

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SECOND SUPERVISORY DISTRICT OF
MONROE AND ORLEANS COUNTIES**

NEW YORK

**COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT**

For Year Ended June 30, 2017

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

September 26, 2017

To the Board Members
Board of Cooperative Educational Services
Second Supervisory District of
Monroe and Orleans Counties, New York

In planning and performing our audit of the financial statements of the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BOCES internal control. Accordingly, we do not express an opinion on the effectiveness of the BOCES internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the BOCES' financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

Prior Year Deficiency Pending Corrective Action:

Special Aid Fund –

The year end fund balance is a deficit of (\$1,410,616). This is primarily due to deficits incurred by the EPE program. Additionally, the cash balance in the Special Aid Fund at June 30, 2017 totaled \$861,176 and the net amount due to the General Fund totaled \$3,418,174. The amount due to the General Fund continues to exceed available cash by a substantial amount.

We recommend that the fiscal stability of both of these programs be reviewed and that management look for other sources of revenues and for ways to reduce costs.

Current Year Deficiency in Internal Control:

Receivables –

Our examination of the BOCES receivables revealed 11 invoices totaling \$21,771 from the prior year.

We recommend the Administration develop procedures to collect these receivables or write them off in a timely fashion.

Prior Year Recommendation:

We are pleased to report the following prior year recommendation has been implemented to our satisfaction:

1. The bank reconciliations are now being signed and dated by both the preparer and the reviewer to indicate timely completion.

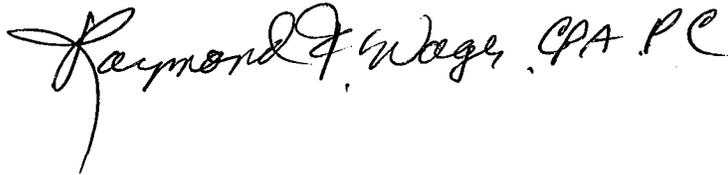
This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

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We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.



September 26, 2017