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**THREE RIVERS EDUCATION
FOUNDATION, INC.**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2019

Accounting • Business Consultation • Auditing & Assurance

THREE RIVERS EDUCATION FOUNDATION, INC.

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Independent Auditors' Report

To the Board of Directors of
Three Rivers Education Foundation, Inc.
Farmington, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of Three Rivers Education Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Three Rivers Education Foundation, Inc. as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2020, on our consideration of Three Rivers Education Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Three Rivers Education Foundation, Inc.'s internal control over financial reporting and compliance.

Ricci & Company LLC

Albuquerque, New Mexico
May 11, 2020

FINANCIAL STATEMENTS

THREE RIVERS EDUCATION FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2019

ASSETS

Current assets

Cash and cash equivalents	\$ 827,756
Grants receivable	161,777
Other receivables	103
Total current assets	<u>989,636</u>

Property and equipment, net	<u>58,714</u>
-----------------------------	---------------

Total assets	<u><u>\$ 1,048,350</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 13,083
Payroll taxes payable	4,904
Unearned revenue - advance from federal grant	16,000
Total current liabilities	<u>33,987</u>

Net assets

Net assets without donor restrictions	<u>1,014,363</u>
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Total liabilities and net assets	<u><u>\$ 1,048,350</u></u>
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The Notes to the Financial Statements are an integral part of this statement.

THREE RIVERS EDUCATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

PUBLIC SUPPORT AND REVENUES

Federal grants	\$ 2,760,647
In-kind revenue	19,950
Miscellaneous revenue	14,055
Total revenues	<u>2,794,652</u>

EXPENSES

Program services	2,307,680
Management and general	362,889
Fundraising	90,295
Total expenses	<u>2,760,864</u>

Increase in net assets without donor restrictions	<u>33,788</u>
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Net assets at beginning of year	<u>980,575</u>
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Net assets at end of year	<u><u>\$ 1,014,363</u></u>
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The Notes to the Financial Statements are an integral part of this statement.

THREE RIVERS EDUCATION FOUNDATION, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2019

Cash flows from operating activities	
Cash received from federal grants	\$ 2,656,837
Cash paid on behalf of employees	(1,801,180)
Cash paid to vendors and suppliers	(969,948)
Miscellaneous cash receipts	14,055
Net cash used by operating activities	<u>(100,236)</u>
Cash flows from investing activities	
Purchase of equipment	<u>(31,994)</u>
Net cash used by investing activities	<u>(31,994)</u>
Net change in cash	(132,230)
Cash, beginning of year	<u>959,986</u>
Cash, end of year	<u><u>\$ 827,756</u></u>
Reconciliation of change in net assets without donor restrictions	
to net cash used by operating activities:	
Change in net assets without donor restrictions	\$ 33,788
Adjustments to reconcile change in net assets without donor restrictions	
to net cash used by operating activities:	
Depreciation	20,882
Change in assets and liabilities:	
Grants receivable	(119,810)
Other receivables	1,750
Accounts payable	(52,311)
Payroll taxes payable	(535)
Unearned revenue	16,000
Total adjustments	<u>(134,024)</u>
Net cash used by operating activities	<u><u>\$ (100,236)</u></u>

The Notes to the Financial Statements are an integral part of this statement.

THREE RIVERS EDUCATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2019

	Program	Management and General	Fundraising	Total
Personnel Costs				
Salaries and wages	\$ 1,284,285	268,324	15,261	\$ 1,567,870
Employee benefits	135,307	13,711	780	149,798
Payroll taxes	76,531	7,755	441	84,727
Total personnel costs	<u>1,496,123</u>	<u>289,790</u>	<u>16,482</u>	<u>1,802,395</u>
Other Expenses				
Contract and professional fees	379,765	4,018	73,813	457,596
Conferences and meetings	7,543	-	-	7,543
Insurance	9,225	3,734	-	12,959
Occupancy expense	34,945	19,831	-	54,776
Other expenses	31,704	6,480	-	38,184
Postage and shipping	349	515	-	864
Printing and copying	-	987	-	987
Program materials	128,450	-	-	128,450
Repairs and maintenance	3,382	5,092	-	8,474
Supplies	43,420	21,000	-	64,420
Telephone and communications	8,822	1,250	-	10,072
Travel and mileage	123,120	10,192	-	133,312
Total other expenses	<u>770,725</u>	<u>73,099</u>	<u>73,813</u>	<u>917,637</u>
Noncash expenses				
Rental expense - in-kind	19,950	-	-	19,950
Depreciation	20,882	-	-	20,882
Total noncash expenses	<u>40,832</u>	<u>-</u>	<u>-</u>	<u>40,832</u>
Total expenses	<u>\$ 2,307,680</u>	<u>362,889</u>	<u>90,295</u>	<u>\$ 2,760,864</u>

The Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

THREE RIVERS EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1. ORGANIZATION

The Three Rivers Education Foundation, Inc. (the “Foundation”) was founded in 2008 to more effectively carry out the purposes of supporting public, private, charter and Bureau of Indian Education schools in New Mexico. The Foundation maintains a close working relationship with the New Mexico Public Education Department (NMPED), Bureau of Indian Affairs Office of Indian Education Programs, and with the educational institutions of the State through direct communication, consultation, and collaboration with these entities. Purposes include promoting the advancement of education and developing an independent research and development organization focused on the challenges educators in New Mexico face in providing a quality education for all our children. The Foundation’s programs are primarily funded through federal grants.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, *Presentation of Financial Statements*. As amended by Accounting Standards Update No. 2016-14, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets without Donor Restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.
- *Net Assets with Donor Restrictions:* Net assets subject to stipulations imposed by donors and grantors. The Foundation had no net assets with donor restrictions in 2019.

Cash

For purposes of the statement of cash flows, the Foundation considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Grants Receivable

Receivables at year-end consist of amounts due from grantors of federal grants. Revenues are recorded in the accounting records on the date the costs and expenses subject to reimbursements are paid or accrued. The Foundation has no allowance for bad debts as management considers all accounts receivable to be collectible.

THREE RIVERS EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Purchased property and equipment is recorded at cost. Donated property is recorded at the estimated fair value at the time of donation. Assets are capitalized that have a useful life in excess of two years and cost in excess of \$1,000. Maintenance, repairs and renewals, which neither materially add to the value nor appreciably prolong its life, are expensed. Depreciation on furniture, fixtures and equipment is calculated on the straight-line method over the estimated useful lives of the assets, ranging from five to ten years.

Public Support and Revenues

All contributions and grants are considered to be without donor restrictions unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes are reported as net assets with donor restrictions that increases that net asset class. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as reclassification of net assets.

Contributed Services and Materials

The Foundation recognizes contributed services if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation. Recognized contributed services and donated materials are recorded at the fair value of the services on the date of donation.

Functional Allocation of Expenses

The costs of providing services for various programs and supporting services have been allocated to functions in the statement of functional expenses based on relative costs in each program or project. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT).

THREE RIVERS EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2019. The Foundation's tax returns by statute, may be subject to normal federal and state examinations up to three years from date of filing.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The Foundation evaluated subsequent events after the balance sheet date of December 31, 2019 through May 11, 2020, which was the date the financial statements were available to be issued and concluded that no additional disclosures are required.

Recent Pronouncements

Revenue Recognition: FASB has issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The amendments in this update were issued to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, and upon adoption, the Company will be required to disclose qualitative and quantitative information about its contracts with customers, the significant judgements and changes in those judgements as well as any assets recognized from the costs to obtain or fulfill a contract with a customer. The amendments in this update are effective for fiscal years beginning after December 15, 2018. Accordingly, the Foundation adopted Topic 606 in the year ended December 31, 2019, however because all revenues received as part of the Foundation's ongoing major or central operations are nonreciprocal transactions with federal grantors, there were no significant effects of implementation to these financial statements.

FASB has issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this update were issued to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities for those leases classified as operating leases under previous GAAP. The amendments in this update are effective for fiscal years beginning after December 15, 2020. Early application is permitted, however, the Foundation has not yet adopted Topic 842.

