

February 27, 2015

Mr. Wayne Roberts
Chief Executive Officer
Cancer Prevention and Research Institute of Texas
211 E. 7th St., Suite 300
Austin, Texas 78701-3285

Dear Mr. Roberts:

The Financial Reporting Section (FRS) of the Comptroller of Public Accounts has reviewed the independent financial audit of the Cancer Prevention and Research Institute of Texas (CPRIT) for fiscal year ended Aug. 31, 2014. The audit was prepared by the accounting firm of McConnell & Jones, LLP.

This review only determines if the audited financial report and notes are in compliance with the FRS published *Reporting Requirements for Annual Financial Reports*. Compliance with the requirements helps ensure that agency information is presented accurately for inclusion in the State of Texas Comprehensive Annual Financial Report. In past reviews FRS has recommended numerous suggestions, most of which have been implemented. We have the following comment based on the review of the latest audited report.

- 1) We encourage the agency to review our *Reporting Requirements for Annual Financial Reports* for reporting of unassigned fund balances in governmental funds as there are numerous situations where the unassigned fund balance can be either positive or negative. Per Governmental Accounting Standards Board Statement 54 and our *Reporting Requirements*, a negative unassigned fund balance can only be reported if the total fund balance is negative, and only after all other fund balance classifications are exhausted. Our staff is available for any assistance needed in interpreting our annual financial report guidelines.

We will send a separate email to the CPRIT staff with suggestions on report preparation to minimize differences between the unaudited and audited AFR. Other than this comment, no other non-compliance items were noted with the *Reporting Requirements for Annual Financial Reports*.

We appreciate the opportunity to review the audit report and are available to work with the administrative staff of CPRIT to improve future financial reports. If you have any questions or comments, please contact Shelly Arnold in Fiscal Management's Financial Reporting section at shelly.arnold@cpa.texas.gov or 512-463-4709.

Sincerely,

Rob Coleman
Director of Fiscal Management



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