

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, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the BOCES' system of 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. We have also provided the status of our prior year recommendation.

## **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, 2025, had an average yield of 4.1371% (as compared to JP Morgan Chase which had an average yield for the same period of 1.66%).

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.

### **CAPITAL ASSET ADDITIONS**

During our current year audit, we noted that capital outlay expenditure codes were not reviewed with an appropriate level of precision to ensure all capital asset purchases worthy of capitalization were added to the BOCES' capital asset register. We recommend a reconciliation be prepared between the capital outlay expenditure codes and the capital asset register to ensure that all items requiring capitalization as per BOCES policy are captured, as well as a review of capital projects expenditures to date to determine if they are complete. We acknowledge that the BOCES has made the necessary edits to the capital asset register for the purposes of appropriate financial statement presentation.

## **STATUS OF PRIOR YEAR FINDINGS**

### **CASH MANAGEMENT**

**FINDING:** During our prior year audit, we noted that certain bank account arrangements limited the BOCES' ability to maximize interest income on available cash balances. We recommended that management review its existing banking agreements to ensure that service charges were reasonable and to consider whether alternative banking or investment options could provide improved returns and liquidity.

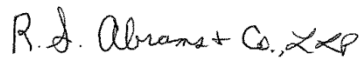
**STATUS:** **In Process.** The BOCES is currently working with its financial institution to negotiate higher interest rates and lower fees.

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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  
Islandia, New York  
November 13, 2025