THREE RIVERS EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3. CONCENTRATIONS

Concentration of Credit Risk

The Foundation maintains its cash in a financial institution that management deems to be creditworthy. The balance at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000. At December 31, 2019 the balance exceeded the insured limit by \$592,828. The Foundation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk related to uninsured cash balances.

Funding Source

Approximately 99% of the Foundation's funding is provided by federal grants administered through the U.S. Department of Education.

NOTE 4. GRANTS RECEIVABLE

Grants receivable of \$161,777 consisted of amounts due from the federal government under reimbursement-type grants for which reimbursable expenditures were incurred by December 31, 2019 but reimbursement was not yet received. All amounts due from the federal government are considered to be fully collectible, and thus no allowance for uncollectible accounts has been recorded in the Foundation's financial statements.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2019:

Office furniture, fixtures and equipment	\$ 208,127
Less accumulated depreciation	<u>(149,413)</u>
Property and equipment, net	<u>\$ 58,714</u>

Depreciation expense on property and equipment during the year totaled \$20,882

NOTE 6. UNEARNED REVENUES

Unearned revenues of \$16,000 represents funds received from a federal grant that were not expended for the intended purposes at December 31, 2019.

NOTE 7. CONTRIBUTED SERVICES

The Foundation received donated services by means of discounted rent on their office space in the amount of \$19,950 during the year ended December 31, 2019.

THREE RIVERS EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8. OPERATING LEASE

The Foundation leases office space as part of its operations under an operating lease that expired August 31, 2019. The Foundation continued to rent the space on a month-to-month basis and, subsequent to December 31, 2019, renewed the lease through December 31, 2020. The lease agreement includes the option to extend the lease for three additional option terms of one year each with a 2% escalation in base monthly rent each year. Rent expense under this lease totaled \$63,122 for the year ended December 31, 2019 and is included in occupancy expense on the accompanying statement of functional expenses. Of that amount \$19,950 is received as a charitable donation from the landlord to the Foundation. Future obligations under this lease are \$57,750 for the year ended December 31, 2020.

NOTE 9. RELATED PARTY TRANSACTIONS

The Foundation leases equipment from a member of management. Amounts paid to related parties for these purposes totaled \$3,925 in the year ended December 31, 2019.

NOTE 10. CONTINGENCIES AND UNCERTAINTIES

Under any given Federal award, the reasonableness and allowability of certain items of costs may be difficult to determine. Subsequent disallowance of amounts received under federal grants could result from federal audits and post close out procedures. Although the potential exists for disallowed costs, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of the Foundation.

NOTE 11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation has \$989,636 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$827,756, grants receivable of \$161,777, and other short-term receivables of \$103. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As part their liquidity management, the Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

THREE RIVERS EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 12. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States and around the world. As of May 11, 2020, the Foundation is aware that changes in its business as a result of COVID-19 could occur, but uncertain of the impact of those changes on its financial position, results of operations or cash flows. Management believes any disruption, when and if experienced, could be temporary; however, there is uncertainty around when any disruption might occur, the duration and hence the potential impact. As a result, we are unable to estimate the potential impact on their business as of the date of issuance.

SUPPLEMENTAL INFORMATION

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Award Identifier	Federal Expenditures
<u>U.S. Department of Education</u>			
Community Literacy Plus	84.215G	S215G160051	\$ 1,643,898
Migrant Education High School Equivalency Program			
High School Equivalency Program	84.141A	S141A150015	459,405
Maricopa High School Equivalency Program	84.141A	S141A190014	94,295
Teacher Quality Partnership (TQP)			
NM TQP	84.336S	U336S180013	518,277
Texas TQP	84.336S	U336S190003	44,772
Total Expenditures of Federal Awards			<u><u>\$ 2,760,647</u></u>

Note 1 - Basis of Presentation

The accompanying schedule of federal awards ("Schedule") includes the federal award activity of Three Rivers Education Foundation under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only the federally funded portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets or cash flows of Three Rivers Education Foundation.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

Note 3 - De Minimis Indirect Cost Rate

The foundation has not elected to use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.

