

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Virtual Zoom Meeting

August 26, 2021

MEETING MINUTES

AGENDA	DISCUSSION/TOPIC	ACTION/ STATUS										
<b>In Attendance</b>	August 26, 2021 In attendance:											
<b>I. Call to Order</b>	<table><tr><td>William Taitingfong, BBMR</td><td>Zenaida Asuncion, GDOE</td></tr><tr><td>Grace Edrosa, DOA</td><td>Helen Legaspi, GDOE</td></tr><tr><td>Vincent Duenas, OPA</td><td>Margaret Artero, GDOE</td></tr><tr><td>Carol Hinkle-Sanchez, Parent Representative</td><td>Sheena Mitchell, GDOE</td></tr><tr><td></td><td>Jolene Toves, Post Guam</td></tr></table>	William Taitingfong, BBMR	Zenaida Asuncion, GDOE	Grace Edrosa, DOA	Helen Legaspi, GDOE	Vincent Duenas, OPA	Margaret Artero, GDOE	Carol Hinkle-Sanchez, Parent Representative	Sheena Mitchell, GDOE		Jolene Toves, Post Guam	
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<b>II Review and Approval Minutes</b> <b>a. July 22, 2021</b>	Meeting was called to order on Virtual Zoom Platform at 3:04pm. BBMR Item II of the agenda, approval of July 22, 2021 minutes. DOA Motioned to approve July 22, 2021 minutes, subject to corrections; seconded by OPA and without objection motioned carried.											
<b>III. Old Business</b> <b>a. GDOE Cash Report FY2021</b> <b>b. Reconciliation of Cash Disbursements</b>  <b>c. BBMR Appropriation/Allotment Status</b>	GDOE distributed FY21 Cash Update. As of August 26, 2021 GDOE total FY21 cash received GF Operations \$159,915,115 cash received, GF Chamorro Studies \$464,377 cash received, GF SSHS Procurement \$451,905, GF Textbook \$988,619.93; GF Supplemental \$2,675,954.99; TEFF Operations \$13,113,497; TEFF ADRMS \$35,000; TEFF Sch Grds Maintenance \$352,936; PLRF \$468,641, HFF-Ops \$823,158; Limited Gaming \$225,926. Grand Total Cash received \$179,515,129.92. DOA distributed the Cash Disbursement Report as of August 26, 2021. It was noted the report reconciles with the GDOE Cash Update report. BBMR stated let’s move to the BBMR Appropriation/Allotment Status Reports item III. BBMR distributed the BBMR Appropriation/Allotment Status Report FY2021 as of August 26, 2021: GF Operations appropriation \$175,710,358, YTD allotment released \$162,230,456 YTD expended \$159,915,115, available \$2,315,641 YTD unallotted \$13,479,902; Simon Sanchez appropriation \$500K, allotment \$500K released, \$451,905 expended, \$48,095 available, YTD unallotted \$0; Chamorro Studies appropriation \$513,824, YTD allotment \$484,068 released, YTD expended \$464,377, available \$19,691 YTD unallotted \$29,756; Advanced Textbooks appropriation \$1.5M, allotment \$1.5M released,											

