

MANAGEMENT LETTER
For the year ended September 30, 2008

To the Honorable Mayor and Members of the City Council
City of Atlantis, Florida

We have audited the financial statements of the City of Atlantis, Florida as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated January 8, 2009.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in this report, which is dated January 8, 2009, 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 governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule.

In connection with our audit and in compliance with the rules of the Auditor General, as specifically detailed in the following paragraphs of Section 10.554(1)(i):

1. There were no recommendations made with respect to the preceding annual financial audit report.
2. The City did comply with Section 218.415, Florida Statutes regarding the investment of public funds.
3. We did not have any recommendations to improve financial management. The previous year's recommendations were implemented by management.
4.
 - a. We did not discover any violation of laws, regulations, contracts, grant agreements, or abuse during the scope of our audit.
 - b. We did not discover any deficiencies, such as:
 1. Improper or inadequate accounting procedures.
 2. Failure to properly record financial transactions.
 3. Other inaccuracies, shortages, defalcations and instances of fraud.

5. The City of Atlantis, Florida, chartered on June 19, 1959, was formally established as an operating municipality by the State of Florida legislature under Chapter 59-1055 (House Bill 2187). There are no component units related to the entity.
6.
 - a. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
 - b. We did not discover any material variances between the financial report filed with the Florida Department of Financial Services and the Annual Financial Audit Report for the year ended September 30, 2008.
 - c.
 1. We applied financial condition assessment procedures pursuant to Rule 10.556(7).
 2. We did not observe deterioration of financial condition.

Notwithstanding the foregoing comments, it should be noted that our audit was not directed primarily toward obtaining knowledge of such violations.

This management letter is intended solely for the information of the City of Atlantis and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Holyfield & Thomas, LLC

West Palm Beach, Florida
December 2, 2009