

**UNITY OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**



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

## CONTENTS

### PAGE

### FINANCIAL SECTION

<b><u>INDEPENDENT AUDITORS' REPORT</u></b> .....	1 – 3
<b><u>FINANCIAL STATEMENTS:</u></b>	
Exhibit “A” Consolidated Statements of Financial Position .....	4
Exhibit “B” Consolidated Statements of Activities .....	5 – 6
Exhibit “C” Consolidated Statements of Functional Expenses .....	7 – 8
Exhibit “D” Consolidated Statements of Cash Flows.....	9
Notes to Consolidated Financial Statements .....	10 – 25
<b><u>SUPPLEMENTARY INFORMATION:</u></b>	
Schedule “1” Consolidating Schedules of Financial Position .....	26 – 27
Schedule “2” Consolidating Schedules of Activities .....	28 – 29
Schedule “3” Schedule of Compensation, Benefits, and Other Payments to Agency Head .....	30
<b><u>OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS:</u></b>	
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 <i>Government Auditing Standards</i> .....	31 – 32

### SINGLE AUDIT SECTION

Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	33 – 35
Schedule of Expenditures of Federal Awards.....	36
Notes to Schedule of Expenditures of Federal Awards.....	37 – 38
Schedule of Findings and Questioned Costs.....	39
Summary Schedule of Prior Year Findings and Questioned Costs.....	40



## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Consolidated 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, 2022 and 2021, 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 (collectively, the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of UNITY of Greater New Orleans, Inc. and Subsidiaries as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the Louisiana Governmental Audit Guide, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UNITY of Greater New Orleans, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.



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

In preparing the 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 financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, 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 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 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 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 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.



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, significant audit findings, and certain internal control related matters that we identified during the audit.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements of UNITY of Greater New Orleans, Inc. and Subsidiaries as a whole. The supplementary information contained in Schedules “1” and “2” is presented for the purposes of additional analysis and is not a required part of the 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 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated January 3, 2023, 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  
January 3, 2023

*Ericksen Krentel, LLP*  
Certified Public Accountants

## **FINANCIAL STATEMENTS**

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b><u>CURRENT ASSETS:</u></b>		
Cash and cash equivalents	\$ 3,256,809	\$ 2,432,787
Grants receivable	4,545,830	5,319,020
Tenant receivables, net	155,973	139,287
Other receivables	699,151	1,651,624
Prepaid expenses	247,950	216,817
Restricted cash and funded reserves	943,247	980,708
	<u>9,848,960</u>	<u>10,740,243</u>
	<u>26,982,591</u>	<u>28,069,137</u>
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>		
<b><u>OTHER ASSETS:</u></b>		
Syndication costs	50,000	50,000
Deposits	-	-
	<u>50,000</u>	<u>50,000</u>
Total other assets	<u>50,000</u>	<u>50,000</u>
Total assets	<u>\$ 36,881,551</u>	<u>\$ 38,859,380</u>
<b><u>CURRENT LIABILITIES:</u></b>		
Accounts payable	\$ 713,702	\$ 381,628
Accrued liabilities	408,032	381,992
Construction and developers fee payable	81,250	81,250
Tenant deposits	94,325	116,138
Deferred revenue	52,268	49,817
Lines of credit	170,375	386,613
Current portion of long-term debt	-	-
Payments due to subrecipients	3,018,793	4,170,409
	<u>4,538,745</u>	<u>5,567,847</u>
Total current liabilities	<u>4,538,745</u>	<u>5,567,847</u>
	<u>13,703,895</u>	<u>14,225,433</u>
<b><u>LONG-TERM DEBT, NET</u></b>		
Total liabilities	<u>18,242,640</u>	<u>19,793,280</u>
<b><u>NET ASSETS:</u></b>		
Net assets without donor restrictions:		
Controlling interest	11,858,163	11,990,825
Non-controlling interest	4,397,698	4,604,140
Net assets with donor restrictions	2,383,050	2,471,135
	<u>18,638,911</u>	<u>19,066,100</u>
Total net assets	<u>18,638,911</u>	<u>19,066,100</u>
Total liabilities and net assets	<u>\$ 36,881,551</u>	<u>\$ 38,859,380</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>REVENUE:</u></b>			
Government grants	\$ 39,345,301	\$ -	\$ 39,345,301
Contributions	225,336	70,206	295,542
Rental income	1,836,477	-	1,836,477
Forgiveness of debt	479,967	-	479,967
Other revenues	585,832	-	585,832
Net assets released from restrictions	<u>158,291</u>	<u>(158,291)</u>	<u>-</u>
 Total revenue	 <u>42,631,204</u>	 <u>(88,085)</u>	 <u>42,543,119</u>
<b><u>EXPENSES:</u></b>			
Program services	39,187,070	-	39,187,070
Supportive services:			
General and administrative	3,750,283	-	3,750,283
Fundraising	<u>32,955</u>	<u>-</u>	<u>32,955</u>
 Total expenses	 <u>42,970,308</u>	 <u>-</u>	 <u>42,970,308</u>
 Change in net assets	 (339,104)	 (88,085)	 (427,189)
Net assets, beginning of year	<u>16,594,965</u>	<u>2,471,135</u>	<u>19,066,100</u>
Net assets, end of year	<u>\$ 16,255,861</u>	<u>\$ 2,383,050</u>	<u>\$ 18,638,911</u>



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>REVENUE:</u></b>			
Government grants	\$ 34,979,590	\$ -	\$ 34,979,590
Contributions	273,213	12,672	285,885
Rental income	1,824,678	-	1,824,678
Forgiveness of debt	875,289	-	875,289
Other revenues	203,874	-	203,874
Net assets released from restrictions	123,985	(123,985)	-
Total revenue	38,280,629	(111,313)	38,169,316
<b><u>EXPENSES:</u></b>			
Program services	35,839,186	-	35,839,186
Supportive services:			
General and administrative	2,944,812	-	2,944,812
Fundraising	16,926	-	16,926
Total expenses	38,800,924	-	38,800,924
Change in net assets	(520,295)	(111,313)	(631,608)
Net assets, beginning of year	17,115,260	2,582,448	19,697,708
Net assets, end of year	\$ 16,594,965	\$ 2,471,135	\$ 19,066,100

