

**Submission of FY 2007 2nd Quarter Financial Reports
Pursuant to Public Laws 28-149, 28-150, and 29-02**

**Legislative Mandate
January 1, 2007 through March 31, 2007**

**OPA Report No. 07-07
July 2007**



OFFICE OF THE PUBLIC AUDITOR

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OFFICE OF THE PUBLIC AUDITOR

EXECUTIVE SUMMARY

Submission of FY 2007 2nd Quarter Financial Reports
Report No. 07-07, July 2007

This report represents our review on the submission of fiscal year (FY) 2007 quarterly financial, staffing pattern, and other special reports for second quarter, covering the period of January 1, 2007 through March 31, 2007, pursuant to P.L. 28-149, 28-150, and 29-02, referred to as the “Amended General Appropriations Act of 2007”.

While P.L. 29-02 requires agencies to submit reports (1) manually, (2) electronically, and (3) post on the entity’s website, there were significant modifications and additions. These changes included repealing the deappropriation penalty and modifying the staffing pattern reports from monthly to quarterly submittals. The biggest impact is the non-compliance of reporting requirements, effective for the third quarter financial reports, where each director¹, deputy, and chief financial officer shall have his or her gross salary reduced by 20% for failing to comply with these requirements. However, P.L. 29-02 did not specify when the penalty will occur. For the second quarter, no penalty was imposed. OPA was required to provide notice to each agency head of their reporting requirements. These notifications are effective for the third quarter of FY 2007 and can be found on our website at www.guamopa.org.

Quarterly Financial Reports

For the second quarter, we saw a dramatic improvement to almost full compliance among the 58 entities that submitted their reports either by the April 30 due date or by the May 15th grace period and meeting all three reporting conditions. The only exception was the Guam Preservation Trust (GPT), which submitted their report in June 2007. See Appendix 1 for details of quarterly financial reports.

By law the quarterly financial reports should be in the form of financial statements or revenue and expenditure reports. We continued to note that presentation of such financial information was inconsistent among the 58 entities:

- 39 entities or 67% used either the budget digest (24 entities) or financial statement format (15 entities); and
- 19 entities or 33% did not comply with the reporting format and presented their financial information using single lump sum totals for appropriations, expenditures, and encumbrances.

These 19 entities will be penalized the 20% salary reduction for the third quarter should they continue to report their financial information by lump sum totals.

¹ A director shall included but not limited to a department head, agency, autonomous and semi-autonomous agency, public corporation, Education Superintendent, Presidents of the University of Guam and the Guam Community College. The General Manager of the Guam Educational Telecommunication Corporation, the Director of the Guam Public Library System, the Executive Directors of the Mayors’ Council of Guam and the Guam Legislature, and the Administrator of the Courts of Guam.

Quarterly Staffing Patterns²

P.L. 29-02 modified the monthly staffing pattern reports to quarterly submittals, retroactively to the first quarter of FY 2007. The staffing pattern reports are to be submitted in the Executive Branch format of the FY 2007 Budget Call, to include the name of the employee, position title, salary, increment costs and benefit costs for each employee, funding source, and posted on the agency website. The due date for quarterly staffing pattern reports is the first day following the end of the quarter.

For the second quarter, a significant number of entities complied with all three reporting conditions. See Appendix 2 for details of quarterly staffing pattern reports.

- 37 entities³ or 64% complied with the quarterly staffing pattern submittals, meeting all three reporting conditions.
- 3 entities, the Guam International Airport Authority and the Guam Visitors Bureau did not disclose the names on their employees on their electronic copy or post them on their respective websites; and the Guam Waterworks Authority did not disclose their employee names in their reports.
- 15 entities or 26% did not comply with the quarterly staffing pattern submittals by meeting all three reporting conditions.
 - 10 entities met two of the three reporting conditions.
 - 3 entities met only one of the three reporting conditions.
 - 2 entities, the Guam Medical Referral Office and the Guam Power Authority did not submit any quarterly or monthly staffing pattern reports.
- 3 entities, the Guam Board of Accountancy, GPT, and the Public Utilities Commission did not submit their staffing pattern reports, as their employees are not considered government of Guam employees, although these entities receive appropriations.

These 18 entities will be penalized to the 20% salary reduction for the third quarter should they continue not to comply with the quarterly staffing pattern reporting requirements, including disclosure of names or meet all three reporting conditions.

Requiring entities to submit quarterly staffing pattern reports one day after the quarter ends is not a reasonable expectation because it imposes an undue burden for those agencies that have large numbers of employees in such a short timeframe. The requirement to have employee names on staffing pattern reports and posted on entity websites is a dilemma for government managers as it is an issue of public versus private records. A full commentary is provided in the report.

Prior Years' Obligations

Chapter VI, Section 8 of P.L. 28-150 required each department report at the end of each quarter and post on its website, all payments of the previous quarter's prior year obligations by payee, payment date, amount paid, purpose, and reason why no payment was made in the prior year. OPA inadvertently overlooked this requirement in the first quarter and is now reporting for the second quarter. Of the 58 entities:

² As reported in the first quarter, our tracking of quarterly staffing pattern reports was limited to reports transmitted to OPA.

³ Tracking of staffing pattern reports for the second quarter was limited to reports transmitted to OPA.

- 3 entities, the Department of Corrections, the Department of Public Works, and the Guam Police Department submitted a report on their prior years' obligations and met all three reporting conditions.
- 55⁴ entities did not comply with all their reporting conditions.

These 55 entities will be penalized the 20% reduction should they continue not to comply with the prior years' obligations reporting requirement. See the report for details.

Non-Appropriated Funds

Entities were also to report on their non-appropriated fund⁵ (NAF) accounts. In coordination with the Department of Administration (DOA), we identified 18 entities that have NAF accounts.

- 7 entities complied with the submission of their NAF reports and met all three reporting conditions.
- 11 entities did not comply with the NAF reporting requirement.
 - 5 entities met only two of three reporting conditions and
 - 6 did not submit any NAF reports.

These 11 entities will be penalized the 20% salary reduction should they continue not to comply with the NAF reporting requirements or not meet all three reporting conditions. See the NAF segment of the report for details.

The Mayors' Council of Guam (MCOG) and the 19 Mayors are also required to submit a report on their NAF accounts. 16 Mayors submitted manual reports but did not submit an electronic report or post the reports on the website. The MCOG and three Mayors did not submit any NAF reports. The electronic and posting on the web requirements continues to be problematic for the MCOG and the Mayors. For the third quarter, the Executive Director will be penalized the 20% salary reduction should the MCOG and the Mayors continue not to comply with this reporting requirement or not meet all three reporting conditions. See the Special Reports segment of the report for details.

Reporting of Non Profit or Non-Governmental Organizations

All non-profit organizations (NPO), that received separate appropriations, are required to submit a quarterly report to their respective overseeing government entities. We identified four overseeing entities: the Department of Agriculture (Agriculture); the Department of Mental Health & Substance Abuse (DMHSS); the Department of Youth Affairs (DYA), and the Judiciary of Guam (Judiciary). Three government entities: Agriculture, DYA and the Judiciary and one non-profit organization, Sanctuary, Inc., submitted quarterly reports. DMHSS did not comply with this reporting requirement and will be subject to the 20% salary reduction for the third quarter of FY 2007, if they do not comply.

Special Reports

For the second quarter, we identified 17 agencies required to submit 41 special reports.

⁴ OPA was one of the 57 entities that did not report prior years' obligations. As of June 2007, we notified the Speaker's Office that we did not have any carryovers into FY 2007 for the first and second quarters of FY 2007.

⁵ Non-appropriated funds are separate accounts, which have access to receipts and disbursements, to include any funds derived from but not limited to private contributions, donations, agency fees, and fund-raising events. These funds are controlled and managed exclusively by the entity to supplement projects or programs without legislative oversight.

- 3 entities complied by submitting all of their special reports and meeting all three reporting conditions. These entities were DOA, DPW, and GCC.
- 3 entities met some of their special reporting requirements but not all. These entities were DPHSS, GPSS, and UOG.
- 10⁶ entities did not comply with meeting all three reporting conditions or did not submit any special reports.
- 1 entity, the Judiciary, is not required to submit its special report until December 31, 2007.

For the third quarter, these 13 entities will be penalized the 20% salary reduction should they continue not to comply with submitting their required special reports or meeting all three reporting conditions. See Appendix 3 for a summary of special reports.

