



*Proven Expertise and Integrity*

December 27, 2019

Board of Commissioners  
Burlington School District  
150 Colchester Avenue  
Burlington, Vermont 05401

## MANAGEMENT LETTER

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Burlington School District as of and for the year end June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Burlington School District's internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Burlington School District's internal control over financial reporting or compliance.

During our audit we became aware of several matters referred to as "management letter comments" that offer opportunities for strengthening internal control and improving operating efficiencies of the Burlington School District. The following pages summarizes our comments and suggestions on those matters.

This report is intended solely for the information and use of the Burlington School District's management, and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2019, where we expressed an unmodified opinion on our independent auditors' report dated December 27, 2019.

**Purchase Orders**

While performing the audit for the fiscal year noted above, we found that several purchase orders were entered after the invoices and products had already been received. Management should review its current purchase order system and adjust where necessary. If this practice continues, we recommend to management to call these purchase orders “accounts payable approval voucher.”

**Federal Procurement**

While performing the audit for the fiscal year noted above, we found instances of incomplete and/or incorrect completion of the district’s adopted federal procurement process. Federal procurement procedures must be followed or risk dis-allowed costs due to procurement. We recommend management review the federal procurement procedures with staff responsible for federal procurement to ensure proper completion.

**Credit Cards and Open Accounts**

During our review of the District’s credit card usage, we noted instances where credit card transactions were missing itemized receipts and invoices. Burlington School District should consider adopting a written policy establishing procedures in relation to credit card/open account usage and documentation.

**Student Accounts:**

After reviewing student activity accounts at all schools the following is a summary of our findings.

1. Bank Reconciliations late and not reviewed by another staff member. We recommend all bank reconciliations are completed within 21 days of month end and that another person with financial acumen review and initial the reconciliations.
2. Some disbursements were missing detailed supporting documentation or approval.
3. Cash Receipts were often missing detailed supporting documentation.
4. Student Activities accounts frequently pay sales tax. We caution the district that it is exempt from paying sales tax on business related transactions.

We recommend that Burlington School District consider adopting a student activities policy and manual that will allow schools to develop more adequate processes for Student Activities.

We would like to sincerely thank Nathan, Bridget, and all the staff of Burlington School District for their assistance in the completion of this engagement.

If there are any questions regarding this letter, please do not hesitate to call.

Sincerely,

