

UNITY PARTNERS

Financial Statements
with
Report of Independent Auditor

August 31, 2021

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11
Schedule of Expenditures of Federal Awards	12
Notes to Schedules of Expenditures of Federal Awards	13
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	16
Schedule of Findings and Questioned Costs.....	18-19

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Unity Partners

Report on the Financial Statements

We have audited the accompanying financial statements of Unity Partners (a non-profit organization), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Unity Partners as of August 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 May 27, 2022, on our consideration of Unity Partners' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unity Partners' 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 Partners' internal control over financial reporting and compliance.

Seidel Schroeder

College Station, Texas
May 27, 2022

UNITY PARTNERS
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2021

ASSETS

Current assets:	
Cash	\$ 32,454
Accounts receivable	490,349
Prepaid expenses	<u>3,395</u>
Total current assets	<u>526,198</u>
Fixed assets, net of accumulated depreciation	<u>61,349</u>
TOTAL ASSETS	<u><u>\$ 587,547</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 86,522
Accrued payroll	<u>37,281</u>
Total current liabilities	<u>123,803</u>
Net assets:	
Without donor restrictions	462,719
With donor restrictions	<u>1,025</u>
Total net assets	<u>463,744</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 587,547</u></u>

See accompanying notes to the financial statements.

UNITY PARTNERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions			
Donations	\$ 165,340	\$ 2,400	\$ 167,740
Grants - Federal			
Department of Labor-VETS 21	210,704	-	210,704
Department of Homeland Security FEM	9,389	-	9,389
BVCOG-HOPWA	44,463	-	44,463
BVCOG-Family Self Sufficiency	85,448	-	85,448
BVCOG-Ryan White	301,309	-	301,309
BVCOG-State Services	270,514	-	270,514
BVCOG-Poverty Reduction	240,000	-	240,000
City of Bryan	218,016	-	218,016
City of College Station	111,438	-	111,438
	<u>1,491,281</u>	<u>-</u>	<u>1,491,281</u>
Grants - State			
TDFPS	406,757	-	406,757
Texas Workforce Commission	104,188	-	104,188
Trellis Foundation	124,557	-	124,557
United Way	22,500	-	22,500
Donated materials and facilities	62,557	-	62,557
Interest income and other	15,183	-	15,183
Net assets released from restrictions	7,907	(7,907)	-
	<u>2,400,270</u>	<u>(5,507)</u>	<u>2,394,763</u>
Total support and revenue			
EXPENSES			
Program services	1,884,468	-	1,884,468
Management and general	251,124	-	251,124
Fundraising	713	-	713
	<u>2,136,305</u>	<u>-</u>	<u>2,136,305</u>
Total expenses			
Change in net assets	263,965	(5,507)	258,458
Net assets at beginning of period	<u>198,754</u>	<u>6,532</u>	<u>205,286</u>
Net assets at end of period	<u>\$ 462,719</u>	<u>\$ 1,025</u>	<u>\$ 463,744</u>

See accompanying notes to the financial statements.

UNITY PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021

	Program	Management and General and Fundraising	Total
Client services	\$ 601,535	\$ -	\$ 601,535
Conventions and seminars	7,112	-	7,112
Depreciation	19,238	2,138	21,376
Dues and subscriptions	24,679	-	24,679
Employee benefits	75,803	16,011	91,814
Food distributed (donated)	33,041	-	33,041
Fundraising	-	713	713
Insurance	7,623	7,622	15,245
Interest	2,399	2,398	4,797
Miscellaneous	4,075	2,168	6,243
Office supplies	30,528	3,392	33,920
Payroll taxes	63,129	13,333	76,462
Professional fees	11,717	11,717	23,434
Promotion	1,871	-	1,871
Rent	96,112	10,679	106,791
Repairs and maintenance	26,330	2,925	29,255
Salaries	822,666	173,756	996,422
Shared maintenance fees	7,505	-	7,505
Telephone	26,620	2,958	29,578
Travel and lodging	4,244	-	4,244
Utilities	18,241	2,027	20,268
	<u>\$1,884,468</u>	<u>\$ 251,837</u>	<u>\$ 2,136,305</u>

See accompanying notes to the financial statements.

**UNITY PARTNERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 258,458
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	21,376
Changes in operating assets and liabilities:	
Accounts receivable	(200,251)
Prepaid expenses	6,875
Accounts payable and accrued expenses	<u>72,910</u>
 Net cash provided (used) by operating activities	 <u>159,368</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment and software	<u>(30,000)</u>
 Net cash provided (used) by investing activities	 <u>(30,000)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on line of credit	(222,500)
Proceeds from line of credit	<u>82,500</u>
 Net cash provided (used) by financing activities	 <u>(140,000)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS (10,632)

BEGINNING CASH AND CASH EQUIVALENTS 43,086

ENDING CASH AND CASH EQUIVALENTS \$ 32,454

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest	<u>\$ 4,797</u>
------------------------	-----------------

See accompanying notes to the financial statements.

