

UNITY OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



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, 2025 and 2024, 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 consolidated financial position of UNITY of Greater New Orleans, Inc. and Subsidiaries as of June 30, 2025 and 2024, and the consolidated changes in its net assets and its consolidated 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, the consolidating schedules of activities, and 3222 Canal Street Apartments Nonprofit, Inc.'s computation of surplus cash 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 18, 2025, 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 18, 2025


Certified Public Accountants

CONSOLIDATED FINANCIAL STATEMENTS

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 2,392,287	\$ 3,782,571
Grants receivable	5,531,436	5,617,949
Tenant receivables, net	109,953	116,392
Other receivables	271,242	270,933
Prepaid expenses	293,492	325,978
Restricted cash and funded reserves	861,121	900,256
Total current assets	9,459,531	11,014,079
<u>PROPERTY AND EQUIPMENT, NET</u>		
	25,469,687	26,381,462
<u>OTHER ASSETS:</u>		
Deposits	50,000	-
Syndication costs	50,000	50,000
Right of use assets - operating leases, net	156,224	158,920
Total other assets	256,224	208,920
Total assets	\$ 35,185,442	\$ 37,604,461
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 483,804	\$ 456,045
Accrued liabilities	359,521	406,698
Construction and developers fee payable	81,250	81,250
Tenant deposits	87,116	88,529
Deferred revenue	28,305	29,518
Refundable advances	190,080	935,628
Lines of credit	417,500	310,000
Payments due to subrecipients	3,762,884	3,836,068
Current portion of operating lease liabilities	3,082	2,946
Current portion of long-term debt	-	-
Total current liabilities	5,413,542	6,146,682
<u>LONG-TERM LIABILITIES:</u>		
Operating lease liabilities, net of current portion	153,142	155,974
Long-term debt, net of current portion	13,680,233	14,104,523
Total long-term liabilities	13,833,375	14,260,497
Total liabilities	19,246,917	20,407,179
<u>NET ASSETS:</u>		
Net assets without donor restrictions:		
Controlling interest	11,396,791	11,653,430
Non-controlling interest	3,479,849	3,770,267
Net assets with donor restrictions	1,061,885	1,773,585
Total net assets	15,938,525	17,197,282
Total liabilities and net assets	\$ 35,185,442	\$ 37,604,461

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, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
Grants	\$ 46,463,182	\$ -	\$ 46,463,182
Contributions	259,181	-	259,181
Noncash contributions	212,709	-	212,709
Rental income	2,113,024	-	2,113,024
Forgiveness of debt	426,667	-	426,667
Other revenues	159,913	-	159,913
Net assets released from restrictions	<u>711,700</u>	<u>(711,700)</u>	<u>-</u>
 Total revenue	 <u>50,346,376</u>	 <u>(711,700)</u>	 <u>49,634,676</u>
<u>EXPENSES:</u>			
Program services	46,180,603	-	46,180,603
Supportive services:			
General and administrative	4,668,196	-	4,668,196
Fundraising	<u>44,634</u>	<u>-</u>	<u>44,634</u>
 Total expenses	 <u>50,893,433</u>	 <u>-</u>	 <u>50,893,433</u>
 Change in net assets	 (547,057)	 (711,700)	 (1,258,757)
 Net assets, beginning of year	 <u>15,423,697</u>	 <u>1,773,585</u>	 <u>17,197,282</u>
 Net assets, end of year	 <u>\$ 14,876,640</u>	 <u>\$ 1,061,885</u>	 <u>\$ 15,938,525</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, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
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>
<u>EXPENSES:</u>			
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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries	\$ 1,238,374	\$ 1,419,925	\$ 22,134	\$ 2,680,433
Fringe benefits and payroll taxes	<u>417,603</u>	<u>404,854</u>	<u>3,944</u>	<u>826,401</u>
Total salaries and related expenses	<u>1,655,977</u>	<u>1,824,779</u>	<u>26,078</u>	<u>3,506,834</u>
Conferences, conventions and meetings	4,045	38,665	-	42,710
Contracts - subrecipients	28,076,441	-	-	28,076,441
Interest expense	-	49,075	-	49,075
Client assistance	14,152,056	-	-	14,152,056
Membership dues	-	5,750	-	5,750
Warehouse and moving truck expense	36,907	-	-	36,907
Miscellaneous	16,574	11,088	-	27,662
Property operations and maintenance	1,903,083	561,962	-	2,465,045
Occupancy	-	103,495	-	103,495
Telephone	7,263	12,749	-	20,012
Property insurance and taxes	112,324	385,633	-	497,957
Office expenses and supplies	34,222	47,222	5,531	86,975
Special events	-	-	10,734	10,734
Professional fees	108,972	586,869	2,291	698,132
Provision for credit losses	72,739	-	-	72,739
Depreciation expense	-	1,036,887	-	1,036,887
Repairs and maintenance	<u>-</u>	<u>4,022</u>	<u>-</u>	<u>4,022</u>
Total functional expenses	<u>\$ 46,180,603</u>	<u>\$ 4,668,196</u>	<u>\$ 44,634</u>	<u>\$ 50,893,433</u>

