

**Submission of FY 2007 3rd Quarter Financial Reports
As Mandated by Public Laws 28-149, 28-150, and 29-02**

**Legislative Mandate
April 1, 2007 through June 30, 2007**

**OPA Report No. 07-11
September 2007**



OFFICE OF THE PUBLIC AUDITOR

EXECUTIVE SUMMARY

Submission of FY 2007 3rd Quarter Financial Reports
Report No. 07-11, September 2007

This report presents our review on the submission of fiscal year (FY) 2007 quarterly financial, staffing pattern, and other special reports covering the period of April 1, 2007 through June 30, 2007, pursuant to Public Law (P.L.) 29-02, referred to as the *Amended General Appropriations Act of 2007*, P.L. 28-149 and P.L. 28-150. The amended FY 2007 budget act modified the monthly submittal of staffing pattern reports to quarterly reports and imposed a 20% salary reduction penalty against each director¹, deputy, and chief financial officer failing to comply with the reporting requirements.

For the third quarter, we saw considerable improvement of compliance with the reporting requirements. Of the 58 entities, 40 entities or 69% complied with all of their reporting requirements, i.e., general, special, non-appropriated funds, and non-profit organization reports. An additional 8 entities would have been in full compliance with all the reporting requirements had the deadline for staffing pattern reports been extended from 1 day to 30 days to submit since this was their only reporting infraction. These entities were: DOC, GALC, KGTF, GEO, GPA, GSC, HRRA, and VAO and may be subject to the 20% salary reduction penalty. The remaining 10 entities either did not meet all three reporting requirements or did not submit any reports. These entities were: CLTC, DCA, DMHSA, DYA, GEC, GFD, GMRO, GWA, Governor's Office, and PUC may be subject to the 20% salary reduction penalty.

General Reporting Requirements: Quarterly financial reporting submissions dramatically increased to almost full compliance among the 58 entities that submitted their financial reports by the July 31, 2007 deadline from 39 entities in the second quarter to 57 entities in third quarter. Only DMHSA did not submit the financial reports in any format. Submission of quarterly staffing pattern reports slightly increased from 37 entities to 38 entities. Prior year's obligations reports submission increased considerably from 3 entities to 55 entities. The 3 entities that did not submit any PYO reports were DMHSA, GFD, and PUC.

Non-Appropriated Funds (NAF) Reporting: Compliance with submittal of NAF reports who met all reporting requirements increased from 7 entities to 13 entities. 3 entities (Chamorro Village, DCA, and DYA) did not comply with all three reporting requirements and 2 entities (DMHSA and GEC) did not submit any reports.

Non-Profit Organization (NPO) Reporting: 4 overseeing entities were required to report on their NPO activities. We found 2 entities (Agriculture and Judiciary) complied with all three reporting requirements, while 2 entities (DMHSA and DYA) did not submit reports.

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.

Special Reports: 16 entities and 2 new commissions were required to submit 38 special reports. The 2 commissions' status is unknown at this time: Sunset and Rightsizing Commission and the Commission on Modernization of the Government of Guam. Of the 16 entities, GMHA and the Judiciary are not required to submit their special reports until November 18, 2007 and December 31, 2007, respectively. For the remaining 14 entities, 11 entities met all three reporting conditions, while 2 entities (GMRO and Governor's Office) met some of their special reporting requirements but did not meet all. DMHSA did not submit any reports.

All 19 Mayors submitted their NAF manual reports. For the third quarter, a consolidated quarterly report for all 19 mayors was submitted by the MCOG in all three reporting formats. All 17 Mayors who had received the \$10,000 donation from the Guam Greyhound Park had submitted a report. The Mayors of Sinajana and Talofofu required no reports since they did not accept the donation.

Although we saw considerable improvement of compliance with the general and special reporting requirements for the third quarter, timely and accurate reporting is still a work in progress. The most common non-compliance was the submittal of PYO reports and missing various reporting requirement deadlines. Due to the confusion of the content and due date of the PYO reports, the Office of Finance and Budget (OFB) determined that as long as entities submitted a third quarter PYO report, in any format at any time, they will be in compliance.

In early June 2007, OPA issued letters individually to all 58 entities notifying each director of their respective responsibilities pursuant to P.L. 28-149, 28-150, and 29-02. We posted all 58 letters on OPA's website so each entity could avail themselves of their reporting requirements. We were bombarded with countless phone calls, visits, and emails from numerous entities seeking clarification of their respective reporting requirements and every effort was made to be responsive to these entities. However, it was a tedious, laborious, and sometimes acrimonious process.

In an effort to provide guidance and consistency, OPA met with the OFB Executive Director and the Governor's Chief Information Officer for the Bureau of Information Technology to establish a standardized form for quarterly financial and staffing pattern reports. The standard forms are available at the government of Guam website: <http://www.guam.gov>.

OPA Suggestions: Several suggestions were made to the Legislature to improve the reporting process to include: amending the due date for quarterly staffing pattern reports from 1 day after the quarter ends to 30 days after the quarter ends; requiring entities to provide summary information of the changes in level of personnel; and using position control numbers to protect employees' privacy rights instead of employee names. We also suggest that the Legislature change all reporting requirement due dates to 30 days after the end of the quarter for consistency and to allow entities more time to submit their reports. The Legislature should consider whether the 20% penalty be applied across the board, or impose different levels of penalties depending on the level of infraction and delegate the responsibility for determining the degree of infraction to OFB.

As this is the second year that a provision to require regular financial reporting is in the budget act, we applaud the Legislature for continuing to require these reports, assuring public accountability and transparency in the use of public funds.



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OFFICE OF THE PUBLIC AUDITOR

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Introduction

This report presents our compliance review of the submission of quarterly financial reports, staffing pattern reports, and all other special reports for the third quarter of Fiscal Year (FY) 2007 for the period April 1, 2007 through June 30, 2007. This is the third of four reports the Office of the Public Auditor (OPA) has issued on the FY 2007 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 as identified in the three FY 2007 budget acts.

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 general reporting requirements (quarterly financial, monthly staffing pattern, prior year obligations), special reporting², non-appropriated funds (NAF), and non-profit organization (NPO) reports.

P.L. 29-02 amended and established new FY 2007 reporting requirements and imposed a 20% salary reduction as a penalty for agency directors, deputies, and chief financial officers who do not comply with the reporting requirements. It also required OPA to provide notice to all directors of their reporting responsibility three days before the end of each quarter.

Summary of Various Reports

The three budget laws (P.L. 28-149, 28-150, and 29-02) collectively required six reporting elements, as follows:

- Quarterly Financial Reporting (all 58 entities due 30 days after the end of the quarter)
- Quarterly Staffing Pattern Reports (55 entities due 1 day after the end of the quarter)
- Quarterly Prior Year Obligation Payments (all 58 entities due at the end of the quarter)
- Non-appropriated Funds (18 entities due 30 days after the end of the quarter)
- Non-Profit Organization Reporting (4 entities due 30 days at the end of the quarter)
- Special Reports (16 entities and 2 commissions with various reporting deadlines)

¹ To include line agencies, autonomous and semi-autonomous agencies, 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.

