



Holley Central School District

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December 13, 2021

On December 9, 2021 the District received its management letter from the audit ending June 30, 2021 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, however, the Faculty Advisor indicated that the invoice was paid with personal funds, and accordingly, there is no record of the purchase on the club's ledger. We identified \$2,060 of deposits recorded on the club's ledger for the sale of discount cards, and we were able to examine 259 unsold cards secured in the possession of the Central Treasurer. However, no reconciliation of the sales was prepared, and there is no explanation as to the 35 unaccounted for cards.

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 -A conversation was had between the new baseball advisor and the new central treasurer after this was discovered. This will be corrected by June 30, 2022.

Current year Deficiencies in Internal Council:

Sales Tax- During the course of our examination, we noted one instance in the Interact Club and one instance in the Library Club in which sales tax was not paid on taxable purchases.

We recommend every effort continue to be made to comply with New York State Sales Tax Law.

District Response-The Central Treasurer will be having a conversation regarding sales tax collecting and paying at the beginning of each fundraising approval throughout the 21-22 school year.

Current year Deficiencies in Internal Council (con't):

Baseball Club-Based upon our conversation 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 and preparing deposits, and a profit and loss statement was not prepared for the Club's fundraiser.

In an effort to conform to New York State guidelines and to promote student involvement, we recommend a 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 faculty advisor was not properly trained in his first year of advising. Through this process and with the new Central Treasurer, they will be working at conforming to the guidelines especially including a student treasurer and record keeping. This will be done during the baseball season in the spring of 2022.

If there are any other questions, please feel free to contact me.

Sincerely,



Sharon Zacher
Assistant Superintendent for Business
Holley Central School District