Conclusion

Overall, compliance with the FY 2007 Budget Acts increased significantly in the second quarter. We saw improvement with the submissions of general and special reporting requirements and with more entities meeting all three reporting conditions: (1) manually, (2) electronically, and (3) posting on the web, however, this continues to be a work-in-progress. We suggest the Legislature provide due dates to special reports where no due dates were specified and amend the due date for quarterly staffing pattern reports from one day after the quarter ends to 30 days after the quarter ends.

The success of the financial reporting should be a collaborative effort of the agency/department heads, the OFB, BBMR, and OPA, which all play an integral part of the quarterly financial reporting process. These entities should meet quarterly to address issues and concerns to improve the reporting process. Managers perform periodic reviews, reconciliations or comparisons of data as part of management's continuous monitoring to achieve organizational goals and objectives and to monitor internal controls. OFB analyzes agency-spending proposals and revenue estimates submitted by agencies, holds public hearings, and seeks further information from agency staff and BBMR. BBMR approves "establishment of accounts" once the agency budgets are approved and keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against projections. The information is reflected in quarterly reports provided to the Legislature. These reports serve as a basis of financial management during the fiscal year, and alert both the Governor and the Legislature to potential problems in maintaining budget balance as the fiscal year unfolds.⁷



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Public Auditor

⁶ These entities are BBMR, DOC, DMHSA, GBOA, GFD, GMRO, GMHA, GPD, MCOG, and the Governor's Office.

⁷ Excerpt from New York State Citizen's Guide at www.budget.state.ny.us.



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OFFICE OF THE PUBLIC AUDITOR

Introduction

This report represents our compliance review of the submission of quarterly financial reports, staffing pattern reports, and all other special reports for the second quarter of FY 2007 for the period January 1, 2007 through March 31, 2007. This is the second of four reports the Office of the Public Auditor (OPA) will issue on financial reporting requirements pursuant to Public Law (P.L.) 29-02, referred to as the *Amended General Appropriations Act of 2007*, P.L. 28-149, the *Educational Appropriations Act of 2007* and P.L. 28-150, the *General Appropriations Act of 2007*.

Our objective was to determine whether each government entity¹ complied with the reporting requirements.

Background

This is the second fiscal year in which the Guam Legislature (Legislature) has passed legislation requiring government entities to submit financial reports – to include but not limited to quarterly financial, monthly staffing pattern, special reporting², non-appropriated funds (NAF), and non-profit organization (NPO) reports. FY 2006 was the first year for quarterly financial reports.

Because of anticipated revenue shortfalls in FY 2007, the Legislature enacted P.L. 29-02, the *Amended General Appropriations Act of 2007* on May 18, 2007. While P.L. 29-02 still required entities to submit financial reports in three forms (manually, electronically, and website posting), it made several modifications to the FY 2007 budget which was clarified with the Office of Finance and Budget (OFB) personnel:

- Imposed a 20% reduction in gross salaries of any government of Guam director³, deputy, and chief financial officer as penalty for noncompliance of financial reporting requirements, effective in the third quarter of FY 2007. However, P.L. 29-02 did not specify when during the third quarter the penalty would occur; therefore, we requested the Legislature clarify this issue. As of the date of this report no clarification as been received;

¹ To include line agencies, autonomous and semi-autonomous agencies, boards, commissions, councils, public corporations, the President of the Mayors' Council of Guam, and the Judiciary of Guam.

² Special reports are required for certain programs and funds to be submitted by specific entities. The majority of these reports are to be submitted quarterly and monthly, although some have fixed annual dates and others have no due dates.

³ A director shall include but not limited to the head of a department, agency, autonomous and semi-autonomous agency, public corporation, Superintendent of Education, Presidents of the University of Guam and the Guam Community College, the General Manager of the Guam Educational Telecommunication Corporation, the Director of the Guam Public Library System, the Executive Directors of the Mayors Council of Guam and the Guam Legislature, and the Administrator of the Courts of Guam.

- Amended monthly staffing pattern reports from monthly to quarterly, retroactive to the first quarter of FY 2007 and clarified the due date to the first day following the end of the quarter;
- Repealed the 15-day grace period for submittal of quarterly financial reports for the third and fourth quarters of FY 2007, now due 30 days after the quarter ends. The grace period of May 15th only continued for the second quarter; and
- Repealed the de-appropriation provisions in P.L. 28-149 and 28-150 in its entirety. No penalties will be imposed for the second quarter of FY 2007 for entities that do not comply with reporting requirements or meet all three reporting conditions.

P.L. 29-02 made several amendments to existing legislations and established new requirements affecting specific entities. It also required OPA to provide notice to all directors of their responsibility for the reporting requirements three days before the end of each quarter. A substantial amount of time was spent by OPA reviewing P.L. 29-02 to ensure that all subsequent changes were included in the second quarter report and to notify agencies of their reporting requirements for the third quarter of FY 2007. These requirements are outlined in the notification letters issued by OPA and in various sections throughout the second quarter report. The notifications can also be found at the OPA website at www.guamopa.org.

Compliance With Reporting Requirements

Quarterly Financial Reports

Chapter II, Part VI, Section 2, of P.L. 28-149 and Chapter VI, Section 2, of P.L. 28-150 require governmental entities to submit a quarterly financial report of all funds under their purview, regardless of source or whether the fund is appropriated, non-appropriated, local or federal. To comply, each entity must submit a report (1) manually, (2) electronically, and (3) post it on the entity's website, no later than 30 days after the quarter ends or by April 30th or by the May 15th grace period. Quarterly financial reports are due by July 31, 2007 for the third quarter and by October 31, 2007 for the fourth quarter.

For the first quarter, 56 entities were required to report; however, two additional entities were identified in the second quarter. They are the Guam Preservation Trust and the Hagatna Restoration & Redevelopment Authority. Of the 58 entities:

- 57 entities complied with the quarterly financial reporting requirement by submitting their reports by the due date or grace period and meeting all three reporting conditions.
- The Guam Preservation Trust submitted its manual quarterly financial report on June 11, 2007 after the grace period. No electronic report was submitted and the report was not posted on its website.

By law the financial reports must be in the form of financial statements or revenue and expenditure reports. However, in our review of quarterly financial reports, we noted continued inconsistencies in how the financial information was being reported. The variations among the 58 entities follow:

- 39 entities or 67% used either the budget digest (24 entities) or financial statement format (15 entities).
- 19 entities or 33% presented only lump sum totals for appropriations, expenditures, and encumbrances. The lump sum reporting is not an acceptable format. These 19 entities will be penalized the 20% salary reduction should they continue to report lump sum for the third quarter. See Appendix 1 for a summary of quarterly financial reports.

The requirement to submit quarterly financial reports helps ensure better accountability for public funds by making financial information available, not only to elected officials, the Governor and his administration, but also to the public. The information provides insight into the local government's operations and sets a framework for consistent reporting throughout the government. However, this analysis and review cannot be achieved with lump sum totals; therefore, is not an acceptable format and not in accordance with the budget law. A detailed report of how funds are being allotted and spent is needed and must be consistent in all three reporting conditions.

Quarterly Staffing Pattern Reports⁴

As recommended by OPA, P.L. 29-02 amended the submission of staffing pattern reports from monthly to quarterly reports, retroactive to the first quarter of FY 2007. Every director, administrator, or head of a government of Guam agency, including line agencies, semi-autonomous agencies, public corporations, the President of the Mayors Council of Guam and the Judiciary of Guam are required to submit a quarterly staffing report. At a minimum the report should include the **employee name**, position, salary and benefit costs, and funding source. To comply, each entity must submit the required staffing pattern report (1) manually, (2) electronically, and (3) post it on the entity's website with the relevant information. As confirmed by OFB, quarterly staffing pattern reports are due on the first day following the end of the quarter.

