

Leon County R&D Authority
Audit Committee Meeting
November 15, 2021

Audit Planning Discussion

1. Changes in operations and procedures
 - a. Revised procedures in August for payments via ACH using HWB Treasury Manger
 - i. Bylaws
 - ii. Internal Control and Operating Procedures
 - iii. Investment Procedures and Internal Controls
 - b. Other policy changes-No significant audit risk:
 - i. Personnel Policy-Teleworking
 - ii. FMLA Policy
 - c. Grant Accounting-More significant
 - i. EDA Grant & Matching Contributions
 1. Also-Additional Bank Account-NFIL Construction Account
 - ii. Danfoss MOU
 - iii. Other reimbursement grants: Knight, OEV, FAMU
2. Other Pre-Audit Concerns
 - a. GASB 87—Lessor Revenue Recognition
 - i. Records long-term lease receivable at the PV of future lease payments at inception, and a corresponding Deferred Inflow of Resources
 - ii. Income recognized as lease revenue and an interest component for each payment
 - iii. Interest rate assumption using the IRS “Applicable Federal Rate” at the inception of the lease since there is not an interest rate implicit in the lease and we don’t have an incremental borrowing rate.
 - iv. We are still working through the calculation on our 6 long-term leases.
 - v. YARDI can do calculation, but we are having issues with the system and are working with their tech support to figure it out.
 - vi. Expect to have completed in the next couple of weeks.
 - b. GASB 68-Pension Accounting
 - i. Still need to wait until mid-January before State publishes the needed information.