

**WEST VIRGINIA STATE UNIVERSITY RESEARCH AND
DEVELOPMENT CORPORATION**

UNIFORM GUIDANCE REPORT

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
TABLE OF CONTENTS
YEAR ENDED JUNE 20, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	5
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
West Virginia State University Research and Development Corporation
Institute, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Virginia State University Research and Development Corporation's, a component unit of West Virginia State University, 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 West Virginia State University Research and Development Corporation's major federal programs for the year ended June 30, 2022. West Virginia State University Research and Development Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, West Virginia State University Research and Development Corporation complied, in all material respects, with the 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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of West Virginia State University Research and Development Corporation 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 West Virginia State University Research and Development Corporation's compliance with the compliance requirements referred to above.

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 West Virginia State University Research and Development Corporation's 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 West Virginia State University Research and Development Corporation's 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 GAAS, *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 West Virginia State University Research and Development Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 West Virginia State University Research and Development Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of West Virginia State University Research and Development Corporation's 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 West Virginia State University Research and Development Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002, and 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on West Virginia State University Research and Development Corporation's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. West Virginia State University Research and Development Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, and 2022-003 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on West Virginia State University Research and Development Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. West Virginia State University Research and Development Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business type activities of West Virginia State University Research and Development Corporation as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise West Virginia State University Research and Development Corporation's basic financial statements. We have issued our report thereon, dated October 20, 2022, with the exception of Note 11 as to which the date is March 7, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
March 22, 2023

WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Program or Cluster Title/Federal Grantor	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass through to Subrecipients	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:					
U.S. Department of Agriculture					
Cooperative State Research Education and Cooperative Research (Evans Allen — Section 1445) 1890	10.205	N/A	N/A	\$ -	\$ 1,679,360
Subtotal - 10.205				-	1,679,360
Institution Capacity Building Grant — Switchgrass for Energy	10.216	N/A	N/A	-	210,133
Institution Capacity Building Grant— Improving Growth	10.216	N/A	N/A	-	112,784
Institution Capacity Building Grant — KSU	10.216	Kentucky State University	210182-202092-3100	-	9,082
Institution Capacity Building Grant — Oilseed Plants	10.216	N/A	N/A	39,766	91,951
Institution Capacity Building Grant— Alcorn Sub	10.216	Alcorn State	ASU330058	-	72,182
Institution Capacity Building Grant— Est. Plant and Soil Science	10.216	N/A	N/A	-	3,346
Institution Capacity Building Grant — Exploring Wild Germ Spasm	10.216	N/A	N/A	-	9,020
Institution Capacity Building Grant— Healthy Rivers	10.216	N/A	N/A	-	110,660
Institution Capacity Building Grant — Impact of Water Quality	10.216	N/A	N/A	-	2,098
Institution Capacity Building Grant — Perfect Storm	10.216	N/A	N/A	-	16,854
Institution Capacity Building Grant — Speed Breathing	10.216	N/A	N/A	-	158,204
Institution Capacity Building Grant— Strengthening Biobenergy	10.216	N/A	N/A	-	19,760
Institution Capacity Building Grant — Translation Genomics	10.216	N/A	N/A	-	1,000
Subtotal - 10.216				-	817,074
Agricultural Research Basic ad Applied Research - Tomato	10.001	N/A	N/A	-	395
Subtotal - 10.001				-	395
Sustainable Agriculture Research and Education Grant 19-20	10.215	University of Vermont	SNE19-34268	-	593
Sustainable Agriculture Research and Education Grant 20-21	10.215	University of Vermont	SNE20-015-WV-34268	-	2,170
Sustainable Agriculture Research and Education Grant Helping Farmer	10.215	University of Vermont	SNE21-015-WV-35383	-	2,357
Subtotal - 10.215				-	5,120
Agriculture and Food Research Initiative - Reducing Impact of SARS-COVID	10.310	University of Delaware	2021-69006-33355	-	15,439
Agriculture and Food Research Initiative - Gummy Stem Blight	10.310	N/A	N/A	-	149,560
Agriculture and Food Research Initiative - Mid-Atlantic Sustainable Bypass	10.310	WVU	20-182-WVVSU	-	37,698
Subtotal - 10.310				-	202,697
National Institutes of Health (NIH)					
Biomedical Research and Research Training	93.859	WVU	01-054B-WVVSU-4	-	6
Subtotal - 93.859 and NIH				-	6
National Science Foundation (NSF)					
Stem Education - LSAMP 3	47.076	University of Kentucky	32000002015-19-047	-	10,216
Office Of International Science and Engineering - EPSCOR — 15-20	47.079	WVRO HEPC	01A-1458952	-	34,899
Integrative Activities - RII TRACK-2FEC	47.083	WVU	19-473-WVVSU	-	42,634
Stem Education - NSF-RIA-SANJAYA	47.076	WVSU	HRD-1600988	-	2,869
Subtotal - NSF				-	90,618
Total Research and Development Cluster				39,766	2,795,270