Results of Compliance

Of the 58 entities, 40 entities or 69% complied with all of their reporting requirements, i.e., general, special, non-appropriated funds, or non-profit organization reports. These entities were:

1. Board of Professional Engineer, Architects, and Land Surveyors (PEALS)
2. Bureau of Budget and Management Research (BBMR)
3. Bureau of Statistics and Plans (BSP)
4. Civil Service Commission (CSC)
5. Commission on Decolonization (COD)
6. Customs and Quarantine Agency (CQA)
7. Department of Administration (DOA)
8. Department of Agriculture (Agriculture)
9. Department of Integrated Services for Individuals with Disabilities (DISID)
10. Department of Labor (DOL)
11. Department of Land Management (DLM)
12. Department of Military Affairs (DMA)
13. Department of Parks and Recreation (DPR)
14. Department of Public Health and Social Services (DPHSS)
15. Department of Public Works (DPW)
16. Department of Revenue and Taxation (DRT)
17. Government of Guam Retirement Fund (GGRF)
18. Guam Board of Accountancy (GBOA)
19. Guam Community College (GCC)
20. Guam Contractors License Board (GCLB)
21. Guam Council on the Arts and Humanities Agencies (KAHA)
22. Guam Economic Development and Commerce Authority (GEDCA)
23. Guam Environmental Protection Agency (GEPA)
24. Guam Housing and Urban Renewal Authority (GHURA)
25. Guam Housing Corporation (GHC)
26. Guam International Airport Authority (GIAA)
27. Guam Memorial Hospital Authority (GMHA)
28. Guam Police Department (GPD)
29. Guam Preservation Trust (GPT)
30. Guam Public Library System (GPLS)
31. Guam Public School System (GPSS)
32. Guam Visitors Bureau (GVB)
33. Judiciary of Guam (Judiciary)
34. Mayors Council of Guam (MCOG)
35. Office of the Attorney General (OAG)
36. Office of the Chief Medical Examiner (OCME)
37. Office of the Public Auditor (OPA)
38. Port Authority of Guam (PAG)
39. Public Defender Service Corporation (PDSC)
40. University of Guam (UOG)

Of the 58 entities, 8 entities would have complied with all their reporting requirements had the law allowed 30 days rather than 1 day to submit staffing patterns as this was their only reporting infraction (see Appendix 2). These entities were:

- | | |
|---|---|
| 1. Department of Corrections (DOC) | 5. Guam Power Authority (GPA) |
| 2. Guam Ancestral Lands Commission (GALC) | 6. Guam State Clearinghouse (GSC) |
| 3. Guam Educational & Telecommunications Corporation (KGTF) | 7. Hagatna Restoration & Redevelopment Authority (HRRA) |
| 4. Guam Energy Office (GEO) | 8. Veterans Affairs Office (VAO) |

Of the 58 entities, 10 entities did not meet all three reporting requirements and/or did not submit reports, i.e., general, special, non-appropriated funds, or non-profit organization reports (see Appendix 2). These entities were:

- | | |
|--|---|
| 1. Chamorro Land Trust Commission (CLTC) | 6. Guam Fire Department (GFD) |
| 2. Department of Chamorro Affairs (DCA) | 7. Guam Medical Referral Office (GMRO) |
| 3. Department of Mental Health and Substance Abuse (DMHSA) | 8. Guam Waterworks Authority (GWA) |
| 4. Department of Youth Affairs (DYA) | 9. Office of Governor (Governor's Office) |
| 5. Guam Election Commission (GEC) | 10. Public Utilities Commission (PUC) |

We saw considerable improvement in compliance with the overall reporting requirements for the third quarter. 57 of the 58 entities submitted third quarter financial reports by the July 31, 2007 deadline, a dramatic improvement from the 39 entities in the second quarter. Submission of quarterly staffing pattern reports slightly increased from 37 entities to 38 entities. Prior year's obligations reports submission increased considerably from 3 entities to 55 entities.

For the third quarter, 13 entities submitted non-appropriated funds reports, an increase from 7 entities in the second quarter. For the third quarter, 16 entities and 2 new commissions were required to submit 38 special reports. The GMHA and Judiciary are not required to submit their special reports until November 2007 and December 2007, respectively. Of the 14 remaining entities, 11 entities complied with their reporting requirements, 2 entities (GMRO and Governor's Office) did not comply with all the reporting requirements, and 1 entity (DMHSA) did not submit any reports. The status on the establishment of the 2 new commissions: Sunset and Rightsizing Commission and the Commission on Modernization of the Government of Guam, was not known.

Summary of Six Reporting Elements

- **Quarterly Financial Reporting:** All 58 entities were required to submit reports, of which 57 or 98% complied with all reporting requirements. GFD submitted its quarterly financial report on August 1, 2007 missing the July 31, 2007 deadline only by one day. Although GFD was one day late, we did not consider this an infraction. Only DMHSA did not submit the financial reports in manual and electronic formats (see Appendix 3).

- **Quarterly Staffing Pattern Reports:** According to the Office of Finance and Budget (OFB) of the 58 entities, 3 entities (GBOA, GPT, and PUC) are not required to submit staffing pattern reports because their employees are not government of Guam employees (see Appendix 4). Of the 55 remaining entities, we found:
 - 38 entities or 69% complied with all reporting requirements.
 - 14 entities would have been in compliance with the staffing pattern report requirements had the due date been changed from 1 day to 30 days. These entities are: DCA, DOC, DYA, GALC, KGTF, GEC, GEO, GFD, GMRO, GPA, GSC, Governor's Office, VAO, and HRRRA.
 - CLTC submitted their electronic report beyond the 30 days or August 16, 2007.
 - DMHSA did not submit an electronic format.
 - GWA did not submit a manual and electronic format.

- **Quarterly Prior Year Obligation Payments:** All 58 entities were required to submit reports, of which 3 entities (GGRF, OAG, and OPA) complied with all three reporting requirements. Due to the confusion of the content and deadline of the PYO reports, OFB informed OPA that as long as entities submitted a third quarter PYO report, in any format at any time, they will be in compliance (see Appendix 5):
 - 52 entities were deemed compliant for submitting a report.
 - 3 entities (DMHSA, GFD, and PUC) did not submit reports.

- **Non-Appropriated Funds (NAF) Reporting:** 18 entities with NAF accounts were identified of which 13 entities complied by meeting all three reporting requirements. GPD indicated that no report was submitted for the entity's NAF because the account was closed. 5 entities did not comply with all three reporting requirements as follows:
 - 3 entities (Chamorro Village, DCA, and DYA) met two of three reporting conditions but did not post the report on their websites.
 - 2 entities (DMHSA and GEC) did not submit reports.

- **Non-Profit Organization (NPO) Reporting:** Agriculture, DMHSA, DYA, and the Judiciary were identified as the oversight entities responsible for the NPO reports.
 - 2 entities (Agriculture and Judiciary) complied with all three reporting requirements.
 - 2 entities (DMHSA and DYA) did not submit reports.

- **Special Reports:** 16 entities and 2 new commissions were required to submit 38 special reports (see Appendix 6). The 2 new commissions' status was unknown: Sunset and Rightsizing Commission and the Commission on Modernization of the government of Guam. Of the 16 entities, GMHA and the Judiciary are not required to submit their special reports until November 18, 2007 and December 31, 2007, respectively. For the remaining 14 entities we found:

- 11 entities complied by submitting all of their special reports and meeting all three reporting conditions. These entities were BBMR, DOA, DOC, DPHSS, DPW, GBOA, GCC, GPSS, GGRF, MCOG, and UOG.
- 2 entities met some of their special reporting requirements but not all; therefore, they were not in compliance. These entities were:
 - GMRO did not submit electronic formats of its monthly referral reports and post on its website.
 - The Governor's Office did not submit any reports in any format of the monthly revenue tracking report for the General Fund, the Tourist Attraction Fund, Solid Waste Operations Fund (Tipping Fees), Territorial Education Facilities Fund, and the Guam Highway Fund, and did not submit the monthly electronic format of transfers made by the Governor and did not post the reports on its website.
- DMHSA did not submit its special reports.

Quarterly Financial Reports

Chapter VI, Section 15 of P.L. 29-02 amended Chapter II, Part VI, Section 2, of P.L. 28-149 and Chapter VI, Section 2, of P.L. 28-150 that requires 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 July 31, 2007. Quarterly financial reports for the fourth quarter will be due by October 31, 2007.

For the third quarter, 58 entities were required to submit reports. Of the 58 entities:

- 57 entities or 98% complied by submitting the quarterly financial reports and met all three reporting requirements. GFD submitted its quarterly financial report on August 1, 2007 missing the July 31, 2007 deadline by only one day. Although GFD was one day late, we did not consider this an infraction.
- DMHSA did not submit the financial reports in manual and electronic formats.