Note 4 - Other

The Foundation did not receive any non-cash federal assistance. The foundation does not pass through any funding to subrecipients.

COMPLIANCE SECTION



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**Report On Internal Control Over Financial Reporting And On Compliance
And Other Matters Based On An Audit Of Financial Statements Performed
In Accordance With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors of
Three Rivers Education Foundation, Inc.
Farmington, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Three Rivers Education Foundation, Inc. (Foundation) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 11, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Foundation's Response to Findings

The Foundation's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Foundation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ricci & Company LLC

Albuquerque, New Mexico
May 11, 2020



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Report On Compliance For Each Major Federal Program; And Report On Internal Control Over Compliance Required By The Uniform Guidance

Independent Auditors' Report

To the Board of Directors of
Three Rivers Education Foundation, Inc.
Farmington, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Three Rivers Education Foundation, Inc.'s (Foundation) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2019. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with

those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

Basis for Qualified Opinion on Major Federal Program

As described in the accompanying schedule of findings and questioned costs, the Foundation did not comply with requirements regarding CFDA 84.215G Community Literacy Plus as described in finding numbers 2019-002, 2019-003 and 2019-004 for Allowable Costs, Cash Management, and Period of Performance. Compliance with such requirements is necessary, in our opinion, for the Foundation to comply with the requirements applicable to that program.

Qualified Opinion on Major Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Three Rivers Education Foundation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Other Matters

The Foundation's responses to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs, and/or corrective action plan. The Foundation's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The Foundation is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Foundation's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing

their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ricci & Company LLC

Albuquerque, New Mexico
May 11, 2020

THREE RIVERS EDUCATION FOUNDATION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended December 31, 2019

PRIOR YEAR FINDINGS:

A. FINANCIAL STATEMENT FINDINGS

None

B. FEDERAL AWARD FINDINGS

None

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.	Unmodified
Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
a. Material weakness identified?	No
b. Significant deficiencies identified?	None reported
c. Know questioned costs greater than \$25,000 for a type of compliance requirement for a major program?	Yes
d. Known questioned costs greater than \$25,000 for a federal program which is not audited as a major program?	No
e. Known or likely fraud?	No
f. Significant instances of abuse relating to major programs?	No
g. Instances where results of audit follow up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit findings?	No
Type of auditors' report issued on compliance for major federal programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION I - SUMMARY OF AUDIT RESULTS (CONTINUED)

Federal Awards (Continued)

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.215G	Community Literacy Plus

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

SECTION II – FINANCIAL STATEMENT FINDINGS

2019-001 SUPERVISION AND REVIEW

TYPE OF FINDING: Significant Deficiency

CONDITION

The Foundation's controller has signature authority, online authority to initiate and execute ACH transactions from the banking application and is responsible for the monthly bank reconciliation. The Foundation does not have procedures or protocol in place which would require a review of online banking activity or bank statements.

Additionally, per inquiry of management, and in the course of selectively reviewing journal entries, we noted that the entries are prepared and posted to the accounting records by the Foundation's controller without review or approval.

CRITERIA

Internal control is most effective when the bank reconciliation is prepared by someone not responsible for entries in the receipts and disbursements records. Because this is difficult to implement with an accounting department of just a few individuals, at a minimum, reconciliations should be reviewed by an individual not involved with daily accounting functions.

AU-C Section 240.32 states the auditor should address the risk of management override of controls apart from any conclusions regarding the existence of more specifically identifiable risks by designing and performing audit procedures to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, including entries posted directly to financial statement drafts. In designing and performing audit procedures for such tests, the auditor should obtain an understanding of the entity's financial reporting process and controls over journal entries and other adjustments, and the suitability of design and implementation of such controls.

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2019-001 SUPERVISION AND REVIEW (CONTINUED)

CAUSE

Management has placed trust in those individuals performing accounting functions with little to no oversight.

EFFECT

One individual has access to cash and cash records, a condition which could be exploited by an individual intent on misappropriating Company funds.

Fraudulent financial reporting frequently involves the recording of fraudulent journal entries, particularly those involving post-closing adjustments and other types of nonstandard journal entries. Without the involvement of some other person to afford a cross check, manipulations or errors could be perpetrated easily and could be difficult to detect.