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries	\$ 1,136,347	\$ 1,207,315	\$ 15,539	\$ 2,359,201
Fringe benefits and payroll taxes	363,816	326,764	3,142	693,722
Total salaries and related expenses	<u>1,500,163</u>	<u>1,534,079</u>	<u>18,681</u>	<u>3,052,923</u>
Conferences, conventions and meetings	3,664	7,430	-	11,094
Contracts - subrecipients	18,313,730	-	-	18,313,730
Interest expense	-	37,413	-	37,413
Client assistance	16,972,377	-	-	16,972,377
Membership dues	-	2,154	335	2,489
Warehouse and moving truck expense	33,453	-	-	33,453
Miscellaneous	83,635	8,264	-	91,899
Property operations and maintenance	1,832,061	565,256	-	2,397,317
Occupancy	-	89,845	-	89,845
Telephone	6,427	12,378	-	18,805
Property insurance and taxes	236,587	79,076	-	315,663
Office expenses and supplies	34,030	56,373	290	90,693
Special events	-	-	7,230	7,230
Professional fees	126,037	271,545	6,419	404,001
Bad debt	44,906	-	-	44,906
Depreciation	-	1,086,470	-	1,086,470
Total functional expenses	<u>\$ 39,187,070</u>	<u>\$ 3,750,283</u>	<u>\$ 32,955</u>	<u>\$ 42,970,308</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries	\$ 1,028,548	\$ 1,103,601	\$ 6,775	\$ 2,138,924
Fringe benefits and payroll taxes	341,410	269,004	1,828	612,242
Total salaries and related expenses	<u>1,369,958</u>	<u>1,372,605</u>	<u>8,603</u>	<u>2,751,166</u>
Conferences, conventions and meetings	7,396	19,328	649	27,373
Contracts - subrecipients	18,934,319	-	-	18,934,319
Interest expense	-	11,523	-	11,523
Client assistance	12,472,298	-	-	12,472,298
Membership dues	-	1,701	665	2,366
Warehouse and moving truck expense	31,775	-	-	31,775
Miscellaneous	56,881	9,575	-	66,456
Property operations and maintenance	1,802,995	546,219	-	2,349,214
Occupancy	-	93,492	-	93,492
Telephone	8,145	12,397	-	20,542
Property insurance and taxes	211,457	70,486	-	281,943
Office expenses and supplies	41,144	69,788	235	111,167
Special events	-	-	6,574	6,574
Professional fees	71,058	343,272	200	414,530
Bad debt	99,255	-	-	99,255
Depreciation	732,505	394,426	-	1,126,931
Total functional expenses	<u>\$ 35,839,186</u>	<u>\$ 2,944,812</u>	<u>\$ 16,926</u>	<u>\$ 38,800,924</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ (427,189)	\$ (631,608)
Adjustments to reconcile change in net assets to net cash from (used in) operating activities:		
Depreciation expense	1,086,470	1,126,931
Amortization expense	14,691	7,987
Forgiveness of debt	(479,967)	(875,289)
Gain on disposal of assets	76	(76)
Bad debt	44,906	99,255
(Increase) decrease in:		
Grant receivables	773,190	(1,572,860)
Tenant receivables	(61,592)	(164,104)
Other receivables	952,473	(858,031)
Prepaid expenses	(31,133)	(17,197)
Deposits	-	6,772
Increase (decrease) in:		
Accounts payable	332,074	169,037
Accrued liabilities	26,040	118,805
Tenant deposits	(21,813)	7,426
Deferred revenue	2,451	4,273
Payments due to subrecipients	(1,151,616)	734,803
Net cash from (used in) operating activities	<u>1,059,061</u>	<u>(1,843,876)</u>
<b><u>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</u></b>		
Purchase of property and equipment	-	(22,589)
Net cash (used in) investing activities	<u>-</u>	<u>(22,589)</u>
<b><u>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</u></b>		
Borrowings on lines of credit	-	316,238
Repayments on lines of credit	(216,238)	-
Proceeds from long-term debt	-	26,200
Principal payments on long-term debt	(56,262)	-
Net cash from (used in) financing activities	<u>(272,500)</u>	<u>342,438</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	786,561	(1,524,027)
Cash, cash equivalents, and restricted cash at beginning of year	<u>3,413,495</u>	<u>4,937,522</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 4,200,056</u>	<u>\$ 3,413,495</u>

Cash, cash equivalents and restricted cash as of June 30, 2022 and 2021 consist of the following:

Cash and cash equivalents	\$ 3,256,809	\$ 2,432,787
Cash restricted for:		
Operating deficit reserve	427,948	427,833
Replacement reserve	238,618	245,553
Shelter + care overhang reserve	125,621	125,565
Supportive service reserve	52,644	52,621
Tenants' security deposits	98,416	129,136
Total cash, cash equivalents, and restricted cash	<u>\$ 4,200,056</u>	<u>\$ 3,413,495</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**(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 and subsidiaries.

UNITY's wholly owned subsidiaries include the following:

- UNITY Housing, Inc., a nonprofit Louisiana corporation
- 2222 Tulane Avenue Apartments Nonprofit, Inc. (2222 Tulane)
- 3222 Canal Street Apartments Nonprofit, Inc. (3222 Canal)
- 2101 Louisiana Apartments, LLC (2101 Louisiana), which has as its managing member, UNITY 2101 Louisiana Avenue, LLC, which has UNITY of Greater New Orleans, Inc. as its sole and managing member

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

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

All significant intercompany balances and transactions have been eliminated in consolidation.

**Basis of Accounting and Financial Reporting Framework**

The financial statements of the 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, the UNITY is required to report information regarding its financial position and activities according to two classes of net assets:

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022 AND 2021**

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

**Basis of Accounting and Financial Reporting Framework**

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

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

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. 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 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.

**Receivables**

Receivables consist of grants receivable and tenant receivables for rent and security deposits. UNITY provides an allowance for doubtful accounts based on management's estimate of the collectability of receivables. At June 30, 2022 and 2021, no allowance for grants receivable was deemed necessary by management and the allowance for tenant receivables amounted to \$269,586 and \$224,680, respectively.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

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

**Property and Equipment**

UNITY records property and equipment at cost. It is the policy of UNITY to capitalize all property and equipment with an acquisition cost in excess of \$5,000. 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 reported as a component of interest expense and is computed using the interest method.