UNITY PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Note 1 – Summary of Significant Accounting Policies

Organization

Unity Partners (formerly Project Unity) is a not-for-profit corporation organized in 1999 to promote collaborative partnerships among and between community-based programs to provide unbiased access to support services to residents of the local community, to develop and provide direct services to fill gaps not offered by other agencies, and to promote leadership development among citizens in the community. The organization does not have stock or equity holders, offers no memberships, and is administered by a board of directors of concerned local citizens.

Basis of Accounting

The financial statements of Unity Partners have been prepared using the accrual method of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial statement presentation

Unity Partners is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Fixed assets and depreciation

Unity Partners capitalizes, at cost, all significant expenditures for fixed assets over \$5,000. Donated equipment is recorded at fair value at the date of donation. Property and equipment are depreciated using the double-declining method over their estimated useful lives.

Maintenance and repairs are charged to expense as incurred; major improvements are capitalized.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. If the donor restrictions are met in the same period as received, the amount is reported as an increase in net assets without donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and cash equivalents

Unity Partners generally considers all highly liquid temporary investments with an initial maturity of three months or less to be cash equivalents.

Fair value of financial instruments

The carrying amounts of cash equivalents, accounts receivable, and current liabilities approximate fair value because of the short maturity of those instruments.

UNITY PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Use of estimates

Management of Unity Partners has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Functional expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated using management's estimated percentages, as well as salaries and benefits, which are allocated on the basis of activity reports prepared by key personnel.

Revenue recognition

Unity Partners' primary sources of revenues are from contributions from donors and grants received from federal, state, and local entities. Revenue from donor contributions is recognized as the contributions are received or as restrictions are satisfied if the contributions are subject to donor restrictions. Unity Partners receives a substantial amount of funding in the form of grants from federal, state, and local agencies in order to provide services to the local community. The majority of the entity's grants are funded on a cost reimbursement basis. Unity Partners recognizes revenues from federal, state, and local grants as allowable costs are incurred and services are provided to eligible recipients. The grant transactions are considered to have commercial substance as the cash flows of Unity Partners are impacted significantly through these arrangements. There are no significant financing components included within the grant agreements, and there are no instances of variable consideration. At September 1, 2020, Unity Partners had outstanding receivables from granting agencies in the amount of \$290,098.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Unity Partners adopted the provisions of ASC 606 as of September 1, 2020 using the modified retrospective approach, which resulted in no cumulative effect adjustment to net assets as of September 1, 2020. There was no change in the timing and amount of revenue recognition as a result of the adoption of this ASU.

UNITY PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Note 2 – Liquidity and Availability

Management and the Board of Directors have developed the following approach as it relates to the organization’s liquid assets available for use in future period operations:

- All cash, cash equivalents and receivables, less the amount of net assets with donor restrictions at year end, are available for use in future period operations. Therefore, the amount of financial assets available to meet cash needs in future period operations is \$521,778 at August 31, 2021.
- The organization maintains a line of credit of \$200,000 to cover short-term cash needs.

Note 3 – Donated Facilities and Materials

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Unity Partners. Volunteers also provided tutoring and fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Unity Partners receives donated services, materials, and use of facilities from various local businesses, and various individuals.

The value of donated services and materials included as contributions and corresponding expenses or fixed assets for the year ended August 31, 2021 is as follows:

Food	\$ 29,906
Rent	30,950
Client services	<u>1,701</u>
	<u><u>\$ 62,557</u></u>

Note 4 – Tax Status

Unity Partners is a tax-exempt non-profit organization under Internal Revenue Code Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a). Unity Partners believes it has appropriate support for any tax positions taken, and, as such, has no uncertain tax positions that are material to the financial statements. Information returns are subject to review by the Internal Revenue Service for three years after they are filed.

**UNITY PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021**

Note 5 – Accounts Receivable

Accounts receivable at August 31, 2021 consist of the following:

TDPRS	\$	91,411
ASBV-HOPWA		7,999
ASBV-Ryan White		58,954
ASBV-State Services		63,335
BVCOG - Pilot 21		39,371
TWC Self Sufficiency		22,115
BVCOG-FSS21		4,926
BVCOG-Poverty Reduction		54,961
City of College Station		16,257
City of Bryan		59,394
VETS 21		45,108
Other		25,685
United Way		833
		833
	\$	490,349

Note 6 – Line of Credit

Unity Partners has a \$200,000 line of credit with Frost Bank that matures in August 2022. The interest on the line of credit varies based on the Wall Street Journal prime rate, but will be no lower than 3.5%. The line is secured by inventory, equipment and receivables from local, state and federal contracts. There were no draws on the line during the year ended August 31, 2021.

Unity Partners paid off the \$140,000 balance due at August 31, 2020 on a line of credit at Wells Fargo Bank. Interest paid on that line of credit during the year ended August 31, 2021 totaled \$4,672.

Note 7 – Operating Lease Commitment

Unity Partners leases copiers and office space under agreements which are classified as operating leases. Rent expense incurred under these leases for the year ended August 31, 2021 was \$66,619. All leases in effect at August 31, 2021 expire at various dates through October 2024. Future payments due under these leases are as follows:

2022	\$	48,022
2023		48,468
2024		50,698
2025 and thereafter		8,524
	\$	155,712

UNITY PARTNERS
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

Note 8 – Restricted Net Assets

At August 31, 2021, the only net assets with donor restrictions were for Penny Angels and totaled \$1,025.

