



Proven Expertise & Integrity

February 15, 2022

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, business-type activities, each major fund and the aggregate remaining fund information of the Burlington School District as of and for the year end June 30, 2021, 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 Board of Commissioners, 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, 2021, where we expressed an unmodified opinion on our independent auditors' report dated February 15, 2022.

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.

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 Activity Accounts:

While performing the audit for the above-mentioned fiscal year, we noted that funds under the control and/or administration of the District are not being recorded on the District's financial software and have not been subjected to the District's normal processes and procedures regarding oversight and internal control. We recommend that all funds under the control and/or administration of the District are recorded on the District's financial software to help reduce the risk of fraud, to help ensure accuracy and completeness of transactions and to help avoid material misstatements in the financial statements.

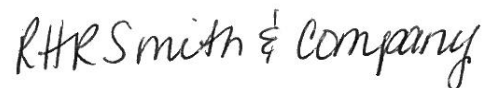
Student Activity Accounts (continued):

While performing the audit for the above-mentioned fiscal year, we noted that some Student Activities purchases included sales tax. We recommend that management review and revise its procedures to ensure that all purchases are properly processed by vendors under the District's tax exempt ID, as issued by the State, to help reduce the risk of fraud and to help ensure that cash disbursements are not issued by the District which include tax..

We would like to sincerely thank Nathan, Katie 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 cursive script that reads "RHR Smith & Company".

RHR Smith & Company, CPAs