



HOLLEY CENTRAL SCHOOL DISTRICT

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On November 14, 2022 the District received its management letter from the audit ending June 30, 2022 for its Extra-Classroom activity funds. Within this letter, there are suggested corrective actions that the District will consider. Listed below are the open recommendations and the District's response.

Prior Year Deficiencies Pending Corrective Action:

Reconciliations - During the course of our audit we noted that the Hawk Baseball Camp Club acquired 500 discount cards to sell for \$10. We identified \$1,170 of deposits recorded on the club's ledger for the sale of discount cards, and we were able to examine 360 unsold cards secured in the possession of the Central Treasurer. Three cards were donated, however there is no explanation for the 20 unaccounted for cards. In addition, the Class of 2023 had a candy bar fundraiser and we were unable to examine a reconciliation. Approximately 83 candy bars are unaccounted for.

We recommend all financial activity be recorded on the respective club's ledger, and that reconciliations of items sold to total cash collected be prepared and be given to the Central Treasurer when receipts are submitted for deposit.

District Response – The new central treasurer had a conversation with the new baseball advisor on May 20, 2021 and trained the advisor on the recording of discount cards from beginning to end. This should be applied next year, 21-22 season and beyond. The central treasurer also spoke to the Class of 2023 advisor on October 28, 2022 regarding the importance of student participation in each fundraiser.

Baseball Club – Based upon our conversations with the Faculty Advisor, we were informed that the students are not maintaining a separate set of books for the Club, students do not participate in counting cash, preparing deposits, or preparing profit and loss statements.

In an effort to conform to New York State guidelines and to promote student involvement, we recommend the Student Treasurer, with the help of the Faculty Advisor, be directly involved in all financial transactions of the Club. In addition, a separate set of financial records should be maintained which should be compared with those maintained by the Central Treasurer on a monthly basis. Profit and loss statements should also be prepared for all fundraisers held by the Club.

District Response – The central treasurer spoke to the advisor on May 20, 2021 regarding the purpose of an extracurricular club and how it is to benefit the students involved and should be grooming them to handle financial transactions such as counting and recording of money as well as the approval and recording of expenses to be paid with the result of establishing a profit and loss statement.

Current Year Deficiencies in Internal Control:

Profit and Loss Statements – During the course of our examination, we noted one instance in the Art Club and one instance in the Class of 2022, where profit and loss statements were not prepared. In addition, we noted one instance in the Baseball Club and one instance in the Class of 2023 of no Student Treasurer signature on the profit and loss statements.

We recommend that the Student Treasurer together with the Faculty Advisor prepare profit and loss statements for each fund-raising activity and that these statements be signed prior to being given to the Central Treasurer.

District Response –The central treasurer sent an email on November 3, 2022 to all club advisors instructing them to follow the guidelines established for extracurricular clubs. This included specifics of approving purchases, reselling of items for profit, cash transactions and approval of spending.

National Honor Society - During our review of the National Honor Society, we were informed that after the Circus event, the Faculty Advisor took cash receipts home and brought them in for deposit the following day.

We recommend the Faculty Advisor properly safeguard receipts on school property until being remitted to the Central Treasurer for deposit.

District Response –The central treasurer spoke to the club advisor on November 18, 2022 regarding the importance of securing cash receipts in safe on school property.

Student Treasurers – During the course of our examination, we noted that the Musical Club did not have a Student Treasurer during the 2021-22 fiscal year.

We recommend each club elect a Student Treasurer and that this individual be involved in all financial Transactions for their respective organization.

District Response –The central treasurer spoke to the advisor on November 8, 2022 to appoint a student treasurer at their first meeting so he/she can help in all aspects of collecting and paying of cash.

Baseball Club –The Baseball Club had Sam’s Diner sell discount cards as part of their fundraiser. The assistant coach would pick up the cash from Sam’s Diner, and take it home with him prior to bringing it in for deposit the following day.

We recommend all cash receipts be properly safeguarded on school property prior to being remitted to the Central Treasurer for deposit.

District Response –The central treasurer spoke to the advisor on November 18, 2022 reiterating that any cash collected should be brought back to the school and safeguarded until such time a deposit is made.

Other Item:

The following item is not considered to be a deficiency in internal control, however, we consider it another item which we would like to communicate to you as follows:

Inactive Clubs – As indicated on the statement of cash receipts and disbursements, the Girls Basketball Club, Ski Club, Softball Club, Basketball Camp Club, Wrestling Club, Technology Club, Soccer Club, and Football Club were financially inactive during the 2021-22 fiscal year.

We recommend the status of these clubs be reviewed. If future financial transactions are not anticipated, they should be closed in accordance with the Board of Education policy.

District Response –the central treasurer will bring this information to the building Principals in March 2023 to discuss and decide which clubs can be closed out and which ones would be dormant for a short period of time.

Prior Year Recommendation:

We are pleased to report that the following prior year recommendation has been implemented to our satisfaction:

1. Sales tax was paid on taxable purchases for the disbursements which were examined.

Sincerely,



Sharon Zacher
Assistant Superintendent for Business