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, 2024

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries	\$ 1,208,072	\$ 1,236,999	\$ 21,454	\$ 2,466,525
Fringe benefits and payroll taxes	<u>356,393</u>	<u>370,084</u>	<u>3,736</u>	<u>730,213</u>
Total salaries and related expenses	<u>1,564,465</u>	<u>1,607,083</u>	<u>25,190</u>	<u>3,196,738</u>
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	<u>3,282</u>	<u>1,095</u>	<u>-</u>	<u>4,377</u>
Total functional expenses	<u>\$ 39,717,063</u>	<u>\$ 3,989,564</u>	<u>\$ 39,433</u>	<u>\$ 43,746,060</u>

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, 2025 AND 2024

	2025	2024
<u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (1,258,757)	\$ (1,035,709)
Adjustments to reconcile change in net assets to net cash from (used in) operating activities:		
Depreciation expense	1,036,887	995,261
Amortization expense	2,377	10,544
Forgiveness of debt	(426,667)	(426,667)
Provision for credit losses	72,739	29,162
(Increase) decrease in:		
Grant receivables	86,513	(1,645,894)
Tenant receivables	(66,300)	(7,926)
Other receivables	(309)	(222,178)
Prepaid expenses	32,486	(2,833)
Deposits	(50,000)	-
Increase (decrease) in:		
Accounts payable	27,759	(593,227)
Accrued liabilities	(47,177)	42,122
Tenant deposits	(1,413)	(5,149)
Deferred revenue	(1,213)	(7,549)
Refundable advances	(745,548)	934,996
Payments due to subrecipients	(73,184)	1,239,229
	(1,411,807)	(695,818)
<u>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	(125,112)	(108,599)
	(125,112)	(108,599)
<u>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</u>		
Borrowings on lines of credit	357,500	2,223,353
Repayments on lines of credit	(250,000)	(2,013,353)
	107,500	210,000
Net (decrease) in cash, cash equivalents, and restricted cash	(1,429,419)	(594,417)
Cash, cash equivalents, and restricted cash at beginning of year	4,682,827	5,277,244
Cash, cash equivalents, and restricted cash at end of year	\$ 3,253,408	\$ 4,682,827

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(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 its 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); and
- 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.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

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, 2025 and 2024, no allowance for grants receivable was deemed necessary by management.

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. UNITY 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 10th 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, 2025 and 2024, the amount recorded as the allowance for credit losses from tenants was \$261,402 and \$207,871, respectively.

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.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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, 2025 and 2024, UNITY has recognized refundable advances totaling \$190,080 and \$935,628, 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 in 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, 2025 and 2024. No amounts are reflected in the consolidated financial statements for such services as they do not meet the criteria for recognition.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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.

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.

Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(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 18, 2025, which is the date the consolidated financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects UNITY's financial assets as of June 30, 2025 and 2024, 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.

	2025	2024
Financial assets, at year end	\$ 9,166,039	\$ 10,688,101
Less those unavailable for general expenditure within one year due to:		
Restricted cash and funded reserves (Note 5)	(861,121)	(900,256)
Debt service	(420,582)	(312,946)
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,884,336	\$ 9,474,899

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.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(3) SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest during the years ended June 30, 2025 and 2024 totaled \$45,408 and \$34,632, respectively.

