



DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT



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JON J.P. FERNANDEZ
Superintendent of Education

Vice Speaker Therese M. Terlaje

September 12, 2018

Mr. Edward Birn
Director
Department of Administration
P.O. Box 884
Hagatña, Guam 96932

SEP 14 2018

Time: 8:38 am

Received by: [Signature]



Re: Guahan Academy Charter School: FY 2018 September 2018 (Partial #1) Allotment Request

Hafa A dai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 September 2018 (Partial #1) Allotment Request by our Internal Audit Office in collaboration with members of the Guahan Academy Charter School Incorporated, I am able to submit my verification of accuracy as required by Public Law 34-42, Chapter II, Section 3 in its entirety.

Our Internal Audit Office was able to validate \$92,800.81 of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on September 7, 2018.

Please advise my office if you have any further questions or concerns regarding this matter.

Sincerely,

Jon J.P. Fernandez
Superintendent of Education



Received By: [Signature]
Date: 9/14/18 Time: 9:15 am

Attachment

Cc: Chairman and Members, Guam Education Board
Speaker, 34th Guam Legislature
Guahan Academy Charter School





JON J.P. FERNANDEZ
Superintendent of Education

**DEPARTMENT OF
EDUCATION
INTERNAL AUDIT OFFICE**

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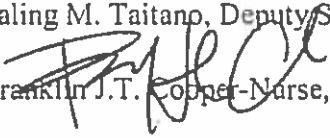
**FRANKLIN
COOPER-NURSE**
Chief Internal Auditor

September 12, 2018

MEMORANDUM

TO: Jon J.P. Fernandez, Superintendent of Education

CC: Taling M. Taitano, Deputy Superintendent of Finance and Administrative Services

FROM:  Franklin J.T. Cooper-Nurse, Chief Auditor, Internal Audit Office

SUBJECT: September 2018 Review of Guahan Academy Charter School Inc.'s Invoices

Hafa A dai,

The Guam Department of Education (GDOE) Internal Audit Office (IAO) has completed its review of Guahan Academy Charter School (GACS)'s first partial allotment request for September 2018. GDOE (IAO) is authorized by Public Law (PL) 34-42 to verify charter school invoices for accuracy and report its findings within 10 days.

On September 7, 2018, IAO received the Department of Administration's transmittal for GACS's September 2018 Partial #1 Allotment Request of \$92,800.81. IAO was able to validate \$92,800.81 of GACS's submitted invoices.

Table 1: September 2018 Allotment Request Invoices (Partial #1)

| Object Class | GACS Drawdown | Submitted Invoices | IAO's Validation | Difference |
|--------------------|---------------------|---------------------|---------------------|-------------|
| Personnel Salaries | \$ 80,772.11 | \$ 80,772.11 | \$ 80,772.11 | \$ - |
| Personnel Benefits | \$ 8,812.08 | \$ 8,812.08 | \$ 8,812.08 | \$ - |
| Contractual | \$ 956.62 | \$ 956.62 | \$ 956.62 | \$ - |
| Miscellaneous | \$ 2,260.00 | \$ 2,260.00 | \$ 2,260.00 | \$ - |
| TOTAL | \$ 92,800.81 | \$ 92,800.81 | \$ 92,800.81 | \$ - |

PL 34-42 provides \$6,500 for each student up to 740 students or a total of \$4,810,000. However, due to revenue shortfalls from tax cuts, GACS's Fiscal Year (FY) 2018 appropriations were reduced by \$416,719¹ for a revised appropriation of \$4,393,281. For FY 2018, IAO validated \$3,853,210.81 of expenditures, leaving a balance of \$540,070.19 of unexpended funds. As of September 6, 2018, 696 students were enrolled in GACS. See Tables 2 and 3.