See accompanying Notes to Schedule of Expenditures of Federal Awards.

WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Program or Cluster Title/Federal Grantor	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture					
McIntire-Stennis Cooperative Forestry Research Program - 19	10.202	N/A	N/A	\$ -	\$ 3,549
McIntire-Stennis Cooperative Forestry Research Program - 20	10.202	N/A	N/A	-	17,766
McIntire-Stennis Cooperative Forestry Research Program - 21	10.202	N/A	N/A	-	105,309
	Subtotal - 10.202			-	126,624
 Agriculture and Food Research Initiative - IPM TRAINING	 10.310	 University of Maryland	 60580-Z5064202	 -	 742
	Subtotal - 10.310			-	742
 Crop Protection and Pest Management - EXTENSION IMPLEMENTATION 3	 10.329	 WVU	 14-930A-WVSURDC	 -	 5,987
Crop Protection and Pest Management - WV EXTENSION IMPLEMENTATION	10.329	WVU	14-930A-WVSURDC-2	-	1,387
	Subtotal - 10.329			-	7,374
 Cooperative State Research Education and Extension Service					
Cooperative Extension Service (Smith Lever — Section 1444)	10.512	N/A	N/A	-	1,024,993
	Subtotal - 10.512			-	1,024,993
 Scholarships for Students at 1890 Institutions Program	 10.524	 N/A	 N/A	 -	 321,539
	Subtotal - 10.524			-	321,539
 Cooperation Extension Service - 1890 Facilities	 10.500	 N/A	 N/A	 -	 61,288
Cooperation Extension Service Program — SCRATCHMCDOWELL	10.500	N/A	N/A	-	144,036
	Subtotal - 10.500			-	205,324
 Renewable Resources Extension Act					
Renewable Resources Extension Act — RREA 18	10.515	N/A	N/A	-	1,667
Renewable Resources Extension Act — RREA 19	10.515	N/A	N/A	-	1,667
Renewable Resources Extension Act — RREA 20	10.515	N/A	N/A	-	4,220
Renewable Resources Extension Act — RREA 21	10.515	N/A	N/A	-	13,500
Renewable Resources Extension Act — RREA 22	10.515	N/A	N/A	-	3,633
	Subtotal - 10.515			-	24,687
 Expanded Food and Nutrition Education Program — EFNEP 19	 10.514	 N/A	 N/A	 -	 2,805
Program — EFNEP 20	10.514	N/A	N/A	-	2,024
Program — EFNEP 21	10.514	N/A	N/A	-	81,257
	Subtotal - 10.514			-	86,086

See accompanying Notes to Schedule of Expenditures of Federal Awards.

WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Program or Cluster Title/Federal Grantor	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass through to Subrecipients	Federal Expenditures
Centers of Excellence at 1890 Institutions - MONITORING EMERGINIG PLANT DISEASES	10.523	UMES	2021-38427-34838	\$ -	\$ 3,485
Centers of Excellence at 1890 Institutions - PAN-AMERICAN RESEARCH SYMPOSIUM	10.523	UMES	2021-38427-34838	-	2,500
Centers of Excellence at 1890 Institutions - YOGUART FORTIFICATION	10.523	1890 FOUNDATION	2021-NHWQL-WVSU-34836	-	13,497
Centers of Excellence at 1890 Institutions - CISFRL COE THRUST	10.523	1890 FOUNDATION	CISFRL	-	21,842
Centers of Excellence at 1890 Institutions -MEA STEM SCHOLARS	10.523	1890 FOUNDATION	FY20-MEA-WVSU-PAYNE	-	19,185
Centers of Excellence at 1890 Institutions - AESCONTS	10.523	1890 FOUNDATION	FY20-MEA-WVSU-SANJAYA	-	10,844
Subtotal - 10.523				-	71,353
Institution Capacity Building Grant— CULTIVATING YOUNG	10.216	N/A	N/A	-	8,140
Institution Capacity Building Grant 4-H GROWTH	10.216	N/A	N/A	-	103,510
Institution Capacity Building GrantWV TREE MINDER	10.216	N/A	N/A	-	23,066
Subtotal of 10.216				-	134,716
Specialty Crop Research Initiative - CUCCAP	10.309	Michigan State	2015-51181-24285	-	27,174
Subtotal - 10.309					27,174
EVALUTING USDA AMS	10.164	N/A	N/A	-	1,179
Subtotal - 10.164				-	1,179
Cooperative Forestry Assistance - SPATIAL MAPPING ED	10.664	1890 FOUNDATION	Not Available	-	160
Extension Collaborative on Immunization Teaching and Engagement - 1	10.229	1890 FOUNDATION	Not Available	-	26,598
Extension Collaborative on Immunization Teaching and Engagement - 2	10.229	1890 FOUNDATION	Not Available	-	38,836
Subtotal - 10.229				-	65,434
Subtotal - U.S. Department of Agriculture				-	4,892,655
U.S. Department of Education					
Higher Education Institutional Aid - Title III-B-2019 Strengthening Historically Black Colleges	84.031	N/A	N/A	-	4,032
Higher Education Institutional Aid - Title III-B-2020 Strengthening Historically Black Colleges	84.031	N/A	N/A	-	88,883
Higher Education Institutional Aid - Title III-B-2021 Strengthening Historically Black Colleges	84.031	N/A	N/A	-	1,193,323
Higher Education Institutional Aid - Title III-B-2022 Strengthening Historically Black Colleges	84.031	N/A	N/A	-	1,401,092
Higher Education Institutional Aid - PART F	84.031 B	N/A	N/A	-	9,385
Higher Education Institutional Aid - FUTURE ACT-2021	84.031 B	N/A	N/A	-	268,664
Higher Education Institutional Aid - FUTURE ACT-2022	84.031 B	N/A	N/A	-	242,689
Subtotal - 84.031				-	3,208,068
Strengthening Minority-Serving Institutions - Title VII Master 2021	84.382 G	N/A	N/A	-	6,921
Strengthening Minority-Serving Institutions -Title VII Master 2021	84.382 G	N/A	N/A	-	259,231
Strengthening Minority-Serving Institutions - Title VII Master 2022	84.382 G	N/A	N/A	-	375,287
Subtotal - 84.382				-	641,439
Gaining early Awareness and Readiness for Undergraduate Program - RESIDENCY 2 STIPENDS	84.334S	WVDOE	GRTAWD04022200003228	-	42,000
Subtotal - 84.334				-	42,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Program or Cluster Title/Federal Grantor	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass through to Subrecipients	Federal Expenditures
NATIONAL ENDOWMENT					
Promotion of the Humanities - Federal/State Partnership - ART OF STORYTELLING	45.129	WV HUMANITIES	20.1.7980	\$ -	\$ 450
	Subtotal - 45.129			-	450
Specialty Crop Block Grant Program - CROWDSOURCING	10.170	WVDA	SC2003	-	17,920
Specialty Crop Block Grant Program - IMPROVING VINTAGE TOMATO	10.170	WVDA	Not Available	-	9,553
Specialty Crop Block Grant Program - VIDEOS	10.170	WVDA	19SC07	-	3,182
	Subtotal - 10.170			-	30,655
Soil and Water Conservation - OASIS IN THE DESERT	10.902	N/A	N/A	-	39,835
Soil and Water Conservation - NRCS-CONSERVATION SYSTEM TRAINING	10.902	N/A	N/A	-	30
	Subtotal - 10.902			-	39,865
NASA					
Office of Stem Engagement - SWEET POTATO ON MARTIAN SOIL	43.008	WV SPACE CONSORTIUM	N/A	-	13,891
Office of Stem Engagement -ROCKETEERS	43.008	WV SPACE CONSORTIUM	N/A	-	551
	Subtotal - 43.008 and NASA			-	14,442
U.S. Department of Transportation (DOT)					
Highway Planning and Construction - STI	20.205	WV DOT	N/A	-	37,250
	Subtotal - 20.205 and DOT			-	37,250
U.S. Department of Health and Human Services (DHHS)					
Maternal and Child Health Services Block Grant to the States - HGP-DHHR	93.994	WVDHHR	Not Available	-	54,569
Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health	93.391	WVDHHR	Not Available	-	97,019
	Subtotal - DHHS			-	151,588
U.S. Department of Treasury (DOT)					
COVID-19 Coronavirus Relief Program - NURSING EXPANSION	21.019	N/A	N/A	-	106,469
	Subtotal - 21.019 and DOT			-	106,469
ARMY EDUCATIONAL OUTREACH					
Basic, Applied and Advanced Research in Science - SOI	12.630	BATTELLE MEMORIAL	N/A	-	16,755
Basic, Applied and Advanced Research in Science -YELLOW JACKET UNITE	12.630	TECHN.STUDENT ASSOC	N/A	-	15,526
	Subtotal - 12.630 and Army Education Outreach			-	32,281
TOTAL FEDERAL AWARDS				\$ 39,766	\$ 9,197,162