**Revenue Recognition**

**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 statements of activities as net assets released from restrictions.

**Contributed Nonfinancial Assets**

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

**Donated Services**

Volunteers have donated their time and services to UNITY during the years ended June 30, 2022 and 2021. No amounts are reflected in the consolidated financial statements for such services as they do not meet the criteria for recognition under FASB-ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made*.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022 AND 2021**

**(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.

Grant Revenues

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.

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 the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Tenant accounts receivable consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. Interest is not accrued on the tenant accounts receivable balances.

**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. Expenses related to more than one function are charged to programs, management and general, and fundraising on the basis of periodic time and expense studies.

**Date of Management Review**

Subsequent events have been evaluated through January 3, 2023, which is the date the consolidated financial statements were available to be issued.

**New Accounting Pronouncements Adopted**

During the year ended June 30, 2022, UNITY adopted FASB ASU No. 2020-07, *Not For-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The adoption of this Update did not have a material impact on UNITY's financial statements.



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

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

The following reflects UNITY's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. However, amounts already appropriated for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

	<u>2022</u>	<u>2021</u>
Financial assets, at year end	\$ 9,601,010	\$ 10,520,540
Less those unavailable for general expenditure within one year due to:		
Restricted cash and funded reserves	(943,247)	(980,708)
Donor restrictions lasting longer than 1 year	<u>(2,383,050)</u>	<u>(2,471,135)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,274,713</u>	<u>\$ 7,068,687</u>

Because a donor's restriction requires resources to be used in a particular manner or in a future period, UNITY must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of UNITY's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**(3) SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid for interest during the years ended June 30, 2022 and 2021 totaled \$17,450 and \$5,830, respectively.

Non-cash financing activities for the years ended June 30, 2022 and 2021, consist 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 8 and \$53,300 and \$448,622 of forgiveness under the SBA's Paycheck Protection Loan Program in 2022 and 2021, respectively.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022 AND 2021**

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

**Operating Reserves**

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; (2) OCD's prior written approval is required to make any withdrawal from the operating reserve balance; (3) withdrawals will be limited to covering negative surplus cash, as measured by a surplus cash computation acceptable to OCD (this computation can be made at any time, not just as of December 31<sup>st</sup>); and (4) once the reserve is no longer required by the LHC, the balance must be used to repay the GAP Financing Loan. Relative to #1 above, the Asset Manager acting on behalf of the LHC, Butler Snow LLP (formerly known as Foley & Judell, L.L.P.), had initially agreed to act as that third party. However, Butler Snow LLP has since withdrawn any pledge to act in this capacity. As of the audit completion date, an authorized signatory has not been determined or assigned.

The property ownership was transferred to 2222 Tulane Avenue Apartments Nonprofit, Inc. on January 1, 2019, for which an application of tax exemption status under IRS Section 501(c)(3) is currently underway. The operating reserve funds were originally and previously maintained in the original Whitney Bank non-operating checking account managed by UNITY (herein referred to as the "2222 Tulane Cash Account"). OCD had agreed to allow maintenance of the reserve funds within the 2222 Tulane Cash Account until the new operating reserve checking account was opened. The final/close-out draw process with OCD was finalized in January 2017 when \$379,500 was deposited to the 2222 Tulane Cash Account, wherein the \$260,000 in operating reserves was funded and held. The 2222 Tulane Avenue Apartments Nonprofit, Inc. Operating Reserve account was established in December 2019 through January 2020 and then in March 2020, \$260,000 was transferred from the 2222 Tulane Cash Account into the 2222 Tulane Avenue Apartments Nonprofit, Inc. Operating Reserve account. For the years ended June 30, 2022, and 2021 the 2222 Tulane Avenue Apartments Nonprofit, Inc. Operating Reserve account had a balance of \$260,163 and \$260,149, respectively.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

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

**Operating Reserves (continued)**

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. At June 30, 2022 and 2021, the Operating Deficit Reserve Account was in the amount of \$167,286 and \$167,213, respectively. The funding requirements on this account are on an annual basis at December 31, which is 2101 Louisiana's year end. The Administrative Member 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 Member has not required the account to be funded back to \$175,000.

**Replacement Reserves**

In accordance with the CDBG Piggyback Program Gap Financing Loan Agreement and the 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). In June 2021, the amount of \$14,778 was approved by the LHC and the State Office of Community Development for withdrawal and in January 2022, the amount of \$30,443 was approved by the LHC and the State Office of Community Development for withdrawal. At June 30, 2022 and 2021, the Replacement Reserve balance amounted to \$137,902 and \$165,174, respectively. The account was fully funded to an amount reflective of the cumulative requirement to date less withdrawals, as of June 30, 2022 and 2021. Since the funding requirements on this account are on an annual basis at December 31st, which is 2222 Tulane's fiscal year end, UNITY's intent is to fully fund the account to the cumulative required amount to date by December 31st annually, less any funder approved withdrawals and provided there is adequate cash flow to complete such a transaction, as will be determined in the last week of the fiscal year.

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, or (b) that required by the Permanent Lender. In March 2020, the amount of \$11,417 was approved by the Investor for withdrawal. At June 30, 2022 and 2021, the Replacement Reserve balance amounted to \$100,703 and \$80,380, respectively. This account was fully funded as of June 30, 2022 and was not fully funded as of June 30, 2021 in an amount that reflects an amount equal to the cumulative monthly requirement less any approved withdrawals.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022 AND 2021**

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

**Replacement Reserves (Continued)**

Since the funding requirements on this account are on an annual basis at December 31st, which is 2101 Louisiana's fiscal year end, UNITY's intent is to fully fund the account to the cumulative required amount to date by December 31st annually, less any Investor approved withdrawals, and provided there is adequate cash flow to complete such a transaction, as will be determined in the last week of the fiscal year.

**Shelter + Care Overhang Reserve**

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, 2022 and 2021, the Shelter + Care Overhang Reserve Account had a balance of \$125,621 and \$125,565, respectively. This account was adequately funded at June 30, 2022 and 2021.

