

**BOARD OF COOPERATIVE
EDUCATIONAL SERVICES
GENESEEE, LIVINGSTON, STEUBEN
AND WYOMING 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

September 14, 2023

To the Board Members
Board of Cooperative Educational Services
Genesee, Livingston, Steuben and Wyoming Counties, New York

In planning and performing our audit of the financial statements of the Board of Cooperative Educational Services of Genesee, Livingston, Steuben and Wyoming Counties (BOCES), 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 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 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 September 14, 2023 on the financial statements of 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:

BOCES' written responses to the deficiencies identified in our audit have not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Prior Year Deficiencies Pending Corrective Action:

School Lunch Cash Collection Procedures –

We noted that the same individual at the Mt. Morris and Batavia sites collects money, counts the cash, reconciles to the register tape, and prepares the deposit slips.

BOCES' Response –

Management agrees with this statement. Both campuses only have one person working in the Lunch Program which limits our options. We will assess the lunch program operations and make appropriate changes by June 30, 2024.

LPN/ Adult Education Operating Deficit –

The LPN program incurred an operating loss of \$90,572 which increased the ending deficit balance to \$214,722 at year end.

BOCES' Response –

Management agrees with this statement. Central Administration continues to work with the Adult Education department on a deficit reduction plan to eliminate the current deficit. Working with the Adult Education department we will continue to monitor account receivable balances and evaluate their future collectability. Some of these balances have been collected as the LPN classes are still in session. This plan was implemented on July 1, 2023.

Continuing Education Program –

The adult education program had an operating gain of \$154,308 for the 2022-23 fiscal year which reduced the overall deficit in that program to \$343,058.

BOCES' Response –

Management agrees with this statement. Central Administration continues to work with the Adult Education department to monitor receivable balances and evaluate their future collectability to reduce this deficit. Some of these balances have been collected as multiple Continuing Education classes are still in session. A plan to monitor these balances and reduce this deficit was implemented on July 1, 2023.

Fixed Assets –

During our testing of fixed assets, we noted two items which did not appear to have a BOCES asset tag attached, and two items which appeared on the list but had been disposed of in a prior year.

BOCES' Response –

Management agrees with this statement. The two items noted have been given an asset tag, while the other two items, which had been obsoleted, have been taken off of the fixed asset list. We have reviewed our systems and processes were updated as of August 31, 2023.

Current Year Deficiencies in Internal Control:

Receipts –

During our examination of cash receipts we noted six instances of untimely deposits related to school lunch daily receipts.

BOCES' Response –

Management agrees with this statement. Central Administration will continue to work with Site Administrators to ensure this issue is properly addressed and corrected by June 30, 2024.

School Lunch –

We noted that the School Lunch operations at the Batavia and Mt. Morris sites incurred operating losses totaling \$111,992. Although the overall fund balance was positive at year end, the unassigned fund balance was a deficit of \$11,789.

BOCES' Response –

Management agrees with this statement. Central Administration continues to monitor the School Lunch program operations to eliminate operating losses and manage the overall fund balance of the program. A plan to monitor the School Lunch operations was implemented on July 1, 2023.

Prior Year Recommendations:

The prior year recommendations have been noted above.

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We believe that the implementation of these recommendations will provide BOCES 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, and the audit committee and is not intended to be and should not be used by anyone other than these specified parties. We recommend that the Administration develop a corrective action plan regarding all of the above-mentioned items, which should be reviewed by the audit committee and the Board.

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, Baw & Co. LLP

Rochester, New York
September 14, 2023