



**Powers &
Sullivan, LLC**
CPAs AND ADVISORS

TOWN OF BURLINGTON, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2022



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To the Honorable Select Board
Town of Burlington, Massachusetts

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 Town of Burlington, Massachusetts as of and for the fiscal year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

However, during our previous years audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters, and provides a status of each.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The Town's written response to the matters identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management of the Town of Burlington, Massachusetts, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Powers & Sullivan, LLC'.

December 16, 2022

TOWN OF BURLINGTON, MASSACHUSETTS

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JUNE 30, 2022

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PRIOR YEAR COMMENTS

RECONCILIATION OF CASH

Prior Comment

During the prior year audit of cash, it was noted that the payroll account had a variance of approximately \$390,000 between the bank balance and the cashbook, with the cashbook being higher. The Treasurer was aware of this variance in the prior year, and had been reconciling the payroll account on a monthly basis with this variance remaining consistent.

We recommended that on a monthly basis the Treasurer's office provide the cashbook to bank reconciliation to the Accounting office to ensure that the general ledger reflects all activity. Having both departments review the reconciliations on a monthly basis will allow variances to be identified and resolved timely.

Current Status – Resolved

Issues were not noted during the fiscal year 2022 audit. It is our understanding that the Town Accountant's office and Treasurer's office have also been working together on a monthly basis to reconcile all cash accounts.

TAILINGS

Prior Comment

During the prior audit, it was noted that the Town had a tailings liability of approximately \$128,000 for checks written to vendors and/or employees which went unclaimed for a period of time. These checks were voided, then recorded in the general ledger as a liability in accordance with the Commonwealth's abandoned property (tailings) laws. This balance contained checks that dated back to 2000.

On a regular basis, the Treasurer should be analyzing the checks that were placed into tailings and then, in accordance with Massachusetts General Laws (MGL), make attempts to return the check to the rightful owner. After a year the Town is allowed to reclass the unclaimed funds back into the general fund.

Current Status – Partially resolved

During fiscal year 2022 the Town's \$128,000 tailings liability was properly closed out and the active tailings account was adjusted. The Town has taken steps to begin to address the abandoned property and regularly review the account.

Continuing Recommendation

We continue to recommend that the Treasurer follow the Commonwealth's abandoned property laws for the remaining checks and continue to adjust old outstanding checks off the bank reconciliations, as appropriate.

Managements Response

The Department took active steps in notifying any vendors and employees. The tailings mentioned in the note related to various overpayments of misapplied deposits from prior years before 2014. The Department will work to reconcile the balance in Fiscal Year 2023.

LOCKBOX/TAX COLLECTOR BANK ACCOUNT

Prior Comment

During the past two years audit of cash, we noted that the Lockbox/Tax Collector bank statement was lower than what was being reported on the Treasurer's cashbook on June 30th. The Treasurer's office was aware of the variance and was in the process of researching the cause.

Current Status – Resolved

During the current year audit of cash we did not note any differences between the bank statement and the Treasurer's cashbook for this account.

OTHER LIABILITIES

Prior Comment

During the fiscal year 2021 audit, it was noted that the Town had an unsupported \$50,000 liability recorded on the general ledger, which had remained unchanged since 2012.

Current Status – Resolved

During fiscal year 2022 the account was reviewed and properly adjusted off the Town's general ledger.