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<p>d. Accounts Payable Aging</p>	<p>\$988,619.93 expended, \$511,380.07 available, YTD unallotted \$0; GF Supplemental appropriation \$2,675,954.99, YTD allotment released and expended \$2,675,954.99, available \$0; Total GF appropriation \$180,900,136.99, YTD allotment \$167,390,478.99 released, YTD expended \$164,495,971.92, Available \$2,894,507.07, YTD unallotted \$13,509,658.</p> <p>TEFF Operations appropriation \$15,036,704, YTD allotment \$14,615,280 released, YTD expended \$13,113,497, YTD \$1,501,783 available, YTD unallotted \$421,424; ADRMS appropriation \$40K, YTD allotment \$35,000 released, YTD expended \$35,000, YTD \$0 available, YTD unallotted \$5,000; School Grounds Maintenance appropriation \$385,022, YTD released \$352,936, YTD expended \$352,936, YTD \$0 available, YTD unallotted \$32,086. Total TEFF appropriations \$15,461,726, YTD allotment release \$15,003,216, YTD expense \$13,501,433, YTD available \$1,501,783, YTD unallotted \$458,510.</p> <p>PLRF appropriation \$915,082, YTD allotment \$838,826 released, YTD expended \$468,641, YTD available \$370,185, YTD unallotted \$76,256. HFF-Operations appropriation \$891,754, YTD allotment \$823,158 released, YTD expended \$823,158, YTD available \$0, YTD unallotted \$68,596; LG-Sports Facilities appropriation \$535,801, YTD allotment \$535,801 released, YTD expended \$225,926, YTD available \$309,875 YTD unallotted \$0. Grand total appropriation (excluding \$1,568,000 JFKHS add'l rents maintenance and insurance) \$198,704,499.99, YTD allotment release \$184,591,479.99, YTD expended \$179,515,129.92, available \$5,076,350.07, unallotted \$14,113,020. BBMR noted the report appears consistent with the GDOE and DOA reports.</p> <p>BBMR moving onto Item 3d the Accounts Payables Aging reports: as of August 26, 2021 total AP Aging Balance of \$3,332,892.73: \$702,393.08 current; \$1,450,132.60 is 30-60 days; \$586,099.45 is 60 to 90 days; \$594,267.60 is 90 days and over. Pending [unposted] Invoices expected before end of August: Power \$821,400.24; Water \$337,746.66; FSMC \$517,470.58; Lawn Care \$203,336; Lawn Care \$13,130; Trash Pick-Up \$136,400 totaling \$2,029,483.48.</p> <p>BBMR noted the report only 2 pages (than previous reports are 3-4 pages) and asked whether that's because the other vendors aren't listed. GDOE responded GDOE is coming up onto the end of the month; GDOE Deputy Superintendent affirmed the report reflects the totality of GDOE's invoices.</p> <p>Parent Representative asked if that \$3M (current) balance going to be greater because it's missing stuff (invoices). GDOE Deputy stated the only ones (invoices) missing are at the bottom (the \$2,029,482.48 in unposted invoices). But for all intents and purposes, this is a complete listing of all the vendors that GDOE owes.</p>
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Parent Representative asked so has GDOE paid the other page there were – like Bill said there used to be like 3 pages – (other pages) that was like (including) retirement and insurance things – it was like employee (deductions). GDOE Deputy responded those should not have been included in the vendors because those are not vendors, those are the ones we pay on a bi-weekly basis for our payroll. That should not have been included to begin with because we pay them. Parent Representative asked so you just took that out (of the report) or did you pay them. GDOE Deputy replied we pay them; as we pay our payroll just like any GovGuam agency: you pay the payroll and the following week, you pay all those payroll deductions, as well.

Parent Representative said no but some of them were in the 30 to 60 to 90 days (past due) category. GDOE Deputy asked where do you see that, I don't see that except for those that being disputed. Parent Representative stated it's right here (appeared to be looking at a previous aging report) it should to be like on the bottom pages (of previous aging reports). GDOE Deputy well not anymore; they're not there anymore – what you see is what you get, so to speak. [At this point, the GDOE Accounts Payable Report Aging Report – 07.22.2021 was displayed on the virtual platform] These that are under the GovGuam Retirement (in the report) those are being disputed because these are the interest (being charged) that happened there for the longest time from what I understand. If you go through it (the report) there is a couple of Retirement accounts that have been there for the longest time.

BBMR asked is this (the aging report) just the local funds or is included the federal (funds), as well. GDOE Deputy responded local funds. BBMR suggested maybe the report you (Parent Representative) are familiar with included the federal funds. GDOE Deputy refuted we (GDOE) don't include federal here (in the aging report); because this is just the GovGuam Budget (invoices based on expenses against the FY21 Budget Act GDOE Appropriations). GDOE Senior Accountant stated looking at the aging report displayed [07.22.2021] that report included the payments for the summer interns – that was paid out already – that was the summer interns that was included in this report that's why it was 9 pages. Parent Representative stated it's not those guys [summer interns] because I know that that was totally different. – there were some people's it was like their retirement or their insurance. I don't know what it was but it was. BBMR stated but I think that was due to the federal and now that you've taken out the federal, it's a little shorter. I noticed that GPA it was \$1.3M and you still have another \$821K that you're still anticipating.

GDOE Deputy affirmed they (GPA) has been very good to us. If we pay them partially – for example, in one month’s billing it’s about \$900K, if we pay half of it – they’re happy with that – so long as we keep paying them on a regular basis. Same thing with GWA – if we keep paying them on a regular basis and not the whole payment. They’re happy that their bill is being reduced on a regular basis.

BBMR asked if GDOE’s power and water payments are being paid out of the TEFF. GDOE Deputy affirmed but it’s a good time to ask (BBMR and DOA) when will GDOE get paid out the balance of the TEFF (GDOE Appropriations). I think we still have about over \$2M that has not collected. DOA stated they did follow up with the DOA Director – the answer is if it (collections) do not realize the projected or estimated revenue – we (DOA) can only pay you (GDOE) up to the revenue that we (DOA) have received. Can BBMR answer if on the budget there is another way to subsidize that fund. GDOE Deputy stated it’s almost like a double edged sword because we’re (GDOE) is being billed for certain things that we need to pay for the vendors but yet the appropriated funds were approved at the very onset of the budget year but are not given to us at the full value. So the expectation is to create a deficit at the end of the fiscal year because we did not realize the full value of the what needs to be appropriated to us. I’m sorry I’m preaching but we’re going to end the fiscal year in a deficit for 2021, for sure.