For the second quarter, a significant number of entities complied with the quarterly staffing pattern reports, as follows:

- 37 entities or 64% complied by submitting the quarterly staffing pattern reports and met all three reporting conditions.
- 3 entities or 5% did not disclose their employee names in their reports although they met all three reporting formats.
 - The Guam International Airport Authority and the Guam Visitors Bureau did not disclose the names of their employees on their electronic copy and did not post them on their websites.
 - The Guam Waterworks Authority did not post the names of their employees on their website.
- 15 entities or 26% did not comply with all three reporting conditions or did submit any quarterly staffing pattern reports.
 - 10 entities met two of the three reporting conditions.
 - 3 entities met only one of the three reporting conditions.
 - 2 entities, the Guam Medical Referral Office and the Guam Power Authority did not submit any quarterly staffing pattern reports.
- 3 entities or 5%, the Guam Board of Accountancy, the Guam Preservation Trust, and the Public Utilities Commission did not submit their staffing pattern reports as their employees are not considered government of Guam employees, although these entities receive annual appropriations.

For the third quarter, these 18 entities that did not disclose names and did not meet all three reporting requirements or submit any reports will be penalized the 20% salary reduction should they continue not to comply with these reporting requirements or meet all three reporting conditions. See Appendix 2 for a summary of quarterly staffing pattern reports.

⁴ As reported in the first quarter, our tracking of quarterly staffing pattern reports was strictly limited to entities that had provided OPA with a copy of their reports.

Due Date for Third and Fourth Quarter Staffing Patterns

In early June 2007, OPA initially notified entities that the quarterly staffing pattern reports were due 30 days after the close of the each quarter. OFB subsequently informed us that the quarterly staffing pattern reports were actually due by the first day following the end of the quarter. Upon reviewing the law, OFB's interpretation was correct. However, requiring entities to submit quarterly staffing pattern reports one day after the quarter ends is not a reasonable expectation because it places an undue burden on agencies with large numbers of employees to meet this requirement within such a short timeframe. We suggest the Legislature amend the due date for quarterly staffing pattern reports from one day after the quarter ends to 30 days after the quarter ends.

Private versus Public Records

The requirement to have employee names on staffing pattern reports and posted on entity websites is a dilemma for government managers as it is an issue of public versus private records. Although almost all records of a local government are considered public documents, accessibility and openness of certain public records may often conflicts with the employee's implied right to privacy regarding personnel and payroll information. Just because an item is deemed to be a public record in the technical sense, does not necessarily mean that such information should be readily offered for public use or be made available on demand. There should be some procedures or regulations in place defining what are public and private records. Most experts agree that personnel and payroll information should generally be considered confidential information, available only to those who demonstrate a true need for such access (i.e. prospective employers, creditors verifying eligibility for loans, auditors or federal or local income tax officials). Stringent procedures (i.e. the verification of need, agreement to confidentiality pledges) must be followed before such records, in part or as a whole, are available for even limited public use.⁵

This process would be less intrusive and offers at least some level of protection to government employees. While we agree that the Legislature should have access to such records, we are concerned about the availability of such private information on the worldwide web. With the rise of identity theft over the Internet, the possibility of such events occurring only increases the exposure of government employees to detrimental effects.

Other Reporting Requirements

Prior Years' Obligations

Chapter VI, Section 8 of P.L. 28-150 requires each department to report and post on its website all payments of the previous quarter's prior year obligations by payee, payment date and amount, the purpose of the expenditure and the reason for non-payment in the prior year.

For the first quarter of FY 2007 OPA inadvertently overlooked this requirement; however, we are reporting this requirement for the second quarter. We notified each entity of this reporting requirement for the third quarter. Of the 58 entities:

- 3 entities, DOC, DPW, and GPD complied by submitting a report on their prior years' obligations and meeting all three reporting conditions.

⁵ Source: *Accounting Issues and Practices, A Guide for Smaller Governments*

- 55 entities did not comply by meeting all three reporting conditions or submitting any reports of their prior years' obligations.
 - GPSS met two reporting conditions by submitting their manual report and posted it on its website, but did not submit an electronic report.
 - DPHSS met only one reporting condition by posting their report on its website but had not submitted a manual and electronic report.
 - 53 entities, including OPA⁶, did not submit any reports.

For the third quarter, the 55 entities will be penalized the 20% salary reduction should they continue not to comply with the prior years' obligations reporting requirement or meet all three reporting conditions.

Non-Appropriated Funds

Chapter VI, Section 2 of P.L. 28-150 requires entities to report on their non-appropriated fund⁷ (NAF) accounts. In coordination with the Department of Administration (DOA), we identified 18 entities with NAF accounts for the second quarter of FY 2007, as follows:

- 7 entities complied by submitting their NAF reports and meeting all three reporting conditions.
 - Chamorro Land Trust Commission - Guam Public Library System
 - Guam Community College (GCC) - Judiciary of Guam (Judiciary)
 - Guam Public School System (GPSS) - University of Guam (UOG)
 - Council on the Arts & Humanities Agency
- 11 entities did not comply with all three reporting conditions or did not submit a report of their NAF accounts.
 - 5 entities met two of three reporting conditions.
 - Chamorro Village - Department of Chamorro Affairs
 - Department of Public Works (DPW) - Guam Police Department (GPD)
 - Guam Educational & Telecommunications Corporation (KGTF)
 - 6 entities did not submit any reports.
 - Department of Labor - Department of Youth Affairs (DYA)
 - Guam Election Commission - Guam Preservation Trust
 - Guam Ancestral Lands Commission
 - Department of Mental Health & Substance Abuse (DMHSA)

⁶ OPA was one of the 53 entities that had not reported prior years' obligations. In June 2007 we notified the Speaker's Office that we did not have any carryovers into FY 2007 for the first and second quarters of FY 2007.

⁷ Non-appropriated funds are separate accounts, which have access to receipts and disbursements, to include any funds derived from but not limited to private contributions, donations, agency fees, and fund-raising events. These funds are controlled and managed exclusively by the entity to supplement projects or programs without legislative oversight.

For the third quarter, these 11 entities will be penalized the 20% salary reduction should they continue not to comply with submitting a report of their NAF accounts or meeting all three reporting conditions.

Non-Profit Organizations

Chapter VI, Section 7 of P.L. 28-150 requires all non-profit organizations (NPO), receiving appropriations from the government of Guam, submit a quarterly report on the activities undertaken, no later than 20 days after the end of each quarter to their overseeing department or agency. The NPOs are required to report all procurement of equipment and services of \$5,000 or more, prior to awarding the contract, to the overseeing department or agency and to submit a certified inventory listing of purchases. A final report from the NPO to the overseeing department or agency for submission to the Legislature is due no later than 45 days after the close of the last quarter of the fiscal year. This reporting requirement, to include all the required information is the responsibility of the overseeing entity.

Working with OFB, we identified four overseeing departments or agencies responsible for reporting on their non-profit or non-governmental organizations, as follows:

Overseeing Entity	Appropriation Amount	Non-Profit or Non-governmental Organization	Submitted
Department of Agriculture - Animal Shelter	\$50,000	Guam Animals In Need, Inc. (GAIN)	✓
Department of Mental Health & Substance Abuse (DMHSA)	\$600,000	Various	✗
Department of Youth Affairs (DYA):			
(1) Youth Program	\$241,944	Sanctuary, Inc.	✓
(2) Youth Runaway & Homeless Program	\$150,000	Sanctuary, Inc.	✓
Judiciary of Guam - Family Visitation Center	\$140,000	Erica's House	✓

For the second quarter, the Department of Agriculture and the Judiciary of Guam complied by meeting all three reporting formats. DYA submitted a manual and electronic report but did not post it on its website. However, all the reports did not include all the requisite information noted above. DMHSA did not comply nor submit any report of its non-profit or non-governmental organizations. Sanctuary, Inc. was the only non-profit organization to submit its quarterly reports to OPA.

For the third quarter, the two overseeing government entities, DMHSA and DYA will be penalized the 20% salary reduction should they continue not to comply with submitting a complete report of their NPO or non-government organizations or meeting all three reporting conditions.

Special Reports

P.L. 28-149 and P.L. 28-150 require specific governmental entities to submit special reports for special funds, programs, or projects. In addition, P.L. 29-02 modifies existing requirements and adds new special reports, as a result of the establishment of two commissions: the Sunset and Rightsizing Commission and the Commission on Modernization of the government of Guam, which will be reported in the third quarter of FY 2007.

To comply with the special reporting requirements, specific entities must meet all three reporting conditions: (1) manually, (2) electronically, and (3) posting it on the entity's website, by the specified due date, either monthly, quarterly, or on a specific date, while other reports had no specified due dates.

For the second quarter, we identified 17 agencies required to submit 41 special reports.