See accompanying Notes to Schedule of Expenditures of Federal Awards.

WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The purpose of the schedule of expenditures of federal awards (the Schedule) is to present a summary of those activities of West Virginia State University Research and Development Corporation that have been financed by the U.S. government (federal awards). Federal awards received directly from federal agencies are included in the Schedule, as are federal guaranteed loans disbursed by other sources. Additionally, all federal awards passed through from other entities have been included in the Schedule. The Corporation is required to match certain grant agreements, as defined in the grants, and these matching amounts are not included in the Schedule.

The information in the Schedule is presented in accordance with requirements of 2 CFR 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 the Corporation, it is not intended to and does not present the financial position, changes in net position, or cash flows of West Virginia State University Research and Development Corporation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 allowable or are limited as to reimbursement. The Corporation has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial Statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported
2. Type of auditors' report issued on: compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Numbers

Various
84.031

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as low-risk auditee?

Name of Federal Program or Cluster

Research and Development Cluster
Higher Education Institutional Aid

Type A - \$750,000; Type B - \$187,500

 yes x no

**WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

2022 – 001 – Audit Adjustment

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During the audit, we proposed one audit adjustment to reduce federal revenue and increase unearned revenue by \$893,521, respectively.

Criteria or specific requirement: Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements, including the notes to the financial statements, in conformity with accounting principles generally accepted in the United States of America. Their responsibilities include recording significant financial reporting processes, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; record recurring and nonrecurring adjustments to the financial statements and safeguarding the Corporation's assets.

Effect: The lack of controls in place over the recording of financial activities, presentation of the financial statements, and the safeguarding of assets resulted in material error.

Cause: The Corporation received a grant of \$1,000,000 for which cash was received in advanced of performing the services. During our preparation of the schedule of expenditures of federal awards for the year ended June 30, 2022, only \$106,469 of expenses were identified as incurred on the grant. Therefore, only \$106,469 should be recorded as revenue in fiscal year ending June 30, 2022. However, the Corporation recorded the full amount of the cash received in fiscal year ending 2022. Generally, the Corporation receives cash reimbursement grants so the cash advancement was a unique situation for the Corporation.

Repeat Finding: No

Recommendation: The Corporation should evaluate their financial reporting processes and controls, accounting and recording of grant revenues to ensure they are recorded in the correct fiscal year.