RECOMMENDATION

A policy should be implemented by which an individual with no other regular accounting duties should review online banking activity and/or bank statements regularly. Additionally, in order to avoid erroneous or unauthorized journal entries being posted, we recommend that an individual not responsible for recording journal entries, review and approve all journal entries and their supporting documentation. Evidence of the reviews should be documented.

MANAGEMENT RESPONSE

Effective March 1, 2020 all bank activity will be monitored by two people, the Chief Financial Officer and the Office Manager. The Foundation Director will perform a final review of bank reconciliations.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-002 FEDERAL DRAW DOWNS IN ADVANCE OF EXPENDITURES

FEDERAL PROGRAM INFORMATION

Title: Fund for the Improvement of Education (CL Plus)

Funding Agency: Department of Education

Federal Award Number: S215G160051

Award Year: October 1, 2018 – September 30, 2019

CFDA Number: 84.215

Pass Through: None

Repeat Finding: No

Type of Finding: Material Non-compliance with Allowable Costs, Cash Management, and
Period of Performance Requirements

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)

2019-002 FEDERAL DRAW DOWNS IN ADVANCE OF EXPENDITURES (CONTINUED)

CONDITION

The Foundation drew down funds in advance of immediate cash requirements for expenditures that had not been incurred and for expenditures that extended beyond the grant termination date.

CONTEXT

We selected 25 samples from the population of cash disbursements charged to this federal grant and 25 samples from the population of payroll disbursements charged to this federal grant. We noted 3 of the 25 cash disbursements totaling \$73,581 and 1 of the 25 payroll disbursements totaling \$57,387 were drawn down between two to six months in advance of expenditures being incurred. Through expanded testwork an additional \$9,180 was noted to be drawn down over two months in advance of actual expenditure. In total \$111,348 was received on April 30, 2019 and was based on anticipated future expenditures occurring from May 2019 through February 2020, and \$28,800 was received on October 11, 2019 based on anticipated future expenditures occurring from September 2019 through December 2019. The grant expired September 30, 2019. Of the amounts listed above, expenditures charged to the grant that were not incurred until after the grant period expired totaled \$78,257.

CRITERIA

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) establishes the following applicable requirements:

Section 200.305 states, payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury and the disbursement by the non-Federal entity. Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs.

Section 200.403 states, except where otherwise authorized by statute, costs must be determined in accordance with generally accepted accounting principles (GAAP).

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)

2019-002 FEDERAL DRAW DOWNS IN ADVANCE OF EXPENDITURES (CONTINUED)

CRITERIA (CONTINUED)

Title 34 U.S. Code of Federal Regulations Part 75, Department of Education Direct Grant Programs establishes the following applicable requirements:

Section 75.703 states, A grantee may use grant funds only for obligations it makes during the grant period.

Section 75.707 stipulates the following:

- If the obligation is for personal services by an employee of the grantee, the obligation is made when the services are performed.
- If the obligation is for performance of work other than personal services, the obligation is made on the date on which the grantee makes a binding written commitment to obtain the work.

Per page 32 of the grant award notification, the Department pays grantees in advance of their expenditures if the grantee demonstrates a willingness and ability to minimize the time between the transfer of funds to the grantee and the disbursement of the funds by the grantee and grantees repay to the Federal government interest earned on advances. In general, grantees should make payment requests frequently, only for small amounts sufficient to meet the cash needs of the immediate future.

CAUSE

Although the Foundation is familiar with the requirements of the grant award and 2 CFR Part 200, it is management's opinion that grantee agency would consider the charges to be allowable.

EFFECT

The Foundation received federal funds totaling \$140,148 up to seven months in advance of expenditures being incurred which is a violation of cash management compliance requirements. Additionally, expenses were recorded prior to delivering or producing goods or rendering services which is not in compliance with GAAP. Those incorrectly recorded expenses were used as support for draw down requests. This is a violation of the allowable cost compliance requirement. Finally, expenditures occurring outside the grant period were charged to the grant. This is a violation of the period of performance compliance requirement.

