

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor and Members of the City Council  
City of Melbourne, Florida

### Report on the Financial Statements

We have audited the financial statements of the Melbourne Orlando International Airport, a component unit of the City of Melbourne, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 4, 2022. The following is an addendum to the letter management letter included in the City of Melbourne, Florida's financial statements.

### Specific Information (UNAUDITED)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Melbourne Orlando International Airport reported the schedule below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

- |   |                    |
|---|--------------------|
| a. The total number of District employees compensated in the last pay period of the District's fiscal year as                               | <b>50</b>          |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as | <b>33</b>          |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.                                  | <b>\$4,981,013</b> |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.        | <b>\$504,852</b>   |

- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

<b>Project</b>	<b>Expenditures</b>	<b>Estimated Expenditures</b>
50120 – Taxiway S Improvements Phase 1	\$ 0	\$3,400,000
50121 – In Line Baggage System	0	1,024,944
50220 – Perimeter Airfield Road Rehab	0	125,000
50320 – Passenger BB #5 Replacement	0	1,669,094
50418 – Lift Station - Aerospace Bldg	0	75,000
50419 – Replace Security System Design Phase 1	0	461,959
50520 – Aerospace Dr Lift Station Replacement	0	85,000
50619 – Airplane Deposit Facility	0	70,000
51119 - Airfield Utilities-Ga Dr & SO Lift	0	1,400,000
<b>Total</b>	<b>\$ 0</b>	<b>\$8,310,997</b>

- 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 District amends a final adopted budget under Section 189.016(6), Florida Statutes:

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Airport Actuals</b>	<b>Variance with Final Budget- Positive/ (Negative)</b>
<b>OPERATING REVENUES</b>				
Airfield and hangar fees	\$ 1,335,865	\$ 1,335,865	\$ 2,304,221	\$ 968,356
Terminal and area building fees	2,087,967	2,087,967	2,659,368	571,401
Commercial business center fees	8,421,697	8,421,697	9,095,381	673,684
Tropical Haven fees	2,025,503	2,025,503	1,999,349	(26,154)
International/U.S.				
Customs/Foreign trade zone fees	7,566	7,566	10,209	2,643
Other	35,937	35,937	118,474	82,537
<b>Total operating revenues</b>	<b>13,914,535</b>	<b>13,914,535</b>	<b>16,187,002</b>	<b>2,272,467</b>

	Original Budget	Final Budget	Airport Actuals	Variance with Final Budget- Positive/ (Negative)
<b>OPERATING EXPENSES</b>				
Salaries, wages and employee benefits	5,651,466	5,656,466	4,981,013	675,453
Contractual services, materials and supplies	10,168,861	10,985,663	9,066,846	1,918,817
Depreciation and amortization*	-	-	8,260,027	(8,260,027)
Total operating expenses	15,820,327	16,642,129	22,307,886	(5,665,757)
Operating loss	(1,905,792)	(2,727,594)	(6,120,884)	(3,393,290)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Federal and State grants	8,672,000	8,672,000	8,678,449	6,449
Passenger facility charges	467,373	467,373	623,899	156,526
Investment earnings	197,220	197,220	83,476	(113,744)
Customer facility charges	350,000	350,000	501,501	151,501
Contributions to private organizations	-	-	(51,678)	(51,678)
Interest expense	-	-	(92,297)	(92,297)
Gain on sale/disposal of capital assets	-	-	817,461	817,461
Other nonoperating revenue (expense)	(1,000,000)	(779,590)	(4,430)	775,160
Total nonoperating revenues (expenses)	8,686,593	8,907,003	10,556,381	1,649,378
Income before contributions	6,780,801	6,179,409	4,435,497	1,743,912
Capital contributions	-	-	18,538,170	18,538,170
Change in net position	6,780,801	6,179,409	22,973,667	16,794,258
Total net position, October 1	177,812,430	177,812,430	177,812,430	-
Total net position, September 30	\$ 184,593,231	\$ 183,991,839	\$ 200,786,097	\$ 16,794,258

\* The Airport does not budget for depreciation and amortization

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Melbourne Orlando International Airport reported:

- a. The millage rate or rates imposed by the District. **None**
- b. The total amount of ad valorem taxes collected by or on behalf of the District. **None**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as:  
Melbourne Orlando International Airport, Series 2021,  
interest at a fixed rate of 1.95% and maturing on May 1,  
2031. **\$9,000,000**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Melbourne Orlando International Airport reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District as **None**
- b. The total amount of special assessments collected by or on behalf of the District as **None**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as **None**

**Purpose of this Letter**

Our management 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, Federal and other granting agencies, the Council members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Melbourne, Florida  
July 1, 2022