Pine Bush Central School District
Joseph Lenz, Superintendent of Schools
Rachel Adelstein, Assistant Superintendent for Instruction
Brian Weir, Assistant Superintendent for Business

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To: Board of Education
From: Brian Weir
Date: October 6, 2026
Re: Corrective Action Plan - Management Letter Findings (FY Ended June 30, 2026)

Pine Bush Central School District respectfully submits the following Corrective Action Plan in response to the management letter findings resulting from the independent financial audit for the fiscal year ended June 30, 2026:

General Fund

1) **Finding**: We recommend that the District not retain fund balance in excess of the 4% limitation as required by New York State Law.
    a. **Answer**: The District acknowledges the recommendation and continues to take deliberate, structured steps to reduce the unassigned fund balance in compliance with New York State Real Property Tax Law, while safeguarding long term fiscal stability. The Assistant Superintendent for Business, Brian Weir, will be responsible for continuing to enact a plan to reduce this amount. Specifically, the District plans to utilize a portion of the existing fund balance to support one-time expenditures, capital improvements, and reserve funding in accordance with Board policy and long-term financial planning objectives. This plan will be effective as of October 16, 2026. The district has already demonstrated significant progress toward this goal, with the unassigned fund balance being reduced by $3,572,775 as of June 30, 2026 compared to June 30, 2025.
2) **Finding:** We recommend that support for each budget transfer be maintained either electronically or in a paper file. Additionally, for those transfers that require Board approval, evidence of their approval should be maintained with the budget transfer supporting documentation.
    a. Answer: The District understands that the auditors are looking for individual backup of each transfer and will maintain a binder of the transfers and some type of backup to support the transfer being made. Furthermore, for budget transfers that exceed administrative threshold limits requiring Board approval pursuant to Board Policy, documented evidence of Board review and approval (such as board meeting minutes or resolution excerpts) will be attached directly to the transfer record. This binder will be the responsibility of the

School Business Assistant, Katelyn Newman, in combination with the Assistant Superintendent for Business, Brian Weir, as these are the two individuals responsible for making transfers. This binder will be put in place as of October 16, 2026, and will be kept in the office of Katelyn Newman.

Federal Fund

1) **Finding:** We recommend that the District implement a system of internal controls to monitor, track and reconcile the costs/revenue associated with the Summer Handicap Program. This is imperative to ensure that the proper receivables from the State are recorded and the transfer from the General Fund are correct.
    a. **Answer:** The District acknowledges the finding and has assigned responsibility for monitoring and reconciling the Summer Handicap Program to the School Business Assistant, Katelyn Newman. Ms. Newman first took on these responsibilities during the 2025/2026 school year, and now possesses a greater level of experience and understanding. In addition, the district treasurer, Dawn Loechner, will take on an oversight role, including a year-end review. A new internal control process, including monitoring, tracking, and reconciliation of costs and revenues, will be in place as of October 16, 2026.

Miscellaneous Special Revenue Fund

1) **Finding**: We recommend that the District ensure that all payment orders be obtained and contain the necessary student treasurer and advisors' signatures prior to making a disbursement as well as ensuring the payment order is supported with invoice.
    a. **Answer**: The District will have the Accounts Payable Clerk, Marie McSharry-Acker, review the supporting documents prior to processing the payment request to ensure that all appropriate signatures have been received, the correct club is clearly stated on the forms, and a payment order is included. Payment requests lacking complete documentation or signatures will be returned without processing. This procedure will be put in place as of October 16, 2026.
2) **Finding:** We recommend that the District ensure that all deposits are accompanied by a Club deposit ticket and contain the appropriate student/advisor signatures.
    a. **Answer:** The District will have the Treasurer, Dawn Loechner, review the deposit forms prior to submitting the deposit for processing to ensure the proper signatures are in place and deposit tickets are provided. This procedure will be put in place as of October 16, 2026.

Capital Assets

1) **Finding**: We recommend that the district implement procedures to ensure information is disseminated to the vendor preparing the report on a regular basis throughout the fiscal year. We further recommend that a reconciliation/review process be implemented to verify accuracy of the report prior to the start of the audit.
    a. **Answer**: Following the engagement of a new asset inventory vendor during the 2025/2026 school year, which established a complete baseline asset registry, the District is establishing routine, ongoing asset tracking workflows. The School Business Assistant, Katelyn Newman, will compile and transmit quarterly asset logs (capturing additions, dispositions, and transfers) to the third party vendor throughout the year. Prior to the commencement of the annual external audit, the District Treasurer, Dawn Loechner, will perform a comprehensive year-end reconciliation comparing the vendor's updated capital assets inventory report against the reported annual changes. This new process will be put into place as of October 16, 2026.