

**Four Corners REC #1  
Finance Committee Briefing  
December 9, 2020  
Quarter 2**

**REC #1 Finance Report Review**-Review attached REC #1 Finance Report for Quarter 2 and the October - November Revenue & Expenditure Reports, BAR #0001-STEM Prof. Development

***ACTION: Approve Quarter 2 Finance Report***

**FY20 REC Audit**

The REC audit was submitted prior to the September 30<sup>th</sup> deadline. Mr. Manning was contacted, asked why we did a Tier 6 instead of a full audit. It was his understanding because of the small revenue amounts this was an allowable audit. It was rejected by the OSA and the full audit must be submitted. Mr. Manning and his team are completing the additional report required for the audit. A full audit will be submitted and there will be no additional charge to the REC.

**Ratification of Expenditures for Quarter 2, December 10, 2020**

\_\_\_\_\_  
REC #1 Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
REC #1 President

\_\_\_\_\_  
Date

# Four Corners REC #1

## Revenue Report

Fiscal Year: 2020-2021

Account Number / Description

To Date: 11/30/2020

From Date: 7/1/2020

Summary Only

Budget      Range To Date      YTD      Uncollected Balance      % Remaining

Fund: 27101      FOUR CORNERS REC

Fund 27101 Total:

Grand Total:

\$103,900.00	\$2,950.00	\$2,950.00	\$100,950.00	97.16%
\$103,900.00	\$2,950.00	\$2,950.00	\$100,950.00	97.16%

End of Report

# Four Corners REC #1

## Expenditure Budget Balance Report

Fiscal Year: 2020-2021

Account Number / Description

Fund:	27101	FOUR CORNERS REC	<input checked="" type="checkbox"/> Summary Only		From Date:	7/1/2020	To Date:	11/30/2020
			Budget	Range To Date	YTD	Balance	Encumbrance	Budget Balance % Remaining Bud
		<b>Fund 27101 Total:</b>	\$207,700.00	\$30,959.34	\$30,959.34	\$176,740.66	\$57,510.66	\$119,230.00
		<b>Grand Total:</b>	\$207,700.00	\$30,959.34	\$30,959.34	\$176,740.66	\$57,510.66	\$119,230.00

57.40%

57.40%

End of Report

# Four Corners REC #1

## Reprint Check Listing

Fiscal Year: 2020-2021

**Criteria:**

**From Date:** 07/01/2020      **To Date:** 11/30/2020  
**From Check:**                      **To Check:**  
**From Voucher:**                   **To Voucher:**

Check Number	Date	Payee	Amount	Voucher	Status	Type	Cleared?	Clear Date	Void Date
5048	07/21/2020	HIGH PLAINS REGIONAL EDUCATION COOP #3	\$430.00	1000	Printed	Expense	<input checked="" type="checkbox"/>	07/31/2020	
5049	07/30/2020	BLOOMFIELD SCHOOLS	\$7,633.73	1001	Printed	Expense	<input checked="" type="checkbox"/>	07/31/2020	
5050	09/15/2020	BLOOMFIELD SCHOOLS	\$7,630.82	1002	Printed	Expense	<input checked="" type="checkbox"/>	09/30/2020	
5051	09/25/2020	BLOOMFIELD SCHOOLS	\$7,630.86	1003	Printed	Expense	<input checked="" type="checkbox"/>	09/30/2020	
5052	10/26/2020	BLOOMFIELD SCHOOLS	\$7,633.93	1004	Printed	Expense	<input checked="" type="checkbox"/>	10/30/2020	

Total Amount:

\$30,959.34

**End of Report**

Must submit backup for all BARs, except transfers of funds for SEG or direct grants

**STATE OF NEW MEXICO**  
**PUBLIC EDUCATION DEPARTMENT**  
 300 Don Gaspar Santa Fe, NM 87501-2786  
**Budget Adjustment Request**

Doc. ID: 989-000-2021-0001-IB  
 Fund Type: Flowthrough  
 Adjustment Type: Initial Budget

Fiscal Year: 2020-2021

Entity Name: Four Corners Regional Education Cooperative #1

Adjustment Changes Intent/Scope of Program Yes or No?: No

Contact: Staci Babcock, Business Manager-Bloomfield

Total Approved Budget (Flowthrough):

