

HONEOYE CENTRAL SCHOOL DISTRICT  
P.O. BOX 170  
HONEOYE, NEW YORK

To NYS State Comptroller:

Below is the Corrective Action Plan in response to the annual audit and financial statements relating to the **Extraclassroom Activity Funds** of the Honeoye Central School District for the 2021-2022 school year. The audit was conducted by Raymond F. Wager, CPA, PC, A Division of Mengel Metzger Barr & Com LLP, as of the end of day June 30, 2022.

**I. Prior Year Deficiencies Pending Corrective Action (From 2019-2020 Audit):**

**A. General Accountability:**

Responsible Party: Michael D. Bastian, Business Administrator  
Date of Correction: 2020-2021 School Year

Corrective Action Plan:

A review of general accountability noted continued improvement in documenting the source of receipts on club ledgers, however, this was inconsistent throughout the year in large part due to the COVID Closure and its impact on routine Extraclass procedures during the 2019-2020 school year.

During the 2020-2021 school year, the district reiterated the expectation that all revenue be clearly indicated on club ledgers and that detailed descriptions of receipts will include the date, amount, vendor, etc. on a consistent basis for all clubs. Improvement was noted within the 2020-2021 Extraclass Audit. Dave Rizzari provided a reminder of this requirement during his Extraclass Advisor training on October 8, 2021.

**UPDATE:** Recognized as implemented to auditors' satisfaction as part of the 2021-2022 Extraclass audit report issued November 17, 2022.

**B. Fund-Raising:**

Responsible Party: Michael D. Bastian, Business Administrator  
Date of Correction: 2020-2021 School Year (on going)

Corrective Action Plan:

Auditor examination revealed that formal reconciliations of items/tickets sold to total cash collected were unavailable for review for Class of 2022 Banquet ticket sale. The auditors recommended that Student Treasurer, with the help of the Faculty Advisor, prepare a formal reconciliations and that these reconciliations be submitted to the Extraclass Treasurer and be retained for year-end review.

The district will continue to reiterate this expected/required practice and will work with club treasurers and advisors to ensure the preparation and submission of formal reconciliations that include a breakdown of items and quantities sold for sales/fundraisers. Dave Rizzari provided a reminder of this requirement during his Extraclass Advisor training on October 8, 2021.

**UPDATE:** Recognized as implemented to auditors' satisfaction as part of the 2021-2022 Extraclass audit report issued November 17, 2022.

## **II. Prior Year Deficiencies Pending Corrective Action (From 2020-2021 Audit):**

### **A. Shipping Address:**

**Responsible Party:** Michael D. Bastian, Business Administrator  
**Date of Correction:** School year 2021-2022

Corrective Action Plan:

Auditor examination noted that during the 20-21 school year, once in the Class of 2024 account and once in the Elementary Student Council account, items ordered on the District credit card were shipped to the Advisor's home address.

The District's Extraclass Treasurer annually informs advisors that they are not to have items ordered for club purposes shipped to their home address. She did so at the start of the 21-22 school year as she does each year.

Additionally, on October 8, 2021, MMB associate Dave Rizzari also reminded our club advisors of this point during a mandatory Extraclass Club Advisor training on that Superintendent's Conference Day. Mr. Rizarri's handouts were given to any advisor who did not attend the training session that day.

The COVID context is worth consideration in regards to this finding given that there were stretches of time during the COVID pandemic when Amazon and other retailers were not delivering to the school and advisors may have struggled to receive ordered items. That said, the Extraclass Treasurer and Business Administrator will continue to reinforce the need for school delivery only for items purchased with Extraclass (student) funds.

**UPDATE:** Recognized as implemented to auditors' satisfaction as part of the 2021-2022 Extraclass audit report issued November 17, 2022. Items selected for testing were shipped to the district.

**III. Current Year Deficiencies in Internal Control (From 2021-2022 Audit Report):**

**A. Sales Tax:**

Responsible Party: Michael D. Bastian, Business Administrator  
Date of Correction: October 7, 2022 & On-going 22-23 Fiscal Year

Corrective Action Plan:

Auditor examination noted that during the 21-22 fiscal year, two instances were noted (one in Art Club and one in the C.O.R.A.L. Club) in which sales tax was not paid on a taxable purchase. The auditors recommended that every effort continue to be made to comply with the NY State Tax Law regarding the payment of sales tax on those purchases not intended for resale.

On October 7, 2022, MMB associate Melissa Duerr stressed this point with our club advisors during a mandatory Extraclass Club Advisor training on that district-wide Superintendent's Conference Day. Ms. Duerr's handouts were given to any advisor who did not attend the training session that day. Additionally, advisors are made aware and are reminded by Extraclass Treasurer Jennifer Green that they must pay tax on taxable purchases (not intended for resale).

The C.O.R.A.L. Club is no longer in existence as of July 1, 2022. Specific to the Art Club, the Advisor of that club retired in June, 2022 so additional correction moving forward with that individual advisor is not possible. However, Extraclass Treasurer Jennifer Green and the district have made every effort to provide the new advisor with clear expectations as per training and communication outlined above.

**B. Profit & Loss Statements:**

Responsible Party: Michael D. Bastian, Business Administrator  
Date of Correction: October 7, 2022 & On-going 22-23 Fiscal Year

Corrective Action Plan:

Auditor examination noted that during the 21-22 fiscal year, there were two instances with the 7<sup>th</sup> & 8<sup>th</sup> Grade Chorus and one with the Elementary Library club in which profit and loss statements were not prepared. Additionally, there were three profit and loss statements that did not clearly trace to the general ledger, and one instance of a profit and loss statement not signed by the Student Treasurer.

The auditors recommended that Student Treasurers together with the Faculty Advisor prepare profit and loss statements for each fund-raising activity and that these statements be submitted to the Central Treasurer (Extraclass Treasurer) to be retained for auditor review at year end. The auditors also recommended that the items included on the profit and loss statements should be traceable to the general ledger.

On October 7, 2022, MMB associate Melissa Duerr stressed these points with our club advisors during a mandatory Extraclass Club Advisor training on that district Superintendent's Conference Day. Faculty Advisors were presented with a copy of the NYSED "Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds, 2019 Revision" publication on that day, and Ms. Duerr provided clear instruction on profit and loss statements.

Since the October 7, 2022 training, HCS Extraclass Treasurer, Jennifer Green, has provided advisors with reminders (face-to-face, verbal and email) regarding the necessity of profit and loss statements.

#### **IV. Current Year (Other Item):**

##### **A. Inactive Clubs:**

Responsible Party:	Michael D. Bastian, Business Administrator
Date of Correction:	December 5, 2022

Corrective Action Plan:

Auditor examination noted that during the 21-22 fiscal year, four clubs were financially inactive as indicated on the statement of cash receipts and disbursements. The auditors recommended that the status of these clubs be reviewed and that if future financial activity is not anticipated, they should be closed in accordance with Board of Education Policy.

As of December 5, 2022, Extraclass Treasurer Jennifer Green has reached out to the High School Principal, the Athletic Director and the named advisor of the Elementary Student Council to determine if any of these clubs will be financially active during the 2022-2023 fiscal year.

Throughout the 2022-2023, decisions regarding the current-year and future financial activity and existence of these clubs will be monitored and any club not anticipated to generate financial activity will be considered for closing, with existing funds being redistributed per BOE Policy.