



DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT

www.gdoe.net
P.O. Box D.E., Hagatña, Guam 96932
Telephone: (671)475-0457 or 300-1547/1536 • Fax: (671)472-5003
Email: nbunderwood@gdoe.net



Nerissa Bretania Underwood, Ph.D.
Superintendent of Education

October 25, 2010

Doris Flores Brooks, CPA, CGFM
Public Auditor
Office of the Public Auditor
Suite 401, DNA Building
238 Archbishop Flores Street
Hagatna, GU 96910

Re: Audit of Territorial Education Facilities Fund

Hafa Adai Ms. Brooks!

I respectfully ask that the Office of Public Accountability conduct an audit of the Territorial Education Facilities Fund. Public Law 30-104 provided for an appropriation of \$5,150,000 to the Guam Department of Education (DOE). However, the Department of Administration has informed DOE that there are no funds to support this appropriation.

Please find attached a copy of the memorandum from the Department of Administration as well as a copy of the Public Law. Funds for DOE are greatly needed. We hope through this audit funding may be identified.

If you have any questions or concerns related to this request, please contact Taling M. Taitano, Deputy Superintendent, Finance and Administrative Services, at 300-1556 or tmtaitano@gdoe.net.

Senseramente,


NERISSA BRETANIA UNDERWOOD, Ph.D.
Superintendent of Education

Attachments

cc: Speaker, 30th Guam Legislature
Chairman Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land
Director, Department of Administration
GEPB

OCT 28 AM 9:45
30-10-0893
Office of the Speaker
Judith T. Wain, Ed. D.
Date: 10/27/10
Time:
Received:

2390



Felix P. Camacho
Governor
Michael W. Cruz
Lieutenant Governor

Department of Administration
(DIPATTAMENTON ATEMENSTRASION)
DIRECTOR'S OFFICE
(UFISINAN DIREKTOT)
Post Office Box 884 Hagatña Guam 96932
Tel: (671) 475-1101/1250 Fax: (671) 477-6788



Lourdes M. Perez
Director
Joseph C. Manibusan
Deputy Director

May 06, 2010

Nerissa Bretania Underwood, Ph.D.
Superintendent
Guam Department of Education
P.O. Box 3159
Hagatna, Guam 96932

RE: Public Law 30-104, Appropriation of \$5,150,000.00 from TEFF to GDOE

Dear Madam:

Buenas yan Hafa Adai! The Legislature passed Public Law 30-104 which appropriated \$5,150,000 to Guam Department of Education from the Territorial Education Facilities Fund based on the fund balance of TEFF in FY2009. Unfortunately, the FY2009 TEFF financial statements that were provided to the Legislature excluded an oversight adjustment of cash transfer of \$7,508,597 from the Territorial Education Fund to the General Fund on FY2008. This cash transfer occurred as a result of Public Law 28-150 authorizing the I Maga'lahen Guahan to realize the savings \$8,000,000 from the 1993 General Obligation Bond Refinancing to be used for FY 2007 operations of the Executive Branch.

We have attached the unaudited FY 2009 TEFF financial statements for your purview. Please note that the ending fund balance is zero.

As a result of the transfer, the monies are no longer available for appropriation.

Should you have any questions relating to this matter, please contact the Department of Administration, Division of Accounts' Deputy Financial Manager, Ms. Kathy Kakigi at 475-1169/1260.

Si Yu'os Ma'ase!

Sincerely,

Lourdes M. Perez

Lourdes M. Perez
Director of Administration

Guam Public School System
Office of the Superintendent

Rec'd by:
Date & Time:

[Signature]
5/6/10

attachment

\DOE\comer\DOA\PL 30-104 TEFF Appropriation 050610

**Balance Sheet
Special Revenue Funds
Territorial Educational Facilities Fund**

	<u>FY2009</u>
	TEF
	Fund
	(Draft)
Assets	
Current Assets	
Cash & equivalents	\$419,790
Escrow	0
Tax receivables, net	1,466,263
Interfund receivables	0
A/R federal agencies	0
Other receivables, net	0
Inventories	0
Prepayments	0
Deposits & other assets	0
Total Current Assets	<u>1,886,053</u>
Amount to be provided for retirement of debt	0
Amount available in debt service funds	0
Restricted Assets	0
Long-Term Assets	
Support assets	0
Capital leases	0
Buildings & improvements	0
Plant in service	0
Gross long-term assets	<u>0</u>
Less accumulated depreciation	0
Long-term assets, net of depreciation	<u>0</u>
Construction in progress	0
Land	0
Other	0
Total Long-Term Assets	<u>0</u>
Total Assets	<u>\$1,886,053</u>
Liabilities	
Current Liabilities	
Cash overdraft	\$0
Current portion of debt & related interest	0
Accounts payable	0
Accrued payroll & other	0
Interfund payables	1,886,053
A/P federal agencies	0
Deferred revenue	0
Estimated tax refunds	0
Deposits & liabilities	0
Total Current Liabilities	<u>1,886,053</u>
Deferred Liabilities	
Vacation leave accrual	0
Contracts & Leases	0
Notes payable & bonds payable	0
Accrued unfunded retirement costs	0
Total Deferred Liabilities	<u>0</u>
Total Liabilities	<u>1,886,053</u>
Fund Equity (Deficit)	
Contributed capital:	
Government of Guam	0
Federal Government	0
Other	0
Retained earnings:	
Restricted	0
Unrestricted	0
Fund Balance:	
Reserved for:	
Debt service	0
Related assets	0
Encumbrances	0
Continuing appropriations	0
Unreserved (Deficit)	0
Total Fund Equity (Deficit)	<u>0</u>
Total Liabilities and Fund Equity	<u>\$1,886,053</u>

