

2025 Financial Audit
Corrective Action Plan

Unit Name: Millbrook Central School District

Audit Report Title: Millbrook CSD Financial Report Audited

For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed.

Audit Recommendation (Finding 2025-001):

- Condition & Criteria: The District did not post its Audit Corrective Action Plan ("CAP") on its official website. Per New York State Comptroller's Regulations (Regulation 170.12(e)(4)) and Commissioner's Regulations, school districts are required to prepare a Corrective Action Plan in response to any findings contained in an external audit. Furthermore, the CAP must be submitted to the NYSED and made publicly available by posting it to the district's website within 90 days of the audit report being accepted by the Board of Education.
- Recommendation: The District should immediately post the most recent CAP to its website; implement internal controls to ensure timely posting of future CAPs, including assigning responsibility to a specific role within the finance or compliance department; and periodically review the website to confirm required audit-related documents remain accessible to the public.

Implementation Plan of Action(s):

- 2024 Audit Corrective Action plan posted to the District website. Annually, the Business Office will ask the designated Website Manager to post the CAP on the District website per the above referenced regulations following the CAP adoption by the Board of Education.

Implementation Date:

- October 1, 2025

Person(s) Responsible for Implementation:

- Elliot Garcia, Assistant Superintendent for Business and Personnel
- Cheryl Sprague, District Clerk (Website Manager)



Audit Recommendation (Finding 2025-002):

- Condition & Criteria: The School District's unassigned fund balance as of June 30, 2025, was approximately 5% of the 2026 budgeted expenditures. Section 1318 of the NYS Real Property Tax Law requires school districts maintain no more than 4% of the subsequent year's budgeted expenditures in unassigned fund balance in the General Fund.
- Recommendation: The School District should maintain an unassigned fund balance percentage in accordance with Section 1318 of the NYS Real Property Tax Law.

Implementation Plan of Action(s):

- In light of the fiscal uncertainty surrounding the 2026-27 school year budget cycle, including but not limited to potential reductions in Foundation Aid & other state aid sources, federal funding cuts, and otherwise unfunded mandates, the District may need additional fund balance appropriations beyond recent historic amounts in order to balance the 2026-27 operating budget. Furthermore, the District is currently in the schematic design phase of over \$60 million in capital renovations involving the replacement of obsolete systems and structures in all buildings which could result in structural and or mechanical failures prior to reconstruction that would potentially cause additional unanticipated expenses in the 2025-26 fiscal year. Barring any of these unforeseen circumstances, the District would transfer any unassigned fund balance in excess of the 4% statutory limit to the construction fund to partially offset the cost of these planned improvements to its taxpayers at the close of the 2025-26 school year.

Implementation Date:

- June 30, 2026

Person Responsible for Implementation:

- Elliot Garcia, Assistant Superintendent for Business and Personnel

Signed:

Elliot García
Assistant Superintendent for Business and Personnel

October 9, 2025

Date