Phone: 505-632-4319

Email: sbabcock@bsin.k12.nm.us

<b>FLOWTHROUGH ONLY</b>	
Budget Period: 07/01/2020	To: 06/30/2021
A. Approved Carryover:	
B. Total Current Year Allocation:	
D. Total Funding Available:	

Revenue 27135.0000.43202 \$25,000

Fund	Function	Object	Program	Job Class	Present Budget	Adj Amt Exp	Adj Budget	ADD'L FTE
27135 STEM Professional Development	1000 Instruction	53330 Professional Development	1010 Regular Education (K- 12) Programs	0000 No Job Class		\$1,127	\$1,127	
27135 STEM Professional Development	1000 Instruction	55915 Other Contract Services	1010 Regular Education (K- 12) Programs	0000 No Job Class		\$21,000	\$21,000	
27135 STEM Professional Development	1000 Instruction	56118 General Supplies and Materials	1010 Regular Education (K- 12) Programs	0000 No Job Class		\$2,873	\$2,873	
Sub Total						\$25,000		
Indirect Cost								
<b>DOC. TOTAL</b>						\$25,000		

**Justification:**

Please see attached award

Compliance with Sections 10-15-1 and 22-8-12, NMSA, 1978 Compilation:

A. The requested budget/changes were authorized at a scheduled Board of Education or Governance Council meeting open to the public on: 9/9/2020

B. Justification for the transfer: Explanation such as "underbudgeted", "insufficient budget", or "needed to close out Project" ARE NOT ACCEPTABLE. Attach additional sheets if necessary.

ALL TRANSFER BARS MUST NET OUT TO ZERO ON THE DOC. TOTAL LINE.

<b>Approvals by Digital Signature</b>		
<u>Name</u>	<u>Role</u>	<u>Date</u>
Jodie Maestas	Business Manager	12/1/2020 9:06:16 AM
Jodie Maestas	Superintendent	12/1/2020 9:39:52 AM



Jodie Maestas &lt;jmaestas@bsin.k12.nm.us&gt;

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**Full Audit for REC**

1 message

**bmanning@manningacs.com** <bmanning@manningacs.com>

Mon, Dec 7, 2020 at 6:35 AM

Reply-To: bmanning@manningacs.com

To: Jodie Maestas &lt;jmaestas@bsin.k12.nm.us&gt;

Jodie,

As we talked about on the phone, we will have to do some more work, mainly from planning and documentation area, on the REC. We had thought that the REC was eligible for the tiered audit system in the state which requires \$500,000 of revenues prior to requiring a full audit. When you initially believed you'd have less than \$250,000 of revenue, we believed that would be a Tier 4 Agreed-Upon Procedures engagement at \$3,000. Then when revenues went over \$250,000, this would required a Tier 6 engagement and the additional price to \$5,500 for the additional work.

We turned the report in prior to the September 30th deadline and then waited. Finally, a couple of weeks ago the Office of the State Auditor asked why we did a Tier 6 instead of a full audit. We explained the revenue amounts, etc. Also, when we'd asked you to complete the contract through OSA we missed that you had selected audit instead of agree-upon procedures. Finally, this past week the OSA came back and said the REC is not eligible for an agreed-upon procedures engagement and must have a full audit, which would be required no matter the size of revenues because an REC doesn't qualify for an AUP engagement. It is a little silly in my opinion that one state entities qualifies and another doesn't, but in the end that is government for you.

We will have to do some additional work and reissue the report. We will eat the additional costs associated with doing the full audit because we didn't catch that you weren't eligible. We had never run into this before regarding which entities can have AUPs and which aren't eligible under the Audit Rule. The worst of it from your point of view is that we will have to issue an audit finding for a late report as the audit wasn't completed by September 30th.

We hope to be able to tie this up in the next two weeks. We are going through the files to see if there is anything else we will really have to test. Most of it will be in shifting what we tested to other areas of the documentation as we tested much like an audit but documented like an AUP. We will also have to change the reports and add some additional disclosures, etc. In the end it will look like the district reports now, only a little smaller because of fewer funds, etc.

If you have any additional questions, you can let me know.

**Bye Manning**

PO Box 736  
Kirtland, NM 87417  
505.598.3135 (office)  
505.598.3136 (fax)

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