- 3 entities complied by submitting all of their special reports and meeting all three reporting conditions. These entities were DOA, DPW, and GCC.
- 3 entities met some of their special reporting requirements but not all or submitted late; therefore, they were not in compliance. These entities were DPHSS, GPSS, and UOG.
- 10 entities did not comply with all three reporting conditions or did not submit any special reports. These entities were:
 - BBMR - DOC
 - DMHSA - GBOA
 - GFD - GMRO
 - GMHA - GPD
 - MCOG - Governor's Office
- 1 entity, the Judiciary, is not required to submit its special report until December 31, 2007.

For the third quarter, the 13 entities that did not comply will be penalized the 20% salary reduction should they continue not to comply with submitting their required special reports or meeting all three reporting conditions. See Appendix 3 for a summary of special reports.

A discussion of the special reporting requirements for the second quarter follows:

Bureau of Budget and Management Research (BBMR). Chapter V, Section 5 of P.L. 28-150 requires BBMR to prepare a revenue tracking report or comparative statement of "actual" and "projected" revenues, due no later than 30 days after the close of each month within the fiscal year. On April 4, 2007 BBMR submitted the January and February reports. On April 27, 2007 BBMR submitted the March report and posted all three monthly reports on its website. However, no electronic copies of these reports were submitted. For the third quarter, BBMR will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Chapter VI, Section 17 of P.L. 29-02 amended Section 4109(c)(3) of 5 G.C.A. requiring BBMR to prepare and report on monthly comparative revenue and expenditure analyses that compare budgeted and actual revenue and appropriations with expenditures and encumbrances, due no later than 15 days after the end of each month. The due date to submit the first monthly report for May was June 15, 2007. As of the date of this report, BBMR did not submit the May report. For the third quarter, BBMR will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Department of Administration (DOA). Chapter IV, Part I, Section 2(c) of P.L. 28-150 requires DOA to report on the final closure and transfer of \$3.7 million in dormant or inactive funds and accounts into the General Fund; however, no due date was given for this requirement. Similar to the first quarter, DOA still had not submitted the required report. We suggest DOA clarify with the Legislature when this report is due since no due date was specified.

Chapter IV, Part II, Section 8(b) requires DOA to submit a report of all expenditures for the Government Claims Fund, no later than 30 days after the close of each quarter and post the same on DOA's website. On April 17, 2007 DOA complied with this reporting requirement by submitting the report on the Government Claims Fund in all three reporting formats for the second quarter of FY 2007.

Chapter IV, Part II, Section 9(b) requires DOA to submit a report of all expenditures for the Residential Treatment Fund, no later than 30 days after the close of each quarter and post the same on DOA's website. On April 17, 2007 DOA complied with this reporting requirement by submitting the report on the Residential Treatment Fund in all three reporting formats for the second quarter of FY 2007.

Department of Corrections (DOC). Chapter V, Section 40 of P.L. 28-150 requires DOC to submit a special report disclosing the expenditures of all FY 2006 funds authorized to be carried-over into FY 2007, due October 31, 2006. On April 27, 2007, GPD submitted a manual and electronic report and posted it on its website.

Chapter VI, Section 4 of P.L. 29-02 amended Section 18125(e) of Article 1 of Chapter 18 of 16 GCA requiring DOC in conjunction with the Judiciary of Guam to submit an annual report regarding the status of the Safe Street Fund. The report is to be included in the financial statements of the Judiciary of Guam, including its year-end financial statements. The due date for this reporting requirement is no later than 90 days, or December 31, 2007, after the close of the preceding fiscal year.

Department of Mental Health and Substance Abuse (DMHSA). Chapter II, Part III, Section 3 of P.L. 28-150 requires DMHSA to submit monthly reports on all expenditures made against appropriations for the Youth Drug and Alcohol Program, due on the 15th of each month for FY 2007. On April 30, 2007 DMHSA submitted a manual report for the period covering October 2006 to March 2007. However, no electronic copy was submitted and the report was not posted on its website. For the third quarter, DMHSA will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

DMHSA is also required to report on its NAF and NPO activities, which are reported in separate segments of this report.

Department of Public Health and Social Services (DPHSS). Chapter II, Part I, Section 4 of P.L. 28-150 requires DPHSS to submit quarterly reports on the allocation, demographics and expenditures associated with the FY 2006 carry over for MIP and Medicaid Programs, due no later than 30 days after the close of each quarter. On April 26, 2007 DPHSS complied with this reporting requirement by submitting the report in all three reporting formats for the second quarter of 2007.

Chapter V, Section 16 requires DPHSS to submit notification to the Legislature of intent to transfer funds no later than 15 working days prior to the effective date of transfer. As of the date of this report, we were unable to verify whether any transfer notifications were submitted for the first and second quarters of FY 2007. For the third quarter, DPHSS will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Department of Public Works (DPW). Chapter IV, Part II, Section 6(b) of P.L. 28-150 requires DPW to submit a quarterly report on the expenditures of the Street Light Fund. On April 24, 2007 DPW complied with this reporting requirement by submitting the report on the Street Light Fund in all three reporting formats for the second quarter of FY 2007.

DPW is also required to report on its NAF activities, which is reported in a separate segment of this report.

Guam Board of Accountancy (GBOA). Chapter VI, Section 8 of P.L. 29-02 repealed and reenacted Section 35104(d) of Chapter 35 of 22 GCA, requiring the GBOA to submit a proposed budget, effective the beginning of FY 2007. On April 28, 2006 GBOA submitted a manual report of the FY 2007 proposed budget and an electronic report on June 25, 2007. However, this report was not posted on its website. For the third quarter, GBOA will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Chapter VI, Section 8 of P.L. 29-02 authorizes GBOA to establish and account for a special fund known as the “Guam Board of Accountancy Fund” (Fund). All monies in this Fund is subject to legislative appropriation. This Fund is subject to the reporting requirements under Chapter VI, Section 2, of P.L. 28-150 as amended by P.L. 29-02. The third quarter report is due July 31, 2007 and the fourth quarter report is due October 31, 2007.

Guam Community College (GCC). Chapter II, Part III, Section 2 of P.L. 28-149 requires GCC to submit quarterly reports on its academic programs and expenditures, to include the number of participants in each applicable program, a description of the program, the academic courses offered, and the requirements for participation in any GCC program, due within 30 days after the close of each quarter. On April 30, 2007 GCC submitted the manual and electronic reports and posted the report on its website.

Chapter VI, Section 5 of P.L. 29-02 amended Section 33101 of Chapter 33 of 17 GCA, requiring GCC to submit a proposed operating budget, no later than the 15th day of February of every year. The due date to submit the FY 2009 Budget will be February 15, 2008.

GCC is also required to report on its NAF activities, which is reported in a separate segment of this report.

Guam Fire Department (GFD). Chapter V, Section 41 of P.L. 28-150 requires GFD to submit a special report disclosing the expenditures of all FY 2006 funds authorized to be carried-over into FY 2007, due by October 31, 2006. In the first quarter, we reported that GFD officials stated that since there were no FY 2006 funds available to carryover, GFD did not submit a report. However at the very least, GFD should inform the Legislature of the status of this reporting requirement.

Guam Medical Referral Office (GMRO). Chapter V, Section 10 of P.L. 28-150 requires GMRO to submit monthly reports on its activities and expenditures, to include the number of referred patients served, the number of patient escorts or accompanying family members served and the average cost per patient referral, due within 30 days after the close of each month of the fiscal year. For the first quarter, we reported that GMRO did not submit any of the required monthly reports. As of the date of this report the October 2006 to January 2007 reports have not been submitted. On March 9, 2007 GMRO submitted the February report and on April 9, 2007 submitted the March report. However, no electronic reports were submitted. Because GMRO does not have its own website, the reports were not posted. For the third quarter, GMRO will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Chapter VI, Section 42(a) of P.L. 29-02 requires GMRO to submit a quarterly report of the Guam Medical Referral Office Trust Fund, identifying each donor and amount donated, to include the fair market value of all gifts, bequests, and donations, and a description of the solicitation, acceptance, use and administration of gifts, bequests, and donations and posted on its website. The third quarter report is due July 31, 2007.

