



To the Audit Committee Leon County Research and Development Authority

We are pleased to present this report related to our audit of the financial statements of Leon County Research and Development Authority (the Authority) as of and for the year ended September 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

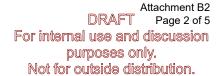
Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Area Comments

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated October 15, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit We discussed with members of the Audit Committee and the Authority's management various matters about which generally accepted auditing standards require communication. These include matters concerning two-way communication, our independence, the audit planning process, the concept of materiality in planning and executing the audit, our approach to internal control relevant to the audit, and the timing of the audit.





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Area Comments

Accounting Policies and Practices

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year. The Authority adopted the new GASB accounting standard GASB Statement No. 87, *Leases*. The changes from the adoption of this standard are throughout the financial statements.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and assumptions certain about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include:

- Pension liabilities
- Discount rate (applicable Federal Rate) used in the application of GASB 87 to determine the net present value of future lease payments
- Amortization of capitalized fees
- Useful lives used to calculate depreciation of capital assets

The Audit Committee may wish to monitor throughout the year the process used to determine and record these accounting estimates



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Area	Comments
Audit Adjustments	Audit adjustments proposed by us and recorded by Authority are shown on the attached Exhibit A .
Uncorrected Misstatements	There were no uncorrected misstatements that management determined to be immaterial.
Departure From the Auditor's Standard Report	We expect to include an emphasis-of-matter paragraph in our report in relation to the implementation of GASB 87.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Authority's financial and accounting personnel.
Letter(s) Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	We have separately communicated any significant deficiencies and material weaknesses in internal control over financial reporting identified during our audit of the financial statements as required by <i>Government Auditing Standards</i> . This communication is included in the Other Reports section of the financial statements.



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Area	Comments
Significant Written Communications Between Management and Our Firm	See Exhibit B for a copy of the representation letter provided to us by the Authority's management.

This report is intended solely for the information and use of the Audit Committee and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this letter. We appreciate the opportunity to continue to be of service to Leon County Research and Development Authority.

Tallahassee, Florida NEED DATE

Exhibit A

Leon County Research and Development Authority

Year End: September 30, 2021

Misstatement Factual Recurrence Credit 268,500.00 536,500.00 805,000.00 Debit 268,500.00 536,500.00 805,000.00 Reference Annotation 5200/6400 5200/6400 5200/6400 5200/6400 **Account No** 1920-0000 2308-2000 2330-2000 1226-0000 Uneamed Revenue - OEV MOU NonCurrent Unearned Revenue - OEV MOU Current **OEV MOU Receivable - NonCurrent** to remove the MOU AR/unearned **OEV MOU Receivable - Current** Name revenue Journal Entries: Adjusting Date: 10/1/2020 To 9/30/2021 9/30/2021 9/30/2021 9/30/2021 9/30/2021 Date Number AJE#1 AJE#1 AJE#1 AJE#1

136,309.00 Net Income (Loss) Page

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