**Supportive Services Reserve**

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, 2022 and 2021, the Supportive Services Reserve Account had a balance of \$52,644 and \$52,621, respectively. This account was adequately funded at June 30, 2022 and 2021.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

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

**Tenants' Security Deposits**

Tenants' security deposits are held in a restricted cash account for each property. At June 30, 2022 and 2021, the account balances of \$98,293 and \$129,027, respectively, were funded in excess of security deposit liability.

**(5) GRANTS RECEIVABLE**

Grants receivable at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Department of Housing and Urban Development	\$ 4,519,967	\$ 3,824,223
Department of Health and Human Services	<u>25,863</u>	<u>200,775</u>
	<u>\$ 4,545,830</u>	<u>\$ 5,319,020</u>

**(6) PROPERTY AND EQUIPMENT AND DEPRECIATION**

Property and equipment consists of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Buildings and improvements	\$ 35,646,425	\$ 35,646,425
Transportation equipment	133,954	133,954
Furniture and fixtures	<u>1,716,269</u>	<u>1,716,269</u>
	37,496,648	37,496,648
Less: accumulated depreciation	<u>(11,564,013)</u>	<u>(10,477,467)</u>
Net depreciable property and equipment	25,932,635	27,019,181
Land	<u>1,049,956</u>	<u>1,049,956</u>
Net property and equipment	<u>\$ 26,982,591</u>	<u>\$ 28,069,137</u>

Depreciation expense for the years ended June 30, 2022 and 2021 totaled \$1,086,470 and \$1,126,931, respectively.

**(7) REVOLVING LINES OF CREDIT**

UNITY has 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, 2022 and 2021, the outstanding balance was \$70,375 and \$286,613, respectively. Interest on outstanding balance accrues at a rate equal to the Prime Rate, 4.75% as of June 30, 2022, and is payable monthly. The credit line matures on July 1, 2024, at which time any outstanding principal and accrued interest are payable in full. There were no interest costs incurred and charged to expense on the line of credit for the years ended June 30, 2022 and 2021.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

**(7) REVOLVING LINES OF CREDIT (CONTINUED)**

Additionally, 3222 Canal, as the Borrower and UNITY, as the guarantor, has obtained a revolving line of credit from Hancock Whitney in the amount of \$1,000,000, which matures annually in December and is subject for renewal. The loan carries a variable interest rate, based on the “Prime rate for the U.S.” as published by the Wall Street Journal (4.75% at June 30, 2022 and 3.25% at June 30, 2021), and the interest rate cannot be less than 4.00%. At June 30, 2022 and 2021 the outstanding balance was \$100,000.

**(8) LONG-TERM DEBT**

Long-term debt consists of the following at June 30, 2022 and 2021:

	2022	2021
<u>Forgivable Note Payable – UNITY</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; Note is forgivable 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.	\$ 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; Note is forgivable February 2030 after maintaining compliance for 15 years subsequent to completion of construction of the property located at 3222 Canal Street.	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; Note is forgivable 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.	1,000,000	1,000,000

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

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

	2022	2021
<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. The loan is collateralized by the property located at 2222 Tulane Avenue.	817,211	839,716
<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. Loan matures upon default/noncompliance or December 10, 2045. The loan is collateralized by the property located at 2222 Tulane Avenue.	7,413,184	7,446,941
<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. The note shall mature on the earliest of (i) recapture event; (ii) default under permanent loan; (iii) June 30, 2026. Note is reduced annually over 15 years (\$426,667 per year) if no recapture event occurs. The note is collateralized by the property located at 2222 Tulane Avenue.	2,559,997	2,986,664
<u>PPP Loan – 3222 Canal</u>		
The Organization entered into an agreement with a Bank for a Paycheck Protection Program (PPP) Loan under the CARES Act for \$27,100. Note is forgivable May 2022. The unsecured note has an initial six-month deferral period, payable 18-month term beginning May 22, 2022. This loan was forgiven during the fiscal year ended June 30, 2022.	-	27,100

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

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

	2022	2021
<u>PPP Loan – 2222 Tulane</u>		
The Organization entered into an agreement with a Bank for a Paycheck Protection Program (PPP) Loan under the CARES Act for \$26,200. Note is forgivable May 2022. The unsecured note has an initial six-month deferral period, payable 18-month term beginning May 22, 2022. This loan was forgiven during the fiscal year ended June 30, 2022.		
	-	26,200
Total debt	13,790,392	14,326,621
Less amount due in one year	-	-
Less unamortized debt issuance costs	(86,497)	(101,188)
Total long-term debt	\$ 13,703,895	\$ 14,225,433

Interest incurred and charged to expense on the above notes totaled \$17,450 and \$5,830 for the years ended June 30, 2022 and 2021, respectively, which is included in interest expense on the consolidated statements of activities.

The aggregate maturities of long-term debt consist of the following at June 30, 2022:

2022	\$	-
Loans based on cash flow		8,230,395
Forgivable loans		5,559,997
		\$ 13,790,392

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.



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2022 AND 2021

**(9) RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions are available for the following purposes at June 30<sup>th</sup>:

	<u>2022</u>	<u>2021</u>
Client assistance	\$ 369,815	\$ 457,096
Planning and coordination	13,235	14,039
Subgrantees	<u>2,000,000</u>	<u>2,000,000</u>
	<u>\$ 2,383,050</u>	<u>\$ 2,471,135</u>

The following net assets with donor restrictions were released from restrictions during the years ended June 30<sup>th</sup>:

	<u>2022</u>	<u>2021</u>
Client assistance	\$ 157,486	\$ 94,390
Personnel	-	20,040
Planning and coordination	805	251
Subgrantees	<u>-</u>	<u>9,304</u>
	<u>\$ 158,291</u>	<u>\$ 123,985</u>

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

**(10) 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>
Balance June 30, 2020	\$ 17,115,260	\$ 12,115,808	\$ 4,999,452
Net (loss)	<u>(520,295)</u>	<u>(124,983)</u>	<u>(395,310)</u>
Balance June 30, 2021	16,594,965	11,990,825	4,604,140
Net (loss)	<u>(339,104)</u>	<u>(132,662)</u>	<u>(206,442)</u>
Balance June 30, 2022	<u>\$ 16,255,861</u>	<u>\$ 11,858,163</u>	<u>\$ 4,397,698</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022 AND 2021**

**(11) INCOME TAXES**

UNITY and UNITY Housing, Inc. 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). The remaining subsidiary LLC's, except 2101 Louisiana, are disregarded entities under IRS guidelines and therefore their operations are considered by the IRS as tax exempt under the provisions of IRC Section 501(c)(3). Therefore, the subsidiary LLC's activities, except 2101 Louisiana, are reported in UNITY's annual Form 990 filing. 2101 Louisiana files a separate partnership return.

