

## Section II - Management Letter and State Reporting Requirements

### Report on the Financial Statements

We have audited the financial statements of the Enterprise Fund and the Pension Trust Fund of Sarasota Manatee Airport Authority as of and for the year ended September 30, 2022 and have issued our report thereon dated January 23, 2023.

### ***Auditor's Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and, as it relates to the federal compliance audit, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

During the audit, we also adhered to the requirements under Chapter 10.550, Rules of the Auditor General, which requires certain additional procedures and the reporting of certain items addressed in this letter.

### ***Other Reporting Requirements***

We have issued our independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; independent auditor's report on compliance for the major federal program as required by the Uniform Guidance, State Financial Assistance Project as required by Chapter 10.550, Rules of Auditor General, and Passenger Facility Charge Audit Guide for Public Agencies; report on internal control over compliance; schedule of findings and questioned costs; and independent accountant's report on compliance with local government investment policies, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. This letter should be considered in conjunction with those reports and schedules, which are dated January 23, 2023.

### ***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No recommendations were made in the preceding financial audit report.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Authority has included such disclosures in Note 1 to the financial statements.

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. Management of the Authority has determined that the Authority does not meet any of the conditions that are used in the determination of a financial emergency, as described in Section 218.503(1), Florida Statutes. In connection with our audit of the financial statements, the results of our tests did not indicate that the Authority has met any of the conditions in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority based on the audited financial statements as of and for the year ended September 30, 2022. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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(Continued)**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported:

- a. The total number of authority employees compensated in the last pay period of the Authority's fiscal year as 207
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as zero
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$10,485,114
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0
- e. Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported together with the total expenditures for such project as listed below:
  - 15th Street observation area - \$ 98,250
  - Taxiway bravo increase scope - \$ 276,139
  - Terminal renovations and new concourse engineering - \$ 4,541,934
  - Terminal renovations and new concourse construction management - \$ 398,388
  - Terminal renovations and new concourse project - \$ 62,000,000
  - Stormwater system increase scope - \$ 504,244
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0 net variance. The Authority does not file an amended final adopted budget.

***Additional Matter***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. Please see the report on internal control over financial reporting dated January 23, 2023.

***Purpose of This Section***

Section II of this letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and federal and other granting agencies and to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this section is not suitable for any other purpose.