Noncash financing activities for the years ended June 30, 2025 and 2024, 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.

Noncash investing and financing activities for the year ended June 30, 2024 consisted of \$674,683 of property and equipment additions through note payable financing. There were no noncash investing and financing activities for the year ended June 30, 2025.

(4) CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Cash, cash equivalents, and restricted cash consist of the following at June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 2,392,287	\$ 3,782,571
Cash restricted for (Note 5):		
Operating deficit reserves	430,283	429,312
Replacement reserves	165,087	206,119
Shelter + care overhang reserves	127,819	126,991
Supportive service reserves	53,565	53,218
Tenants' security deposits	84,367	84,616
Total restricted cash	861,121	900,256
Total cash, cash equivalents, and restricted cash	\$ 3,253,408	\$ 4,682,827

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(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 2222 Tulane 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 31st); and (4) once the reserve is no longer required by the LHC, the balance must be used to repay the GAP Financing Loan.

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. For the years ended June 30, 2025, and 2024 the 2222 Tulane Operating Reserve account had a balance of \$260,065 and \$260,091, respectively.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(5) RESTRICTED CASH AND FUNDED RESERVES (CONTINUED)

Operating Reserves

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, 2025 and 2024, the Operating Deficit Reserve Account amounted to \$170,213 and \$169,110, 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, 2025 is \$128,700. At June 30, 2025 and 2024, the Replacement Reserve balance amounted to \$118,550 and \$96,300, respectively.

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 30th, it is not applicable because the Replacement Reserve annual deposit requirement is calculated annually at 2222 Tulane's fiscal year end of December 31st. 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.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(5) RESTRICTED CASH AND FUNDED RESERVES (CONTINUED)

Replacement Reserves (Continued)

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 per year or \$1,350 per month and \$13,428 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, 2025 is \$115,657. At June 30, 2025 and 2024, the Replacement Reserve balance amounted to \$46,537 and \$109,819, respectively. This account was fully funded as of June 30, 2025 and 2024 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 30th, it is not applicable because the Replacement Reserve annual deposit requirement is calculated annually at 2101 Louisiana's fiscal year end of December 31st. 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.

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, 2025 and 2024, the Shelter + Care Overhang Reserve Account had a balance of \$127,819 and \$126,991, respectively. This account was adequately funded at June 30, 2025 and 2024.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(5) RESTRICTED CASH AND FUNDED RESERVES (CONTINUED)

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, 2025 and 2024, the Supportive Services Reserve Account had a balance of \$53,565 and \$53,218, respectively. This account was adequately funded at June 30, 2025 and 2024.

Tenants' Security Deposits

Tenants' security deposits are held in a restricted cash account for each property. At June 30, 2025 and 2024, the total account balances were \$84,367 and \$84,616, respectively.

(6) GRANTS RECEIVABLE

Grants receivable at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Department of Housing and Urban Development	\$ 5,071,684	\$ 3,460,638
Louisiana Housing Corporation	124,345	1,861,321
Metropolitan Human Services Authority	275,487	295,990
City of New Orleans	59,920	-
	<u>\$ 5,531,436</u>	<u>\$ 5,617,949</u>

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment consists of the following at June 30, 2025 and 2024:

	2025	2024
Buildings and improvements	\$ 37,142,365	\$ 37,065,105
Transportation equipment	181,880	133,954
Furniture and fixtures	1,716,269	1,716,269
 Total depreciable property and equipment	 39,040,514	 38,915,328
Less: accumulated depreciation	(14,620,783)	(13,583,822)
 Depreciable property and equipment, net	 24,419,731	 25,331,506
Land	1,049,956	1,049,956
 Property and equipment, net	 \$ 25,469,687	 \$ 26,381,462

Depreciation expense for the years ended June 30, 2025 and 2024 totaled \$1,036,887 and \$995,261, 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, 2025 and 2024, the outstanding balance was \$357,500 and \$250,000, respectively. Interest on outstanding balance accrues at a rate equal to the Prime Rate, 7.50% at June 30, 2025 and 8.50% at June 30, 2024, and is payable monthly. 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%.