In the third quarter, entities submitted reports in the required formats of financial statements or revenue and expenditure reports. In previous quarters, some entities submitted financial reports in lump sum totals and did not detail the revenues and expenditures.

The requirement to submit quarterly financial reports help ensures 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 fiscal accountability cannot be achieved by reporting only lump sum totals. A detailed report of how funds are being allotted and spent is needed and must be

consistent in all three reporting conditions.

For this third quarter, only 1 entity (DMHSA) did not submit financial report in manual and electronic formats, and may be subject to the 20% salary reduction penalty. See Appendix 3 for a summary of quarterly financial reports.

Quarterly Staffing Pattern Reports

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 in the budget call format. At a minimum, the report should include the employee name, position, salary, increment 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, or July 2, 2007³.

For the third quarter, of the 58 entities, 3 entities (GBOA, GPT, and PUC) are not required to submit staffing pattern reports because their employees are not government of Guam employees according to OFB. Of the remaining 55 entities we found:

- 38 entities or 69% complied by submitting the quarterly staffing pattern reports and met all three reporting requirements.
 - GEPA and PAG submitted their staffing pattern reports on time; however, one of the formats was submitted on July 3, 2007 missing the July 2, 2007 deadline by only one day. Therefore, we did not consider this an infraction.
- 14 entities would have been compliant with the staffing pattern report requirements had the due date been changed from 1 day to 30 days. These entities are: DCA, DOC, DYA, GALC, KGTF, GEC, GEO, GFD, GMRO, GPA, GSC, Governor's Office, VAO, and HRRA.
- 3 entities did not meet all of the three reporting requirements; therefore, they were not in compliance. These entities were:
 - CLTC submitted their electronic report late or on August 16, 2007.
 - DMHSA submitted a manual report and posted on its website, but did not submit an electronic format.
 - GWA posted on their website, but did not submit manual and electronic formats.

³ July 1, 2007 is a Sunday.

For this third quarter, 3 entities (CLTC, DMHSA and GWA) that did not meet all three reporting requirements or did not submit staffing pattern reports may be subject to the 20% salary reduction penalty. See Appendix 4 for a summary of quarterly staffing pattern 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 each quarter. On June 29, 2007, OFB informed OPA that the quarterly staffing pattern reports were actually **due by the first day following the end of the quarter** or July 2, 2007. Upon reviewing the law, OFB's interpretation was correct. OPA subsequently emailed and faxed notifications informing entities of OFB's interpretation and the July 2, 2007 deadline. Quarterly staffing reports for the fourth quarter will be due by October 1, 2007.

An additional 14 entities would have been compliant with the staffing pattern report requirements had the law changed the due date from 1 day to 30 days after the quarter ends. 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 again suggest that the Legislature amend the due date from 1 day to 30 days after the quarter ends.

Summary of Level of Staffing

For the staffing pattern reports to be more meaningful, we suggest that the Legislature require entities to provide summary information of the changes in personnel level. The summary report should include the number of employees at the beginning of the quarter, number of new employees added during the quarter, number of employees deleted during the quarter (via terminations, resignations, transfers, retirements, etc.), and the total number of employees at the end of the quarter, certified by the agency head. A summary report such as this would provide a quick status of the level of personnel at each entity.

Private versus Public Records

We continue to hear concerns from government employees of possible identity theft because of their names being exposed on the worldwide web via the staffing pattern reports. Because of these concerns, we are re-iterating our comments from the second quarter report regarding 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 most records of a local government are considered public documents, accessibility and openness of certain public records may often conflict with the employee's implied right to privacy regarding personnel and payroll information.

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, 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.⁴

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.

In August 2007, OPA discussed this issue with OFB officials and suggested to amend the requirement of reporting employee names and instead use position control numbers to protect employees' privacy rights for the FY 2008 reporting requirements.

Prior Years' Obligation Payments

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 at the end of each quarter.

During the third quarter, OFB clarified with OPA that the PYO reports were actually due **at the end of each quarter (December 31, March 31, June 30, and September 30)**. In addition, PYO reports should account for payments made from the **previous quarter**. Hence, the third quarter PYO report should include any PYO payments made between January 1, 2007 and March 31, 2007. OPA subsequently informed entities of OFB's interpretation. PYO reports for the fourth quarter will be due by September 30, 2007 for any PYO payments made between April 1, 2007 and June 30, 2007.

For the third quarter, all 58 entities were required to submit reports, of which 3 entities (GGRF, OAG, and OPA) complied with all three reporting requirements. However, a significant number of entities did not meet all three PYO reporting requirements, did not submit the correct information, or missed the deadline. Due to the confusion of the content and deadline of the PYO reports, OFB informed OPA that as long as entities submitted a third quarter PYO report, in any format at any time, they will be in compliance. For the remaining 55 entities we found:

- 52 entities were deemed compliant for submitting a report, but we noted the following.
 - 42 entities submitted manual and electronic reports.
 - 4 entities (GHURA, GMRO, Governor's Office, and OCME) submitted manual reports but did not submit electronic formats.
 - MCOG did not submit a manual and electronic format but posted the report on its website.

⁴ Source: *Accounting Issues and Practices, A Guide for Smaller Governments*

- VAO did not submit electronic formats and did not post on their website although manual reports were submitted.
 - 4 entities (DOC, GPT, GWA, and PAG) submitted manual and electronic reports but did not post the report on their website.
- 3 entities (DMHSA, GFD, and PUC) did not submit reports.

The 3 entities (DMHSA, GFD, and PUC) that did not submit any PYO reports may be subject to the 20% salary reduction penalty. It should be noted that PUC employees are not government of Guam employees and whether they would be subject to the penalty. See Appendix 5 for a summary of the PYO reports.

Other Reporting Requirements

Non-Appropriated Funds

Chapter VI, Section 15 of P.L. 29-02 requires entities to report on their non-appropriated fund (NAF) accounts. NAF 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. Quarterly NAF reports for the fourth quarter will be due by October 31, 2007.

In coordination with the DOA, OPA identified 18 entities with NAF accounts for the third quarter of FY 2007, of which 13 complied by meeting all three reporting requirements. GPD indicated that no report was submitted for the entity's NAF because the account was closed. 5 entities did not comply with all three reporting requirements as follows:

- 13 entities complied by submitting their NAF reports and meeting all three reporting conditions. These entities are CLTC, DOL, DPW, GALC, GCC, GPD, GPLS, GPSS, GPT, Judiciary, KAHA, KGTF, and UOG.
- 5 entities met some of their NAF reporting conditions but not all or did not submit reports; therefore, they were not in compliance. These entities were:
 - 3 entities (Chamorro Village, DCA, and DYA) met two of three reporting conditions but did not post on the entity's websites.
 - GEC submitted a letter indicating that they do not generate a profit/loss statement of their NAF. They instead submitted a one-page bank statement summary as of June 30, 2007, which lacks details of deposit and checks written against the NAF; therefore GEC is not in compliance. We informed GEC that the bank statement summary was not in compliance and provided them with a sample of an acceptable NAF report format; however, they did not respond.
 - DMHSA did not submit its NAF reports.

For the third quarter, the 5 entities that did not meet all three reporting conditions or submit NAF reports may be subject to the 20% salary reduction penalty.

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, or November 15, 2007. This reporting requirement, including all the required information is the responsibility of the overseeing agency. Quarterly NPO reports for the fourth quarter will be due by October 31, 2007.

Working with OFB, we identified four overseeing departments or agencies responsible for reporting on their non-profit or non-governmental organizations. For the third quarter, of the four overseeing entities we found:

- Two entities complied with the reporting requirements.
 - **Department of Agriculture (Agriculture).** Chapter IV, Part II, Section 23 of P.L. 28-150 appropriated \$50,000 from the General Fund to Agriculture to fund a contract to manage and operate the Yigo Animal Shelter - Guam Animals In Need, Inc. (GAIN). Agriculture submitted the required report in all three reporting conditions; however, we noted that the report did not include all the information required such as procurement of goods and services and property inventory listing.
 - **Judiciary of Guam (Judiciary).** Chapter IV, Part II, Section 15 of P.L. 28-150 appropriated \$140,000 from the Safe Streets Fund for Fiscal Year 2007, to the Judiciary to pay for contractual services for the operations of the Family Visitation Center, provided that the Court first complies with Title 16 GCA Section 18125 (c) and (d) and Title 7 GCA Section 9211 (b). On July 25, 2007 the Judiciary submitted the required report in all three reporting conditions; however, we noted that the report did not include all the information required such as procurement of goods and services and property inventory listing.

