

S E W A R D A N D M O N D E

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February 13, 2024

Board of Directors
Estuary Transit District
91 North Main Street
Middletown, CT 06457

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of Estuary Transit District, (the District), for the year ended June 30, 2023, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized as follows:

Inventory

During our tour of the District's facilities in previous years, it was noted that bus parts inventory is being kept on hand but not being recorded on the general ledger as inventory. Inventory is not being properly tracked and valued. We recommend that the District use their inventory software to properly track the purchase, values, quantities, and usage of inventory. Physical counts should also be taken at year end to confirm inventory being reported. The use of inventory software has commenced, the parts room has been organized, initial counts and review of the parts inventory was performed. However, additional time and effort is required to further analyze and properly value the parts inventory.

This letter does not affect our report dated February 13, 2024 on the financial statements of the District.

We wish to express our appreciation for the courtesies and assistance extended to us by the officers and employees of Estuary Transit District during the course of our audit. The contents of this letter have been discussed with management and, if you have any questions relative to these matters, we would be pleased to discuss them with you.

This communication is intended solely for the information and use of the Board of Directors and management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,