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## **SPECIAL REVIEW OF THE UNITY COUNCIL, CONFIRMS RESOLUTION OF FINANCIAL CHALLENGES**

THE MANAGEMENT TEAM AND BOARD OF DIRECTORS ARE WORKING HARD TO STRENGTHEN THE  
FINANCIAL STABILITY OF THE ORGANIZATION AND ITS OPERATIONS

OAKLAND, CA --- Having just secured \$3 million from the San Francisco Foundation, The Unity Council (TUC) is the phoenix that rose from the ashes. Just three years ago, TUC was in a very different financial predicament. A Federal 'Single Audit' exposed TUC inappropriately used funds from a restricted account to meet operational expenses and without prior authorization. In 2016, monies were eventually restored to the restricted fund through a revised lease agreement between the City and TUC.

Founded in 1964, The Unity Council is one of the largest, longest-running nonprofit agencies serving low-income families in East Oakland. TUC serves close to 10,000 infants, children, youth, adults, and senior citizens yearly, and manages a workforce of nearly 300 employees. Since its founding, TUC has invested in the development of over \$100 million in neighborhood assets, including three affordable housing developments for low-income seniors, and the revitalization of the commercial corridor of Oakland's Fruitvale District. TUC developed, and continues to operate, the mixed-use transit oriented development of Fruitvale Transit Village.

Given that the material weakness indicated poor financial controls likely leading to an inability to sustain the operations of City programs, the City Auditor thought it prudent to conduct a high-level review of TUC's financial statements and operational practices. The special review both confirmed its financial struggles and revealed its diligent work to set up the organization on a strong financial footing. Auditor Roberts noted, "we found no indication of malfeasance committed in the events described in the Single Audit findings. In fact, since the release of the Single Audit in 2015, the management team and Board of Directors have made concerted efforts to strengthen the financial stability of its operations by restructuring staff, completing a multiyear strategic plan and securing pipeline projects."

To further solidify TUC's progress, the review put forth five recommendations to alleviate some of the challenges contributing to TUC's financial issues: (1) restructure the Fruitvale Development Corporation loan with the City, (2) contract with an independent CPA firm to consolidate financial statements and reporting of advanced payments, (3) provide assistance to the Fiscal Officer, (4) restructure its Board and communication strategy, (5) and recruit a Board Member with a CPA and non-profit experience. The Unity Council fully agreed to and accepted the recommendations, and immediately implemented action plans to address the issues.

Auditor Roberts stated, “I am confident TUC is now in a stronger financial position. Its Director, Chris Iglesias, is a solid leader and has taken the necessary steps to strengthen TUC’s financial status so it can continue to do the good work it has always done in our community.”

To read the full review please visit: <https://www.oaklandauditor.com/wp-content/uploads/2018/11/City-Auditors-High-Level-Review-of-the-Unity-Council-Nov-14-2018.pdf>

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**Brenda Roberts has been Oakland’s City Auditor since 2015.** Under her guidance, the Office has issued 21 audit reports in less than four years, including all six mandated audits, as is required of the City Auditor. The Office prepared impartial financial analyses for 12 ballot measures, and investigated and closed more than 170 Whistleblower complaints. It is an award-winning office, and most recently received the Knighton Award -Exemplary from the Association of Local Government Auditors.