QUESTIONED COSTS

Auditors calculated questioned costs to be \$140,148 resulting from a violation of the terms and conditions of the grant award regarding cash management and draw down of funds. Of that amount \$78,256 was determined to have been incurred after the expiration of the grant period.

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)

2019-002 FEDERAL DRAW DOWNS IN ADVANCE OF EXPENDITURES (CONTINUED)

RECOMMENDATION

Management should ensure that any expenses charged to the federal grant comply with the grant agreement and 2 CFR Part 200. Management should obtain prior written approval from the grantor to support any deviations from grant agreements or federal regulations.

MANAGEMENT RESPONSE

Effective January 1, 2020, the Chief Financial Officer and the Foundation Director will ensure federal draw downs are in accordance with grant agreements and will obtain written approval from the grantor should deviations from the agreement be necessary.

2019-003 PERSONAL SERVICES CHARGED TO FEDERAL GRANT

FEDERAL PROGRAM INFORMATION

Title: Fund for the Improvement of Education (CL Plus)

Funding Agency: Department of Education

Federal Award Number: S215G160051

Award Year: October 1, 2018 – September 30, 2019

CFDA Number: 84.215

Pass Through: None

Repeat Finding: No

Type of Finding: Material Non-compliance with Allowable Costs

CONDITION

Personnel bonuses were awarded and charged to this grant without written consent of the granting agency, Board approval or documentation regarding the reason for the payment or how it is necessary and reasonable for the performance of the federal award.

CONTEXT

We selected 25 samples from the population of payroll disbursements charged to this federal grant and 2 of the 25 payroll disbursements totaling \$30,000 were for payment of personnel bonuses.

CRITERIA

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) establishes the following applicable requirements:

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)

2019-003 PERSONAL SERVICES CHARGED TO FEDERAL GRANT (CONTINUED)

Section 200.53(b) Improper Payments states: (b) Improper payment includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Section 200.403 Factors affecting allowability of costs states: Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards. (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

Section 200.404 Reasonable costs states: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.

Section 200.430 Compensation-personal services states: (f) *Incentive compensation*. Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the non-Federal entity and the employees before the services were rendered, or pursuant to an established plan followed by the non-Federal entity so consistently as to imply, in effect, an agreement to make such payment. (g) *Nonprofit organizations*. For compensation to members of nonprofit organizations, trustees, directors, associates, officers, or the immediate families thereof, determination must be made that such compensation is reasonable for the actual personal services rendered rather than a distribution of earnings in excess of costs. This may include director's and executive committee member's fees, incentive awards, allowances for off-site pay, incentive pay, location allowances, hardship pay, and cost-of-living differentials.

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)

2019-003 PERSONAL SERVICES CHARGED TO FEDERAL GRANT (CONTINUED)

CAUSE

Bonuses were included in the personnel budget category, and because personnel expenses charged to the grant did not exceed the budget category, management believed these costs to be allowable.

EFFECT

Because bonuses were awarded without documentation to allow a reviewer to determine that they were authorized and they were necessary for the performance of the federal award, Auditor's cannot determine that amounts are reasonable and thus allowable.

QUESTIONED COSTS

Auditors calculated questioned costs to be \$30,000 resulting from a lack of documentation to support these expenditures.

RECOMMENDATION

Management should ensure that any expenses charged to the federal are supported by documentation which provides evidence that expenditures are necessary to the performance of the federal award.

MANAGEMENT RESPONSE

Issuing bonuses has been a past practice with the Foundation. Effective January 1, 2020, bonuses will be approved by the Board of Directors as a matter of policy.

2019-004 COMPENSATION FOR USE OF FOUNDATION EQUIPMENT

FEDERAL PROGRAM INFORMATION

Title: Fund for the Improvement of Education (CL Plus)

Funding Agency: Department of Education

Federal Award Number: S215G160051

Award Year: October 1, 2018 – September 30, 2019

CFDA Number: 84.215

Pass Through: None

Repeat Finding: No

Type of Finding: Material Non-compliance with Allowable Costs

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)

2019-004 COMPENSATION FOR USE OF FOUNDATION EQUIPMENT (CONTINUED)

CONDITION

Reimbursement for the use of company vehicles exceeded allowable amounts.