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 current maturity date is March 2026. The loan carries a variable interest rate, based on the “Prime rate for the U.S.” as published by the Wall Street Journal (7.50% at June 30, 2025 and 8.50% at June 30, 2024), and the interest rate cannot be less than 4.00%. At June 30, 2025 and 2024 the outstanding balance was \$60,000 and \$60,000, respectively.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(8) LINES OF CREDIT (CONTINUED)

Interest incurred and charged to expense on the above lines of credit totaled \$4,854 and \$30,705 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024:

	2025	2024
<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
 <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

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(9) LONG-TERM DEBT (CONTINUED)

	<u>2025</u>	<u>2024</u>
<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	1,223,353
 <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
 <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.	1,279,996	1,706,663
Total debt	13,733,744	14,160,411
Less amount due in one year	-	-
Less unamortized debt issuance costs	(53,511)	(55,888)
Total long-term debt	\$ 13,680,233	\$ 14,104,523

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(9) LONG-TERM DEBT (CONTINUED)

Interest incurred and charged to expense on the above notes totaled \$38,603 and \$6,911 for the years ended June 30, 2025 and 2024, respectively, which is included in interest expense on the consolidated statements of activities.

The aggregate maturities of total debt consist of the following at June 30, 2025:

2026	\$	-
Loans based on cash flow		9,453,748
Forgivable loans		<u>4,276,996</u>
		<u>\$ 13,733,744</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) NONCASH CONTRIBUTIONS

UNITY was provided the noncash contributions in the form of household supplies for client assistance at estimated fair market value as determined by the individual donor or estimated value of similar items at time of donation.

Noncash contributions for the years ended June 30, 2025 and 2024 included in the financial statements are as follows:

	<u>2025</u>	<u>2024</u>
Client assistance	<u>\$ 212,709</u>	<u>\$ 204,921</u>

UNITY's policy related to noncash contributions is to utilize the assets given to carry out the mission of UNITY. If an asset is provided that does not allow UNITY to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of assets.

Generally, all contributed nonfinancial assets received by UNITY for the years ended June 30, 2025 and 2024 were considered without donor restricted and able to be used by UNITY as determined by the board of directors and management except as described above.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(11) 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.

	2025	2024
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	-	-
Weighted average remaining lease term (in months)	321	333
Weighted average discount rate	4.5%	4.5%

The maturities of lease liabilities as of June 30, 2025 were as follows:

2026	\$	10,000
2027		10,000
2028		10,000
2029		10,000
2030		10,000
Thereafter		217,500
Less: imputed interest		(111,276)
Present value of lease liabilities	\$	156,224

(12) RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30, 2025 and 2024:

	2025	2024
Client assistance	\$ <u>1,061,885</u>	\$ <u>1,773,585</u>

The following net assets with donor restrictions were released from restrictions during the years ended June 30, 2025 and 2024:

	2025	2024
Client assistance	\$ 711,700	\$ 227,439
Contracts - subrecipients	-	213,046
	\$ 711,700	\$ 440,485

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(12) RESTRICTIONS ON NET ASSETS (CONTINUED)

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.

(13) 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, 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	15,423,697	11,653,430	3,770,267
Change in net assets	<u>(547,057)</u>	<u>(256,639)</u>	<u>(290,418)</u>
Net assets without donor restrictions June 30, 2025	<u>\$ 14,876,640</u>	<u>\$ 11,396,791</u>	<u>\$ 3,479,849</u>

(14) 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.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(14) INCOME TAXES (CONTINUED)

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, the date of incorporation. 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.

In 2024, the IRS recognized both 2222 Tulane and 3222 Canal tax-exempt organizations effective for the filing date of their application, July 21, 2023. Beginning on July 21, 2023, 2222 Tulane and 3222 Canal are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to 2222 Tulane and 3222 Canal's tax-exempt purpose is subject to taxation as unrelated business income. In addition, effective after the date of application, 2222 Tulane and 3222 Canal qualify for the charitable contribution deduction under Section 170(b)(1)(A) and both have been classified as an organization other than a private foundation under Section 509(a)(2).