Note 9 – Risks and Uncertainties

The organization's ongoing profitability may experience instability and estimates included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19. The duration and intensity of these impacts and resulting disruption to which these events affect the organization's operations will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Note 10 – Subsequent Events

The Management has evaluated subsequent events through May 27, 2022, the date the financial statements were available to be issued.

UNITY PARTNERS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Federal Contract Number	Pass-through Entity Identifying Number	Dates	Amount Received
<i>U.S. Department of Health and Human Services:</i>					
Brazos Valley Council of Governments - Ryan White Title II Funds	93.917	537-16-0568-00001	5608/4-559-01	4/1/20-3/31/21	\$ 177,058
Ryan White Title II Funds	93.917	537-16-0508-00001	5608/5-559-01	4/1/21-3/31/22	84,469
Ryan White Title II Funds (State Services)	93.917	537-16-0507-00001	5609/4-559-01	9/1/20-8/31/21	78,649
Ryan White Title II Funds (State Services Supplemental)	93.917	537-16-0508-00001	5608/SR2-559-01	4/1/20-3/31/21	120,299
Ryan White Title II Funds (State Services Supplemental)	93.917	537-16-0508-00001	5608/SR3-559-01	4/1/21-3/31/22	71,566
Ryan White Cares	93.917				39,782
Poverty Reduction	93.558			9/1/20-8/31/21	240,000
					<u>811,823</u>
<i>U.S. Department of Labor:</i>					
Homeless Veterans Reintegration Program (HVRP)	17.805		HV-35261-20-60-5-48	7/1/20-6/30/21	210,704
<i>U.S. Department of Homeland Security FEMA</i>					
Emergency Food and Shelter National Board Program	97.024				9,389
<i>U.S. Department of Housing and Urban Development:</i>					
Brazos Valley Council of Governments - HOPWA	14.241	537-16-0507-00001	5607/3-559-01	9/1/20-8/31/21	44,463
Family Self Sufficiency	14.871			9/1/20-8/31/21	85,448
City of College Station CARES	14.218				111,438
City of Bryan CDBG Reallocated funds	14.218	B-20-MC-48-0006		10/1/19-9/30/20	1,103
City of Bryan CARES	14.218	B-20-MW-48-0006		8/3/20-9/30/21	39,611
City of Bryan TERAP	14.218	B 20-DW-48-0001		1/15/21-1/14/22	154,927
City of Bryan - CDBG	14.218	B-20-MC-48-0006		10/1/20-9/30/21	22,375
					<u>459,365</u>
					<u>\$ 1,491,281</u>

See notes to schedule of expenditures of federal awards

UNITY PARTNERS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unity Partners and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements *Government Auditing Standards* issued by the Comptroller General of the United States (the *Uniform Guidance*). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The accrual basis of accounting is described in Note 1 of the financial statements note disclosures.

Note 3 – Contingencies

Allowable expenditures of federal awards are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of Unity Partners.

Note 4 – Indirect Cost Rate

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

Note 5 – Insurance in Effect

For the year ended August 31, 2021, the following insurance was in effect:

General liability	\$1,000,000
Commercial auto liability	\$1,000,000
Directors & officers	\$1,000,000
Fidelity bond	\$ 50,000
Volunteers	\$ 25,000
Commercial property fire	Coverage varies, but sufficient to cover contents

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

To the Board of Directors
Unity Partners

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 financial statements of Unity Partners (a nonprofit organization), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities, functional expenses and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unity Partners' 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unity Partners' internal control. Accordingly, we do not express an opinion on the effectiveness of Unity Partners' 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unity Partners' 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Seidel Schroeder

College Station, Texas
May 27, 2022

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

To the Board of Directors
Unity Partners

Report on Compliance for Each Major Federal Program

We have audited Unity Partners' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unity Partners' major federal programs for the year ended August 31, 2021. Unity Partners' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unity Partners' major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unity Partners' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unity Partners' compliance.

Opinion on Each Major Program

In our opinion, Unity Partners complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended August 31, 2021.

Report on Internal Control over Compliance

Management of Unity Partners is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Unity Partners' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unity Partners' 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

College Station, Texas
May 27, 2022

Seidel Schroeder

UNITY PARTNERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AUGUST 31, 2021

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material Weakness(es) identified?.....No

Significant deficiency(ies) identified?.....None reported

Noncompliance material to financial statements noted?No

Federal Awards

Internal control over major federal programs:

Material Weakness(es) identified?.....No

Significant deficiency(ies) identified?.....None reported

Type of auditor's report issued on compliance for major programs..... Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR section 200.516(a)?.....No

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.917	Ryan White HIV/AIDS Part B

Dollar threshold used to distinguish
between Type A and Type B programs.....\$750,000

Auditee qualified as low-risk auditee?..... Yes

UNITY PARTNERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AUGUST 31, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings related to the 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*

No Findings

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

No Findings