,228	612	2,377	2,979	-	99,682
Special events	14,832	-	-	-	-	-	14,832
Professional fees	485,299	600	30,557	14,010	43,763	-	574,229
Bad debt expense (recovery)	-	-	7,996	7,267	(9,566)	-	5,697
Depreciation and amortization	111,975	1,171	307,610	374,291	229,501	-	1,024,548
Repairs and maintenance	116	-	4,329	30,959	-	-	35,404
	<u>35,645,301</u>	<u>329,248</u>	<u>958,138</u>	<u>1,151,887</u>	<u>1,245,889</u>	<u>(88,978)</u>	<u>39,241,485</u>
Total expenses							
Change in net assets	44,281	28,518	(331,551)	73,541	(218,872)	(1,837)	(405,920)
Net assets, beginning of year	8,705,981	149,404	5,262,409	2,095,881	3,346,591	(921,355)	18,638,911
Net assets, end of year	<u>\$ 8,750,262</u>	<u>\$ 177,922</u>	<u>\$ 4,930,858</u>	<u>\$ 2,169,422</u>	<u>\$ 3,127,719</u>	<u>\$ (923,192)</u>	<u>\$ 18,232,991</u>

(See Independent Auditors' Report)

**Schedule "3"**

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF COMPENSATION, BENEFITS,**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Martha Kegel Executive Director	
	<hr/>	
Time served	07/01/2023 - 06/30/2024	
Salary	\$	144,385
Benefits - insurance (health and dental)		14,201
Benefits - retirement		7,219
Benefits - insurance (LTD/STD/Life)		1,925
Benefits - cell phone		863
Travel		15
Registration fees		391
Conference travel		570
Membership		448
	<hr/>	
Total compensation, benefits, and other payments	\$	<u><u>170,017</u></u>

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



**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 Governing Board of  
UNITY of Greater New Orleans and Subsidiaries  
New Orleans, Louisiana

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 UNITY of Greater New Orleans, Inc. and Subsidiaries (a nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2024 and the related consolidated statements of activities, 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 December 23, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of UNITY of Greater New Orleans, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of UNITY of Greater New Orleans, Inc. and Subsidiaries' 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.



To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

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

As part of obtaining reasonable assurance about whether UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 consolidated 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UNITY of Greater New Orleans, Inc. and Subsidiaries' internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

New Orleans, Louisiana  
December 23, 2024

  
Certified Public Accountants

## **SINGLE AUDIT SECTION**



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

To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

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

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

We have audited UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' major federal programs for the year ended June 30, 2024. UNITY of Greater New Orleans, Inc. and Subsidiaries' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, UNITY of Greater New Orleans, Inc. and Subsidiaries 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, 2024.

***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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of UNITY of Greater New Orleans, Inc. and Subsidiaries 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' compliance with the compliance requirements referred to above.

To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

### ***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 UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of UNITY of Greater New Orleans, Inc. and Subsidiaries' 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 UNITY of Greater New Orleans, Inc. and Subsidiaries' internal control over compliance. Accordingly, no such opinion is expressed.

To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

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 Auditor's 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

