



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: June 5, 2026

TO: Eric Ueland
USAID/Performing the Duties of Administrator and Chief Operating Officer

Douglas A. Pitkin
USAID/Acting Chief Financial Officer

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

SUBJECT: Single Audit of Root Capital, Inc. for the Year Ended December 31, 2021 (3-000-26-002-T)

This memorandum transmits the final audit report on the single audit of Root Capital, Inc. (Root Capital) for the year ended December 31, 2021. The audit report was obtained from the Federal Audit Clearinghouse. Root Capital contracted with the independent audit firm Mayer Hoffman McCann P.C. (MHM) to conduct the audit. MHM stated that it performed its audit in accordance with U.S. Government auditing standards issued by the Comptroller General of the United States and in accordance with 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 schedule of expenditures of Federal awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

MHM audit objectives were to: (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report including MHM's opinion; (2) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks; (3) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; (4) evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and (5) obtain reasonable assurance about

¹ 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.

whether material noncompliance with the compliance requirements in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of Root Capital's major federal programs for the year ended December 31, 2021, occurred, whether due to fraud or error, and express an opinion. To answer the audit objectives, MHM: (1) audited Root Capital's combined financial statements comprising the combined statements of Root Capital's financial position as of December 31, 2021, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes; (2) issued report dated April 14, 2022, on MHM's consideration of Root Capital's internal control over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters; and (3) performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Root Capital's audited expenditures of federal awards were \$50,643,762, of which the U.S. Agency for International Development's audited expenditures amounted to \$2,855,359.

MHM expressed an unmodified opinion on the financial statements and on compliance for major programs. Further, MHM reported that it did not find any material weaknesses or significant deficiencies in internal control over financial reporting and in internal control over major programs.

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.²

² 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@oig.usaid.gov.