

**SAMPLE MANAGEMENT LETTER – COUNTIES AS A WHOLE,
MUNICIPALITIES, & SPECIAL DISTRICTS**
(Revised September 2023)

(AUDITOR’S LETTERHEAD)

To the ***(Board of Directors, Commissioners, Council Members, or other title as appropriate)***
(name of entity), Florida.

Report on the Financial Statements

We have audited the financial statements of the ***(name of entity)***, Florida, as of and for the fiscal year ended _____, 20XX, and have issued our report thereon dated _____, 20XX. ***(If the auditor’s report on the financial statements includes any departures from an unmodified opinion, disclose such departures in the management letter.)***

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; ***(if applicable)*** 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* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

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*; ***(if applicable)*** Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; ***(if applicable)*** Schedule of Findings and Questioned Costs; and Independent Accountant’s Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated _____, 20XX, should be considered in conjunction with this management letter.

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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. ***(If there were no recommendations made in the preceding financial audit report, state such in the management letter. If an audit finding in the preceding financial audit report remains***

uncorrected, the auditor must determine whether the finding was also included in the second preceding financial audit report. Uncorrected findings in the current financial audit report must cite the corresponding finding reference numbers used in the preceding and, as applicable, the second preceding financial audit reports.)

(Although not required, a tabulation such as the following showing current financial audit report finding numbers along with the finding numbers corresponding to the findings identified in the two preceding financial audit reports, may be helpful in demonstrating compliance with this rule.)

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2021-22 FY Finding No.	2020-21 FY Finding No.
2023-001	2022-001	2021-001

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 ***(name of entity)*** was established by ***(insert appropriate reference to the specific legal authority that established the entity)***. The ***(name of entity)*** included the following component units: ***(Identify by name each component unit and the specific legal authority for its creation. If there were no component units related to the entity, state such in the management letter. Information regarding the specific legal authority for the entity and its component units, if any, is only required to be in the management letter if not already disclosed in the notes to the financial statements, although disclosure of such information in the notes to the financial statements is preferable.)***

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the ***(name of entity)*** met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the ***(name of entity)*** did not meet any of the conditions described in Section 218.503(1), Florida Statutes. ***(If the entity met any of the conditions in Section 218.503(1), Florida Statutes, revise the language as appropriate; specify in the management letter which of the conditions described in Section 218.503(1), Florida Statutes, were met; and state whether or not the condition resulted from a deteriorating financial condition, as defined in Section 10.554(1)(f), Rules of the Auditor General.)***

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 ***(name of entity)***. It is management’s

responsibility to monitor the **(name of entity)**'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. ***(If the financial condition assessment procedures disclose a deteriorating financial condition, include a statement that the local governmental entity's financial condition is deteriorating and a description of the deteriorating financial condition. Findings regarding deteriorating financial condition shall be prepared in accordance with Section 10.557(4)(b), Rules of the Auditor General. The auditor may want to make a statement that the assessment was done as of the fiscal year end.)***

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 ***(or, if applicable, state the recommendations)***.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. ***(If the auditor becomes aware of a special district that did not comply with Section 218.39(3)(b), Florida Statutes, revise the language as appropriate, indicating the name of the special district that failed to provide the necessary information.)***

Specific Information *(For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)*

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as _____.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as _____.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as _____.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as _____.
- e. Each construction project with a total cost of at least \$65,000 approved by the district 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 _____ (provide list).

- 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, as _____.

Note: If the required information for a dependent special district is fulfilled by inclusion in the primary local government’s audit report, a statement to that effect should be made in the dependent special district’s audit report, and vice versa.

Specific Information (For an independent special district that imposes ad valorem taxes)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the **(name of district)** reported:

- a. The mileage rate or rates imposed by the district as _____.
- b. The total amount of ad valorem taxes collected by or on behalf of the district as _____.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as _____.

Specific Information (For an independent special district that imposes non-ad valorem special assessments)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the **(name of district)** reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District as _____.
- b. The total amount of special assessments collected by or on behalf of the district as _____.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as _____.

Monthly Financial Statements (For water management districts only):

Sections 10.554(1)(i)9.a. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District provided monthly financial statements to its governing board and made such monthly statements available for public access on its Web site. In connection with our audit, we determined that the District provided monthly financial statements to its governing board and made such monthly statement(s) available for public access on its Web site. **(If the District did not comply with these requirements, revise the language as appropriate.)**

Transparency (For water management districts only):

Sections 10.554(1)(i)9.b. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District provided a link on its Web site to the Florida Department of Financial Service’s Web site to view the District’s annual financial report submitted to the Department. In connection with our audit, we determined that the District provided a link on its Web site to the Florida Department of

Financial Service's Web site. ***(If the District did not comply with this requirement, revise the language as appropriate.)***

Sections 10.554(1)(i)9.c. and 10.556(9), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the District posted its tentative and final budgets on its Web site. In connection with our audit, we determined that the District posted its tentative and final budgets on its Web site. ***(If the District did not comply with this requirement, revise the language as appropriate.)***

Additional Matters

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. In connection with our audit, we did not note any such findings ***(or, if applicable, state the findings and recommendations)***. ***(Auditors should use professional judgment to determine whether and how to communicate internal control deficiencies that are not material weaknesses or significant deficiencies or instances of fraud, noncompliance with provisions of laws or regulations, noncompliance with provisions of contracts or grant agreements, or abuse that do not warrant the attention of those charged with governance.)***

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 ***(refer to other governmental agencies if appropriate)***, the ***(Board of Directors, Commissioners, Council Members, or other title as appropriate)***, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

(name of CPA firm)

(City, State)

(date of management letter)

[NOTE: This example management letter for counties as a whole, municipalities, and special districts is intended to provide guidance concerning the preparation of a management letter pursuant to Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. This example management letter should be amended as appropriate based on the auditor's professional judgment regarding the particular circumstances of the audit; Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits; and applicable auditing and attestation standards.]