

February 20, 2013

Mr. Wayne Roberts
Interim Executive Director
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 the fiscal year ending Aug. 31, 2012, pursuant to Texas Health and Safety Code Section 102.053. The audit was prepared by the accounting firm of Clifton Larson Allen, LLP.

This review only determines if the audited financial report and notes are in compliance with the FRS published *Reporting Requirements or 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 various suggestions, most of which have been implemented. We have the following comments based on the review of the latest audited report:

- 1) The combined Exhibit II on page 7 should have beginning and ending balances for the Capital Adjustments and Long-Term Liability columns. The ending balances should then tie to the same columns on the combined Exhibit I on page 8.
- 2) In Note 7 – Operating Lease Obligations, the future minimum lease rental payments should be shown for five years and in five-year increments thereafter. If the minimum rental payment is zero before year five, include zero for those years to complete the five year presentation.
- 3) The Note numbering sequence should follow the same sequence as the CPRIT unaudited report which is numbered per the *Reporting Requirements for Annual Financial Reports*. Following this requirement helps to minimize any confusion in reference to the notes during discussions with the CPRIT staff.

We will send a separate email to the CPRIT staff with additional suggestions on report presentation to minimize differences in format between the unaudited and audited Annual Financial Report. Other than these comments, no other non-compliance items were noted with the *Reporting Requirements for Annual Financial Reports*.

We are available to work with CPRIT's staff to improve future financial reports. If you have any questions or comments, please contact Peggy Wagman in Fiscal Management's Financial Reporting section at peggy.wagman@cpa.state.tx.us or 305-8636.

Phillip Ashley, CPA, CGFM
Director of Fiscal Management

cc: Peggy Wagman

