PINE BUSH Central School District

Joseph Lenz, Superintendent of Schools
Rachel Adelstein, Assistant Superintendent for Instruction
Brian Weir, Assistant Superintendent for Business

To: Board of Education
From: Brian Weir
Date: October 7, 2025
Re: Management Letter Response

Pine Bush Central School District respectfully submits the following corrective action plan for the year ended June 30, 2025:

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 has been taking steps to reduce the amount in excess of the fund balance, but this needs to be done in a methodical way to ensure that the District is not going to have financial stress from these decisions. 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. The immediate action is a one-time transfer from fund balance to cover expenses related to the recently completed capital project. This change will happen by 12/31/2025. This is a good use to reduce fund balance because it is a one-time expenditure and will get the percentage retained closer to the recommended limit.
2) **Finding:** We recommend that support for each budget transfer be maintained either electronically or in a paper file.
    a. **Answer:** The District has taken steps over the past year to have all budget transfers reviewed and approved by the board based above and beyond that required by Board of Education Policy. However, the District understands that the auditors are looking for individual backup of each transfer and we will maintain a binder of the transfers and some type of backup to support the transfer being made. This binder will be the responsibility of the Assistant Superintendent for Business, Brian Weir, in combination with the School Business Assistant, Katelyn Newman, as these are the two individuals responsible for making transfers. This binder will be put in place by 11/3/2025

and will be kept in the office of Katelyn Newman.

3) **Finding:** We recommend the District ensure that procedures are in place that require a regular ongoing review of the appropriations to verify that they are within the constraints of the budget and that the budget adjustments are proposed and authorized in a timely manner, as appropriate.
    a. **Answer:** The District has already implemented additional procedures to ensure that no activities are overspent. The area that caused the most significant impact of the budget being overspent was the OU BOCES bill as the encumbrance was not properly updated throughout the year based on the billing received. This responsibility has been reassigned to School Business Assistant, Katelyn Newman, and she now will monitor and update the encumbrance to actual anticipated expenditures as the bill is received each month. This procedure was put in place on 8/1/2025. The appropriation status report will continue to be monitored by Assistant Superintendent for Business, Brian Weir, throughout the school year to ensure that account codes are being spent within budget or at least be known why they are overspent if necessary.
4) **Finding:** We recommend that the District ensure that an individual is designated to be responsible for these tasks on an ongoing basis. It is imperative that the District bills timely and follows up on outstanding items to ensure receipt of funds owed to the District.
    a. **Answer:** The District concurs with the recommendation and has designated a staff member within the Business Office, District Treasurer Dawn Loechner, to be responsible for the monitoring of receivables on an monthly basis. This individual will ensure that all invoices are issued promptly, payments are tracked, and follow-up procedures are performed in a timely manner to secure collection of all funds owed to the District. The practice has already been put in place as of 10/1/2025.

Cafeteria Fund

1) **Finding**: We recommend that the Treasurer receive the necessary reports from the School Lunch Director and record the receipts from those reports. This information should then be reconciled to the activity that is reflected in the bank statements each month.
    a. **Answer**: The District agrees with the recommendation. The School Lunch Director will provide the Treasurer with detailed monthly reports of cafeteria receipts and deposits. The Treasurer, Dawn Loechner, will record these receipts based on the provided reports and reconcile the information to the monthly bank statements to ensure accuracy and accountability. This process will be incorporated into the District's monthly financial procedures starting

11/1/2025. Any discrepancies identified will be promptly investigated and resolved.

Federal Fund

1) **Finding:** We recommend that the District have controls in place to ensure that personal activity reports are completed by all employees whose time is charged to a grant and received in a timely manner including the date the employee is certifying the time worked.
    a. **Answer**: While progress has been made in this area, the district agrees that the process still requires enhancements. The personal activity reports will be collected and reviewed on a monthly basis, and this practice will continue to be the responsibility of Executive Director of Human resources, Angela Wise-Landman. This practice was implemented as of 8/1/2025.
2) **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 reassigned responsibility for monitoring and reconciling the summer handicap program due to gaps in execution under the previous arrangement. The new responsible individual is the School Business Assistant, Katelyn Newman. Ms. Newman received extensive training during August and September 2025 to ensure she is fully prepared to manage all duties associated with summer handicap reporting. A new internal control process, including monitoring, tracking, and reconciliation of costs and revenues, is now in place as of September 29, 2025.

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.
    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. This procedure has been put in place as of 11/3/2025.
2) **Finding:** We recommend that the District ensure that all deposit forms are obtained and contain the necessary student treasurer and advisors' 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. This will be put in place as of 11/3/2025.

Other

1) **Finding**: We recommend that management repay the temporary loans as soon as possible. Furthermore, we recommend that management closely monitor future temporary loans to other funds and take steps necessary to repay such loans prior to the end of the fiscal year.
    a. **Answer**: The District agrees with the recommendation. All existing interfund loans will be repaid by 11/3/2025. The Business Office will implement enhanced monthly monitoring procedures to track all interfund activity and ensure repayment prior to the close of each fiscal year. Future interfund loans will only be used when necessary to maintain proper cash flow and will be documented and approved in accordance with Board policy and State regulations.