Guam Memorial Hospital Authority (GMHA). Chapter II, Part IV, Section 5 of P.L. 28-150, requires GMHA to submit a plan for remediation of poor collection rates within 90 days of the effective date of this Act, which was September 2006. The plan was due in December 2006. On January 22, 2007 GMHA submitted a manual report; however, no electronic report was submitted or posted on its website. For the third quarter, GMHA will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Section 8 and 9 of P.L. 28-150 requires GMHA to notify the Legislature within 90 days or by December 2006 from the effective date of this Act whether the alternative management reform would be best for the hospital. The notification shall include, at a minimum, a detailed description of the management reform alternative selected and a timeline for implementation. The alternative management reform plan was due April 1, 2007. This report was mentioned in the first quarter report but was not due until second quarter. According to the GMHA Administrator, the Board is currently reviewing request for proposals for the alternative reform plan. We suggest GMHA notify the Legislature of the status of the plan and when the review will be completed. For the

third quarter, GMHA will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Chapter VI, Section 3 of P.L. 29-02 amended Section 10, Part IV, Chapter II of P.L. 28-150, requiring GMHA to provide a plan of action for the development and construction of a comprehensive Cancer Therapy Center. This plan is due in six months or November 18, 2007.

Guam Police Department (GPD). Chapter V, Section 42 of P.L. 28-150 requires GPD to submit a special report disclosing the expenditures of all FY 2006 funds authorized to be carried-over into FY 2007, due by October 31, 2006. On April 27, 2007, GPD submitted a manual and electronic report and posted it on its website.

GPD is also required to report on its NAF activities, which is reported in a separate segment of this report.

Guam Public School System (GPSS). P.L. 28-149 and P.L. 28-150 requires GPSS submit eight special reports for FY 2007, as follows:

1. Chapter II, Part I, Section 1(c) requires GPSS to submit a revised budget document, in the format of the FY 2007 Budget Call forms to be consistent with the cash disbursement schedules prepared by the Superintendent and approved by the Public Auditor. The revised budget document is due 30 days or March 19, 2007 after the Public Auditor approves the cash disbursement schedules, which was on February 19, 2007. The revised budget shall be posted, in its entirety, on the GPSS website and shall be updated each quarter. On April 30, 2007 GPSS submitted the manual revised budget document and posted it on its website. However, no electronic copy was submitted. For the third quarter, GPSS will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

2. Section 2(f) requires GPSS to submit a detailed report of receipts and expenditures of funds appropriated from the Summer School Fund for the 2007 Summer School Program, due no later than 30 days after the close of summer school. GPSS will be penalized the 20% salary reduction if they do not comply with this reporting requirement or not meet all three reporting conditions.

3. Section 2(g)(3) requires GPSS to submit quarterly reports on all expenditures made against appropriations for textbooks, e-book readers and collateral classroom instruction materials to include software, sheet music and music books. The report is to provide purchase and inventory information, to include a certified list of textbooks approved by the Guam Education Policy Board and all purchase orders issued, due on the first day of each fiscal quarter. On April 2, 2007 GPSS submitted a manual report and posted the report on the GPSS website. On April 27, 2007 GPSS submitted its electronic report, although it was late.

4. Section 3 requires GPSS to post the following on its website: (1) all payments for prior year obligations by month, (2) cash disbursement schedules, and (3) the number of filled and vacant FTEs by school and division by month. GPSS posted all three reports on its website for the second quarter of FY 2007.

5. Part VI, Section 8 requires GPSS to report on the \$16.1 million⁸ over-expenditure reflected in the FY 2005 audited financial statements of the government of Guam, due 60 days or on November 30, 2006 after the enactment of P.L. 28-149. On April 30, 2007 GPSS submitted the report in all three reporting formats for the second quarter of FY 2007, although it was late.

6. Section 9 requires GPSS to report on any local funds expended in FY 2005 and 2006, for federally funded program activities. Although no due date was specified for this report, GPSS submitted financial information on local funds used for federally funded activities on April 30, 2007 in all three reporting formats for the second quarter of FY 2007.

7. Sections 11, 12, and 14 require GPSS to submit and post on their website two audit reports which were to be contracted with an independent educational auditing organization. Each report was due 180 days after the contracts had been executed. For the first quarter, we reported that GPSS did not contract with a firm to perform the required assessments and the \$275,000 appropriated for the audit reports was automatically deappropriated. This requirement will no longer be reported.

8. Part VII, Section 10 requires GPSS to submit a report within ten days of expending funds from the School Capital Facilities Reserve (SCFR) Fund. On April 30, 2007 GPSS submitted a quarterly report in all three reporting formats for the second quarter of FY 2007.

GPSS is required to report its NAF activities, which is reported in a separate segment of this report.

Of the eight special reporting requirements for GPSS: three were submitted on time; two were submitted late, one was incomplete, one is not due, and one is no longer applicable.

Mayors' Council of Guam (MCOG). Chapter IV, Part II, Section 19(d) of P.L. 28-150 requires MCOG and 19 village Mayors to submit a report on the receipts, expenditures, and applications of their non-appropriated funds (NAFs), due by the fifth day of the first month of every fiscal quarter. NAF accounts of the village Mayors are often derived from private contributions, donations, and fundraising from private, local, and/or federal sources.

Of the 19 Mayors, 16 submitted manual reports. However, no electronic reports were submitted and the reports were not posted on its website. Three Mayors, Santa Rita, Talofofu, and Tumon-Tamuning-Harmon did not submit reports of their NAF accounts for the second quarter. In addition, the MCOG is also required to submit a report of their NAF account, the MCOG Revolving Fund; however, no report was submitted. The Mayors continue to struggle with meeting the electronic and posting on the web requirements. We suggest the MCOG coordinate with their website service provider or with DOA to provide assistance with the electronic and website posting requirements.

As a follow-up to the 10 village Mayors who did not report the \$10,000 donation from the Guam Greyhound Park in the first quarter; six⁹ Mayors complied by submitting a manual report reporting

⁸ The FY 2005 audited financial statements of the Guam Public School System reflects a cumulative \$42 million deficit, of which \$16.1 million occurred in FY 2005.

⁹ The Mayors are Agat, Asan-Maina, Barrigada, Hagatna, Mongmong-Toto-Maite, and Umatac.

the donation in the second quarter of FY 2007. The remaining four mayors, Agana Heights, Merizo, Santa Rita, and Tumon-Tamuning-Harmon still had not reported the \$10,000 donation they received. Although the Agana Heights and the Merizo mayors submitted reports, the \$10,000 donation was not reported.

Chapter IV, Section 19 of P.L. 29-02 amended Section 20 of Part II, Chapter IV of P.L. 28-150 requiring MCOG to submit a report on the expenditures of the Tourist Attraction Fund appropriation of \$727,385, which was allotted among various Mayors. However, no due date was specified for this report. We suggest the MCOG clarify with the Legislature when this report is due. In the interim, the MCOG should provide the Legislature with an update of the expenditures made from this appropriation in the third quarter.

For the third quarter, the Executive Director of MCOG will be penalized the 20% salary reduction should the MCOG and the Mayors continue not to comply with this reporting requirement or not meet all three reporting conditions.

Judiciary of Guam (Judiciary). Chapter VI, Section 4 of P.L. 29-02 amended Section 18125(e) of Article 1 of Chapter 18 of 16 GCA, requiring the Judiciary of Guam in conjunction with DOC to submit an annual report regarding the status of the Safe Street Fund. The report is to be included in the financial statements of the Judiciary of Guam, including its year-end financial statements. The due date for this reporting requirement is no later than 90 days, or December 31, 2007, after the close of the preceding fiscal year.

The Judiciary is also required to report on its NAF and NPO activities, which are reported in separate segments of this report.

Office of the Governor (Governor's Office). Chapter IV, Part I, Section 3 of P.L. 28-150 requires the Governor's Office to submit a report on all unexpended and unencumbered appropriations that continue from FY 2006 into FY 2007. However, no due date was specified for this report. We suggest that the Governor's Office clarify with the Legislature when this report is due.

Section 5 requires the Governor's Office to submit a monthly report on all special fund transfers, by the fifth day of every month. Special fund transfers are taken from special funds or revolving funds to cover authorized appropriations. On April 30, 2007 the Governor's Office submitted a manual quarterly report for the period covering October 2006 to March 2007 for the first and second quarters of FY 2007, instead of monthly reports. The Governor's Office notified the Legislature that there were no transfers for the period covering October 2006 to March 2007 for the first and second quarters of FY 2007. However, no electronic report was submitted and the report was not posted on its website. For the third quarter, Governor's Office will be penalized the 20% salary reduction should they continue not to comply with this reporting requirement or not meet all three reporting conditions.