UNITY's evaluation as of June 30, 2022 revealed no tax positions that would have a material impact on the financial statements. The 2019 through 2021 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 financial statements.

**(12) 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 \$109,378 and \$103,038 for the years ended June 30, 2022 and 2021, respectively.

**(13) COMMITMENTS**

**Leases**

UNITY leases its administrative facility under a month-to-month operating lease requiring monthly payments of \$5,420. UNITY leases warehouse space on a month-to-month basis at a monthly rate of \$900. Rental expense under these leases for the years ended June 30, 2022 and 2021 totaled \$75,559 and \$76,927, respectively, and is included in occupancy on the consolidated statement of functional expenses.

**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 developer fee payable on the consolidated statements of financial position is \$81,250 of unpaid developer fees at June 30, 2022 and 2021.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022 AND 2021**

**(13) COMMITMENTS (CONTINUED)**

**Management Fees**

2222 Tulane, 2101 Louisiana, and 3222 Canal entered into a Management Agreement with HRI Management Corporation requiring monthly payments of the greater of \$7,500 (\$2,500 per property) or 6% of gross revenues. The term of each agreement is for one year. Unpaid HRI Management fees for 2222 Tulane and 2101 Louisiana, which are included in accounts payable on the consolidated statements of financial position, amounted to \$8,020 and \$4,253 at June 30, 2022 and 2021, respectively. Additionally, unpaid HRI management fees for 3222 Canal, which are also included in the accounts payable on the consolidated statements of financial position, amounted to \$39,799 and \$7,334 at June 30, 2022 and 2021, respectively. For the years ended June 30, 2022 and 2021, HRI management fees incurred totaled \$98,665 and \$97,918, respectively, and is included in property operations and maintenance on the consolidated statements of functional expenses.

**(14) RELATED PARTY TRANSACTIONS**

For the years ended June 30, 2022 and 2021, UNITY received contributions of \$47,835 and \$42,975 from board directors, respectively.

**(15) 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, 2022 and 2021.

**(16) CONCENTRATIONS OF CREDIT RISKS**

UNITY maintains its cash in bank deposit accounts at various financial institutions. The balances at times may exceed federally insured limits. At June 30, 2022 and 2021, UNITY had \$2,737,249 and \$2,085,217, respectively, of cash in excess of amounts covered by the Federal Deposit Insurance Corporation. 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.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022 AND 2021**

**(17) 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 through 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, 2022 and 2021.

**(18) NEW ACCOUNTING PRONOUNCEMENTS**

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, "*Leases*." This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, the FASB has issued Update No. 2019-10, "*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Lease (Topic 842)*." The FASB further delayed the implementation date by one year through ASU 2020-05 "*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*." Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. UNITY plans to adopt this Update as applicable by the effective date.

**(19) RECLASSIFICATION OF PRIOR YEAR PRESENTATION**

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

**SUPPLEMENTARY INFORMATION**

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF FINANCIAL POSITION**  
JUNE 30, 2022

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b><u>CURRENT ASSETS:</u></b>							
Cash and cash equivalents	\$ 2,258,881	\$ 21,282	\$ 135,145	\$ 768,526	\$ 72,975	\$ -	\$ 3,256,809
Grants receivable	4,545,830	-	-	-	-	-	4,545,830
Tenant receivables, net	-	-	32,122	30,427	93,424	-	155,973
Other receivables	690,556	-	8,595	-	-	-	699,151
Prepaid expenses	1,856	-	67,479	94,385	84,230	-	247,950
Due from affiliates	214,991	121,897	16,781	300	34,886	(388,855)	-
Restricted cash and funded reserves	-	-	466,127	435,938	41,182	-	943,247
	<u>7,712,114</u>	<u>143,179</u>	<u>726,249</u>	<u>1,329,576</u>	<u>326,697</u>	<u>(388,855)</u>	<u>9,848,960</u>
<b>Total current assets</b>							
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	<u>1,390,479</u>	<u>19,511</u>	<u>8,021,881</u>	<u>11,808,449</u>	<u>5,771,812</u>	<u>(29,541)</u>	<u>26,982,591</u>
<b><u>OTHER ASSETS:</u></b>							
Note receivable	3,320,575	-	-	-	-	(3,320,575)	-
Syndication costs	-	-	50,000	-	-	-	50,000
Deposits	-	-	-	-	-	-	-
Investment in affiliate	865,000	-	-	-	-	(865,000)	-
	<u>4,185,575</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(4,185,575)</u>	<u>50,000</u>
<b>Total other assets</b>							
<b>Total assets</b>	<u>\$ 13,288,168</u>	<u>\$ 162,690</u>	<u>\$ 8,798,130</u>	<u>\$ 13,138,025</u>	<u>\$ 6,098,509</u>	<u>\$ (4,603,971)</u>	<u>\$ 36,881,551</u>
<b><u>CURRENT LIABILITIES:</u></b>							
Accounts payable	\$ 162,601	\$ 6,119	\$ 34,118	\$ 139,770	\$ 371,094	\$ -	\$ 713,702
Accrued liabilities	179,398	-	99,387	68,300	60,947	-	408,032
Construction and developers fee payable	-	-	56,233	-	81,250	(56,233)	81,250
Tenant deposits	-	4,228	19,373	36,318	34,406	-	94,325
Deferred revenue	-	-	14,417	37,851	-	-	52,268
Due to affiliates	155,608	2,939	24,291	17,734	104,221	(304,793)	-
Lines of credit	70,375	-	-	-	100,000	-	170,375
Current portion of long-term debt	-	-	-	-	-	-	-
Payments due to subrecipients	3,018,793	-	-	-	-	-	3,018,793
	<u>3,586,775</u>	<u>13,286</u>	<u>247,819</u>	<u>299,973</u>	<u>751,918</u>	<u>(361,026)</u>	<u>4,538,745</u>
<b>Total current liabilities</b>							
<b><u>LONG-TERM DEBT, NET</u></b>	<u>995,412</u>	<u>-</u>	<u>3,287,902</u>	<u>10,742,171</u>	<u>2,000,000</u>	<u>(3,321,590)</u>	<u>13,703,895</u>
<b>Total liabilities</b>	<u>4,582,187</u>	<u>13,286</u>	<u>3,535,721</u>	<u>11,042,144</u>	<u>2,751,918</u>	<u>(3,682,616)</u>	<u>18,242,640</u>
<b><u>NET ASSETS:</u></b>							
Net assets without donor restrictions:							
Controlling interest	6,322,931	149,404	864,711	2,095,881	3,346,591	(921,355)	11,858,163
Non-controlling interest	-	-	4,397,698	-	-	-	4,397,698
Net assets with donor restrictions	2,383,050	-	-	-	-	-	2,383,050
	<u>8,705,981</u>	<u>149,404</u>	<u>5,262,409</u>	<u>2,095,881</u>	<u>3,346,591</u>	<u>(921,355)</u>	<u>18,638,911</u>
<b>Total net assets</b>							
<b>Total liabilities and net assets</b>	<u>\$ 13,288,168</u>	<u>\$ 162,690</u>	<u>\$ 8,798,130</u>	<u>\$ 13,138,025</u>	<u>\$ 6,098,509</u>	<u>\$ (4,603,971)</u>	<u>\$ 36,881,551</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF FINANCIAL POSITION**  
**JUNE 30, 2021**

