



**CHELSEA**  
SCHOOL DISTRICT

**BUSINESS OFFICE**

500 Washington Street  
Chelsea, MI 48118  
P: 734.433.2208  
F: 734.433.2218  
[www.chelsea.k12.mi.us](http://www.chelsea.k12.mi.us)

**To:** Board of Education

**From:** Nicole Lechner

**Re:** June Board Report

**Date:** June 1, 2026

The final month of the fiscal year always moves quickly as we balance closing out the current year while simultaneously preparing for the next. Our budget hearing is scheduled for the final Board meeting in June and will establish the District's final budgets for 2025-26 as well as preliminary budgets for 2026-27.

Our team implemented a new Positive Pay process through Chelsea State Bank to enhance the security of vendor payments. The process requires a file containing the vendor name, payment amount, and check number to be transmitted to the bank for each check run. Checks presented for payment must match the submitted information before they can be cleared. Any discrepancies are flagged for review, helping to prevent fraudulent or unauthorized transactions. As part of this initiative, we are also evaluating opportunities to expand electronic payments to vendors where appropriate, reducing reliance on paper checks and increasing overall efficiency. This effort will continue throughout the summer as we communicate with vendors and review payment options.

The District has been selected for an audit by the Michigan Office of the Auditor General related to employee information reported to the Office of Retirement Services (ORS) for the period of October 2024 through September 2025. The audit will review demographic and payroll information submitted through our semi-monthly payroll reporting process to ensure accuracy and compliance with ORS requirements. We are currently awaiting confirmation of the audit schedule and whether it will be conducted remotely or on-site. In preparation, we have already compiled documentation and supporting records for more than forty employees identified by the auditors for testing.

I look forward to a successful year-end close and an even stronger start to 2026-27 as we move forward *stronger together*.

Respectfully,

Nicole Lechner, Chief Financial Officer  
Chelsea School District