Without OPA conducting an audit we could not determine whether the non-profit organizations had complied with all the required information. Therefore, we suggest that the Agriculture and Judiciary include a certified statement that all required information as mandated by law is included in the report.

- Two entities did not comply with the reporting requirements.
 - **Department of Mental Health & Substance Abuse (DMHSA).** Chapter II, Part III, Section 3(b) of P.L. 28-150 appropriated \$600,000 from the General Fund to DMHSA

to fund the outsourcing of services providing drug and alcohol detoxification, rehabilitation, and prevention services, *provided* that the awarding of such funds is consistent with Title 48 USC Section 142(b)(p) for services to adolescent, adult female and adult male patients. As of the date of this report, DMHSA did not submit the required NPO report and may be subject to the 20% salary reduction penalty.

- **Department of Youth Affairs (DYA).** Chapter III, Part IV, Section 2 of P.L. 28-150 appropriated \$241,944 from the General Fund to DYA to fund programs contracted out to non-governmental organizations for youths who are runaways, homeless, or victims of abuse. The non-profit organization submitted a report to the Speaker and OPA on July 18, 2007. However, there was no electronic report and website posting. Therefore, DYA may be subject to the 20% salary reduction penalty.

Chapter IV, Part II, Section 26 of P.L. 28-150 required the Governor to transfer \$150,000 from the funds appropriated in Section 2(d), Part I of this Chapter [the Territorial Education Facilities Fund] to DYA to fund programs contracted out to non-governmental organizations for youths who are runaways, homeless, or victims of abuse. On August 2, 2007, DYA submitted a manual report stating that the \$150,000 was not transferred to DYA until July 2007, and that a report will be provided for the fourth quarter.

Special Reports

P.L. 28-149, 28-150, and 29-02 required specific governmental entities to submit special reports for special funds, programs, or projects, modified existing requirements, added new special reports, and established 2 new commissions: the Sunset and Rightsizing Commission and the Commission on Modernization of the government of Guam.

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. However, some reports had no specific due dates.

We identified 16 entities and 2 new commissions required to submit 38 special reports. The 2 new commissions' (Sunset and Rightsizing Commission and the Commission on Modernization of the Government of Guam) status was unknown as of the date of this report. Of the 16 entities, GMHA is not required to submit its special report until November 18, 2007; and the Judiciary is not required to submit its special report until December 31, 2007. For the remaining 14 entities we found:

- 11 entities complied by submitting all of their special reports and meeting all three reporting conditions. These entities were BBMR, DOA, DOC, DPHSS, DPW, GBOA, GCC, GPSS, GGRF, MCOG, and UOG.
- 2 entities met some of their special reporting requirements but not all; therefore, they were not in compliance. These entities were:

- GMRO submitted its manual monthly referral reports but did not submit the electronic formats and did not post reports on its website.
 - The Governor's Office did not submit any reports in any format of the monthly revenue tracking report for the General Fund, the Tourist Attraction Fund, Solid Waste Operations Fund (Tipping Fees), Territorial Education Facilities Fund, and the Guam Highway Fund, and did not submit the monthly electronic format of transfers made by the Governor and did not post all reports on its website.
- DMHSA did not submit any special reports.

For this third quarter, 3 entities (GMRO, Governor's Office, and DMHSA) that did not meet all three reporting conditions or submit special reports may be penalized the 20% salary reduction penalty. See Appendix 6 for a summary of special reports.

A discussion of the special reporting requirements follows:

Bureau of Budget and Management Research (BBMR). P.L. 29-02 Chapter VI, Section 39, amended P.L. 28-150 Chapter V, Section 5 requiring BBMR, in collaboration with DRT and DOA to determine the revenue tracking for the balance of the fiscal year, based upon the actual collections of the preceding month and prepare a comparative statement of the "actual" and "projected" revenues. The report shall be submitted to the Speaker no later than 30 days after the end of each month of the fiscal year in written and electronic format, and shall be posted quarterly on the BBMR website. BBMR complied with this reporting requirement and submitted the manual and electronic formats on May 22, 2007 for the April 2007 report, June 25, 2007 for the May 2007 report, and July 31, 2007 for the June 2007 report. All three monthly reports were posted on the website.

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. BBMR submitted its May 2007 analyses report after the June 15, 2007 deadline on August 21, 2007. BBMR submitted the manual and electronic formats on August 21, 2007 for the May report and on July 12, 2007 for the June report. Because the May due date was not clear, we determined BBMR compliant. All monthly reports were posted on the website.

Commission on Modernization of the Government of Guam (COM-21)⁵. P.L. 29-02 Chapter VI, Section 26 created the Commission on Modernization of the Government of Guam. The law requires COM-21 to complete and submit panel reports, which shall obtain input from the departments, agencies and offices concerned, and the general public by June 1, 2007. As of the issuance of this report the Governor's Office has yet to respond to our inquiries on the status of this committee and whether a report was submitted.

⁵ Pursuant to P.L. 29-02 Chapter VI, Section 26.

This section also requires COM-21 to submit an integrated plan of modernization and streamlining no later than November 1, 2007 to the Governor. Within 30 days after receipt, the Governor can comment and revise the plan. The COM-21, within 30 days after the plan's return from the Governor, shall submit to the Legislature the final plan with or without further modifications together with the declaration that the plan will accomplish COM-21's purposes. The due date for the integrated plan reporting requirement is no later than 60 days from November 1, 2007, or December 31, 2007.

Department of Administration (DOA). Chapter IV, Section 23 of P.L. 29-02 amended Chapter IV, Part I, Section 2(c) of P.L. 28-150 requiring DOA to report on the final closure and transfer of \$1.7 million in dormant or inactive funds and accounts into the General Fund; however, no due date was given for this requirement. On July 31, 2007, DOA submitted the electronic format of the closure and transfer of dormant funds. On September 14, 2007, DOA submitted a manual format of the report, and posted on its website.

Chapter IV, Part II, Section 8(b) of P.L. 28-150 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 reports on DOA's website. On July 31, 2007, DOA complied with this reporting requirement by submitting the report on the Government Claims Fund in all three reporting formats for the third 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 reports on DOA's website. On July 31, 2007, DOA complied with this reporting requirement by submitting the report on the Residential Treatment Fund in all three reporting formats for the third quarter of FY 2007.

Department of Corrections (DOC). 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. On July 30, 2007, DOC complied and reported \$37,380 had been appropriated from the Safe Streets Fund but was expended or encumbered in the first quarter. The report was submitted in all three reporting formats for the third quarter.

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. As of the date of this report, DMHSA had not submitted any of the required monthly reports for the period covering April 2007 to June 2007. We notified DMHSA of this deficiency and the impending 20% salary reduction penalty on several occasions. According to DMHSA officials the report was not prepared and submitted because of the lack of sufficient personnel. For the third quarter, DMHSA did not comply with this reporting requirement and may be

penalized the 20% salary reduction penalty.

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 carryover for Medicaid and MIP Programs, due no later than 30 days after the close of each quarter. On July 19, 2007 DPHSS complied with this reporting requirement by submitting the report in all three reporting formats for the third quarter of FY 2007. However, the report did not indicate expenditures associated with the \$14.8 million (\$9 million for Medicaid and \$5.8 million for MIP) carried over from FY 2006 into FY 2007. We suggest DPHSS submit a revised report identifying these expenditures and include a certified statement that all required information as mandated by law is included in the report.

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. In September 2007, DPHSS submitted a letter stating that no transfers occurred for the third quarter of FY 2007 in all three formats.

