

***BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
ONTARIO, SENECA, YATES,  
CAYUGA AND WAYNE COUNTIES***

***NEW YORK***

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

***For Year Ended June 30, 2020***

**MENGEL METZGER BARR & CO. LLP**

RAYMOND F. WAGER, CPA, P.C. DIVISION

# MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

October 8, 2020

To the Board Members  
Board of Cooperative Educational Services  
Ontario, Seneca, Yates,  
Cayuga and Wayne Counties, New York

In planning and performing our audit of the financial statements of the Board of Cooperative Educational Services of Ontario, Seneca, Yates, Cayuga and Wayne Counties, New York as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Board of Cooperative Educational Services of Ontario, Seneca, Yates, Cayuga and Wayne 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.

## **Current Year Deficiency in Internal Control:**

### **Culinary Arts/ Café -**

As indicated in the financial statements, the adult education pilot program for culinary arts and café operation in the School Lunch Fund incurred an operating loss of \$161,683 for the year ended June 30, 2020 which required a transfer from the adult education program fund balance. This loss was due in part to lower than anticipated enrollment as well as the shut down due to the COVID-19 pandemic.

We are aware the BOCES has already begun to reduce expenses in the program, including a decrease in staff. We recommend management continue to look for opportunities to reduce expenses and enhance additional sources of revenues.

**Other Items:**

The following items are not considered to be deficiencies in internal control; however, we consider them other items which we would like to communicate to you as follows:

**Federal Programs –**

To address guidance from the New York State Education Department on federal programs, BOCES is in the process of finalizing its written procedural manual which details internal controls over compliance requirements for each of its federally funded projects.

**GASB Statement No. 84 –**

During this next fiscal year, the BOCES will be required to implement GASB Statement No. 84 which will modify the financial reporting for the Agency Funds.

This will require a review of the various accounts currently reported in the Agency Funds, along with the extraclassroom activity policy and procedures in order to determine where to report the BOCES' extraclassroom activity funds, scholarships, and other Agency activity.

**Prior Year Recommendation:**

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

1. Temporary teacher appointments are approved by the Superintendent.

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.

Rochester, New York  
October 8, 2020

*Mengel, Metzger, Barw & Co. LLP*