¹ Bureau of Budget and Management Research (2018, January 24). *FY 2018 general fund appropriation reductions-tax cuts and jobs act of 2017*

Table 2: FY 2018 Validation Summary

| | A | B | C | (B-C) = D |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Month | GACS Drawdown | Submitted Invoices | IAO's Validation | Difference |
| Oct 2017 (Partial) | \$ 223,949.48 | \$ 223,949.48 | \$ 223,949.48 | \$ - |
| Oct 2017 (Partial #2) | \$ 181,025.77 | \$ 181,025.77 | \$ 116,189.14 | \$ 64,836.63 |
| Nov 2017 (Partial) | \$ 109,713.81 | \$ 109,713.78 | \$ 109,713.78 | \$ - |
| Nov 2017 (Partial #2) | \$ 110,662.47 | \$ 110,662.47 | \$ 110,662.47 | \$ - |
| Dec 2017 (Partial) | \$ 125,065.99 | \$ 125,065.99 | \$ 125,065.99 | \$ - |
| Dec 2017 (Partial #3) | \$ 113,142.58 | \$ 113,142.58 | \$ 105,782.74 | \$ 7,359.84 |
| Dec 2017 (Partial #3) | \$ 468,515.60 | \$ 468,515.60 | \$ - | \$ 468,515.60 |
| Dec 2017 (Partial #4) | \$ 179,258.25 | \$ 179,258.25 | \$ 179,258.25 | \$ - |
| Jan 2018 (Partial #1) | \$ 146,654.61 | \$ 146,654.61 | \$ 122,064.36 | \$ 24,590.25 |
| Dec 2017 (Final) | \$ 182,255.86 | \$ 182,255.86 | \$ 178,264.76 | \$ 3,990.80 |
| Jan 2018 (Partial #2) | \$ 350,000.00 | \$ 350,000.00 | \$ - | \$ 350,000.00 |
| Jan 2018 (Partial #3) | \$ 107,998.48 | \$ 107,998.48 | \$ 107,998.48 | \$ - |
| Jan 2018 (Partial #4) | \$ 206,542.11 | \$ 206,288.83 | \$ 206,079.23 | \$ 209.60 |
| Feb 2018 (Partial #1) | \$ 124,744.17 | \$ 124,744.17 | \$ 124,744.17 | \$ - |
| Feb 2018 (Partial #2) | \$ 243,880.82 | \$ 243,880.82 | \$ 243,880.82 | \$ - |
| Mar 2018 (Partial #1) | \$ 188,314.19 | \$ 188,314.19 | \$ 180,914.19 | \$ 7,400.00 |
| Mar 2018 (Partial #2) | \$ 142,191.57 | \$ 142,191.57 | \$ 142,191.57 | \$ - |
| Mar 2018 (Special #2) | \$ 170,484.19 | \$ 170,484.19 | \$ - | \$ 170,484.19 |
| Apr 2018 (Partial #1) | \$ 204,677.70 | \$ 204,677.70 | \$ 204,677.70 | \$ - |
| Apr 2018 (No. 3) | \$ 104,800.00 | \$ 104,800.00 | \$ - | \$ 104,800.00 |
| Apr 2018 (Special #4) | \$ 50,173.75 | \$ 50,173.75 | \$ - | \$ 50,173.75 |
| Apr 2018 (Partial #2) | \$ 125,858.12 | \$ 125,857.92 | \$ 125,342.16 | \$ 515.76 |
| Apr 2018 (Special #5) | \$ 4,124.98 | \$ 4,124.98 | \$ - | \$ 4,124.98 |
| Apr 2018 (Special #6) | \$ 8,000.00 | \$ 8,000.00 | \$ - | \$ 8,000.00 |
| Apr 2018 (Partial #3) | \$ 14,809.14 | \$ 14,041.40 | \$ 13,240.90 | \$ 800.50 |
| May 2018 (Partial #1) | \$ 105,617.14 | \$ 105,617.14 | \$ 105,617.14 | \$ - |
| Apr 2018 (Special #3) | \$ 13,026.00 | \$ 13,026.00 | \$ - | \$ 13,026.00 |
| May 2018 (Special #10) | \$ 43,000.00 | \$ 43,000.00 | \$ - | \$ 43,000.00 |
| May 2018 (Partial #2) | \$ 158,403.19 | \$ 158,003.19 | \$ 156,638.94 | \$ 1,364.25 |
| May 2018 (Partial #3) | \$ 17,700.37 | \$ 17,700.37 | \$ 17,700.37 | \$ - |
| May 2018 (Partial #5) | \$ 103,488.65 | \$ 103,483.65 | \$ 103,483.65 | \$ - |
| May 2018 (Partial #6) | \$ 92,457.50 | \$ 92,457.50 | \$ - | \$ 92,457.50 |
| June 2018 (Partial #1) | \$ 14,342.50 | \$ 14,342.50 | \$ - | \$ 14,342.50 |
| June 2018 (Partial #2) | \$ 184,486.82 | \$ 184,487.12 | \$ 168,673.37 | \$ 15,813.75 |
| June 2018 (Partial #3) | \$ 96,418.68 | \$ 96,418.68 | \$ 95,623.52 | \$ 796.16 |
| June 2018 (Partial #4) | \$ 150,000.00 | \$ 150,000.00 | \$ - | \$ 150,000.00 |
| July 2018 (Partial #2) | \$ 142,777.52 | \$ 142,777.52 | \$ 142,777.52 | \$ - |
| July 2018 (Partial #1) | \$ 14,000.00 | \$ 14,000.00 | \$ - | \$ 14,000.00 |
| July 2018 (Partial #3) | \$ 27,226.83 | \$ 27,226.83 | \$ 16,189.58 | \$ 11,037.25 |
| July 2018 (Partial #4) | \$ 33,222.58 | \$ 33,222.58 | \$ 15,023.60 | \$ 18,198.98 |
| July 2018 (Partial #5) | \$ 19,201.89 | \$ 19,201.89 | \$ - | \$ 19,201.89 |
| July 2018 (Partial #6) | \$ 89,723.41 | \$ 89,723.41 | \$ 89,723.41 | \$ - |
| August 2018 (Partial #1) | \$ 102,880.84 | \$ 102,880.84 | \$ 99,604.79 | \$ 3,276.14 |
| August 2018 (Partial #2) | \$ 57,076.74 | \$ 57,076.74 | \$ 42,076.74 | \$ 15,000.00 |
| August 2018 (Partial #3) | \$ 87,849.03 | \$ 87,849.03 | \$ 87,253.27 | \$ 595.76 |
| September 2018 (Partial #1) | \$ 92,800.81 | \$ 92,800.81 | \$ 92,800.81 | \$ - |
| Total (FY 2018) | \$5,537,544.14 | \$5,536,122.89 | \$3,853,210.81 | \$1,682,912.08 |

