

Members of the Authority  
**Johnson County Education Research Triangle Authority**

We are pleased to present this report related to our audit of the basic financial statements of Johnson County Education Research Triangle Authority (Authority) for the year ended June 30, 2012. 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.

## Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

### **Auditors' Responsibility under Professional Standards**

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated June 11, 2012.

### **Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority's significant accounting policies are discussed in Note 1 to 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.

### **Alternative Treatments Discussed with Management**

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year.

### **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 certain assumptions about future events. Management may wish to monitor throughout the year the process used to compute and record these accounting estimates.

## **Audit Adjustments**

Cash transaction summaries provided by management were reformatted into the basic financial statements. During this process, an adjustment was made to record sales tax receivable owed to the Authority at June 30, 2012.

## **Uncorrected Misstatements**

There were no uncorrected misstatements accumulated during the audit.

## **Management Representations**

In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles. The representation letter also includes the more significant oral representations made by officers and employees during the course of the audit and includes specific representations, is intended to reduce the possibility of misunderstandings between us and the Authority and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

## **Other Disclosures**

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; we are not aware of any consultations management had with other accountants about accounting or auditing matters; no significant issues arising from the audit were discussed or were the subject of correspondence with management; and we did not encounter any difficulties in dealing with management relating to the performance of the audit.

## **Other Recommendations**

We have no other recommendations for the Authority, based on our audit of the financial statements for the year ended June 30, 2012.

## **Closing**

This communication is intended solely for the information and use of the Members of the Authority and management 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. We appreciate the opportunity to be of service to Johnson County Education Research Triangle Authority.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS  
November 13, 2012