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 July 31, 2007 DPW complied with this reporting requirement by submitting all three reporting formats on the Street Light Fund for the third quarter of FY 2007.

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

Government of Guam Retirement Fund (GGRF). Chapter V, Section 2 of P.L. 28-150 was amended by P.L. 29-02 Chapter VI, Section 24, requiring the Director of the Government of Guam Retirement Fund (GGRF), instead of the Governor's Office, to 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 did not comply and only submitted a manual report for April 2007. On June 14, 2007 GGRF submitted a manual report for May 2007 and the electronic report on June 21, 2007. On July 13, 2007 GGRF submitted the manual and electronic reports for June 2007. All reports were posted on its website.

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 May 9, 2007 GBOA complied and submitted manual and electronic reports of the FY 2008 proposed budget and posted it on its website.

Chapter VI, Section 8 of P.L. 29-02 amended Chapter VI, Section 2, of P.L. 28-150, authorizing GBOA to establish and account for a special fund known as the “Guam Board of Accountancy Fund” (Fund) and subject to legislative appropriation. As of the end of the third quarter, GBOA had not yet established a checking account; therefore, no report was submitted. Should the checking account be established in the fourth quarter, a 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 July 30, 2007 GCC complied with this reporting requirement by submitting the reports in all three reporting formats for the third quarter of FY 2007.

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, reported in a separate segment of this report.

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. GMRO submitted the April report on May 9, 2007, the May report on June 8, 2007, and the June report on July 3, 2007. However, we noted that all three reports did not include all the required information required such as number of patient escorts, average cost per patient referral, actual office expenditures for the month, and outline of services provided during the month. Therefore, we suggest that the GMRO include a certified statement that all required information as mandated by law is included in the report. In addition, GMRO did not submit the electronic reports and post it on its website, and may be subject to the 20% salary reduction.

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 post it on its website. No quarterly reports have been submitted. However, no due date was specified for this report. We suggest GMRO clarify with the Legislature when this report is due.

Guam Memorial Hospital Authority (GMHA). 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 within six months of the law’s enactment or November 18, 2007.

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

1. Chapter II, Part 1, 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. This report is due August 31, 2007 and will be reported in the fourth quarter of FY 2007.
2. 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 June 29, 2007 GPSS submitted the manual and electronic reports and posted the report on the GPSS website.
3. 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.
4. Part VI, 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 a manual report on July 18, 2007, an electronic report on July 31, 2007, and posted the report on its website.
5. Part VII, Section 10 requires GPSS to submit a report within ten days of expending funds from the School Capital Facilities Reserve (SCFR) Fund. GPSS submitted a manual report on July 3, 2007, an electronic report on August 1, 2007 and posted the report on its website.

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

Of the five reports GPSS was required to submit, four reports complied with the reporting requirements and one report is not yet due.

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.

All 19 Mayors submitted their NAF manual reports. However, we noted that 7 mayors (Agat, Barrigada, Dededo, Merizo, Sinajana, Tamuning-Tumon-Harmon, and Umatac) submitted their NAF reports after the July 5, 2007 due date. The MCOG submitted a consolidated quarterly report for all 19 mayors in all three reporting formats for the third quarter of FY 2007.

All 17 village Mayors who received the \$10,000 donation from the Guam Greyhound Park in the first quarter had submitted a report for the third quarter of FY 2007. The Mayors of Sinajana and Talofofo did not accept the donation.

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. No due date was specified for this report. On July 9, 2007 the MCOG submitted the required report in all three reporting formats for the third quarter of FY 2007.

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). P.L. 28-150 and P.L. 29-02 requires the Governor's Office to submit five special reports for FY 2007, as follows:

1. P.L. 29-02 Chapter VI, Section 43 amended P.L. 28-150 Chapter IV, Part I, Section 4 requiring the Governor's Office to submit a monthly report to the Speaker on all transfers to include, but not limited to, the amounts transferred, agencies or special funds from which funds are transferred to or from, and the reason for the transfer. Failure to provide the report by the 20th day of the month following the transfer shall terminate the transfer authority. On June 4, 2007 the Governor's Office submitted a manual quarterly report for the period covering April 2007 to May 2007 and on July 5, 2007 for the period of June 2007. The Governor's Office notified the Legislature that there were no transfers for the period covering April 2007 to June 2007 for the third quarter of FY 2007. Electronic reports were not submitted and only the June 2007 report was posted on its website. For the third quarter, the Governor's Office may be subject to the 20% salary reduction penalty. However, we suggest that the Legislature delegate this reporting requirement to BBMR with the certification of the Governor.

2. P.L. 29-02 Chapter VI, Section 29 requires the Governor's Office to submit a revenue tracking report to the Legislature for the General Fund, the Tourist Attraction Fund, Solid Waste Operations Fund (Tipping Fees), Territorial Education Facilities Fund, and the Guam Highway Fund for the balance of the fiscal year based upon the actual collections of the preceding month, and prepare a comparative statement of "actual" and "projected" revenues. The reports are due no later than 30 days after the end of each month. The Governor's Office did not submit any reports for the third quarter in FY 2007 and may be subject to the 20% salary reduction penalty. However, we suggest that the Legislature delegate this reporting requirement to DOA, DRT, and

BBMR.

3. Section 29 requires the Governor's Office to submit to the Speaker of the Legislature the impact of federal expenditures on Guam's economic growth, employment, tax revenues, and other variables for the next year compared with the previous 5 years, identify significant federal expenditures or potential expenditures on Guam affecting military bases, installations, active duty and retired military personnel within Guam. The reports are due on July 1, 2007 and on semi-annual basis thereafter. We suggest that the Legislature delegate this reporting requirement to BSP, GEDCA, and/or other entities, under the oversight of the Governor's Office.

4. Section 29 requires the Governor's Office to submit to the Speaker of the Legislature the impact of tourism expenditures on Guam's economy and employment including projections of tourism expenditures, on Guam's economic growth, employment, tax revenues, and other variables, for the next year compared with the previous 5 years. The reports are due on July 1, 2007 and on semi-annual basis thereafter. We suggest that the Legislature delegate this reporting requirement to BSP, GEDCA, and/or other entities, under the oversight of the Governor's Office.

5. Section 29 also requires the Governor's Office to submit to the Speaker of the Legislature long-range forecasts of revenues and expenditures for each of the 5 years immediately beyond the budget year, certified by a majority of the members of the Special Economic Service. We suggest that the Legislature delegate this reporting requirement to BSP, GEDCA, and/or other entities, under the oversight of the Governor's Office.

Items 1 to 5 require specific data ranging from transfers, revenue and expenditure forecasting and tracking to economic impacts on tourism and military buildup. The Governor's Office may not be the most appropriate entity to provide this information. For example item 1 on transfers should be delegated to BBMR with certification by the Governor. Item 2 on forecasting and tracking revenues and expenditures should be delegated to DOA, DRT, and BBMR. Information for items 3, 4, and 5 should be delegated to BSP, GEDCA, and/or other entities, but under the oversight of the Governor's Office. Therefore, we suggest that the Legislature require these entities to submit these reports rather than the Governor's Office.

Sunset and Rightsizing Commission (Commission). P.L. 29-02 Chapter VI, Section 12 requires the Commission to submit a report to the Governor and the Speaker of the Legislature on its (a) evaluation of each agency and program reviewed during the preceding 12 months; (b) recommendations on how to improve the results achieved by each agency or program and whether to abolish any agency or program; and (c) a draft of proposed legislation needed to execute its recommendations. The reports are due no later than June 1 of each year. As of the issuance of this report the Governor's Office has yet to respond to our inquiries on the status of this committee and whether a report was submitted.

University of Guam (UOG). P.L. 28-149 and P.L. 28-150 requires UOG to 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 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 third 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 July 2, 2007 UOG submitted the KPRG report in all three reporting formats for the third quarter of 2007.

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 July 31, 2007 UOG complied with this reporting requirement by submitting the reports in all three reporting formats for the third 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 to report on the annual assessment and evaluation of the University, due no later than a month following the end of each academic year. On June 26, 2007 UOG complied with this reporting requirement by meeting all three reporting formats for the third quarter of FY 2007. This requirement will no longer be reported.

