

November 13, 2024

To the Board of Education
Board of Cooperative Educational Services of Rockland County
65 Parrott Road
West Nyack, NY 10994

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Board of Cooperative Educational Services of Rockland County (the “BOCES”) as of and for the fiscal year ended June 30, 2024, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s 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.

However, during our current year audit, we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarizes our comments and suggestions concerning these matters.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

CASH MANAGEMENT

We noted that one of the two financial institutions utilized by the BOCES is JP Morgan Chase, which per their current agreement, requires the BOCES to maintain certain significant account balances in order to earn enough interest to offset the bank’s services charges being charged to the BOCES. As a result of this, the BOCES’ had a certain opportunity loss on additional potential interest earnings, had they been able to move the balances to their investment pool account with NYCLASS, which as of June 30, 2024, had an average yield of 5.2189% (as compared to JP Morgan Chase which had an average yield for the same period of 1.32%).

We recommend the BOCES evaluate their current agreement with JP Morgan Chase, in order to verify the accuracy of all service charges, as well as solicit offers from other banks that may be offering less restrictive contract stipulations in terms of the availability / liquidity of the BOCES cash balances on hand.

STATUS OF PRIOR YEAR FINDINGS

BUDGET TRANSFERS

FINDING: During our prior year audit, we noted three out of fifteen budget transfers tested did not obtain subsequent approval from the Board of Education (the “Board”) for transfers in excess of \$25,000 as per BOCES’ Board policy No. 6150 *Budget Transfers*. We recommended that the BOCES implement procedures to ensure all individual transfers in excess of \$25,000 obtain the proper subsequent approval from the Board.

STATUS: **Implemented.**

BANK RECONCILIATIONS

FINDING: During our prior year audit, we noted the BOCES was carrying old outstanding checks for more than one year on the monthly bank reconciliation for the multi-fund checking account. We recommended that all outstanding checks and reconciling items be reviewed on a regular basis and that older items be investigated and removed from the bank reconciliations and the accounting records be adjusted accordingly.

STATUS: **Implemented.**

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We would like to acknowledge the courtesy and assistance extended to us by personnel of the BOCES and also compliment the business office on their excellent financial operations during our audit. Should you have any questions concerning the matters referred to in this letter, we shall be pleased to discuss them with you, at your convenience.

This communication is intended solely for the information and use of the Board of Education, the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
November 13, 2024