



# COMMONWEALTH OF VIRGINIA GENERAL FUND PRELIMINARY ANNUAL REPORT

## REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2021

Auditor of Public Accounts

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# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

August 13, 2021

The Honorable David A. Von Moll  
Comptroller, Commonwealth of Virginia  
Richmond, Virginia

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below on the cash basis General Fund Preliminary (Unaudited) Annual Report of the Comptroller to the Governor of Virginia (Preliminary Report) for the year ended June 30, 2021. You and your staff have responsibility for the preparation of the Preliminary Report and the disclosures you believe are necessary for a fair presentation of the financial information. You and your staff have agreed to and acknowledged that the procedures performed are appropriate for the intended purpose of evaluating the compilation of the Preliminary Report. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were engaged by you and your staff to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. These agreed-upon procedures do not constitute an audit of financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you. We are required to be independent of you and your staff to meet our ethical responsibilities in accordance with the relevant ethical requirements related to this agreed upon procedures engagement.

The procedures we performed and our findings are as follows:

1. We traced the General Fund accounts (including 01000 and non-01000 funds) listed on the June 30, 2021, Cardinal Trial Balance, by Business Unit and Fund, as adjusted by your staff, to the Preliminary Report for the purpose of determining propriety of General Fund classification and found them to be in agreement.
2. We agreed the actual amounts on the Preliminary Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Cash Basis (Unaudited) as follows and found them to be in agreement:
  - A) Actual revenues to the Cardinal YTD Revenue Accounts.
  - B) Actual expenditures to the Cardinal YTD Expenditure Accounts.
  - C) Transfers to the Cardinal Trial Balance Report, by Business Unit and Fund.
  - D) The sources referred to in items A, B, and C were adjusted by your staff to: (a) reclassify transfers to higher education institutions as expenditures since these entities will be presented as discrete component units in the Annual Comprehensive Financial Report (ACFR); (b) reclassify principal and interest payments that will be recorded in the Debt Service Fund; (c) eliminate intra-fund activity occurring within General Fund ACFR Class accounts; (d) reclassify certain other revenues, expenditures, and transfers as detailed in your staff's adjustment schedule; and (e) exclude load cash transfers for General Fund budgetary transactions.
3. We agreed the budgeted amounts on the Preliminary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund - Cash Basis (Unaudited) as follows and found them to be in agreement:
  - A) Original budgeted revenues to the monthly General Fund Statement of Revenue Collections and Estimates, which your staff reconciled to Chapter 1289 of the 2020 Acts of Assembly, and the Cardinal YTD Revenue Accounts as of August 31, 2020.
  - B) Final budgeted revenues to the monthly General Fund Statement of Revenue Collections and Estimates, which your staff reconciled to Chapter 552 of the 2021 Special Session I Acts of Assembly, and the Cardinal YTD Revenue Accounts as of June 30, 2021.
  - C) Original budgeted expenditures to Chapter 1289 of the 2020 Acts of Assembly, and the Analysis of Appropriation by ACFR Class Report as of July 31, 2020; and final budgeted expenditures to Analysis of Appropriation by ACFR Class Report as of June 30, 2021, as adjusted by your staff.

- D) Original budgeted transfers to Chapter 1289 of the 2020 Acts of Assembly, the “Appropriation Act Transfer Analysis” prepared by your staff, and the “General Fund Transfer Analysis” prepared by your staff; and final budgeted transfers to Chapter 552 of the 2021 Special Session 1 Acts of Assembly, the “Appropriation Act Transfer Analysis” prepared by your staff, and the “General Fund Transfer Analysis” prepared by your staff.
  - E) The sources and analysis referred to in items A, B, C, and D were adjusted by your staff to: (a) reclassify budgeted transfers to higher education institutions as expenditures, since these entities will be presented as discrete component units in the ACFR; (b) reclassify principal and interest payments that will be recorded in the Debt Service Fund; and (c) reclassify certain other budgeted revenues, expenditures, and transfers as detailed in your staff’s adjustment schedule.
4. We traced reported fund balance classifications of restricted, committed, and assigned on the Preliminary Balance Sheet - General Fund - Cash Basis (Unaudited) to support provided by your staff including various Cardinal reports and queries; computations and analysis prepared by your staff; Chapter 552 of the 2021 Special Session I Acts of Assembly; and information provided by the Departments of Planning and Budget and Taxation and found them to be in agreement.
5. We reviewed the Preliminary Comparison of Selected Sum-Sufficient Final Budget Appropriations with Actual Expenditures – General Fund – Cash Basis (Unaudited) as follows and found them to be in agreement:
- A) We traced original appropriations to Chapter 1289 of the 2020 Acts of Assembly and final appropriations to the Analysis of Appropriations by ACFR Class Report, or Chapter 552 of the 2021 Special Session I Acts of Assembly.
  - B) We traced actual expenditures to the Cardinal YTD Expenditure Accounts.
  - C) We make no representation as to whether the Statement includes all sum-sufficient appropriations specified in Chapter 1289 of the 2020 Acts of Assembly or Chapter 552 of the 2021 Special Session I Acts of Assembly.

This report is intended solely for the information and use of you and your staff as specified above and is not intended to be and should not be used by any other party. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Staci A. Henshaw  
Auditor of Public Accounts

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