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

Of the five special reports UOG was required to submit: four reports were submitted on time and one report should be clarified with the Legislature as to the due date.

Summary and Conclusion

Overall, compliance with the FY 2007 Budget Act increased in the third quarter. Entities made considerable efforts to comply with the general reporting requirements in all three reporting conditions: (1) manually, (2) electronically, and (3) posting on the web because of the impending salary reduction. However, there were still ambiguities with some requirements, especially with prior year's obligation payment reports. We also noted varying degrees of infractions – from minor to major among the agencies.

A substantial amount of time was spent by OPA reviewing P.L. 29-02 to ensure that subsequent changes were included in this report and to send reminders to agencies of their reporting requirements for the third quarter of FY 2007. These requirements were outlined in the notification letters issued by OPA and in various sections throughout this report. In early June 2007, OPA issued letters individually to all 58 entities notifying each director of their respective responsibilities pursuant to P.L. 28-149 Section 3, Part VI, Chapter II and P.L. 28-150 Section 3 of Chapter VI as amended by P.L. 29-02. We posted all 58 letters on OPA's website (www.guamopa.org) so each entity could avail themselves of their reporting requirements. The reporting requirements were also emailed and faxed to entities.

Although the law required OPA to issue notification to the entities three days before the end of the quarter, OPA issued these notices earlier in order to assist entities and to provide more time in the preparation and submittal of their reporting requirements. We were bombarded with countless phone calls, visits, and emails from numerous entities seeking clarification of their respective reporting requirements and every effort was made to be responsive to these entities. However, it was a tedious, laborious, and sometimes acrimonious process. For the fourth quarter, we prepared a reporting requirements guide (**Appendix 7**).

In August 2007, OPA met with the OFB's Executive Director and the Governor's Chief Information Officer for the Bureau of Information Technology in the effort to provide guidance, consistency, and to develop a standardized form for quarterly financial and staffing pattern reports. We agreed that standardized formats for financial and staffing pattern reports would be developed for the Executive Branch by the Bureau of Information Technology, which would also be available to other government entities, boards and commissions if they choose. On September 12, 2007, OPA notified all entities of their reporting requirements and the use of the acceptable formats.

Each director and management is responsible for complying with the FY 2007 budget acts' reporting requirements and deadline. Directors and agency management must prepare financial reports in sufficient detail and prioritize improvements to their agency's data quality. Accurate, reliable, timely, and useful financial reports that comply with statutory and administrative requirements are basic elements of effective financial reporting. Financial reports should provide relevant, timely, and useful analysis of financial and performance information that not only

supports management decision-making but also informs the public.⁶ The financial reporting framework promotes comparability and consistency in reporting across years and among agencies.

OPA Suggestions

We have made several suggestions to the Legislature to improve the reporting process.

Staffing Pattern Reports. Several suggestions were made to the Legislature regarding the quarterly staffing pattern reports.

1. Amend the due date for quarterly staffing pattern reports from 1 day after the quarter ends to 30 days after the quarter ends. 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.
2. Require entities to provide summary information of the changes in personnel level to provide a quick status at each entity. The summary report should include the number of employees at the beginning of the quarter, number of new employees added during the quarter, number of employees deleted during the quarter (via terminations, resignations, transfers, retirements, etc.), and the total number of employees at the end of the quarter, certified by the agency head.
3. Amend the requirement to report employee names and instead use position control numbers to protect employees' privacy rights for the FY 2008 reporting requirements.

Due Date Requirements. Provide due dates to special reports where no due dates are specified. In addition, we suggest that due dates for all reporting requirements be 30 days after the end of the quarter or fiscal year end. Having one reporting due date for all the reports will provide consistency and mitigate confusion among entities for tracking when reports are due.

Special Reports: Delegate to (1) BBMR, with the certification by the Governor, the monthly transfer reports; (2) DOA, DRT, and BBMR the monthly forecasting and tracking of revenues and expenditures; (3) BSP, GEDCA, and/or other entities, under the oversight of the Governor's Office, the preparation of federal expenditures economic growth, tourism expenditures economic growth, and long-range forecasts of revenues and expenditures reports rather than the Governor's Office.

Range of Penalties. The current penalty of 20% salary reduction would apply to the director, deputy, and chief financial officer whose salaries are funded through local appropriation. The law fails to address issues of non-compliance for entities who receive an annual appropriation or revenues from a specific source and employ non-government employees, such as the Guam Board of Accountancy, Guam Preservation Trust, and Public Utilities Commission. Nor does the law address how to impose a penalty for entities that are 100% federally funded, such as GHURA. Because the reporting requirements were established by the Legislature, we suggest

⁶ July 8, 2004 Statement of Donald V. Hammond, Fiscal Assistant Secretary of the U.S. Department of the Treasury.

that the Legislature consider whether the 20% penalty should occur across the board or impose different levels of penalties depending on the type of infraction. We also suggest that OFB be given the latitude to determine the degree of infraction and the level of penalty.

The use of logical consequences or penalties is one part of an approach to self-discipline in financial reporting. It's a powerful way of responding to non-compliance that not only is effective in ensuring compliance but also helps managers take responsibility for their actions.

The more serious infractions should merit more serious disciplinary measures. Minor infractions (general misunderstanding of language, minor technical breakdowns, unintentional violation of agreement, policy, or procedure), could warrant a simple notification letter to be compliant within a short time frame (i.e., 5 working days) or a 5% penalty until compliant. A median infraction could warrant compliance within 48 hours or a 10% penalty until they become compliant. A major infraction (blatant misrepresentation or violations of agreements, policy or procedure) could warrant compliance within 24 hours or a 20% penalty will be applied until they become compliant.⁷

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 and 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.
- OPA reports on reporting requirements compliance.

These reports are part of the financial management reporting process during the fiscal year and alert both the Governor and the Legislature to potential problems in maintaining budget balance as the fiscal year unfolds.⁸

OFFICE OF THE PUBLIC AUDITOR



Doris Flores Brooks, CPA, CGFM
Public Auditor

⁷ Source: Excerpts from www.dnso.org, Code of Conduct Task Force Proposal (March 15, 2000)

⁸ Excerpt from New York State Citizen's Guide at www.budget.state.ny.us.

Appendix 1:**Background Information**

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. P.L. 29-02 made several modifications and additional reporting requirements 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 director⁹, 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 the penalty would occur; therefore, we requested the Legislature clarify this issue. As of the date of this report no clarification as been received;
- Amended monthly staffing pattern reports to quarterly staffing pattern reports, 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;
- Repealed the de-appropriation provisions in P.L. 28-149 and 28-150 in its entirety. No penalties will be imposed for the third quarter of FY 2007 for entities that do not comply with reporting requirements or meet all three reporting conditions; and
- Created the Sunset and Rightsizing Commission and the Commission on Modernization of the government of Guam.

⁹ 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.