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC (as restated)	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b><u>CURRENT ASSETS:</u></b>							
Cash and cash equivalents	\$ 1,701,984	\$ 6,411	\$ 25,980	\$ 712,236	\$ (13,824)	\$ -	\$ 2,432,787
Grants receivable	5,319,020	-	-	-	-	-	5,319,020
Tenant receivables, net	-	-	39,315	39,014	60,958	-	139,287
Other receivables	1,651,790	-	(166)	-	-	-	1,651,624
Prepaid expenses	1,722	-	50,077	84,797	80,221	-	216,817
Due from affiliates	180,965	191,574	24,693	(1)	8,347	(405,578)	-
Restricted cash and funded reserves	-	-	446,376	467,142	67,190	-	980,708
	<u>8,855,481</u>	<u>197,985</u>	<u>586,275</u>	<u>1,303,188</u>	<u>202,892</u>	<u>(405,578)</u>	<u>10,740,243</u>
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	<u>1,511,103</u>	<u>20,077</u>	<u>8,329,027</u>	<u>12,237,158</u>	<u>6,001,313</u>	<u>(29,541)</u>	<u>28,069,137</u>
<b><u>OTHER ASSETS:</u></b>							
Note receivable	3,286,780	-	-	-	-	(3,286,780)	-
Syndication costs	-	-	50,000	-	-	-	50,000
Deposits	-	-	-	-	-	-	-
Investment in affiliate	865,000	-	-	-	-	(865,000)	-
	<u>4,151,780</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(4,151,780)</u>	<u>50,000</u>
<b>Total assets</b>	<u>\$ 14,518,364</u>	<u>\$ 218,062</u>	<u>\$ 8,965,302</u>	<u>\$ 13,540,346</u>	<u>\$ 6,204,205</u>	<u>\$ (4,586,899)</u>	<u>\$ 38,859,380</u>
<b><u>CURRENT LIABILITIES:</u></b>							
Accounts payable	\$ 110,421	\$ 6,106	\$ 41,096	\$ 41,774	\$ 182,231	\$ -	\$ 381,628
Accrued liabilities	153,499	-	115,101	62,427	50,965	-	381,992
Construction and developers fee payable	-	-	56,233	-	81,250	(56,233)	81,250
Tenant deposits	-	4,228	17,660	39,063	55,187	-	116,138
Deferred revenue	-	-	15,863	33,954	-	-	49,817
Due to affiliates	222,719	17,848	2,926	4,011	74,400	(321,904)	-
Lines of credit	286,613	-	-	-	100,000	-	386,613
Current portion of long-term debt	-	-	-	-	-	-	-
Payments due to subrecipients	4,170,409	-	-	-	-	-	4,170,409
	<u>4,943,661</u>	<u>28,182</u>	<u>248,879</u>	<u>181,229</u>	<u>544,033</u>	<u>(378,137)</u>	<u>5,567,847</u>
<b><u>LONG-TERM DEBT, NET</u></b>	<u>993,119</u>	<u>-</u>	<u>3,247,551</u>	<u>11,244,442</u>	<u>2,027,100</u>	<u>(3,286,779)</u>	<u>14,225,433</u>
<b>Total liabilities</b>	<u>5,936,780</u>	<u>28,182</u>	<u>3,496,430</u>	<u>11,425,671</u>	<u>2,571,133</u>	<u>(3,664,916)</u>	<u>19,793,280</u>
<b><u>NET ASSETS:</u></b>							
Net assets without donor restrictions:							
Controlling interest	6,110,449	189,880	864,732	2,114,675	3,633,072	(921,983)	11,990,825
Non-controlling interest	-	-	4,604,140	-	-	-	4,604,140
Net assets with donor restrictions	2,471,135	-	-	-	-	-	2,471,135
	<u>8,581,584</u>	<u>189,880</u>	<u>5,468,872</u>	<u>2,114,675</u>	<u>3,633,072</u>	<u>(921,983)</u>	<u>19,066,100</u>
<b>Total liabilities and net assets</b>	<u>\$ 14,518,364</u>	<u>\$ 218,062</u>	<u>\$ 8,965,302</u>	<u>\$ 13,540,346</u>	<u>\$ 6,204,205</u>	<u>\$ (4,586,899)</u>	<u>\$ 38,859,380</u>