2222 Tulane and 3222 Canal will be pursuing a request to the IRS to consider retroactively recognizing the tax- exempt status under Section 501(c)(3) of the Internal Revenue Code effective as of the date of incorporation. Should the IRS grant the date of exemption for 2222 Tulane and 3222 Canal to be effective January 1, 2019, as requested, then Form 990, Information Returns for Tax-Exempt Organizations, will be filed for 2019 to 2022 tax years. Should the IRS not grant tax exemption for the tax years of 2019 to 2022, then 2222 Tulane and 3222 Canal will file their independent state and federal income tax returns as a corporation. The IRS does not generally grant such requests if the application was made after three years after the incorporation. Therefore, 2222 Tulane and 3222 Canal will likely be treated and taxed as corporations for the years 2019-2022. Based upon audited financial reporting for those years, 3222 Canal should not incur any tax liability but 2222 Tulane should. Regarding 2222 Tulane, the income tax expense and the related liability of \$55,569 was recorded in 2222 Tulane's books for the respective year ended December 31, 2024.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(14) INCOME TAXES (CONTINUED)

2222 Tulane's Forms 990 have been filed for the 2023 and 2024 fiscal years. 3222 Canal's Form 990 has been filed for the 2023 fiscal year. Although the financial positions and activities for 2222 Tulane and 3222 Canal were previously reported in UNITY GNO's annual Form 990 filing through June 30, 2024, independent filings for the prior tax years of 2022 to 2024 tax for both organizations remain subject to examination by the IRS and will depend on the finally determined date of exemption.

UNITY's evaluation as of June 30, 2025 revealed no tax positions that would have a material impact on the consolidated financial statements. The 2022 through 2024 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.

(15) 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 \$96,823 and \$103,460 for the years ended June 30, 2025 and 2024, respectively.

(16) 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.

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.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(16) COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2025 and 2024.

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 \$6,062 at June 30, 2025. Unpaid HRI management fees included in accounts payable on the consolidated statements of financial position, amounted to \$65,380, of which \$60,000 was related to 3222 Canal's unpaid balance, at June 30, 2024. For the years ended June 30, 2025 and 2024, HRI management fees incurred totaled \$101,171 and \$62,040, respectively, and are 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 11 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 the land and rehabbing its buildings on the property (the rectory, church and Sacred Heart building), as needed, in order to determine whether UNITY should purchase or continue to lease. UNITY is still weighing options and has elicited help from an attorney who specializes in bankruptcies. Additionally, UNITY has been collaborating with a developer, Providence Housing, to assess opportunities for raising funds to purchase the land and buildings for rehab, as needed. As of the report date, the property has not been sold and the lease continues to operate in accordance with the lease agreement.

(17) RELATED PARTY TRANSACTIONS

For the years ended June 30, 2025 and 2024, UNITY received contributions of \$32,879 and \$20,600 from board of directors members, respectively.

(18) 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, 2025 and 2024.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(19) 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, 2025 and 2024, UNITY had \$1,397,250 and \$2,258,095, 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, 2025 and 2024, UNITY had \$311,579 and \$1,075,132, 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.

(20) 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, 2025 and 2024.

(21) NEW ACCOUNTING PRONOUNCEMENTS

In July 2025, the FASB issued ASU 2025-05, "*Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.*" Under ASU 2025-05, entities now have the option to apply a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606 ("*Revenue from Contracts with Customers*"). The practical expedient allows an entity to assume that the economic conditions at the balance-sheet date remain unchanged for the remaining life of those current assets. In addition, entities other than public business entities that elect the practical expedient may make an accounting policy election to consider cash collections occurring after the balance-sheet date (but before the financial statements are issued or available to be issued) in estimating expected credit losses. The amendments are effective for fiscal years beginning after December 15, 2025, including interim periods within those years. Early adoption is permitted for financial statements not yet issued. UNITY plans to adopt this ASU as applicable by the effective date.