Appendix 2:
Summary of Non-Compliant Entities

Agency		Area(s) of Non-Compliance or Infraction(s)
Entities that would have complied had Staffing Pattern Reports Allowed 30 days to Submit		
1	Department of Corrections	Electronic Staffing Pattern Report Submitted late (7/30)
2	Guam Ancestral Lands Commission	Electronic Staffing Pattern Report Submitted late (7/30)
3	Guam Educational & Telecommunications Corporation	Manual (7/03) & Electronic (7/03) Staffing Pattern Report Submitted late
4	Guam Energy Office	Manual (7/30) & Electronic(7/27) Staffing Pattern Report Submitted late
5	Guam Power Authority	Manual (7/18) & Electronic (7/31) Staffing Pattern Report Submitted late
6	Guam State Clearinghouse	Manual (7/10) & Electronic (7/29) Staffing Pattern Report Submitted late
7	Hagatna Restoration & Redevelopment Authority	Manual (7/25) & Electronic (7/05) Staffing Pattern Report Submitted late
8	Veterans Affairs Office	Manual (7/05) & Electronic (7/30) Staffing Pattern Report Submitted late
Other/Variou s Infractions		
1	Chamorro Lands Trust Commission	Electronic Staffing Pattern Report Submitted beyond 30 days (8/16)
2	Guam Waterworks Authority	No manual & Electronic Staffing Pattern Reports Submitted
3	Public Utilities Commission	No Prior Year Obligation Payments Report Submitted
4	Department of Chamorro Affairs	Electronic Staffing Pattern Report Submitted late (7/31)
		No Website Posting of Non-Appropriated Fund Reports
5	Guam Fire Department	Manual (7/05) & Electronic (7/31) Staffing Pattern Report Submitted late
		No Prior Year Obligation Payments Report submitted
6	Guam Election Commission	Manual (7/19) & Electronic (7/24) Staffing Pattern Report Submitted late
		No Non-Appropriated Funds Report Submitted; only a one-page bank statement summary
7	Guam Medical Referral Office	Manual (7/05) & Electronic (7/30) Staffing Pattern Report Submitted late
		No Electronic and No Website Posting for Special Report (Monthly Referral Reports)
8	Department of Youth Affairs	Electronic Staffing Pattern Report Submitted late (7/30)
		No Website Posting of Non-Appropriated Fund Reports
		No Electronic and Website Posting for Non-Profit Organization Report
9	Office of the Governor	Manual (7/05) & Electronic (7/30) Staffing Pattern Report Submitted late
		No Special Report (Monthly Revenue Tracking) Submitted
		No Electronic and No Website Posting for Special Report (Monthly Transfers)
10	Department of Mental Health & Substance Abuse	No Manual and Electronic Quarterly Financial Reports Submitted
		No Electronic Staffing Pattern Report Submitted
		No Prior Year Obligation Payments Report Submitted
		No Non-Appropriated Funds Report Submitted
		No Non-Profit Organization Report Submitted
		No Monthly Special Report (Youth Drug & Alcohol Program) Submitted

Quarterly Financial Reports

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted		Submission(s) By July 31, 2007			Submission(s) After July 31, 2007			Status ■ - Compliant ✕ - Non-Compliant
		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	✓	✓	✓				■

Appendix 3:
Quarterly Financial Reports

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted		Submission(s) By July 31, 2007			Submission(s) After July 31, 2007			Status ■ - Compliant ✕ - Non-Compliant	
		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	✓	✓	✓					■
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	✓	✓	✓					■

Appendix 3:
Quarterly Financial Reports

M – Manual Report **E** – Electronic Report **W** – Website Report

✓ - Report Submitted * - No Report Submitted		Submission(s) By July 31, 2007			Submission(s) After July 31, 2007			Status ■ - Compliant ✕ - Non-Compliant	
		M	E	W	M	E	W		
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	✓	✓	✓					■

TOTAL Entities Marked as Compliant ■	:	<u>57</u>
TOTAL Entities Marked as Non-Compliant ✕	:	<u>1</u>
TOTAL Quarterly Staffing Reports	:	<u><u>58</u></u>

Appendix 4:
Staffing Pattern Reports

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted ☐ - Not Applicable		Submission(s) By July 2, 2007			Submission(s) After July 2, 2007			Status ■ - Compliant ✗ - Non-Compliant	
		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	✓		✓		✓			✗

**Appendix 4:
Staffing Pattern Reports**

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted ☐ - Not Applicable		Submission(s) By July 2, 2007			Submission(s) After July 2, 2007			Status ■ - Compliant ✗ - Non-Compliant	
		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 Corporation	✓	✓	✓					■
35	Guam Housing and Urban Renewal Authority	✓	✓	✓					■
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	✓	✓	✓					■

**Appendix 4:
Staffing Pattern Reports**

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted ☐ - Not Applicable		Submission(s) By July 2, 2007			Submission(s) After July 2, 2007			Status ■ - Compliant ✗ - Non-Compliant	
		M	E	W	M	E	W		
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	☐	☐	☐	☐	☐	☐		☐

TOTAL Entities Not Applicable ☐	:	<u>3</u>
TOTAL Entities Marked as Compliant ■	:	<u>38</u>
TOTAL Entities Marked as Non-Compliant ✗	:	<u>17</u>
TOTAL Quarterly Staffing Report	:	<u><u>58</u></u>

Appendix 5:
Prior Year's Obligation Payments

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted		Submission(s) By June 30, 2007			Submission(s) After June 30, 2007			Status ■ - Compliant ✕ - Non-Compliant
		M	E	W	M	E	W	
1	Board of Professional Engineer, Architects and Land Surveyors			✓	✓	✓		O
2	Bureau of Budget and Management Research			✓	✓	✓		O
3	Bureau of Statistics and Plans			✓	✓	✓		O
4	Chamorro Land Trust Commission			✓	✓	✓		O
5	Civil Service Commission			✓	✓	✓		O
6	Commission on Decolonization			✓	✓	✓		O
7	Customs and Quarantine Agency			✓	✓	✓		O
8	Department of Administration			✓	✓	✓		O
9	Department of Agriculture			✓	✓	✓		O
10	Department of Chamorro Affairs			✓	✓	✓		O
11	Department of Corrections			✓	✓	✓		O
12	Department of Integrated Services for Individuals with Disabilities			✓	✓	✓		O
13	Department of Labor			✓	✓	✓		O
14	Department of Land Management			✓	✓	✓		O
15	Department of Mental Health and Substance Abuse	*	*	*				✕
16	Department of Military Affairs			✓	✓	✓		O
17	Department of Parks and Recreation			✓	✓	✓		O
18	Department of Public Health and Social Services			✓	✓	✓		O
19	Department of Public Works			✓	✓	✓		O
20	Department of Revenue and Taxation			✓	✓	✓		O
21	Department of Youth Affairs			✓	✓	✓		O

Appendix 5:
Prior Year's Obligation Payments

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted		Submission(s) By June 30, 2007			Submission(s) After June 30, 2007			Status
		M	E	W	M	E	W	■ - Compliant ✕ - Non-Compliant
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 Corporation			✓	✓	✓		○
35	Guam Housing and Urban Renewal Authority		*	✓	✓			○
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			✓	✓	✓		○

Appendix 5:
Prior Year's Obligation Payments

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted * - No Report Submitted	Submission(s) By June 30, 2007			Submission(s) After June 30, 2007			Status ■ - Compliant ✗ - Non-Compliant
	M	E	W	M	E	W	
43	Guam State Clearinghouse			✓	✓	✓	O
44	Guam Visitors Bureau			✓	✓	✓	O
45	Guam Waterworks Authority			✓	✓		O
46	Judiciary of Guam			✓	✓	✓	O
47	Mayors Council of Guam	*	*	✓			O
48	Office of the Attorney General	✓	✓	✓			■
49	Office of the Chief Medical Examiner			✓	✓	✓	O
50	Office of the Governor		*	✓	✓		O
51	Office of the Public Auditor	✓	✓	✓			■
52	Port Authority of Guam			*	✓	✓	O
53	Public Defender Service Corporation			✓	✓	✓	O
54	Public Utilities Commission	*	*	*			✗
55	University of Guam			✓	✓	✓	O
56	Veterans Affairs Office		*	*	✓		O
57	Hagatna Restoration & Redevelopment Authority			✓	✓	✓	O
58	Guam Preservation Trust			*	✓	✓	O

TOTAL Entities Marked as Compliant ■	:	<u>3</u>
TOTAL Entities Deemed as Compliant by OFB O	:	<u>52</u>
TOTAL Entities Did Not Submit Any Reports (Non-Compliant) ✗	:	<u>3</u>
TOTAL Prior Year's Obligation Payments Reports	:	<u>58</u>

**Appendix 6:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted		Report Title		Before Due Date			After Due Date			Status	
				M	E	W	M	E	W	■ - Compliant	✘ - Non-Compliant
1	Bureau of Budget and Management Research	1	Revenue Tracking Report - Apr. '07	✓	✓	✓					■
			Revenue Tracking Report - May '07	✓	✓	✓					■
			Revenue Tracking Report - Jun. '07	✓	✓	✓					■
		2	Comparative Revenue & Expenditure Analysis Report - May '07	✓	✓	✓					■
			Comparative Revenue & Expenditure Analysis Report - Jun. '07	✓	✓	✓					■
2	Commission on Modernization of the Government of Guam	1	Panel Reports - Jun. '07 ∞								
		2	Integrated Plan on Modernization and Streamlining - Dec. '07 ∞								
3	Department of Administration	1	Closure & Transfer of \$1.7 million Dormant Accounts	✓	✓	✓					■
		2	Government Claims Fund	✓	✓	✓					■
		3	Residential Treatment Fund	✓	✓	✓					■
4	Department of Corrections	1	Safe Street Fund Annual Report - Dec. '07	✓	✓	✓					■
5	Department of Mental Health and Substance Abuse	1	Youth Drug and Alcohol Program – Apr. '07								✘
			Youth Drug and Alcohol Program – May '07								✘
			Youth Drug and Alcohol Program – Jun. '07								✘

* No due date specified.

