



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** April 16, 2025

**TO:** Sheree F. Marshall  
Supervisory Auditor  
USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and  
Support Division, Contract Audit Management Branch

**FROM:** David A. McNeil /s/  
Director  
External Financial Audits Division

**SUBJECT:** Single Audit of Root Capital, Inc., for the Year Ended December 31, 2020  
(3-000-25-037-T)

This memorandum transmits the final audit report on the single audit of Root Capital, Inc., for the year ended December 31, 2020. The audit report was obtained from the Federal Audit Clearinghouse. Root Capital contracted with the independent audit firm Mayer Hoffman McCann PC (MHM) to conduct the audit. MHM stated it performed its audit in accordance with U.S. Government auditing standards issued by the Comptroller General of the United States and Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. MHM is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Root Capital's consolidated financial statements; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>1</sup>

MHM's audit objectives were to: (1) express an opinion on Root Capital's combined financial statements of financial position as of December 31, 2020, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements; (2) obtain reasonable assurance about whether the financial statements are free from material misstatement; and (3) express an opinion on compliance for Root Capital's major federal programs based on MHM's audit of the types compliance requirements described in the Office of Management and Budget's Compliance

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<sup>1</sup> We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

Supplement that could have a direct and material effect on each of Root Capital's major Federal programs for the year ended December 31, 2020. To answer the audit objectives, MHM: (1) obtained audit evidence about the amounts and disclosures in the combined financial statements; (2) considered internal control relevant to Root Capital's preparation and fair presentation of the combined financial statements; (3) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluated the overall presentation of the financial statements; and (4) considered Root Capital's internal control over financial reporting (internal control) to express an opinion on the combined financial statements. Root Capital's audited expenditures of Federal awards were \$25,464,273, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$10,468,402.

MHM expressed an unmodified opinion on the financial statements and on compliance with the major Federal programs. Further, MHM reported that it identified: (1) no material weakness or significant deficiencies in internal control over financial reporting (2) no material weakness or significant deficiencies in internal control over major federal programs; (3) no audit findings required to be reported in accordance with 2 CFR 200.516(a); and (4) no financial statement findings and no federal awards findings and questioned costs.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).