



VIRGINIA STATE UNIVERSITY
P.O. Box 9213
PETERSBURG, VIRGINIA 23806
(804) 524-5995
(804) 524-5347 FAX

Kevin W. Davenport
Senior Vice President for Finance
and Administration

TDD (804) 524-5487

September 14, 2023

The Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw:

This representation letter is provided in connection with your audit of the financial statements of Virginia State University, which comprise the respective financial position of the business-type activities, and the aggregate discretely presented component units as of June 30, 2022 and the respective changes in financial position and where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 14, 2023, the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement memo dated January 30, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

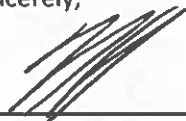
4. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
5. We have no knowledge of any fraud, or suspected fraud, affecting the entity involving management, employees who have significant roles in internal control and others where the fraud could have a material effect on the financial statements.
6. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
7. We have no knowledge of any instances of noncompliance or suspected noncompliance with the Code of Virginia or laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
8. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including those of the entity's foundations.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
11. We do not have any side agreements or other arrangements (either written or oral).
12. We have evaluated Virginia State University's ability to continue as a going concern and are unaware of any currently known information that may raise substantial doubt about Virginia State University's ability to continue as a going concern for twelve months beyond the financial statement date or shortly thereafter.
13. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement such as financial records and related data, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Minutes of board meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - d. Information relating to all statutes, laws, or regulations and provisions of contracts and grant agreements that could have a direct and material effect on the financial statements, including legal and contractual provisions for reporting specific activities in separate funds.
 - e. All reports of reviews performed by regulatory and/or other oversight agencies, including but not limited to, the reporting requirement in Chapter 1 § 4-8.02 a. of the 2022 Special Session I Acts of Assembly.
 - f. All information relating to contracts with and results of work by specialists.
 - g. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
14. The following have been properly recorded or disclosed in the financial statements in accordance with U.S. GAAP:
 - a. All component units, joint ventures with an equity interest, and other related organizations.
 - b. Net position components (net investment in capital assets; restricted; and unrestricted)
 - c. Capital Assets, net of depreciation, presented separately by major asset classification.
 - d. Right-to-use leased assets, net of amortization, presented separately by major asset classification

- e. Classification or allocation (made on a reasonable basis) of expenses in the Statement of Revenues, Expenses, and Changes in Net Position
 - f. Receivables (appropriately reduced to their net realizable value considering uncollectible receivables) that represent valid claims against debtors for sales or other charges arising on or before the Statement of Net Position date.
 - g. Interfund, internal, and intra-entity activity and balances.
 - h. Special and extraordinary items.
 - i. Cash, cash equivalents, investments, derivative transactions, land and other real estate held by endowments (if applicable) including related risk disclosures that meet the criteria established by GASB.
 - j. Related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - k. Contractual obligations for purchase of assets.
 - l. Guarantees, whether written or oral, under which we are contingently liable.
 - m. Significant assumptions used by us in making accounting estimates (including provisions for uncollectible receivables) that could be material to the financial statements, including those measured at fair value, are reasonable.
 - n. Long-term lease, financed purchase, and installment purchase obligations.
 - o. Other agreements not in the ordinary course of business.
 - p. The effects of all known actual or possible litigation and claims.
15. There are no-
- a. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - b. Communications from regulatory agencies or service organizations concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
 - c. Commitments for future purchases of goods or services whose nature is inconsistent with the objectives, purpose and intent of Virginia State University as prescribed by the Code of Virginia.
 - d. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
16. We have complied with all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. Virginia State University has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
18. The effects of any uncorrected misstatements aggregated by the Auditor of Public Accounts during the current audit engagement are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A summary of the uncorrected misstatements, aggregated by the Auditor of Public Accounts, is listed below:
- Lease liabilities and lease assets are understated by \$295,595 as of fiscal year 2022 year-end. The same account balances in the fiscal year 2021 column are understated by \$534,177.
19. We are responsible for the required supplementary information (RSI). The RSI is measured and presented in accordance with prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed any significant assumptions and interpretations underlying the measurement and presentation of the RSI.


