

**OSWEGO COUNTY  
BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NEW YORK**

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

***For Year Ended June 30, 2021***



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

October 13, 2021

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oswego County Board of Cooperative Educational Services, New York as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Oswego County Board of Cooperative Educational Services, 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.

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 13, 2021 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 –**

*BOCES continues to keep the Districts informed regarding the deficit status of these programs as well as each District's respective (theoretical) share. Our BOCES is not the only one in this situation and conversations are ongoing at the state level among SED officials and BOCES District Superintendents to determine how these deficits can be addressed. These talks progress slowly as priorities permit, and our intent is to allow the time needed to see what guidance develops. Upon receipt of such, 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 gain of \$157,913, which decreased the total fund balance to a deficit of (\$70,031), in the Adult Education and Enrichment Programs.

We recommend the BOCES continue to monitor the Adult Education program in order to eliminate the program deficits.

**BOCES' Response –**

*These programs continued to be negatively impacted during the 2020-21 school year by the NYS density reduction mandates due to the COVID-19 pandemic. Many sections slated to operate were unable to run and enrollments were lower as a result. However, CiTi adult ed programs qualified for and received Federal stimulus funds, which is what drove the current year operating surplus. They fulfilled their purpose with our organization.*

*Regarding budget monitoring, an oversight restructure was enacted in the prior year that provided more dedicated attention to programs and back-office functions. Furthermore, during 2020-21 changes occurred in key levels of upper administrative leadership, further enhancing these changes, and expected to improve monitoring, program promotion and procedure development. Unfortunately, these efforts were also negatively impacted by COVID-19. One small silver lining might be that downturns in the economy could cause adults to seek new skills and career training, and BOCES is planning efforts to raise awareness to those populations about being an opportunity for such a turning-point in their lives.*

*Moving forward, the oversight structure will carry on, advertisements will be pursued through catalogs, social media and other means, and detailed and realistic budget development processes will continue. Enrollment projections will be adjusted to match experience, tuitions adjusted where possible and budgets built to match. Budgets are tight and when minimum enrollments are not met (i.e.: non-completers, student dismissals, etc.), costs are reduced where possible, but usually not sufficient to correct the deficit. Such information is taken into account for the following budget cycle.*

**Prior Year Recommendations:**

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. The BOCES has implemented procedures to reconcile receivable balances between the billing system and the general ledger accounting system.
2. The BOCES created a written federal funds procedural manual during the 2020-21 fiscal year.

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 13, 2021

*Mengel, Metzger, Barw & Co. LLP*