** Report not due in third quarter or suggestions made to the Legislature.

∞ Status unknown.

**Appendix 6:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted	Report Title	Before Due Date			After Due Date			Status ■ - Compliant ✗ - Non-Compliant			
		M	E	W	M	E	W				
6	Department of Public Health Social Services	1	MIP and Medicaid Carryover	✓	✓	✓				■	
		2	Transfer Authority Notification	✓	✓	✓				■	
7	Department of Public Works	1	Street Light Fund	✓	✓	✓				■	
8	Guam Board of Accountancy	1	Proposed FY 2008 Budget	✓	✓	✓				■	
		2	Guam Board of Accountancy Fund**								
9	Guam Community College	1	Academic Program / Courses	✓	✓	✓				■	
		2	Annual Operating Budget**								
10	Guam Medical Referral Office	1	Program Referrals / Fund - Apr. '07	✓						✗	
			Program Referrals / Fund - May '07	✓						✗	
			Program Referrals / Fund - Jun. '07	✓						✗	
		2	Guam Medical Referral Office Trust Fund*								
11	Guam Memorial Hospital Authority	1	Cancer Therapy Center Action Plan**								
12	Guam Public School System	1	Summer School Fund**								
		2	Textbook and Collateral Material	✓	✓	✓					■
			Cash Disbursement Schedules (web report)			✓					■
			Prior year obligations (web report)			✓					■
		3	Full Time Employment - FTE (web report)			✓					■
			4	Local Funds Expended for Federally Funded Program	✓	✓	✓				
5	School Capital Facilities Reserve Fund	✓	✓	✓					■		

* No due date specified.

** Report not due in third quarter or suggestions made to the Legislature.

∞ Status unknown.

**Appendix 6:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted		Report Title	Before Due Date			After Due Date			Status ■ - Compliant ✗ - Non-Compliant		
			M	E	W	M	E	W			
13	Government of Guam Retirement Fund	1	Prior Month Retirement Remittances – May '07	✓	✓	✓				■	
			Prior Month Retirement Remittances – Jun. '07	✓	✓	✓				■	
14	Mayors Council of Guam	1	Tourist Attraction Fund Appropriation	✓	✓	✓				■	
15	Judiciary of Guam	1	Safe Street Fund Annual Report – Dec. '07**								
16	Office of the Governor	1	Transfer Funds Report - Apr. '07				✓			✗	
			Transfer Funds Report - May '07	✓						✗	
			Transfer Funds Report - Jun. '07	✓		✓				✗	
			Prior Month Retirement Remittances – Apr. '07				✓				
		2	Revenue Monthly Tracking Report – Apr. '07								✗
			Revenue Monthly Tracking Report – May '07								✗
			Revenue Monthly Tracking Report – Jun. '07								✗
		3	Semi-Annual Federal Expenditure Impact Report - Jul. '07**								
4	Semi-Annual Impact of Tourism Expenditures – Jul. '07**										
5	Long-range Revenues and Expenditures Forecasts*										

* No due date specified.

** Report not due in third quarter or suggestions made to the Legislature.

∞ Status unknown.

**Appendix 6:
Special Reports**

M – Manual Report

E – Electronic Report

W – Website Report

✓ - Report Submitted	Report Title	Before Due Date			After Due Date			Status	
		M	E	W	M	E	W	■ - Compliant ✕ - Non-Compliant	
17	Sunset and Rightsizing Commission	1	Program Evaluation, Recommendations, and Draft Legislations Report - Jun. '07 ∞						
18	University of Guam	1	✓	✓	✓				■
		2	✓	✓	✓				■
		3	✓	✓	✓				■
		4							
		5	✓	✓	✓				■

* No due date specified.

** Report not due in third quarter or suggestions made to the Legislature

∞ Status unknown.

TOTAL Special Reports Marked as Compliant ■	:	21
TOTAL Special Reports Marked as Non-Compliant ✕	:	4
TOTAL Special Report Marked either as no due date specified, status unknown, and not due within the third quarter or suggestions made to the Legislature	:	<u>13</u>
TOTAL Number of Special Reports	:	<u><u>38</u></u>

Appendix 7:

4th Quarter Reporting Requirements Guide

General Reporting Requirements		
To comply each entity must submit a report (1) manually, (2) electronically- including, but not limited to, diskettes, CD, and/or email, and (3) post it on the entity's website.		
Public Law	Requirement from Law	Due Date
P.L. 28-150 Chapter VI, Section 2	<u>Quarterly Financial Reports</u> : Require governmental entities to submit a quarterly financial report (revenues and expenditures or financial statements formats) of all funds under their purview, regardless of source or whether the fund is appropriated, non-appropriated, local or federal no later than 30 days after the quarter ends.	31-Oct-07
P.L. 28-150 Chapter V, Section 4(b) and P.L. 29-02 Chapter VI, Section 14	<u>Quarterly Staffing Pattern Reports</u> : Requires 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 in the format of the budget call. At a minimum the report should include the employee name, position, salary, increment and benefit costs, and funding source.	1-Oct-07
P.L. 28-150 Chapter VI, Section 8	<u>Prior Year's Obligation (PYO) Payments Reports</u> : Requires each department to report 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 at the end of each quarter of any PYO payments made between April 1, 2007 and June 30, 2007.	30-Sep-07

Other Reporting Requirements		
To comply each entity must submit a report (1) manually, (2) electronically- including, but not limited to, diskettes, CD, and/or email, and (3) post it on the entity's website.		
Public Law	Requirement from Law	Due Date
P.L. 28-150 Chapter VI, Section 2	<u>Non-Appropriated Funds (NAF) Reporting</u> : Require entities to report on their NAF accounts. NAF 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 in revenues and expenditures or financial statements formats (balance sheet and profit and loss formats).	31-Oct-07
P.L. 28-150 Chapter IV, Part II, Section 15	<u>Non-Profit Organizations (NPO) Reporting</u> : Appropriated \$140,000 from the Safe Streets Fund for Fiscal Year 2007, to the Judiciary to pay for contractual services for the operations of the Family Visitation Center. NPOR reports should include procurement of equipment and services of \$5,000 or more and services, and property inventory listing.	31-Oct-07
P.L. 28-149; 28-150 and 29-02	<u>Special Reports</u> : Requires specific governmental entities to submit special reports for special funds, programs, or projects. These entities are: Bureau of Budget and Management Research; Commission on Modernization of the Government of Guam; Department of Administration; Department of Corrections; Department of Mental Health and Substance Abuse; Department of Public Health and Social Services; Department of Public Works; Government of Guam Retirement Fund; Guam Board of Accountancy; Guam Community College; Guam Medical Referral Office; Guam Memorial Hospital Authority; Guam Public School System; Mayors' Council of Guam; Judiciary of Guam; Office of the Governor; Sunset and Rightsizing Commission; and University of Guam.	Various Reporting Deadlines