

***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, 2023



BUSINESS
ADVISORS
AND CPAS



BUSINESS
ADVISORS
AND CPAS

October 11, 2023

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, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the BOCES' internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 11, 2023 on the financial statements of the BOCES. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Prior Year Deficiency Pending Corrective Action:

Special Aid Fund –

The Special Aid fund incurred an operating loss of \$275,449 in fiscal 2023 which further increased the deficit year end fund balance to (\$4,474,209). The current year loss is attributed mostly to Extended School year and Preschool Programs; however, the overall deficit is primarily due to deficits incurred by the EPE program as well as other adult education and training programs.

We recommend the fiscal stability of these programs continue to be reviewed.

Current Year Deficiency in Internal Control:

Culinary Department –

The Culinary Department now uses a point-of-sale (POS) system to track food sales and cash collections. BOCES has begun to reconcile POS reports to deposit activity and general ledger postings, however, during the year variances were identified that could not be fully explained.

We recommend management work with the culinary department to investigate and fully explain variances on a timely basis.

Prior Year Recommendation:

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

1. Cash collections for the Center for Workforce Development are now being reconciled to the BOCES general ledger system.

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We believe that the implementation of these recommendations will provide the Board of Cooperative Educational Services Second Supervisory District of Monroe and Orleans Counties, New York with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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.

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

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 11, 2023