SUPPLEMENTARY INFORMATION

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2025

	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
CURRENT ASSETS:							
Cash and cash equivalents	\$ 1,737,216	\$ 20,654	\$ 83,844	\$ 423,818	\$ 126,755	\$ -	\$ 2,392,287
Grants receivable	5,531,436	-	-	-	-	-	5,531,436
Tenant receivables, net	-	-	44,096	32,584	33,273	-	109,953
Other receivables	239,180	-	32,062	-	-	-	271,242
Prepaid expenses	2,733	-	87,072	97,524	106,163	-	293,492
Due from affiliates	218,948	24,457	11,020	153,270	32,234	(439,929)	-
Restricted cash and funded reserves	-	-	415,068	410,683	35,370	-	861,121
Total current assets	<u>7,729,513</u>	<u>45,111</u>	<u>673,162</u>	<u>1,117,879</u>	<u>333,795</u>	<u>(439,929)</u>	<u>9,459,531</u>
PROPERTY AND EQUIPMENT, NET	<u>1,178,690</u>	<u>116,012</u>	<u>7,263,711</u>	<u>10,686,344</u>	<u>6,254,471</u>	<u>(29,541)</u>	<u>25,469,687</u>
OTHER ASSETS:							
Note receivable	3,426,575	-	-	-	-	(3,426,575)	-
Deposits	50,000	-	-	-	-	-	50,000
Syndication costs	-	-	50,000	-	-	-	50,000
Investment in affiliate	865,000	-	-	-	-	(865,000)	-
Right of use assets - operating leases, net	-	-	-	-	156,224	-	156,224
Total other assets	<u>4,341,575</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>156,224</u>	<u>(4,291,575)</u>	<u>256,224</u>
Total assets	<u>\$ 13,249,778</u>	<u>\$ 161,123</u>	<u>\$ 7,986,873</u>	<u>\$ 11,804,223</u>	<u>\$ 6,744,490</u>	<u>\$ (4,761,045)</u>	<u>\$ 35,185,442</u>
CURRENT LIABILITIES:							
Accounts payable	\$ 231,859	\$ 4,061	\$ 58,147	\$ 46,799	\$ 142,938	\$ -	\$ 483,804
Accrued liabilities	128,643	-	103,295	48,602	78,981	-	359,521
Construction and developers fee payable	-	-	56,233	-	81,250	(56,233)	81,250
Tenant deposits	-	4,228	16,934	32,063	33,891	-	87,116
Deferred revenue	-	-	2,297	26,008	-	-	28,305
Refundable advances	190,080	-	-	-	-	-	190,080
Due to affiliates	82,504	43,471	2,390	2,851	222,962	(354,178)	-
Lines of credit	357,500	-	-	-	60,000	-	417,500
Payments due to subrecipients	3,762,884	-	-	-	-	-	3,762,884
Current portion of operating lease liabilities	-	-	-	-	3,082	-	3,082
Current portion of long-term debt	-	-	-	-	-	-	-
Total current liabilities	<u>4,753,470</u>	<u>51,760</u>	<u>239,296</u>	<u>156,323</u>	<u>623,104</u>	<u>(410,411)</u>	<u>5,413,542</u>
LONG-TERM LIABILITIES:							
Operating lease liabilities, net of current portion	-	-	-	-	153,142	-	153,142
Long-term debt, net	1,000,000	-	3,403,108	9,479,825	3,223,353	(3,426,053)	13,680,233
Total long-term liabilities	<u>1,000,000</u>	<u>-</u>	<u>3,403,108</u>	<u>9,479,825</u>	<u>3,376,495</u>	<u>(3,426,053)</u>	<u>13,833,375</u>
Total liabilities	<u>5,753,470</u>	<u>51,760</u>	<u>3,642,404</u>	<u>9,636,148</u>	<u>3,999,599</u>	<u>(3,836,464)</u>	<u>19,246,917</u>
NET ASSETS:							
Net assets without donor restrictions:							
Controlling interest	6,434,423	109,363	864,620	2,168,075	2,744,891	(924,581)	11,396,791
Non-controlling interest	-	-	3,479,849	-	-	-	3,479,849
Net assets with donor restrictions	1,061,885	-	-	-	-	-	1,061,885
Total net assets	<u>7,496,308</u>	<u>109,363</u>	<u>4,344,469</u>	<u>2,168,075</u>	<u>2,744,891</u>	<u>(924,581)</u>	<u>15,938,525</u>
Total liabilities and net assets	<u>\$ 13,249,778</u>	<u>\$ 161,123</u>	<u>\$ 7,986,873</u>	<u>\$ 11,804,223</u>	<u>\$ 6,744,490</u>	<u>\$ (4,761,045)</u>	<u>\$ 35,185,442</u>

