

**OSWEGO COUNTY
BOARD OF COOPERATIVE EDUCATIONAL
SERVICES**

NEW YORK

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

For Year Ended June 30, 2025





BUSINESS
ADVISORS
AND CPAS

October 2, 2025

To the Board Members
Oswego County
Board of Cooperative Educational Services, New York

In planning and performing our audit of the financial statements of Oswego County Board of Cooperative Educational Services, New York as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Oswego County Board of Cooperative Educational Services, New York's 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 Oswego County Board of Cooperative Educational Services, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of Oswego County Board of Cooperative Educational Services, New York's 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 2, 2025 on the financial statements of Oswego County Board of Cooperative Educational Services, New York. 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:

The 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:

Deficit Fund Balance – Preschool Program –

As a result of fiscal stress related to cost screens and difficulties with the State reimbursement process, the BOCES transitioned the Preschool Program to private providers as of June 30, 2011. The BOCES will be working closely with the State Education Department to close out the program in order to maximize their reimbursement; however, a deficit fund balance remains, and there was no progress made this year.

The BOCES is in the process of working with Districts regarding the revenue shortfalls. We recommend the BOCES consider contacting the Commissioner of Education and request a formal opinion as to the specific process to follow when eliminating this deficit.

BOCES' Response –

In June 2025, BOCES provided the usual annual update to districts regarding the deficit status of these programs as well as each District's respective (theoretical) share. It is our understanding that districts are setting these amounts aside in the event a statutory authorization to make these payments materializes. Our BOCES is not the only one in this situation and conversations are ongoing at the state level among NYSED officials and BOCES District Superintendents as priorities permit, to determine how these deficits can be addressed. This process is beyond our ability to schedule or control, but our intent is to continue allowing the time needed to see what guidance develops. Upon receipt of resulting NYSED or statutory guidance, we will discuss with our districts to determine a reasonable approach in line with the guidance to eliminate the deficits.

Adult Education Programs/Career and Community Education –

We noted the BOCES had an operating profit of \$34,677, which decreased the total deficit fund balance to (\$133,289) in the Adult Education and Enrichment Programs.

We recommend the BOCES continue to monitor these programs in order to eliminate the program deficits.

BOCES' Response –

Adult Education programs have experienced shortfalls due to challenges meeting estimated program enrollments on which the budgets are based. Programs sometimes run under-enrolled, begin fully enrolled and lose students during session, or might not be able to run due to insufficient interest. In these cases, programs enact cost reduction measures where they can, but many times the measures are not able to mitigate the full fiscal impact of shortfalls.

Budget development and monitoring continue to be completed in a meticulous, organized fashion. The oversight structure includes a dedicated budget liaison who works with the Adult Ed. program Director to monitor budget progress through the year. Budgets are built on enrollment estimates based on recent history, and tuitions are adjusted where possible to balance. However, budgets are tight and when minimum enrollments are not met (i.e.: due to non-completers, student dismissals, etc.), cuts are not usually sufficient to correct deficits. Such information is noted and considered for the next budget cycle.

Effective July 1st, 2025, outreach and advertising efforts were increased to raise community awareness and registration processes were adjusted to allow earlier processing and program acceptance commitments to students. Furthermore, budget review meetings are scheduled for November 6th, 2025, January 27th, 2026, and April 28th, 2026 to monitor budget progress and adjust accordingly as may be needed. Budget development for the next fiscal year is scheduled for February 9th to February 13th, 2026. During the budget development process, low/non-enrolled programs will be evaluated for viability and offerings adjusted for the new school year to mitigate budget shortfalls.

Current Year Deficiency in Internal Control:

Payroll –

Our review of the BOCES payroll procedures revealed that annualized employees are not required to fill out timesheets. Employees only fill out timesheets when there is overtime, or any extra hours worked.

We recommend the BOCES implement time sheet reporting for all hours worked by annualized employees to enhance record keeping for processing payroll.

BOCES' Response –

Effective October 14th, 2025, BOCES Assistant Superintendents of Human Resources and Administrative Services will meet with union leadership of the impacted bargaining units to discuss the matter and initiate any required steps for collective bargaining regarding this topic. BOCES senior administration will also confer with legal counsel in advance of that meeting to review any statutory requirements and contemplate the best way to proceed in discussions with bargaining units. It is anticipated a decision should be reached by January 1st, 2026, on how best to proceed and a plan implemented accordingly thereafter.

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 the Oswego County Board of Cooperative Educational Services, 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.

Rochester, New York
October 2, 2025

Mengel, Metzger, Baw & Co. LLP