CONTEXT

We selected 25 samples from the population of cash disbursements charged to this federal grant and 1 of the 25 cash disbursements totaling \$10,000 was a non-cash expenditure recorded for the use of company vehicles. Through further testwork, it was determined that a total of \$33,098 was charged to federal grants in the year ended December 31, 2019 for the use of company vehicles. Of that amount \$22,183 was charged to this federal program and \$10,915 was charged to another federal program.

CRITERIA

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) establishes the following applicable requirements:

Section 200.436 Depreciation states: (a) Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use. The non-Federal entity may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP, provided that they are used, needed in the non-Federal entity's activities, and properly allocated to Federal awards. Such compensation must be made by computing depreciation. (d)(2) The depreciation method used to charge the cost of an asset (or group of assets) to accounting periods must reflect the pattern of consumption of the asset during its useful life. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight-line method must be presumed to be the appropriate method.

Section 200.474 Travel states (a) *General*. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-federally-funded activities and in accordance with non-Federal entity's written travel reimbursement policies.

CAUSE

TREF was charging both mileage and usage of the vehicles to the federal grant.

THREE RIVERS EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)

2019-004 COMPENSATION FOR USE OF FOUNDATION EQUIPMENT (CONTINUED)

EFFECT

Amounts charged to this federal grant exceeded the amount allowable under federal cost principles related to depreciation and the use of company equipment.

QUESTIONED COSTS

Auditors calculated questioned costs to be \$19,697 resulting from the amount charged to federal awards of \$33,098 less the amount of annual straight-line depreciation which totals \$13,401.

RECOMMENDATION

Management should become familiar with federal cost principals as they relate to reimbursement of non-cash services. Management should obtain specific written acceptance from the grantor when amounts charged to the federal award are conflicting with federal cost principles.

MANAGEMENT RESPONSE

The mileage reimbursement rate does not cover the expenses of the vehicles, as a result depreciation is charged to the federal grant. Effective April 1, 2020, the Foundation will increase the usage reimbursement rate charged per vehicle with no other charges for use.

OTHER INFORMATION



Three Rivers Education Foundation

Supporting Excellence in Education & Research

2200-B Bloomfield Hwy, Farmington, NM 87401 Phone: 505.436.2548

April 27, 2020

Corrective Action Plan and Response to SECTION II – FINANCIAL STATEMENT FINDINGS

2019-001 – Supervision and Review – Contact is James Coy

Procedures are in place so that the Chief Financial Officer (James Coy) will perform and approve all bank transactions, i.e., ACH payments, transfers, payroll, direct deposits. The Office Manager (Patricia Eaton), will perform monthly bank reconciliations and will be reviewed and approved by the Chief Financial Officer. The Foundation Director (Linda Coy) will perform a final review of bank reconciliations. These new procedures have been in place since March 1, 2020.

Corrective Action Plan and Response to SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-002 – Federal Draw Downs in Advance of Expenditures – Contact is James Coy

The Director and Chief Financial Officer will ensure that all expenses charged to federal grant monies comply with the grant agreement and will obtain written approval from the grantor should deviations from the agreement or federal regulations be necessary for achieving Foundation goals. This procedure has been in place since January 1, 2020.

2019-003 – PERSONAL SERVICES CHARGED TO FEDERAL GRANT – Contact is Linda Coy

The Director will ensure that any expenses charged to federal grant monies are supported by documentation and deemed necessary to the performance of the federal award, and will be approved by the Foundation Board. This procedure has been in place since January 1, 2020.

2019-004 – COMPENSATION FOR USE OF FOUNDATION EQUIPMENT – Contact is James Coy

Presently, 0.535/mile reimbursement does not cover the costs of operating Foundation vehicles. The Foundation will start charging vehicle usage reimbursement at 0.75/mile for cars and 0.90/mile for the truck, with no other charges for Foundation vehicles. This will be effective April 1, 2020.

Please let me know if you have any questions or require additional information.

Sincerely,


Linda J. Coy
Director


James Coy
CFO