BBMR I think that is the reason, too that there’s always a provision that is always included in the Budget Act regarding carry overs – or authorization to pay for prior year obligations. GDOE Deputy affirmed in the Budget Act it says that we are allowed to pay prior year obligations from the funds in the current year budget but to the extent of what we would be saving from the power and water. But we don’t have that much savings from power or water.

Parent Representative said she looked at July’s aging it was at \$7M and it included there was a lot of names of employees. So are you saying that you paid that \$4M out. GDOE Deputy affirmed that is correct. Parent Representative so you paid these employees, it wasn’t just employees it was a bunch of other stuff – so it totaled up to about \$7.188M. GDOE Deputy I don’t have the information in front of me. GDOE Senior Accountant so Sodexo Services – everything after page 2 (of the 7.22.2021 report) those are the Summer Interns – but this one page one we have Sodexo of \$3.3M, we kind of paid that down (about \$2M). Power (\$1.7M) and Water (\$722K) that’s a little bit down: Power about \$900K

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<p><b>IV. FY 21 FSD Reports</b> a. June 2021</p> <p><b>V. New Business</b> . Next Meeting Date and Time</p> <p><b>VI. Adjournment</b></p>	<p>BBMR asked those summer interns that's not GDOE funded (local). GDOE affirm, those are federally funded. Parent Representative stated but that doesn't add up – you first said it was \$7M and now it's \$3M – so are you telling me the summer interns made about \$2M. GDOE Senior Accountant affirmed – almost \$2M. GDOE Deputy stated the summer intern program is driven under the CG (federal grant), they are paid (processed through Accounts Payables) out of local which is reimbursed by federal grant funding.</p> <p>Parent Representative so that means that this report is going to be off – the YTD so that \$2M is going to go back up to \$4M. So maybe you should find a way to indicate that here where you're paying up front with local and you're getting reimbursed back with federal because it kind of makes it look like you've spent all that money and it's not there.</p> <p>GDOE Deputy it's either that or we need to create a sub system within Accounts Payables to segregate these accounts that are being reimbursed by the federal grant. Parent Representative it's kind of like – I don't want to say this but it's kind of an inaccurate picture but, you're saying you don't have money but then you're going to get back \$2M that you can spend. GDOE Deputy suggested maybe EFSC could put this Aging Report in an excel format so we're able to take out those that are federally funded and not encroaching in the local operations – maybe that is a good idea for the next time.</p> <p>Parent Representative I still haven't seen anything that has been federally paid. I have been asking for that for the past Covid. I have heard concerns from left to right, from every single parent and school about you know what's going on right now. Deputy Superintendent unfortunately, I do not oversee the federal (fund) side of it. Whatever we give you that's what you need to take care of Deputy. I did call to the attention of CG on the issue or problem of trying to get the information, whatever we need here at EFSC but that's as far as I can go.</p> <p>BBMR Moving on to Item IV. a. FY2021 Financial Status Designation reports for month ending June 2021: indicating C Watches in object category 111 Salary, 113 Benefits, and 362 Water and B-Warnings for the same. b. FY2021 FSD report for month ending July 2021: indicating C Watches for object category 111 Salary, 113 Benefits and 362 Water and B-Warning for 113 Benefits and 362 Water. BBMR noted some minor corrections are needed to the reports; and they would advise OFB on corrections to the headers.</p>	
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	<p>Parent Representative motioned to approve the June FSD report; motion was seconded by DOA and without objection motion carried and approved subject to corrections.</p> <p>BBMR stated the FSD Report for July appears consistent, same C-Watches and B-Warnings in similar categories as the prior month. Parent Representative motioned to approve FSD Report for July, subject to corrections; motioned was seconded by DOA and without objection motion carried. BBMR noted members are cc'd the Corrective Action responses from GDOE; and if needed BBMR can also provide a copy.</p> <p>Next item V. New Business</p> <p>BBMR noted from the Minutes, EFSC had requested from GDOE the Power Point [GDOE's revised FY22 Budget Request at \$291M] which OFB had distributed it to EFSC members.</p> <p>Next meeting. BBMR suggested tentative Thursday, September 23, 2021 for next meeting or the week and would advise EFSC Members accordingly; without objection, EFSC September Meeting be scheduled for September 23, 2021 via virtual zoom. With no further business Parent Representative motioned to adjourned, seconded by OPA and without objection, meeting was adjourned at approximately 3:58 pm.</p>	
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