



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Texas A&M Research Foundation
College Station, Texas

In planning and performing our audit of the financial statements of the Texas A&M Research Foundation (the "Foundation") as of and for the year ended August 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

Accrued Expenses

We noted that the Foundation did not accrue for \$2,524,260 of research goods/services that were received in fiscal year 2023 but not paid in fiscal year 2023. This resulted in accounts payable, research expenses, unbilled receivables, and grant revenue being understated by \$2,524,260. We recommend the Foundation reviews all payments made September-November of the next fiscal year to ensure all expenses pertaining to the current fiscal year are properly accrued.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use of the Board of Directors and management of the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Ingram, Wallis + Company, P.C.

Bryan, Texas
December 20, 2023