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION (CONTINUED)
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
CURRENT ASSETS:							
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
PROPERTY AND EQUIPMENT, NET	1,192,253	110,362	7,511,933	11,060,292	6,536,163	(29,541)	26,381,462
OTHER ASSETS:							
Note receivable	3,390,715	-	-	-	-	(3,390,715)	-
Deposits	-	-	-	-	-	-	-
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
CURRENT LIABILITIES:							
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
Payments due to subrecipients	3,836,068	-	-	-	-	-	3,836,068
Current portion of operating lease liabilities	-	-	-	-	2,946	-	2,946
Current portion of long-term debt	-	-	-	-	-	-	-
Total current liabilities	5,393,857	25,329	248,521	201,420	660,066	(382,511)	6,146,682
LONG-TERM LIABILITIES:							
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
NET ASSETS:							
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 ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	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
REVENUE:							
Grants	\$ 45,538,380	\$ 321,337	\$ 192,694	\$ 53,513	\$ 357,258	\$ -	\$ 46,463,182
Contributions	259,181	-	-	-	-	-	259,181
Noncash contributions	212,709	-	-	-	-	-	212,709
Rental income	-	-	472,399	767,282	873,343	-	2,113,024
Forgiveness of debt	-	-	-	426,667	-	-	426,667
Other revenues	246,254	33,974	2,317	(109)	2,231	(124,754)	159,913
Total revenue	46,256,524	355,311	667,410	1,247,353	1,232,832	(124,754)	49,634,676
EXPENSES:							
Salaries	2,680,433	26,319	19,519	19,456	1,458	(66,752)	2,680,433
Fringe benefits and payroll taxes	826,401	9,125	5,642	5,624	241	(20,632)	826,401
Conferences, conventions and meetings	42,710	-	-	-	-	-	42,710
Contracts - subrecipients	28,076,441	-	-	-	-	-	28,076,441
Interest expense	38,603	-	37,582	2,712	6,804	(36,626)	49,075
Client assistance	14,152,056	-	-	-	-	-	14,152,056
Membership dues	5,736	-	7	7	-	-	5,750
Warehouse and moving truck expense	36,907	-	-	-	-	-	36,907
Miscellaneous	11,218	-	(14,851)	31,026	269	-	27,662
Property operations and maintenance	206,867	194,958	487,951	681,343	893,926	-	2,465,045
Occupancy	103,495	-	-	-	-	-	103,495
Telephone	20,012	-	-	-	-	-	20,012
Property insurance and taxes	-	154,416	122,934	92,760	127,847	-	497,957
Office expenses and supplies	81,022	1,347	299	853	3,454	-	86,975
Special events	10,734	-	-	-	-	-	10,734
Professional fees	585,934	660	6,375	18,296	86,867	-	698,132
Provision for credit losses	-	-	30,232	(1,944)	44,451	-	72,739
Depreciation expense	119,825	3,350	258,145	373,875	281,692	-	1,036,887
Repairs and maintenance	-	-	4,022	-	-	-	4,022
Total expenses	46,998,394	390,175	957,857	1,224,008	1,447,009	(124,010)	50,893,433
Change in net assets	(741,870)	(34,864)	(290,447)	23,345	(214,177)	(744)	(1,258,757)
Net assets, beginning of year	8,238,178	144,227	4,634,916	2,144,730	2,959,068	(923,837)	17,197,282
Net assets, end of year	\$ 7,496,308	\$ 109,363	\$ 4,344,469	\$ 2,168,075	\$ 2,744,891	\$ (924,581)	\$ 15,938,525

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF ACTIVITIES (CONTINUED)
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
REVENUE:							
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>
EXPENSES:							
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 expense	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>
Change in net assets	(512,084)	(33,695)	(295,942)	(24,692)	(168,651)	(645)	(1,035,709)
Net assets, beginning 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>
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>

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
3222 CANAL STREET APARTMENTS NONPROFIT, INC.'S
COMPUTATION OF SURPLUS CASH
AS OF JUNE 30, 2025