Views of responsible officials and planned corrective actions: Management will implement a review process to ensure that when cash advancement grants are received that revenue is recorded only when the eligible expenses are incurred.

**WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 002

Federal Agency: United States Department of Agriculture and National Science Foundation

Federal Program Name: Research and Development Cluster

Assistance Listing Number: 10.216, 10.310 and 47.083

Federal Award Identification Number and Year:

- 20183882128111 and July 1, 2021 to June 30, 2022 (ALN 10.216)
- 20183882127753 and July 1, 2021 to June 30, 2022 (ALN 10.216)
- 20203882131122 and July 1, 2021 to June 30, 2022 (ALN 10.216)
- OIA-1920920 and July 1, 2021 to June 30, 2022 (ALN 47.083)
- 2020-68012-31881 and July 1, 2021 to June 30, 2022 (ALN 10.310)

Pass-Through Agency:

- West Virginia University (ALN 47.083)
- West Virginia University (ALN 10.310)

Pass-Through Numbers:

- 19-473-WVSU (ALN 47.083)
- 20-182-WVSU (ALN 10.310)

Award Period:

- April 1, 2018 to March 31, 2023
- March 15, 2018 to March 14, 2022
- May 1, 2020 to April 30, 2023 (ALN 10.216)
- August 1, 2019 to July 31, 2023 (ALN 47.083)
- September 1, 2020 to August 31, 2025 (ALN 10.310)

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or Specific Requirement: According to Title 2, Subtitle A, Chapter II, Part 200, Subpart E, General Provisions for Selected Items for Cost section 200.430, non-Federal entity's should have a system of internal controls which includes processes to review after-the-fact determination of percent of time individuals spent on federal grants when such expenditures are charged.

Condition: During our testing of five out of sixteen payroll expenditures, we noted that there was no after-the-fact determination of the individual's time for payroll period charged against the federal grants.

Questioned Costs: \$1,761 (ALN: 10.216), \$213 (ALN: 10.310) and \$720 (ALN: 47.083)

Context: During our testing, we noted that the reviewer relied on the budgeted estimate instead of the after-the-fact determination when reviewing for whether the costs and activity were allowed.

**WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause: The Corporation did not follow their process where for all employees that charge payroll to grants that a time certification should be done after-the-fact to ensure that the actual time spent on grants are charged appropriately.

Effect: There are costs of \$2,964 charged to federal grants that were based on budgeted estimates of time spent on grants.

Repeat Finding: No

Auditor's Recommendation: We recommend that the Corporation review their time and effort after-the-fact reporting policy and ensure it is followed throughout the life of federal grants.

Views of Responsible Officials: There is no disagreement with the audit finding.

2022 – 003

Federal Agency: United States Department of Agriculture

Federal Program Name: Research and Development Cluster

Assistance Listing Number: 10.216

Federal Award Identification Number and Year:

- 20183882127753 and July 1, 2021 to June 30, 2022

Pass-Through Agency: N/A – Direct Funding

Pass-Through Number: N/A – Direct Funding

Award Period:

- March 15, 2018 to March 14, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria or Specific Requirement: According to the 2 CFR 200.77, non-federal entities should charge expenditures within the period of performance of the grant which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal Grant.

Condition: During our testing of eighteen expenditures charged during the end of the month of period of performance, we noted three that had an expenditure for services provided after the end of the period of performance.

Questioned Costs: None

Context: During our testing, there was a payroll charge of \$369 which included services that was from March 2, 2022 to March 16, 2022. Additionally, there were two payroll charges totaling \$2,158 that were from April 1, 2022 to April 15, 2022. The ending period of performance for the grant that the costs were charged to was March 14, 2022.

**WEST VIRGINIA STATE UNIVERSITY RESEARCH AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause: The Corporation overlooked the period of performance end date and this resulted in payroll amount being charged against the grant outside the period of performance.

Effect: This resulted in an estimated \$2,208 being charged out of the period of performance.

Repeat Finding: No

Auditor's Recommendation: We recommend that the Corporation review their period of performance process to ensure that costs that are charged against the grants are within the period of performance.

Views of Responsible Officials: There is no disagreement with the audit finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.