



# VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

## REPORT ON THE AUDIT OF THE STATEMENT OF EXPENDITURES FOR THE PERIOD ENDING DECEMBER 31, 2019

Auditor of Public Accounts  
Martha S. Mavredes, CPA  
[www.apa.virginia.gov](http://www.apa.virginia.gov)  
(804) 225-3350





Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

November 12, 2020

The Honorable Ralph S. Northam  
Governor of Virginia

The Honorable Kenneth R. Plum  
Chairman, Joint Legislative Audit  
and Review Commission

Board of Visitors  
Virginia Polytechnic Institute and State University

## INDEPENDENT AUDITOR'S REPORT

### **Report on the Audit of the Statement of Expenditures**

#### *Opinion*

We have audited the Statement of Expenditures for Virginia Polytechnic Institute and State University's grant agreement with the International Fund for Agricultural Development (schedule) for the period ending December 31, 2019, and the related footnotes to the schedule.

In our opinion, the accompanying schedule presents fairly, in all material respects, the expenditures and revenues associated with the grant agreement for the period January 8, 2018 through December 31, 2019, in accordance with the financial reporting provisions of Schedule 2 of the grant agreement dated January 8, 2018.

#### *Basis for Opinion*

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. We are required to be independent of Virginia Polytechnic Institute and State University and to meet our other ethical responsibilities, in accordance with the 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 audit opinion

### *Emphasis of Matter – Basis of Accounting*

We draw attention to footnote 2 to the schedule, which describes the basis of accounting. The schedule is prepared by Virginia Polytechnic Institute and State University on the basis of the financial reporting provisions of Schedule 2 of the grant agreement, which is a basis of accounting other than accounting principles generally accepted in the United State of America, to comply with the financial reporting provisions of the grant agreement referred to above. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

### *Management's Responsibility for the Schedule*

Management is responsible for the preparation and fair presentation of the schedule in accordance with the financial reporting provisions of Schedule 2 of the grant agreement. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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 auditing standards generally accepted in the United States of America 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 schedule.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the schedule, 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 schedule. We 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 Virginia Polytechnic Institute and State University 's internal control. Accordingly, we express no such opinion. We evaluate 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 schedule. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Polytechnic Institute and State University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### *Other Matter*

We have audited, 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, the financial statements of the business-type activities and discretely presented component units of Virginia Polytechnic Institute and State University as of and for the years ended June 30, 2018, June 30, 2019, and June 30, 2020, and our reports thereon, dated November 28, 2018, December 13, 2019, and November 12, 2020, respectively, expressed an unmodified opinion on those financial statements.

#### *Restriction on Use*

Our report is intended solely for the information and use of Virginia Polytechnic Institute and State University and the International Fund for Agricultural Development and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2020, on our consideration of Virginia Tech's 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 the 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 Virginia Tech's internal control over financial reporting and compliance.

Martha S. Mavredes  
AUDITOR OF PUBLIC ACCOUNTS

DBC/vks

**Statement of Expenditures**  
**Virginia Polytechnic Institute and State University**  
**Grant No: 2000001678**  
**Name of Project: Impact Assessment\_CURE**  
**Reporting period from January 8, 2018 to December 31, 2019 in US\$ (Currency)<sup>1</sup>**

Category of Expenditure <sup>2</sup>	Reporting Period Budget	Reporting Period Expenditure	Project Budget <sup>3</sup>	Received	Current Reimbursement Claimed	Balance
Salaries and Allowances	\$144,000.00	\$143,970.47	\$144,000.00	\$96,300.00	\$47,670.47	\$29.53
Travel and Allowances	72,000.00	72,097.28	72,000.00	45,000.00	27,097.28	(97.28)
Equipment and materials	114,000.00	116,314.00	114,000.00	99,000.00	17,313.98	(2,313.98)
Workshop and training	128,000.00	125,782.60	128,000.00	74,700.00	51,082.62	2,217.38
Overhead	37,000.00	36,653.15	37,000.00	25,200.00	11,453.15	346.85
Received	-	-	-	340,200.00	-	-
<b>Subtotal</b>	<b>495,000.00</b>	<b>494,817.50</b>	<b>495,000.00</b>	<b>340,200.00</b>	<b>154,617.50</b>	<b>182.50</b>
Cost Share	210,637.00	210,637.00	210,637.00	-	-	-
<b>Total</b>	<b>\$705,637.00</b>	<b>\$705,454.50</b>	<b>\$705,637.00</b>	<b>\$340,200.00</b>	<b>\$154,617.50</b>	<b>\$182.50</b>

<sup>1</sup> Currency of the grant agreement

<sup>2</sup> Categories of Expenditure as per Schedule 2 of the grant agreement

<sup>3</sup> The International Fund for Agricultural Development financed portion