Operating cash	\$	126,755
Security deposit cash		35,370
Due from affiliates		<u>32,234</u>
Total cash		<u>194,359</u>
Accounts payable		142,938
Due to affiliates		222,962
Accrued liabilities		78,981
Security deposit liability		33,891
Line of credit		<u>60,000</u>
Total obligations		<u>538,772</u>
Surplus cash (deficiency)	\$	<u><u>(344,413)</u></u>
<u>Surplus Cash Payable Toward CDBG Loan:</u>		
Total surplus cash		-
Less: fifty percent (50%) of surplus cash		<u>-</u>
Remaining surplus cash	\$	<u><u>-</u></u>

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Martha Kegel</u> <u>Executive Director</u>
Time served	07/01/2024 - 06/30/2025
Salary	\$ 150,000
Benefits - insurance (health and dental)	15,873
Benefits - retirement	7,500
Benefits - insurance (LTD/STD/Life)	1,882
Benefits - cell phone	934
Registration fees	1,050
Conference travel	1,110
Membership	<u>448</u>
 Total compensation, benefits, and other payments	 \$ <u><u>178,797</u></u>

(See Independent Auditors' Report)

**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, 2025 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 18, 2025.

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 18, 2025

Erickson Krentel, LLP
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, 2025. 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, 2025.

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 18, 2025


Certified Public Accountants

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

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
<u>U.S. Department of Housing and Urban Development</u>					
Housing Opportunities for People with AIDS	14.241	various	\$ 289,350	\$ 281,001	\$ -
Continuum of Care Program	14.267	various	30,642,812	26,377,920	-
<i>Pass-through State of Louisiana, Louisiana Housing Corporation:</i>					
Continuum of Care Program	14.267	LA0001L6H092310	11,624,690	-	817,211
<i>Pass-through Metropolitan Human Services District:</i>					
Continuum of Care Program	14.267	LA0086L6H032216	<u>1,449,732</u>	<u>387,559</u>	<u>-</u>
Total Continuum of Care Program			<u>43,717,234</u>	<u>26,765,479</u>	<u>817,211</u>
<i>Pass-through City of New Orleans:</i>					
Community Development Block Grants/State's Program	14.228	K-23-128	-	-	1,223,353
<i>Pass-through State of Louisiana, Office of Community Development:</i>					
Community Development Block Grants/State's Program	14.228		<u>-</u>	<u>-</u>	<u>7,413,184</u>
Total Community Development Block Grants/State's Program			<u>-</u>	<u>-</u>	<u>8,636,537</u>
<i>Pass-through State of Louisiana, Louisiana Housing Corporation:</i>					
COVID-19 Emergency Solutions Grant Program	14.231	various	50,000	-	-
<i>Pass-through Gulf Coast Housing Partnership:</i>					
HOME Investment Partnerships Program (HOME)	14.239	2011-2012-25 HOME	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total U.S. Department of Housing and Urban Development			<u>44,056,584</u>	<u>27,046,480</u>	<u>10,453,748</u>
<u>U.S. Department of Treasury</u>					
<i>Pass-through State of Louisiana, Louisiana Housing Corporation:</i>					
COVID-19 Emergency Rental Assistance Program (ERAP)	21.023	HEMCVJ68Z6L4	409,566	50,585	-
<i>Pass-through City of New Orleans:</i>					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	HEMCVJ68ZL4	<u>767,467</u>	<u>40,151</u>	<u>-</u>
Total U.S. Department of Treasury			<u>1,177,033</u>	<u>90,736</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>					
<i>Pass-through Metropolitan Human Services District:</i>					
Projects for Assistance in Transition from Homelessness (PATH)	93.150		<u>191,266</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>191,266</u>	<u>-</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 45,424,883</u>	<u>\$ 27,137,216</u>	<u>\$ 10,453,748</u>

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(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, 2025. 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 consolidated 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, 2025.

(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, 2025.

UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

(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, 2025. 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, 2025.

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, 2025.

(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 No. 14.256, Neighborhood Stabilization Program 2, for the year ended June 30, 2025. 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, 2025

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, 2025.
8. The programs tested as major programs were AL No. 14.267 Continuum of Care.
9. The threshold for distinguishing Type A programs was \$1,362,746.
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, 2025

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