



Proven Expertise & Integrity

January 20, 2026

School Board
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 ended June 30, 2025, 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 summarize our comments and suggestions on those matters.

This report is intended solely for the information and use of the School Board, 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, 2025, where we expressed an unmodified opinion on our independent auditor's report dated January 20, 2026.

Student Activity Accounts (Repeat Comment):

While performing the audit for the above-mentioned fiscal year, we noted that Student Activity Accounts are not recorded on the District's main financial software. We recommend that all account activity is posted in a timely manner to the District's main financial software to help avoid material misstatements in the financial statements. The School Board and District management are in the process of migrating the student activity accounts to the District's main financial software.

Student Activity Accounts – Internal Controls:

While performing the audit for the above-mentioned fiscal year, we noted the individual schools made weekly deposits and that there was no formal process for cash collection and storage. The schools should review their cash collection policies and adjust where necessary. The schools should also perform more frequent deposits and consider a safe or another more secure method to store cash between deposits.

While performing the audit for the above-mentioned fiscal year, we noted that administrative assistants at the individual schools could not provide supporting documentation for cash receipts/deposits. We recommend that supporting documentation is kept for all cash receipts/deposits and filed with the deposit slips.

While performing the audit for the above-mentioned fiscal year, we noted that supporting documentation could not be located for some disbursements that were selected for testing. The internal approval process should be more clearly stated and followed, i.e. prepare requisition sheet for all Student Activity Account purchases, obtain approval of requisition sheet prior to making purchase, make purchase, obtain approval of invoice prior to submitting for payment, etc., and ensure sufficient support documentation accompanies all invoices submitted for payment, i.e. monthly statements, emails, handwritten notes, etc. are considered incomplete documentation.

While performing the audit for the above-mentioned fiscal year, we noted that some employee reimbursements included sales tax. The District is not required to pay sales tax and we recommend management review their procedures and adjust as necessary to avoid unnecessary costs.

While performing the audit for the above-mentioned fiscal year, we noted that some purchases made with student activity funds were not being shipped directly to the school making payment. All goods and services purchased with District monies are considered property of the District and should be shipped directly to the school or central office.

While performing the audit for the above-mentioned fiscal year, we noted checks made payable to "Cash," this presents a significant internal control risk as such checks can be cashed by anyone and lack a clear documentation of purchases made. We recommend discontinuing this practice and instead issuing checks to specific individuals or vendors with appropriate supporting documentation maintained for each disbursement to enhance accountability and strengthen internal controls over cash disbursements

School District Response:

As part of the migration of student activity accounts to the District's main financial software, District management is implementing student activity procedures to strengthen controls and address the issues identified above.

Policies/Procedures (Repeat Comment):

While performing the audit for the above-mentioned fiscal year, we noted that the District's policy and procedures are old or outdated. We recommend reviewing policies and procedures and updating as necessary to ensure compliance with all applicable statutes and regulations. District management and the School Board are currently working on updating policies and procedures at every monthly meeting.

We would like to thank Nathan, Katie, and all of the staff at the Burlington School District for their cooperation throughout this audit process.

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

Very Best,

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

RHR Smith & Company, CPAs