



Proven Expertise and Integrity

February 1, 2021

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, 2020, 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, 2020, where we expressed an unmodified opinion on our independent auditors' report dated February 1, 2021.

Purchase Orders

While performing the audit for the above-mentioned fiscal year, we noted some instances that the district did not utilize and process purchase orders in accordance with its own procedures. We recommend that the district utilize and process purchase orders in its financial accounting software to help ensure that all expenditure transactions are properly recorded in its financial accounting software in compliance with generally accepted accounting principles (GAAP), to help ensure accuracy and completeness of transactions in the correct reporting period and to help avoid material misstatements in the financial statements.

While performing the audit for the above-mentioned fiscal year, we noted an expense that was not in the proper period. We recommend management review its procedures to ensure the timely recording and payment of expenditures to ensure accuracy and completeness in the correct reporting period and to help avoid material misstatements in the financial statements.

Credit Cards and Open Accounts

While performing the audit for the above-mentioned fiscal year, we noted that the School District does not have a procedure for credit card usage. We recommend that the School District adopt a procedure concerning credit card usage to help ensure compliance with all applicable federal/state statutes and regulations, to help reduce the risk of fraud and to help reduce the risk of material misstatement in the financial statements.

Cash Receipts

While performing the audit for the above-mentioned fiscal year, we noted that the district could not provide documentation to substantiate all deposits made to its financial institution specifically related to the food service program. We recommend that management review and revise its procedures to require that documentation be on file to substantiate all deposits made to its financial institution to help ensure that all transactions are properly recorded and to help avoid material misstatements in the financial statements.

Deposits

While performing the audit for the above-mentioned fiscal year, we noted that deposits are not deposited to the financial institution of the district within a consistent time frame. We recommend that management review and revise its procedures concerning how long deposits remain on site at the district to help reduce the risk of fraud and to help ensure accuracy and completeness of transactions in the correct reporting period. We also recommend that management consider any and all applicable federal/state statutes and regulations concerning this timeline to help ensure compliance with all applicable regulatory requirements.

Bank Reconciliations

While performing the audit for the above-mentioned fiscal year, we noted that bank reconciliations were not completed in a timely manner. We recommend that all bank reconciliations be completed and reviewed within 30 days of the bank statement date to help ensure accuracy and completeness of transactions in the correct reporting period and to help avoid material misstatements in the financial statements.

Student Accounts:

After reviewing a sample of student activity accounts the following is a summary of our findings.

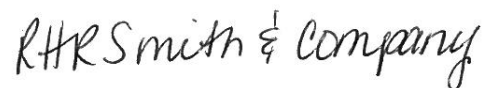
1. Disbursements missing detailed supporting documentation and/or approval.
2. Cash Receipts missing detailed supporting documentation and not being deposited timely.
3. Student Activities accounts frequently pay sales tax. We caution the district that it is exempt from paying sales tax on business related transactions.

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

We would like to sincerely thank Nathan, Bridget, Meredith, 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,

A handwritten signature in black ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

RHR Smith & Company, CPAs