

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Galleria A, 1st Floor GDOE Central Office Tiyan

October 25, 2018

MEETING MINUTES

AGENDA	DISCUSSION/TOPIC	ACTION/STATUS
In Attendance	<p>Ariana Villaverde, OFB Bill Taitingfong, BBMR Mary Grace Edrosa, DOA Edlyn Dailsay, OPA Taling Taitano, GDOE Helen Legaspi, GDOE Travis Carbon, GDOE Justin Castro, GDOE</p>	
I. Call to Order	<p>Meeting was called to order at 3:07 pm at the Galleria A, 1st Floor GDOE Central Office, Tiyan.</p>	
II Review and Approval Minutes a. September 27, 2018 Meeting	<p>OFB stated location of meeting in the minutes be amended to read 2nd Floor SPED Conference Room. BBMR moved to approve the September 27, 2018 minutes, subject to corrections. Motion was seconded by DOA and with no objections, the motion passed.</p>	
III. Old Business a GDOE Cash Update Report, FY2018 and FY2019	<p>As of September 30, 2018 GDOE total FY18 cash received GF Operations \$201,354,655.61 cash received, \$0 variance with DOA, \$12,956,205.39 Allotment vs Cash variance; GF Chamorro Studies \$401,207 full cash received; GF Pre-K \$0 Cash, \$0 DOA Variance, \$1,054,596 Allotment vs Cash Variance; GF Maint & Repairs full \$500K Cash; Textbook full \$1.5M Cash received; TEFF full \$4,353,375</p>	

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Galleria A. 1st Floor GDOE Central Office Tiyan

October 25, 2018

MEETING MINUTES

b. Reconciliation of
Cash Disbursements

cash received; 1st Gen Trust full \$100K cash received. Total cash received for PLRF is full \$996,946; HFF-Sports full \$612,000 cash received; HPA full \$279,754 cash receive; and Limited Gaming \$456,389 cash received. \$0 DOA variance. \$152,129 allotment vs cash variance. Simon Sanchez OEA & A & E \$0 allotment release. \$0 cash received. \$1,500,000 unallotted balance. Overall grand total \$210,554,326.61 GDOE cash received. \$0 DOA variance. \$1,500,000 unallotted balance. and \$14,162,930.39 allotment vs cash variance.

DOA stated the DOA FY2018 Disbursement report reconciles with the GDOE cash reports and noted PL 34-117 appropriating \$1.5M for SSHS is from FY2018 GF Tax Amnesty Proceeds and the Fiscal Year 2018 Realignment under PL 34-87 is not included in the GDOE report. BBMR noted the \$14,162,930.39 available balance would indicate GDOE is under the FRP level. However, there may be some offsets because of the Charter schools; a couple of the Charter schools may have gone over. Overall, bottom line, the reports indicate GDOE is under the FRP – GDOE's FRP level is actually at \$12.9M.

GDOE asked whether GDOE's funding will be adjusted in the AS400 to reflect the deductions under the FRP. DOA responded no, no adjustments will be made. the FRP amounts has been adopted as fiscal policy. OFB asked so if Charter schools have gone above their appropriation – because of invoices – and because of the FRP policy being observed does that mean GDOE will not be receiving any more cash. DOA affirmed and stated DOA did apply a proportionate amount of the reductions under the FRP to the charter schools.

GDOE distributed the FY2019 Cash Update report. As of October 25, 2018 GDOE total FY19 cash received GF Operations \$11,106,133.20 cash received. \$0 variance with DOA, \$3,589,756.80 allotment vs cash variance; GF Chamorro Studies \$7,866.80 cash received, \$0 DOA variance. \$17,668.20 Allotment vs Cash variance;

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Galleria A, 1st Floor GDOE Central Office Tiyan

October 25, 2018

MEETING MINUTES

GF SSHS Procurement \$0 cash received, \$0 DOA variance and Allotment vs Cash variances; Textbook \$0 cash received, \$0 DOA variance and Allotment vs Cash variances; TEFF \$0 cash received, \$660,187.37 DOA variance, \$1,341,525.63 Allotment vs Cash variances; 1st Gen Trust \$0 cash received, \$0 DOA variance and Allotment vs Cash variances;.

Total cash received for PLRF is \$81,516, \$0 DOA variance, \$81,516 Allotment vs Cash variances; HFF-Sports \$0 cash received, \$0 DOA variance, \$54,737 Allotment vs Cash variances; HPA \$0 cash received, \$0 DOA variance, \$8,875 Allotment vs Cash variances; and Limited Gaming \$0 cash received, \$0 DOA variance, \$131,225 allotment vs cash variance. Overall grand total \$11,114,000 GDOE cash received, \$660,187.37 DOA variance, \$5,225,303.63 allotment vs cash variance.

BBMR suggested GDOE may want to add in its reports the third charter school, Science Is Fun and Awesome Academy Charter School as prescribed in the FY2019 Budget Act (PL 34-116).

DOA stated the variance in this report is the DOA payment made just this week. GDOE affirmed and added the \$660,187.37 reflected as expenditure but not cash received by GDOE is the balance of the cost of the JFKHS Maintenance and Insurance (\$1,568,000 is appropriated separately under the debt service provision in PL 34-116 and the balance of \$660,187.37 taken from GDOE's TEFF Ops Funding when combined reflect payments made on behalf of GDOE for JFKHS Maintenance and Insurance). GDOE stated this is the third year, GDOE has had to carry the funding for the annual balance owed for this expenditure.

BBMR stated GDOE has been unsuccessful in discussing with GEDA to increase under debt service appropriations from \$1,568,000 to the true annual cost of \$2,228,187.37. GDOE affirmed, they have asked GEDA to reflect the increase in each budget cycle to no avail.