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b>REVENUE:</b>							
Government grants	\$ 38,561,227	\$ 249,052	\$ 186,633	\$ 158,811	\$ 189,578	\$ -	\$ 39,345,301
Contributions	295,542	-	-	-	-	-	295,542
Rental income	-	-	402,672	616,604	817,201	-	1,836,477
Forgiveness of debt	-	-	-	452,867	27,100	-	479,967
Other revenues	445,825	156,005	67,148	-	94,803	(177,949)	585,832
Total revenue	<u>39,302,594</u>	<u>405,057</u>	<u>656,453</u>	<u>1,228,282</u>	<u>1,128,682</u>	<u>(177,949)</u>	<u>42,543,119</u>
<b>EXPENSES:</b>							
Salaries	2,359,201	33,329	24,926	28,185	28,283	(114,723)	2,359,201
Fringe benefits and payroll taxes	693,702	10,650	6,205	6,775	4,801	(28,411)	693,722
Conferences, conventions and meetings	11,094	-	-	-	-	-	11,094
Contracts - subrecipients	18,313,730	-	-	-	-	-	18,313,730
Interest expense	17,288	-	40,982	7,012	7,574	(35,443)	37,413
Client assistance	16,972,377	-	-	-	-	-	16,972,377
Membership dues	2,489	-	-	-	-	-	2,489
Warehouse and moving truck expense	33,453	-	-	-	-	-	33,453
Miscellaneous	9,349	-	29,310	52,767	473	-	91,899
Property operations and maintenance	136,277	345,286	372,505	612,810	930,439	-	2,397,317
Occupancy	89,845	-	-	-	-	-	89,845
Telephone	18,805	-	-	-	-	-	18,805
Property insurance and taxes	-	53,779	76,011	79,630	106,243	-	315,663
Office expenses and supplies	80,277	1,503	1,972	3,865	3,076	-	90,693
Special events	7,230	-	-	-	-	-	7,230
Professional fees	312,456	420	16,013	23,630	51,482	-	404,001
Bad debt expense (recovery)	-	-	(12,078)	3,693	53,291	-	44,906
Depreciation and amortization	120,624	566	307,070	428,709	229,501	-	1,086,470
Total expenses	<u>39,178,197</u>	<u>445,533</u>	<u>862,916</u>	<u>1,247,076</u>	<u>1,415,163</u>	<u>(178,577)</u>	<u>42,970,308</u>
Change in net assets	124,397	(40,476)	(206,463)	(18,794)	(286,481)	628	(427,189)
Net assets, beginning of year	<u>8,581,584</u>	<u>189,880</u>	<u>5,468,872</u>	<u>2,114,675</u>	<u>3,633,072</u>	<u>(921,983)</u>	<u>19,066,100</u>
Net assets, end of year	<u>\$ 8,705,981</u>	<u>\$ 149,404</u>	<u>\$ 5,262,409</u>	<u>\$ 2,095,881</u>	<u>\$ 3,346,591</u>	<u>\$ (921,355)</u>	<u>\$ 18,638,911</u>

(See Independent Auditors' Report)



**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	UNITY of Greater New Orleans, Inc.	UNITY Housing, Inc.	2101 Louisiana Apartments, LLC	2222 Tulane Apartments Nonprofit, Inc.	3222 Canal Apartments Nonprofit, Inc.	Eliminations	Total
<b>REVENUE:</b>							
Government grants	\$ 34,339,918	\$ 173,694	\$ 167,952	\$ 161,262	\$ 136,764	\$ -	\$ 34,979,590
Contributions	285,885	-	-	-	-	-	285,885
Rental income	-	-	350,983	635,958	837,737	-	1,824,678
Forgiveness of debt	448,622	-	-	426,667	-	-	875,289
Other revenues	222,594	47,833	214	-	63,676	(130,443)	203,874
	<u>35,297,019</u>	<u>221,527</u>	<u>519,149</u>	<u>1,223,887</u>	<u>1,038,177</u>	<u>(130,443)</u>	<u>38,169,316</u>
<b>EXPENSES:</b>							
Salaries	2,129,685	21,435	19,186	17,190	20,033	(68,605)	2,138,924
Fringe benefits and payroll taxes	593,244	6,737	4,720	4,066	3,475	-	612,242
Conferences, conventions and meetings	27,373	-	-	-	-	-	27,373
Contracts - subrecipients	18,934,319	-	-	-	-	-	18,934,319
Interest expense	2,294	-	39,935	154	3,536	(34,396)	11,523
Client assistance	12,472,298	-	-	-	-	-	12,472,298
Membership dues	2,329	-	15	22	-	-	2,366
Warehouse and moving truck expense	31,775	-	-	-	-	-	31,775
Miscellaneous	9,672	574	58,636	(5,730)	3,304	-	66,456
Property operations and maintenance	164,268	147,840	382,480	574,698	1,079,928	-	2,349,214
Occupancy	93,492	-	-	-	-	-	93,492
Telephone	20,542	-	-	-	-	-	20,542
Property insurance and taxes	-	46,864	68,243	67,411	99,425	-	281,943
Office expenses and supplies	104,662	1,000	819	3,112	1,574	-	111,167
Special events	6,574	-	-	-	-	-	6,574
Professional fees	325,805	13,920	18,029	15,760	41,016	-	414,530
Bad debt expense (recovery)	-	-	15,367	46,241	37,647	-	99,255
Depreciation and amortization	143,430	556	307,070	446,374	229,501	-	1,126,931
	<u>35,061,762</u>	<u>238,926</u>	<u>914,500</u>	<u>1,169,298</u>	<u>1,519,439</u>	<u>(103,001)</u>	<u>38,800,924</u>
Change in net assets	235,257	(17,399)	(395,351)	54,589	(481,262)	(27,442)	(631,608)
Net assets, beginning of year	<u>8,346,327</u>	<u>207,279</u>	<u>5,864,223</u>	<u>2,060,086</u>	<u>4,114,334</u>	<u>(894,541)</u>	<u>19,697,708</u>
Net assets, end of year	<u>\$ 8,581,584</u>	<u>\$ 189,880</u>	<u>\$ 5,468,872</u>	<u>\$ 2,114,675</u>	<u>\$ 3,633,072</u>	<u>\$ (921,983)</u>	<u>\$ 19,066,100</u>

(See Independent Auditors' Report)

**Schedule "3"**

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF COMPENSATION, BENEFITS,**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2022**

		Martha Kegel Executive Director <hr style="border: 0.5px solid black;"/>
Time served		07/01/2021 - 06/30/2022
Salary	\$	110,000
Benefits - insurance (health and dental)		11,441
Benefits - retirement		5,500
Benefits - insurance (LTD/STD/Life)		1,830
Benefits - cell phone		1,495
Registration fees		650
Membership		448
		<hr style="border: 0.5px solid black;"/>
Total compensation, benefits, and other payments	\$	<u><u>131,364</u></u>

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of UNITY of Greater New Orleans, Inc. and Subsidiaries (a nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2022, 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 January 3, 2023.