New Orleans, Louisiana  
December 23, 2024

*Erickson Krentel, LLP*  
Certified Public Accountants

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal AL Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Subrecipient Costs	Loan Balance
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Continuum of Care Program	14.267	various	\$ 23,337,259	\$ 20,432,495	\$ -
<i>Pass-through State of Louisiana, Louisiana Housing Corporation:</i>					
Continuum of Care Program	14.267	various	11,819,762	-	817,211
<i>Pass-through Metropolitan Human Services District:</i>					
Continuum of Care Program	14.267	LA0086L6H032013	1,431,967	407,569	-
Total Continuum of Care Program			36,588,988	20,840,064	817,211
<i>Pass-through City of New Orleans:</i>					
Community Development Block Grants/State's Program	14.228	K-23-128	674,683	-	1,223,353
<i>Pass-through State of Louisiana, Office of Community Development:</i>					
Community Development Block Grants/State's Program	14.228		-	-	7,413,184
Total Community Development Block Grants/State's Program			674,683	-	8,636,537
<i>Pass-through City of New Orleans:</i>					
COVID-19 Emergency Solutions Grant Program	14.231	various	18,126	400	-
<i>Pass-through Gulf Coast Housing Partnership:</i>					
HOME Investment Partnerships Program (HOME)	14.239	2011-2012-25 HOME	-	-	1,000,000
Housing Opportunities for People with AIDS	14.241	various	277,249	268,900	-
Total U.S. Department of Housing and Urban Development			37,559,046	21,109,364	10,453,748
<b><u>U.S. Department of Treasury</u></b>					
<i>Pass-through State of Louisiana, Louisiana Housing Corporation:</i>					
Emergency Rental Assistance Program (ERAP) (COVID)	21.023	HEMCVJ68Z6L4	1,766,212	645,973	-
Total U.S. Department of Treasury			1,766,212	645,973	-
<b><u>U.S. Department of Health and Human Services</u></b>					
<i>Pass-through Metropolitan Human Services District:</i>					
Projects for Assistance in Transition from Homelessness (PATH)	93.150		164,873	-	-
Total U.S. Department of Health and Human Services			164,873	-	-
Total Expenditures of Federal Awards			\$ 39,490,131	\$ 21,755,337	\$ 10,453,748

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**(1) BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of UNITY of Greater New Orleans, Inc. and Subsidiaries (UNITY) under programs of the federal government for the year ended June 30, 2024. The information in the 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 UNITY, it is not intended to and does not present the financial position, changes in net assets, or cash flows of UNITY.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Expense Recognition**

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 allowed or are limited as to reimbursement.

**Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by UNITY. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements and expenditures will be reversed in the remaining grant period.

**Pass-Through Entity Information**

Pass-through entity identifying numbers are presented where available.

**Payments to Subrecipients**

Payments to subrecipients are disclosed on the schedule of expenditures of federal awards for the year ended June 30, 2024.

**(3) NOTES PAYABLE – FEDERAL AWARDS**

As further disclosed in Note 9 to the consolidated financial statements, UNITY has an outstanding gap financing loan with the State of Louisiana, Division of Administration Office of Community Development (AL No. 14.228), originating in December 2010 with a 0% interest rate and principal balance of \$7,413,184 at June 30, 2024.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**(3) NOTES PAYABLE – FEDERAL AWARDS (CONTINUED)**

As further disclosed in Note 9 to the consolidated financial statements, 3222 Canal Apartments Nonprofit, Inc., a wholly-owned subsidiary, executed a promissory note bearing interest of 0% payable to Gulf Coast Housing Partnership, Inc. (HOME funds) (AL No. 14.239) with a balance of \$1,000,000 at June 30, 2024. Additionally, 3222 Canal Apartments Nonprofit, Inc. executed a promissory note bearing interest at 0% payable to the City of New Orleans from Community Development Block Grants (AL No. 14.228) with a balance of \$1,223,353 at June 30, 2024.

As further disclosed in Note 9 to the consolidated financial statements, 2222 Tulane Apartments Nonprofit, Inc., a wholly-owned subsidiary, executed a promissory note bearing interest of 0% payable to Louisiana Housing Corporation (AL No. 14.267) with a balance of \$817,211 at June 30, 2024.

**(4) NOTES RECEIVABLE**

On September 7, 2012, 2101 Louisiana Apartments, LLC, a consolidated subsidiary, executed a promissory note bearing interest of 1.5% in the amount of \$2,030,000 payable to UNITY of Greater New Orleans, Inc. There were no expenditures required to be reported on the schedule of expenditures of federal awards as AL #14.256, Neighborhood Stabilization Program 2, for the year ended June 30, 2024. This loan balance is eliminated on the consolidated statements of financial position.