Chapter V, Section 2 of P.L. 28-150 requires the Governor's Office submit a monthly report on the number of retirements made for the prior month and the number of remittances made for outstanding individual retirement fund contributions, by the 15th of each month. On June 6, 2007 the Governor's Office submitted manual and electronic monthly reports for October 2006 to March

2007 for the first and second quarters of FY 2007 and for April 2007 for the third quarter of 2007. However, the reports were not posted on its website.

Based a recommendation by OPA, the Legislature in P.L. 29-02, amended the responsibility of this reporting requirement from the Governor's Office to the Government of Guam Retirement Fund (GGRF). This reporting requirement for GGRF will be reported in the third quarter. For the third quarter, GGRF will be penalized the 20% salary reduction if they do not comply with this reporting requirement or meet all three reporting conditions.

University of Guam (UOG). P.L. 28-149 and P.L. 28-150 requires UOG submit five special reports for FY 2007, as follows:

1. Chapter II, Part II, Section 1(d)(2) and Section 4 of P.L. 28-149 requires UOG to report and to post student scholarships, student financial assistance, other reports and all finances related to the Dr. Antonio C. Yamashita Educator Corps. The due date for this report is 60 days after the close of FY 2007 or November 30, 2007. Although this report is not due, UOG submitted financial information about student scholarships, student financial assistance, other reports and all finances related to the Dr. Antonio C. Yamashita Educator Corps in all three reporting formats for the second quarter of FY 2007.

2. Section 1(i) requires UOG to post a financial report of KPRG public radio on its website. This report is due from the General Manager of KPRG to the President of UOG no later than 30 days after the close of each fiscal quarter. On May 1, 2007, one day after the April 30th due date, UOG received KPRG's quarterly report and submitted the report in all three reporting formats for the second quarter of 2007. However, we suggest UOG ensure KPRG submit the required report by the specified due date.

3. Section 2 requires UOG to submit basic financial statement reports (revenues and expenditures) of the Aquaculture Development and Training Center, the WERI Guam Hydrologic Survey, the WERI Comprehensive Water Resource Monitoring Program, the Northern and Southern Soil and Water Conservation District Programs and KPRG, due no later than 30 days after the close of each fiscal quarter and post on its website. On April 30, 2007 UOG complied with this reporting requirement by submitting the reports in all three reporting formats for the second quarter of FY 2007.

4. Section 3 requires UOG to submit an annual report to include each program's mission, goals, accomplishments and finances for the aforementioned programs and to post the report on its website. However, no due date was specified for this report. We suggest UOG clarify with the Legislature when this report is due.

5. Chapter V, Section 49 of P.L. 28-150 requires UOG report on the annual assessment and evaluation of the University, due no later than a month following the end of each academic year. However, the law did not clarify which academic year this report was to begin and no due date was specified for this report. We suggest UOG clarify with the Legislature when this report is due.

UOG is also required to report on its NAF activities, which is reported in a separate segment of this report.

Of the five special reporting requirements UOG was required to submit, two were submitted on time, one was submitted late, and two did not specify a due date.

Summary and Conclusion

Overall, compliance with the FY 2007 Budget Act increased significantly in the second quarter. We saw improvement with the submissions of general and special reporting requirements and with more entities meeting all three reporting conditions: (1) manually, (2) electronically, and (3) posting on the web. However, this continues to be a work-in-progress. We suggest the Legislature provide due dates to special reports where no due dates were specified and amend the due date for quarterly staffing pattern reports from one day after the quarter ends to 30 days after the quarter ends.

The requirement to publicize employee names on staffing pattern reports and post them on entity websites creates a dilemma for government managers who must decide what is public versus private records. Although almost all records of a local government are considered public documents, this concept often conflicts with the employee's implied right to privacy regarding personnel and payroll information. While we agree that the Legislature should have access to such records, we are concerned about the availability of such private information on the worldwide web. Just because an item is deemed to be a public record in the technical sense, does not necessarily mean that such information should be readily offered for public use or be made available on demand. Stringent procedures must be followed before such records, in part or whole, are available for even limited public use.¹⁰ With the rise of identity theft over the Internet, the possibility of such events occurring only increases the exposure of government employees to detrimental effects.

Further certain data may be potentially sensitive in nature. The collection of such data may, in some situations, permit compilation of a profile of a person's interest, associates, and social context. Accordingly, parties should bear such considerations mind when establishing safeguards and legal prerequisites for undertaking such measures. Any data protection regime should strike an appropriate balance between protection and personal privacy, the legitimate needs of service providers to secure their networks and prevent fraud, and promote public safety.¹¹

Requiring entities to submit quarterly staffing pattern reports one day after the quarter ends is not a reasonable expectation for larger agencies to meet in such a short timeframe.

Financial reports are important additions to the local government's financial reporting. It provides an across-the-board look at the total costs of the government of Guam and presents a picture of government-wide costs that is not otherwise available. The financial reporting framework promotes comparability and consistency in reporting across years and among agencies. The report goes beyond simple reporting of results as it displays the effects of all significant assets, liabilities,

¹⁰ Excerpts from *Accounting Issues and Practices, A Guide for Smaller Governments*.

¹¹ Source: *Privacy and Human Rights: Threats to Privacy* at www.privacyinternational.org.

stewardship responsibilities and other commitments and responsibilities such as the financial implications of the government's social insurance (MIP and Medicaid) and retirement programs.¹²

Each agency's management must make it a priority to improve their agency's data quality and reconcile amounts. The agency must understand the process and apply consistency and attention to detail in recording information. This is basic to accurate and consistent financial reporting. We recognize the difficulties involved with the government's financial crisis and we are working with agencies to ensure that the financial reporting is being met.

Accurate, reliable, and timely financial reports that comply with statutory and administrative requirements are basic elements, but not sufficient to achieve the full value of financial reporting. Usefulness is the final element of effective financial reporting. Financial reports should provide relevant financial and performance information that not only supports management decision making but also informs the public.¹³

The success of the financial reporting should be a collaborative effort of the agency/department heads, OFB, BBMR and OPA. These entities play an integral part of the quarterly financial reporting process. These entities should meet quarterly to address issues and concerns to improve the reporting process. Managers perform periodic reviews, reconciliations or comparisons of data as part of management's continuous monitoring to achieve organizational goals and objectives and to monitor internal controls. OFB analyzes agency-spending proposals and revenue estimates submitted by agencies, holds public hearings, and seeks further information from agency staff and BBMR. BBMR approves "establishment of accounts" once the agency budgets are approved and keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against projections. The information is reflected in quarterly reports provided to the Legislature. These reports are a basis of financial management during the fiscal year and alert both the Governor and the Legislature to potential problems in maintaining budget balance as the fiscal year unfolds.¹⁴

OFFICE OF THE PUBLIC AUDITOR



Doris Flores Brooks, CPA, CGFM
Public Auditor

¹² Excerpts from July 8, 2004 Statement of Donald V. Hammond, Fiscal Assistant Secretary of the U.S. Department of the Treasury.

¹³ Excerpts from July 8, 2004 Statement of Donald V. Hammond, Fiscal Assistant Secretary of the U.S. Department of the Treasury.

