

# McGladrey & Pullen

Certified Public Accountants

## Management Letter

To the Honorable Members of the  
County Commission and County Manager  
Glades County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Glades County, Florida (the "County"), as of and for the year ended September 30, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 21, 2008.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control Over Financing Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Project and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 21, 2008, should be considered in conjunction with this management letter.

Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida and unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

The Rules of the Auditor General (Section 10.554 (1) (i) 1.) requires that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned cost, whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. We noted no such matters in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1) (i) 2.), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined the County complied with Section 218.415, Florida Statutes.

The Rules of Auditor General (Section 10.554 (1) (i) 3.) requires we address in the management letter any findings and recommendations to improve financial management, accounting procedures and internal controls. Our audit did not disclose any matters required to be disclosed by Rules of Auditor General (Section 10.554 (1) (i) 3.).

The Rules of Auditor General (Section 10.554 (1) (i) 4.) requires disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs whether there were violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. There were no such matters noted during our audit.

The Rules of the Auditor General (Section 10.554 (1) (i) 5.) requires disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal control or schedule of findings and questioned costs and are not clearly inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations and contractual provisions or abuse that have occurred or are likely to have occurred; (2) improper expenditures or illegal acts; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. No such conditions were noted during the audit.

The Rules of the Auditor General (Section 10.554(1)(i)6), 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 the management letter, unless disclosed in the notes to the financial statements. The Glades County, Florida, Board of County Commissioners was established by the Constitution of the State of Florida, Article VIII, Section 1(e). Glades Soil and Water Conservation District was established by resolution of the State of Florida according to Chapter 582, Florida Statutes of 1941.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.a.), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the County did not meet any of the conditions described by Section 218.503 (1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.b.), we determined the annual financial report for the County for the fiscal year ended September 30, 2007, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2007.

As required by the Rules of the Auditor General (Sections 10.554(1)(i)7.c. and 10.556(7)), we applied financial assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This management letter is intended solely for the information and use of the members of the Board of County Commissioners and management of Glades County, the Auditor General of the State of Florida, Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

West Palm Beach, Florida  
August 21, 2008