**Statement of Revenues, Expenditures
and Changes In Fund Balance
Special Revenue Funds
Territorial Educational Facilities Fund**

	<u>FY2009</u>
	TEF
	<u>Fund</u>
Revenues	
Taxes	\$20,310,866
Licenses, fees & permits	0
Use of money & property	4,597
Federal contributions	0
Other	0
Total Revenues	<u>20,315,463</u>
Expenditures	
General government	0
Protection of life & property	0
Public health	0
Community services	0
Recreation	0
Individual & collective rights	0
Transportation	0
Education	0
Protection of environment & resources	0
Economic development	0
Transfers to persons	0
Interest	0
Principal	0
Total Expenditures	<u>0</u>
Total Revenue Over (Under) Expenditures	<u>20,315,463</u>
Other Sources (Uses)	
Addition to long-term debt	0
Transfers in	0
Transfers out	(27,665,692)
Other sources	0
Other uses	(51,743)
Other financing uses- early extinguishment of debt	0
Total Sources (Uses)	<u>(27,717,435)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(7,401,972)
Beginning Fund Balance (Deficit)	7,401,972
Adjustment due to GASB33	
Adjusted Beginning Fund Balance	
Equity Transfers In	0
Equity Transfers Out	0
Ending Fund Balance (Deficit)	<u>\$0</u>



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, GU 96932
Tel: (671) 472-8931 • Fax: (671) 477-4826 • Email: governor@guam.gov

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

2010 MAR 16 PM 2:24
epm

MAR 15 2010

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Handwritten initials and date: *JT* 3/16/10
10
30-10-0221

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 230-30 (COR) "AN ACT TO APPROPRIATE FUNDS FROM THE BALANCE OF THE 2009 TERRITORIAL EDUCATION FACILITIES FUND OF THE DEPARTMENT OF EDUCATION" which I signed into law on March 12, 2010 as **Public Law 30-104**.

Sinseru yan Magåhet,

MICHAEL W. CRUZ, M.D.
I Maga'låhen Guåhan para pa'go
Acting Governor of Guam

Attachment: copy of Bill

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

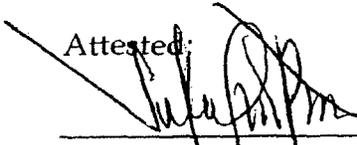
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 230-30 (COR), "AN ACT TO APPROPRIATE FUNDS FROM THE BALANCE OF THE 2009 TERRITORIAL EDUCATION FACILITIES FUND TO THE DEPARTMENT OF EDUCATION," was on the 26th day of February, 2010, duly and regularly passed.



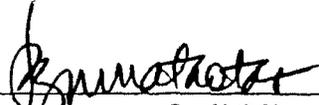
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 1 day of March, 2010, at
5:40 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



MIKE W. CRUZ, MD
GOVERNOR OF GUAM ACTING

MAR 12 2010

Date: _____

Public Law No. P.L. 30-104

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 230-30 (COR)

As amended on the Floor.

Introduced by:

Judith T. Won Pat, Ed.D.

E. J.B. Calvo

v. c. pangelinan

T. C. Ada

F. B. Aguon, Jr.

B. J.F. Cruz

F. F. Blas, Jr.

J. V. Espaldon

Judith P. Guthertz, DPA

T. R. Muña Barnes

Adolpho B. Palacios, Sr.

R. J. Respicio

Telo Taitague

Ray Tenorio

**AN ACT TO APPROPRIATE FUNDS FROM THE
BALANCE OF THE 2009 TERRITORIAL EDUCATION
FACILITIES FUND TO THE DEPARTMENT OF
EDUCATION.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** Notwithstanding any other provision of law, *I Liheslaturan*
3 *Guåhan* hereby appropriates the total sum of Five Million One Hundred Fifty
4 Thousand Dollars (\$5,150,000) from the balance of the 2009 Territorial Education
5 Facilities Fund to the Department of Education (DOE) as follows:

6 (a) \$2,800,000 CIP Reimbursement

7 (b) \$1,600,000 Textbooks, instructional material and supplies

- 1 (c) \$150,000 Vehicles for DOE Maintenance
- 2 (d) \$100,000 Vehicles for DOE Warehouse
- 3 (e) \$500,000 at the discretion of the Superintendent of
- 4 Education for the rehabilitation of the Eugene Ramsey Field and the
- 5 repayment of the principal owed to the Guam Power Authority note.

6 This appropriation is *not* subject to *I Maga'lahaen Guåhan's* transfer
7 authority *or* the Bureau of Budget and Management Research's allotment process.
8 The Department of Administration *shall* release this appropriation for immediate
9 expenditure and encumbrance of the Department of Education.