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Galleria A. 1st Floor GDOE Central Office Tiyan

October 25, 2018

MEETING MINUTES

DOA suggest GDOE revisit its allotment releases for FY2019 and asserted DOA will be releasing \$3,678,114.42 each week derived from total \$191,261,950 entire GF Operations Funds (includes GF Cham Studies, GF Textbooks, GF SSHS appropriations). GDOE's allotment scheduled releases do not tie up to that weekly cash disbursement amount. OFB asked so this is a change – allotment releases to simply be divided by 52 weeks.

DOA added in the past GDOE has been submitted a separate additional request for cash release to pay for power. however, this fiscal year 2019 DOA will not be disbursing a separate release of cash for power; GDOE will simply have to pay their monthly power bills out of the weekly \$3.6M cash release from its GF Operations funds.

DOA stated it is going to be tough – GDOE's TEFf Operations Funds comes out of the real estate property taxes and DOA doesn't see any collections until February. DOA just wanted to relay what the DOA Director has instructed: DOA is going to try to pay out the full weekly GF Operations and if GDOE continues to send the separate power billing for cash disbursement – DOA will pay GPA directly and subtract the amount from GDOE's weekly GF Ops \$3.6M cash disbursements. GDOE indicated the weekly cash received is barely enough for payroll and other critical monthly expenses. DOA agreed – GDOE will simply have to try to set aside some of the cash each week to meet the power costs each month and when TEFf funds become available in February – they'd be able to catch up.

c. BBMR
Appropriation/Allotment
Status

BBMR motioned to table the monthly BBMR FY2019 reports for October and November for next month's EFSC meeting in November. Without objection, motion passed.

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Galleria A, 1st Floor GDOE Central Office Tiyan

October 25, 2018

MEETING MINUTES

<p>d. Accounts Payable Aging</p>	<p>GDOE distributed and reported as of October 25, 2018 total AP Aging Balance of \$10,982,993.85 (\$10,289,085.14 Local, \$692,830.78 Federal); the variance is from the NAF Student Account, Vendor 99998): current outstanding \$4,957,142.15; 30 to 60 days \$2,272,444.32; 60 to 90 days \$184,292.10; and 90 days and over \$3,569,115.28. Batched invoices \$2,225,417.18, unbatched \$215,137.42 brings overall total AP Aging to \$13,423,548.42.</p> <p>OFB asked these outstanding AP are from FY2018 expenses yet to be paid. GDOE affirmed. DOA what that means is they'll have to use their FY2019 cash to make payments. BBMR asked whether there still is a provision in the budget act for GDOE to pay for prior year expenses. OFB responded yes, the budget act provides a number of provisions including payment of prior year obligations and other flexibilities in managing their operations.</p> <p>BBMR asked so when GDOE does pay prior year obligations with current appropriations, does GDOE pay the 90 days and over first. GDOE responded yes, GDOE has to do so otherwise vendors will not entertain any additional procurement or current services. It's a combination of 90 days and over, as well, as urgent, some current billings like utilities and custodial – must be kept current to ensure schools receive power and daily cleaning services throughout the school year.</p> <p>DOA stated next year, it will be the same thing. GDOE will have to subtract the \$13M in carry over obligations in FY2019 because they used the cash to pay for the FY2018 carry overs. DOA stated GDOE already needs to adjust its FY2019 budgets by \$13M. Further, if there are even further reductions in FY2019 it'll be even tighter and tougher. BBMR asked has the GDOE GEB already submitted a FY2019 Supplemental Request. GDOE responded affirmatively they submitted a request (\$15.5M but no legislative action to date).</p>	
----------------------------------	--	--

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Galleria A, 1st Floor GDOE Central Office Tiyan

October 25, 2018

MEETING MINUTES

	<p>OPA stated the AP Aging reflects mostly 3 items: power, Sodexo, and retirement vendors, however, looking at AP aging for vendor Sodexo – 90 days and over is \$2.7M but 60 to 90 days is only \$5K – and asked s there something wrong in the calculations. GDOE responded there are no errors; the numbers reflect the timing of federal reimbursements and the balances reflected in the reports are local share of the costs.</p> <p>Members generally discussed reimbursement processes under the School Lunch Program. OFB suggested GDOE's Internal Audit Office may want to review as the financials appear to show a possible revenue leakage. OFB stated in the current financial climate – these are some of the things everyone will need to start looking at; all those costs that we may be able to plug up. With the contract up for renewal – what is GDOE doing in the contract specifications to ensure the contractor will perform in a cost-efficient manner. Perhaps the program may be a performance audit project for OPA to determine the cost benefit of how the program is currently being operated.</p> <p>OFB asked members to table the FY18 Financial Status Designation for month ended September 30, 2018 due to the scheduled soft closing by GDOE and the availability to update the report with the latest financials would allow OFB to update the data.</p> <p>Under new business, OFB requested GDOE submit the FY2019 – 12 Month Operations Plan; Payroll Calendar and Dates; Monthly Allotment Schedule. The Plan needs to be approved by the EFSC.</p>
<p>IV. Financial Status Designation for the Month Ended a. FY2018 September 30, 2018</p> <p>V. New Business</p>	

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Galleria A, 1st Floor GDOE Central Office Tiyan

October 25, 2018

MEETING MINUTES

a. Next Meeting Date and Time	OFB under new business, is the next meeting date. Members agreed OFB tentatively schedule for 3pm, Tuesday, November 20, 2018 for the EFSC November 2018 meeting and reserve the conference room in GDOE Building B in Tiyan.	
VI. Adjournment	BBMR motioned to adjourn the meeting. DOA seconded the motion and without objection, meeting was adjourned at 3:47pm.	