**(5) INDIRECT COST RATE**

UNITY has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**I. SUMMARY OF AUDITORS' REPORTS**

1. The auditors' report expresses an unmodified opinion on the consolidated financial statements of UNITY of Greater New Orleans, Inc. and Subsidiaries.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the consolidated financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of UNITY of Greater New Orleans, Inc. and Subsidiaries were reported in the 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for UNITY of Greater New Orleans, Inc. and Subsidiaries expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. A management letter was not issued for the year ended June 30, 2024.
8. The programs tested as major programs were AL #14.267 Continuum of Care and AL #21.023 Emergency Rental Assistance Program.
9. The threshold for distinguishing Type A programs was \$1,184,704.
10. UNITY of Greater New Orleans, Inc. and Subsidiaries qualified as a low-risk auditee.

**II. FINDINGS - FINANCIAL STATEMENT AUDIT**

None noted

**III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

None noted

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**SECTION I    FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

None noted

**SECTION II    FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR  
FEDERAL AWARD PROGRAMS**

None noted

**SECTION III    MANAGEMENT LETTER**

None noted

**LOUISIANA LEGISLATIVE AUDITOR**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2024**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Governing Board of  
UNITY of Greater New Orleans, Inc. and Subsidiaries  
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2024. UNITY of Greater New Orleans, Inc. and Subsidiaries' (UNITY) management is responsible for those C/C areas identified in the AUPs.

UNITY has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by UNITY to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of UNITY and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUP's, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

December 23, 2024  
New Orleans, Louisiana

*Erickson Krentel, LLP*

Certified Public Accountants

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES  
AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED JUNE 30, 2024

**WRITTEN POLICIES AND PROCEDURES**

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including (1) preparing, (2) adopting, (3) monitoring, and (4) amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including (1) processing, (2) reviewing, and (3) approving.
  - d) ***Receipts/Collections***, including (1) receiving, (2) recording, and (3) preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - h) ***Credit Cards (and debit cards, fuel cards, purchase-cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

**WRITTEN POLICIES AND PROCEDURES (CONTINUED)**

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** No exceptions were found as a result of performing the procedures.

**BOARD OR FINANCE COMMITTEE**

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Results:** No exceptions were found as a result of performing the procedures.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**AGREED-UPON PROCEDURES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**BANK RECONCILIATIONS**

3. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** No exceptions were found as a result of performing the procedures.

**COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)**

4. **Procedures:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

**COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)**

- c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. **Procedures:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were found as a result of performing the procedures.

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

8. **Procedures:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).



UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,  
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. **Procedures:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Results:** No exceptions were found as a result of performing the procedures.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

**CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**

12. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. **Procedures:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. **Procedures:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** No exceptions were found as a result of performing the procedures.

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)**

15. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)**

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures (procedure #1g).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions were found as a result of performing the procedures.

**CONTRACTS**

16. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, the documented approval).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** No exceptions were found as a result of performing the procedures.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**AGREED-UPON PROCEDURES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**PAYROLL AND PERSONNEL**

17. **Procedures:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. **Procedures:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
19. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. **Procedures:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** No exceptions were found as a result of performing the procedures.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**AGREED-UPON PROCEDURES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**ETHICS**

21. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
  - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. **Procedures:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Results:** The Organization is a not for profit and is not subject to the ethics requirements.

**DEBT SERVICE**

23. **Procedures:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. **Procedures:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** No exceptions were found as a result of performing the procedures.

**FRAUD NOTICE**

25. **Procedures:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled, as required by R.S. 24:523.
26. **Procedures:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** No exceptions were found as a result of applying the procedures.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES  
AGREED-UPON PROCEDURES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

**INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY**

27. **Procedures:** Perform the following procedures verbally discuss the results with management and report "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. **Procedures:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. **Procedures:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training, and
  - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

**Results:** We performed the procedures and discussed the results with management.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**AGREED-UPON PROCEDURES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**PREVENTION OF SEXUAL HARASSMENT**

30. **Procedures:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. **Procedures:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. **Procedures:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Results:** The Organization as a not for profit and is not subject to the sexual harassment law or training requirements.