¹⁴ Excerpt from New York State Citizen's Guide at www.budget.state.ny.us

**Appendix 1:
Quarterly Financial Reports**

M – Manual Report

E – Electronic Report

W – Website Report

		Submission(s) Before 4/30 or within 15 day grace period			Submission(s) After 5/15 grace period			Report Formats A) Lump Sum B) Financial Stmt C) Budget Digest			Status
		M	E	W	M	E	W	A	B	C	
1	Board of Professional Engineer, Architects and Land Surveyors	✓	✓	✓						✓	■
2	Bureau of Budget and Management Research	✓	✓	✓				✓			■
3	Bureau of Statistics and Plans	✓	✓	✓						✓	■
4	Chamorro Land Trust Commission	✓	✓	✓					✓		■
5	Civil Service Commission	✓	✓	✓				✓			■
6	Commission on Decolonization	✓	✓	✓						✓	■
7	Customs and Quarantine Agency	✓	✓	✓				✓			■
8	Department of Administration	✓	✓	✓						✓	■
9	Department of Agriculture	✓	✓	✓				✓			■
10	Department of Chamorro Affairs	✓	✓	✓				✓			■
11	Department of Corrections	✓	✓	✓						✓	■
12	Department of Integrated Services for Individuals with Disabilities	✓	✓	✓						✓	■
13	Department of Labor	✓	✓	✓				✓			■
14	Department of Land Management	✓	✓	✓						✓	■
15	Department of Mental Health and Substance Abuse	✓	✓	✓						✓	■
16	Department of Military Affairs	✓	✓	✓						✓	■
17	Department of Parks and Recreation	✓	✓	✓						✓	■
18	Department of Public Health and Social Services	✓	✓	✓				✓			■
19	Department of Public Works	✓	✓	✓				✓			■
20	Department of Revenue and Taxation	✓	✓	✓						✓	■
21	Department of Youth Affairs	✓	✓	✓				✓			■

■ - Compliance
X - Non-Compliance

**Appendix 1:
Quarterly Financial Reports**

M – Manual Report

E – Electronic Report

W – Website Report

		Submission(s) Before 4/30 or within 15 day grace period			Submission(s) After 5/15 grace period			Report Format: A) Lump Sum B) Financial Stmt C) Budget Digest			Status
		M	E	W	M	E	W	A	B	C	
											■
22	Government of Guam Retirement Fund	✓	✓	✓					✓		■
23	Guam Ancestral Lands Commission	✓	✓	✓				✓			■
24	Guam Board of Accountancy	✓	✓	✓						✓	■
25	Guam Community College	✓	✓	✓						✓	■
26	Guam Contractors License Board	✓	✓	✓						✓	■
27	Guam Council on the Arts and Humanities Agency	✓	✓	✓					✓		■
28	Guam Economic Development and Commerce Authority	✓	✓	✓					✓		■
29	Guam Educational Telecommunication Corporation (KGTF)	✓	✓	✓						✓	■
30	Guam Election Commission	✓	✓	✓						✓	■
31	Guam Energy Office	✓	✓	✓						✓	■
32	Guam Environmental Protection Agency	✓	✓	✓				✓			■
33	Guam Fire Department	✓	✓	✓						✓	■
34	Guam Housing and Urban Renewal Authority	✓	✓	✓					✓		■
35	Guam Housing Corporation	✓	✓	✓					✓		■
36	Guam International Airport Authority	✓	✓	✓					✓		■
37	Guam Medical Referral Office	✓	✓	✓				✓			■
38	Guam Memorial Hospital Authority	✓	✓	✓					✓		■
39	Guam Police Department	✓	✓	✓						✓	■
40	Guam Power Authority	✓	✓	✓					✓		■
41	Guam Public Library System	✓	✓	✓						✓	■
42	Guam Public School System	✓	✓	✓						✓	■

■ - Compliance
X - Non-Compliance

**Appendix 1:
Quarterly Financial Reports**

M – Manual Report

E – Electronic Report

W – Website Report

		Submission(s) Before 4/30 or within 15 day grace period			Submission(s) After 5/15 grace period			Report Format: A) Lump Sum B) Financial Stmt C) Budget Digest			Status
		M	E	W	M	E	W	A	B	C	
43	Guam State Clearinghouse	✓	✓	✓				✓			■
44	Guam Visitors Bureau	✓	✓	✓				✓			■
45	Guam Waterworks Authority	✓	✓	✓					✓		■
46	Judiciary of Guam	✓	✓	✓					✓		■
47	Mayors Council of Guam	✓	✓	✓						✓	■
48	Office of the Attorney General	✓	✓	✓						✓	■
49	Office of the Chief Medical Examiner	✓	✓	✓				✓			■
50	Office of the Governor	✓	✓	✓				✓			■
51	Office of the Public Auditor	✓	✓	✓						✓	■
52	Port Authority of Guam	✓	✓	✓					✓		■
53	Public Defender Service Corporation	✓	✓	✓						✓	■
54	Public Utilities Commission	✓	✓	✓					✓		■
55	University of Guam	✓	✓	✓					✓		■
56	Veterans Affairs Office	✓	✓	✓				✓			■
57	Hagatna Restoration & Redevelopment Authority	✓	✓	✓				✓			■
58	Guam Preservation Trust				✓				✓		×

■ - Compliance
× - Non-Compliance

TOTAL - Entities Marked as Compliant ■ 57
TOTAL - Entities Marked as Non-Compliant × 1

**Appendix 2:
Staffing Pattern Reports**

M – Manual Report

E – Electronic Report

W – Website Report

		Submission(s) By 4/30 or within 15 day grace period			Submission(s) After 5/15 Grace Period			Status
		M	E	W	M	E	W	
1	Board of Professional Engineer, Architects and Land Surveyors	✓	✓	✓				■
2	Bureau of Budget and Management Research	✓	✓	✓				■
3	Bureau of Statistics and Plans	✓	✓	✓				■
4	Chamorro Land Trust Commission	✓	✓					✗
5	Civil Service Commission	✓	✓	✓				■
6	Commission on Decolonization	✓	✓					✗
7	Customs and Quarantine Agency	✓	✓	✓				■
8	Department of Administration	✓	✓	✓				■
9	Department of Agriculture	✓	✓	✓				■
10	Department of Chamorro Affairs		✓					✗
11	Department of Corrections	✓		✓				✗
12	Department of Integrated Services for Individuals with Disabilities	✓	✓	✓				■
13	Department of Labor	✓	✓	✓				■
14	Department of Land Management	✓	✓	✓				■
15	Department of Mental Health and Substance Abuse	✓	✓	✓				■
16	Department of Military Affairs	✓	✓	✓				■
17	Department of Parks and Recreation	✓	✓	✓				■
18	Department of Public Health and Social Services	✓	✓	✓				■
19	Department of Public Works	✓	✓					✗
20	Department of Revenue and Taxation	✓	✓	✓				■
21	Department of Youth Affairs	✓	✓	✓				■

■ - Compliance
✗ - Non-Compliance

**Appendix 2:
Staffing Pattern Reports**

M – Manual Report

E – Electronic Report

W – Website Report

		Submission(s) By 4/30 or within 15 day grace period			Submission(s) After 5/15 Grace Period			Statu s
		M	E	W	M	E	W	
22	Government of Guam Retirement Fund	✓	✓	✓				■
23	Guam Ancestral Lands Commission	✓	✗	✗				✗
24	Guam Board of Accountancy *							
25	Guam Community College	✓	✓	✓				■
26	Guam Contractors License Board	✓	✓	✓				■
27	Guam Council on the Arts and Humanities Agency	✓	✓	✓				■
28	Guam Economic Development and Commerce Authority	✓	✓	✓				■
29	Guam Educational Telecommunication Corporation (KGTF)	✓	✓	✓				■
30	Guam Election Commission		✓					✗
31	Guam Energy Office	✓	✓					✗
32	Guam Environmental Protection Agency	✓	✓					✗
33	Guam Fire Department	✓	✓	✓				■
34	Guam Housing and Urban Renewal Authority	✓	✓	✓				■
35	Guam Housing Corporation	✓	✓	✓				■
36	Guam International Airport Authority (no names reported)	✓	✓	✓				✗
37	Guam Medical Referral Office							✗
38	Guam Memorial Hospital Authority	✓	✓	✓				■
39	Guam Police Department	✓	✓	✓				■
40	Guam Power Authority							✗
41	Guam Public Library System	✓	✓	✓				■
42	Guam Public School System		✓	✓				✗

* Not applicable

**Appendix 2:
Staffing Pattern Reports**

M – Manual Report

E – Electronic Report

W – Website Report

		Submission(s) By 4/30 or within 15 day grace period			Submission(s) After 5/15 Grace Period			Status
		M	E	W	M	E	W	
43	Guam State Clearinghouse	✓	✓	✓				■
44	Guam Visitors Bureau (no names)	✓	✓	✓				×
45	Guam Waterworks Authority (no names on website)	✓	✓	✓				×
46	Judiciary of Guam	✓	✓	✓				■
47	Mayors Council of Guam	✓		✓				×
48	Office of the Attorney General	✓	✓	✓				■
49	Office of the Chief Medical Examiner	✓	✓	✓				■
50	Office of the Governor	✓	✓	✓				■
51	Office of the Public Auditor	✓	✓	✓				■
52	Port Authority of Guam	✓	✓	✓				■
53	Public Defender Service Corporation	✓	✓	✓				■
54	Public Utilities Commission*							
55	University of Guam		✓	✓				×
56	Veterans Affairs Office	✓	✓	✓				■
57	Hagatna Restoration & Redevelopment Authority	✓	✓	✓				■
58	Guam Preservation Trust*							