**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  
January 3, 2023

*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, 2022. 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, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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  
January 3, 2023

*Ericksen Krentel, LLP*  
Certified Public Accountants

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2022

<b>Federal Grantor/Pass-Through or Grantor/Program or Cluster Title</b>	<b>Federal AL Number</b>	<b>Agency or Pass-through Grantor's Number</b>	<b>Federal Expenditures</b>	<b>Subrecipient Costs</b>	<b>Loan Balance</b>
<b>U.S. Department of Housing and Urban Development</b>					
Continuum of Care Program	14.267	various	\$ 18,241,510	\$ 15,660,627	\$ -
Housing Opportunities for People with AIDS	14.241	various	334,690	326,915	-
<i>Pass-through City of New Orleans:</i>					
COVID-19 Emergency Solutions Grant Program:	14.231	various	3,146,499	246,969	-
Emergency Housing Vouchers Program	14.871		27,619		
<i>Pass-through State of Louisiana, Louisiana Housing Corporation:</i>					
Continuum of Care Program	14.267	LA0001L6H092007	10,305,677	-	817,211
COVID-19 Emergency Solutions Grant Program:	14.231		5,219,057	917,866	-
Emergency Housing Vouchers Program	14.871		31,411	-	-
<i>Pass-through State of Louisiana, Office of Community Development:</i>					
Community Development Block Grants/State's program	14.228		-	-	7,413,184
<i>Pass-through Metropolitan Human Services District:</i>					
Continuum of Care Program	14.267	LA0086L6H032013	1,096,813	447,654	-
<i>Pass-through Gulf Coast Housing Partnership:</i>					
HOME Investment Partnerships Program (HOME)	14.239	2011-2012-25 HOME	-	-	1,000,000
Total U.S. Department of Housing and Urban Development			<u>38,403,276</u>	<u>17,600,031</u>	<u>9,230,395</u>
<b>U.S. Department of Health and Human Services</b>					
<i>Pass-through Metropolitan Human Services District:</i>					
Projects for Assistance in Transition from Homelessness:	93.150		159,108	-	-
Total U.S. Department of Health and Human Services			<u>159,108</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 38,562,384</u>	<u>\$ 17,600,031</u>	<u>\$ 9,230,395</u>

(See Independent Auditors' Report)

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**(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, 2022. The information in the schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of UNITY, it is not intended to and does not present the financial position, changes in net assets, or cash flows of UNITY.

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

**Expense Recognition**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by UNITY of Greater New Orleans, Inc. and Subsidiaries. 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, 2022.

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

As further disclosed in Note 8 to the financial statements, UNITY of Greater New Orleans, Inc. and Subsidiaries have 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, 2022.

**UNITY OF GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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

As further disclosed in Note 8 to the 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, 2022.

As further disclosed in Note 8 to the 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, 2022.

**(4) NOTES RECEIVABLE**

On September 7, 2012, 2101 Louisiana Apartments, LLC, a consolidated subsidiary, executed a promissory note bearing interest of 1.5% in the amount of \$2,030,000 payable to UNITY of Greater New Orleans, Inc. There were no expenditures required to be reported on the schedule of expenditures of federal awards as AL #14.256, Neighborhood Stabilization Program 2, for the year ended June 30, 2022. 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, 2022**

**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, 2022.
8. The program tested as a major program was AL #14.267 Continuum of Care.
9. The threshold for distinguishing Type A programs was \$1,156,872.
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, 2022**

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

None Noted

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

None Noted

**SECTION III MANAGEMENT LETTER**

None Noted

**LOUISIANA LEGISLATIVE AUDITOR**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**UNITY OF GREATER NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2022**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



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

To the Board of Governance of  
UNITY of Greater New Orleans

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. UNITY of Greater New Orleans' management is responsible for those C/C areas identified in the SAUPs.

UNITY of Greater New Orleans has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

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

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

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

January 3, 2023  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants



**UNITY OF GREATER NEW ORLEANS**  
**AGREED-UPON PROCEDURES**  
**JULY 1, 2021 – JUNE 30, 2022**

**WRITTEN POLICIES AND PROCEDURES**

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

**WRITTEN POLICIES AND PROCEDURES (CONTINUED)**

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

**Results:** No exceptions were found as a result of applying the procedures. Ethics and sexual harassment policies and procedures are not applicable UNITY is a private not-for-profit organization.

**BOARD OR FINANCE COMMITTEE**

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

**BANK RECONCILIATIONS**

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

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

**COLLECTIONS**

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

the deposit.

**COLLECTIONS (CONTINUED)**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

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

6. **Procedures:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

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

7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

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

8. **Procedures:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5):
9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- f) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - g) At least two employees are involved in processing and approving payments to vendors.
  - h) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
  - i) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

**CREDIT CARDS/DEBIT CARDS/P-CARDS**

11. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

12. **Procedures:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

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

13. **Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

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

14. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

**CONTRACTS**

15. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with contract terms (e.g., if approval is required for any amendment, was approval documented)

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

**CONTRACTS (CONTINUED)**

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

**PAYROLL AND PERSONNEL**

16. **Procedures:** Obtain a listing of employees and officials employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. **Procedures:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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

18. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files and agree the termination payment to entity policy.

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



UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

**PAYROLL AND PERSONNEL (CONTINUED)**

19. **Procedures:** Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

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

**ETHICS**

20. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** Not applicable to the UNITY, as it is a private non-profit.

**DEBT SERVICE**

21. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

**Results:** Not applicable. UNITY did not issue bonds/notes during the fiscal period.

22. **Procedures:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

**FRAUD**

23. **Procedures:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

24. **Procedures:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

**INFORMATION TECHNOLOGY/DISASTER RECOVERY/ BUSINESS CONTINUTY**

25. **Procedures:** Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

UNITY OF GREATER NEW ORLEANS  
AGREED-UPON PROCEDURES (CONTINUED)  
JULY 1, 2021 – JUNE 30, 2022

**SEXUAL HARASSMENT**

26. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. **Procedures:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. **Procedures:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Results:** Not applicable to the Organization, as it is a private non-profit.