20. We are unaware of any covered employees who have been convicted of a felony in connection with their position.

To the best of our knowledge and belief, no events relating to Virginia State University, or its foundations, including instances of noncompliance, have occurred subsequent to the date of the Statement of Net Position and through the date of this letter that would require adjustment to or disclosure in the financial statements.

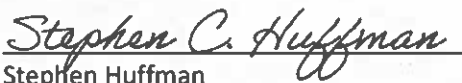
Sincerely,



Makola M. Abdullah, PhD.
President



Kevin Davenport
Vice President for Finance



Stephen Huffman
Controller



Fiscal Year 2022 Audit

November 14, 2023

George Strudgeon, Audit Director

Auditor of Public Accounts

Auditor's Opinion on Financial Statements

- **Unmodified opinion** - the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.
- Based on the report of another auditor, we also issued an **unmodified opinion** over the University's discretely presented foundations.

Significant Audit Adjustments

The following adjustments were reviewed with management and recorded in the audited financial statements:

- reclassified \$5.8 million of federally-funded capital projects;
- recognized \$4.6 million in federal grant revenues;
- reclassified \$3.8 million from non-operating revenue;
- reclassified \$10.3 million from scholarships and fellowships expense; and
- reclassified \$14.0 million from “payments for employee fringes and pension benefits” to “payments to employees.”

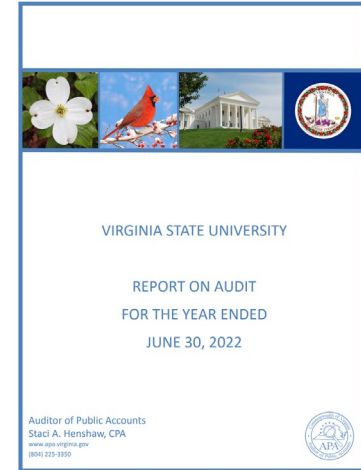
Uncorrected Misstatements

The following aggregated uncorrected misstatements were identified and not posted by management because they fell below Individually Significant Item Audit Scope:

- Lease liabilities and lease assets are understated by \$295,595 as of fiscal year 2022 year-end. The same account balances in the fiscal year 2021 column are understated by \$534,177.

Report on Internal Controls

Results of Internal Control and Compliance Testing:



Topic	Adequate Corrective Action	Included in Current Year Report		
		New	Status Update	Total
Financial Reporting	-	1	-	1
System Security	2	-	3	3
Revenue	-	-	2	2
Federal Compliance	1	-	2	2
Purchasing	5	-	-	-
Payroll/Human Resources	2	-	-	-
Inventory	1	-	-	-
Total	11	1	7	8

Additional Testwork Results

- We found no indications of fraudulent transactions or illegal acts.
- There were no material changes to accounting and reporting policies and standards during the year.
- There were no material alternative accounting treatments identified as a result of the 2022 audit.
- We concur with management's application of accounting principles.
- We have reviewed the basis used for accounting estimates used, noting that such amounts appear to be reasonable based on available information and that estimation methodology is consistent with prior periods.
- There were no significant unusual transactions or significant accounting policies in controversial or emerging issues.
- There were no significant difficulties encountered during the audit.
- There were no disagreements with management about auditing, accounting, or disclosure matters.

Other Items and Known Changes for Next Year's Audit

Upcoming GASB standards for next fiscal year, in order by potential impact to VSU:

- No. 96, Subscription-Based Information Technology Arrangements (SBITA)
- No. 94, Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements
- No. 99, Omnibus 2022: Clarifications for SBITAs and PPPs

Intended Use Statement

This presentation is intended solely for the information and use of management and the Board of Visitors of Virginia State University and is not intended to be, and should not be, used by anyone other than these specified parties.