■ - Compliance
× - Non-Compliance

* Not applicable

TOTAL – Entities Marked as Compliant ■ 37
TOTAL – Entities Marked as Non-Compliant × 18

**Appendix 3:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

			Before Due Date		After Due Date		W	Status	
			M	E	M	E			
1	Bureau of Budget and Management Research	Revenue Tracking Report - Jan. '07			✓		✓	X ↓	
		Revenue Tracking Report - Feb. '07			✓		✓		
		Revenue Tracking Report - Mar. '07	✓				✓		
		2	Comparative Revenue & Expenditure Analysis Report – May '07 to Jun. '07*						
2	Department of Administration	1	Closure / Transfer Report- for \$3.7 M*						
		2	Government Claims Fund	✓	✓			✓	■
		3	Residential Treatment Fund	✓	✓			✓	■
3	Department of Corrections	1	Lapsed Funds Carryover			✓	✓	✓	X
		2	Safe Street Fund Annual Report*						
4	Department of Mental Health	1	Youth Drug and Alcohol Program - Oct. '06			✓			X ↓
			Youth Drug and Alcohol Program - Nov. '06			✓			
			Youth Drug and Alcohol Program - Dec. '06			✓			
			Youth Drug and Alcohol Program - Jan. '07			✓			
			Youth Drug and Alcohol Program - Feb. '07			✓			
			Youth Drug and Alcohol Program - Mar. '07			✓			
			Reporting Requirements for Non-profit Organizations**						
	Non-appropriated Fund**								

* Either no due date specified; no longer applicable; or not due within the second quarter

** NAF and NPO reporting requirements are discussed in separate segments of this report

**Appendix 3:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

			Before Due Date		After Due Date		W	Status	
			M	E	M	E			
■ - Compliance X - Non Compliance									
5	Department of Public Health Social Services	1	MIP and Medicaid Carryover	✓	✓			✓	■
		2	Transfer Authority Notification						X
6	Department of Public Works	1	Street Light Fund	✓	✓			✓	■
			Non-appropriated Fund**						
7	Guam Board of Accountancy	1	Proposed FY 2007 Budget	✓	✓				X
		2	Guam Board of Accountancy Fund*						
8	Guam Community College	1	Academic program / courses	✓	✓			✓	■
		2	Annual Operating Budget*						
			Non-appropriated Fund**						
9	Guam Fire Department	1	Lapsed Funds Carryover						X
10	Guam Medical Referral Office	1	Program Referrals / Fund - Oct. '06						X ↓
			Program Referrals / Fund – Nov. '06						
			Program Referrals / Fund – Dec. '06						
			Program Referrals / Fund - Jan. '07						
			Program Referrals / Fund - Feb. '07	✓					
			Program Referrals / Fund - Mar. '07	✓					
		2	Guam Medical Referral Office Trust Fund*						

* Either no due date specified; no longer applicable; or not due within the second quarter

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**Appendix 3:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

			Before Due Date		After Due Date		W	Status	
			M	E	M	E			
■ - Compliance ✕ - Non Compliance									
11	Guam Memorial Hospital Authority	1	Plan for Remediation of poor collection rates			✓		✕	
		2	Alternative Management Reform					✕	
		3	Cancer Therapy Center Action Plan*						
12	Guam Police Department	1	Lapsed Funds Carryover			✓	✓	✓	✕
			Non-appropriated Fund**						
13	Guam Public School System	1	Revised Budget			✓		✓	✕
		2	Summer School Fund*						
		3	Textbook and Collateral Material	✓			✓	✓	✕
		4	Cash Disbursement (web report)					✓	■ ↓
			Prior year obligations (web report)					✓	
			Full Time Employment - FTE (web report)					✓	
		5	Over Expenditure on \$16.1 M			✓	✓	✓	✕
		6	Local Funds Reimbursement	✓	✓			✓	■
		7	Audit Report - Adequate Education*						
			Audit Report – Organizational structure*						
8	School Capital Facilities Reserve Fund	✓	✓			✓	■		
	Non-appropriated Fund**								

* Either no due date specified; no longer applicable; or not due within the second quarter

** NAF and NPO reporting requirements are discussed in separate segments of this report

**Appendix 3:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

			Before Due Date		After Due Date		W	Status		
			M	E	M	E				
14	Mayors Council of Guam	1	Tourist Attraction Fund (TAF) Appropriation						×	
		Non-Appropriated Funds								
			1.	Agana Heights Mayor						×
			2.	Agat Mayor						↓
			3.	Asan- Maina Mayor						
			4.	Barrigada Mayor						
			5.	Chalan Pago-Ordot Mayor						
			6.	Dededo Mayor						
			7.	Hagatna Mayor						
			8.	Inarajan Mayor						
			9.	Mangilao Mayor						
			2	10. Merizo Mayor						
			11. Mongmong-Toto-Maite Mayor							
			12. Piti Mayor							
			13. Santa Rita Mayor							
			14. Sinajana Mayor							
			15. Talofofo Mayor							
			16. Tumon - Tamuning - Harmon Mayor							
			17. Umatac Mayor							
			18. Yigo Mayor							
			19. Yona Mayor							
	20. Mayors Council of Guam									

* Either no due date specified; no longer applicable; or not due within the second quarter

** NAF and NPO reporting requirements are discussed in separate segments of this report

Appendix 3:
Special Reports

M – Manual Report

E – Electronic Report

W – Website Report

			Before Due Date		After Due Date		W	Status	
			M	E	M	E			
■ - Compliance ✕ - Non Compliance									
15	Judiciary of Guam	1	Safe Street Fund Annual Report*						
			Reporting Requirements for Non-profit Organizations**						
			Non-appropriated Fund**						
16	Office of the Governor	1	Continuing Appropriations*					✕	
		2	Special Funds Transfer Report - Oct. '06			✓			✕ ↓
			Special Funds Transfer Report - Nov. '06			✓			
			Special Funds Transfer Report - Dec. '06			✓			
			Special Funds Transfer Report - Jan. '07			✓			
			Special Funds Transfer Report - Feb. '07			✓			
			Special Funds Transfer Report - Mar. '07			✓			
		3	Prior Month Retirement Remittances - Oct. '06			✓	✓		✕ ↓
			Prior Month Retirement Remittances - Nov. '06			✓	✓		
			Prior Month Retirement Remittances - Dec. '06			✓	✓		
			Prior Month Retirement Remittances - Jan. '07			✓	✓		
			Prior Month Retirement Remittances - Feb. '07			✓	✓		
			Prior Month Retirement Remittances - Mar. '07			✓	✓		

* Either no due date specified; no longer applicable; or not due within the second quarter

** NAF and NPO reporting requirements are discussed in separate segments of this report

**Appendix 3:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

			Before Due Date		After Due Date		Status		
			M	E	M	E		W	
■ - Compliance ✕ - Non Compliance									
17	University of Guam	1	Expenditure Report for Scholarships, financial assistance, and Dr. Yamashita Edu. Corps (YEC)	✓	✓			✓	■
		2	KPRG (Public Radio)			✓	✓	✓	✕
		3	Program Revenue & Expenditure Report	✓	✓			✓	■
		4	UOG Annual Report*						
		5	Annual Program and Assessment Evaluation*						
			Non-appropriated Funds**						

* Either no due date specified; no longer applicable; or not due within the second quarter

** NAF and NPO reporting requirements are discussed in separate segments of this report

TOTAL Special Reports Marked as Compliant ■	10
TOTAL Special Reports Marked as Non-Compliant ✕	19
TOTAL Special Report Marked either as no due date specified, no longer applicable, or not due within the second quarter*	12
TOTAL Number of Special Reports	41

Do you suspect fraud, waste, or abuse in a government agency or department? Contact the Office of the Public Auditor:



- **Call our HOTLINE at 47AUDIT (472-8348);**
- **Visit our website at www.guamopa.org;**
- **Call our office at 475-0390;**
- **Fax our office at 472-7951;**
- **Or visit us at the PNB Building, Suite 401
In Hagåtña**

All information will be held in strict confidence.