



# Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

1601 Forum Place, Suite 801 • West Palm Beach, FL 33401-8106  
(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

## MANAGEMENT LETTER

The Board of Directors  
Seagull Academy for Independent Living - A Program  
of Seagull Industries for the Disabled, Inc.  
Riviera Beach, Florida

In planning and performing our audit of the financial statements of Seagull Academy for Independent Living (SAIL) - A Program of Seagull Industries for the Disabled, Inc. for the year ended June 30, 2008, we considered SAIL's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We previously reported on SAIL's internal control in our report dated July 16, 2008. This letter does not affect our report, dated July 16, 2008, on the financial statements of SAIL.

This management letter has been prepared pursuant to Florida Statutes (F.S.) Section 218.39(4) and the Rules of the Florida Auditor General, Rule 10.856(2)(d). The following comments are provided in sequence according to Rule 10.854(1)(e):

1. SAIL had the following management letter items in the prior year audit.
  - Signed checks should not be returned to the preparer before mailing.
    - This recommendation has been adopted.
  - We recommended that account distribution be reflected on the face of the document packet.
    - This recommendation has been adopted.
2. SAIL is not in a financial emergency as defined by F.S. 218.503(1).
3. We made no recommendations herein with respect to financial management.
4. We noted no violations of contracts or grants agreements, or abuse that is reportable under Rule 10.854(1)(e)4.
5. We noted no violations or deficiencies deemed reportable pursuant to Rule 10.854(1)(e)5a. We do note the following current year recommendations:
  - We recommend that the sponsoring organization provide monthly invoicing for reimbursable fees and services.
    - *Management Response:* Sponsoring organization provides copies of invoices/supporting documentation for amounts paid on behalf of SAIL.

- We recommend that management establish files for journal entries with the attached supporting documentation.
  - *Management Response:* Journal entries are used sparingly and generally only for recurring monthly entries for depreciation and entries in identical monthly amounts for management fee, insurance and income from Town of Palm Beach United Way occurring between sponsoring organization and SAIL.
- 6. The official name of the school is Seagull Academy for Independent Living.
- 7. We have applied financial condition assessment procedures pursuant to Rule 10.855(10), and noted no instances of deteriorating financial conditions pursuant to F.S. 218.503.

This report is intended for the information of the Board of Directors, management, federal and state awarding agencies, School Board of Palm Beach County and others within Seagull and is not intended to be and should not be used by anyone other than these specified parties.



West Palm Beach, Florida  
July 16, 2008