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MEMBERS  
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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor and City Commissioners  
City of Clewiston, Florida

We have audited the financial statements of the City of Clewiston, Florida, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated June 18, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Auditors' 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. Disclosures in that report (if any), which is dated June 18, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local government entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' report:

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 annual financial audit report. Finding 2009-1 included in the Report on Internal Control Over Financial Reporting and on Compliance regarding the City's internal control over financial reporting was included in each of the two preceding annual financial audit reports. There were no other findings and recommendations included in the prior year management letter.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City of Clewiston, Florida, complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts, 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. Our audit disclosed the following matter we believe needs to be reported under Rules of the Auditor General (Section 10.554(1)(i)5.).

#### PRIOR YEAR COMMENTS AND RECOMMENDATIONS WHICH CONTINUE TO APPLY

None.

#### CURRENT YEAR COMMENT AND RECOMMENDATION

##### Finding 2012-1 - Decrease in Unassigned Fund Balance of Governmental Funds

Over the past six years the unassigned fund balance of the governmental funds has decreased from \$2,678,969 as of September 30, 2006, to a deficit balance of \$42,254 as of September 30, 2012. The City has also budgeted expenditures for the governmental funds in excess of revenues in the amount of \$170,000 for the fiscal year ending September 30, 2013. Due to the current rate of expenditures the City should carefully monitor the deteriorating financial condition within the governmental funds.

We recommend that the City reevaluate its future spending plans within the governmental funds to ensure that adequate reserves are maintained.

Section 10.554(1)(i)6., 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 the management letter, unless disclosed in the notes to the financial statements. The City of Clewiston was established by Laws of Florida, 1923, Chapter 9712, which was amended by Laws of Florida, 1925, Chapter 10434. Both of said acts were repealed by Laws of Florida 1925, Chapter 10433, Article IX, Paragraph 11. Said 1925, Chapter 10433, as amended, constitutes the present Charter of the City. There are no other entities that are considered to be component units requiring disclosure in the financial statements of the City of Clewiston, Florida.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement to 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, and identification of the specific condition(s) met. In connection with our audit, we determined that the City of Clewiston, Florida, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General requires that we determine whether the annual financial report for the City of Clewiston, Florida, for the fiscal year ended September 30, 2012, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Clewiston, Florida'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.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Boy, Miller, Kisker & Perry, P.A.*

June 18, 2013