| | | | |
|---------------------|--------------|--------------------------------|-----------------|
| | | GACS Max. Budget | \$ 4,810,000.00 |
| Funding Per Student | \$ 6,500 | Less: Appropriations reduction | (416,719.00) |
| Maximum Enrollment | 740 | Revised Budget | \$ 4,393,281.00 |
| GACS Maximum Budget | \$ 4,810,000 | Less: IAO's Validations | (3,853,210.81) |
| | | Remaining Funds | \$ 540,070.19 |

Table 3: FY 2018 GACS Enrollment

| Months | Grade Level | | | | | | | | | | | | | | Total |
|----------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | K | PK | |
| Oct-17 | 82 | 97 | 99 | 94 | 77 | 91 | 87 | 56 | 42 | 33 | 31 | 34 | 69 | 65 | 957 |
| Nov-17 | 81 | 96 | 97 | 94 | 75 | 91 | 85 | 56 | 42 | 33 | 30 | 34 | 67 | 65 | 946 |
| Dec-17 | 81 | 96 | 96 | 93 | 75 | 90 | 84 | 55 | 41 | 31 | 30 | 35 | 67 | 64 | 938 |
| Jan-18 | 77 | 95 | 95 | 92 | 74 | 89 | 84 | 54 | 41 | 31 | 29 | 31 | 67 | 64 | 923 |
| Feb-18 | 76 | 93 | 93 | 90 | 72 | 88 | 81 | 52 | 41 | 30 | 28 | 32 | 66 | 64 | 906 |
| Mar-18 | 76 | 92 | 93 | 88 | 72 | 87 | 79 | 52 | 41 | 30 | 28 | 32 | 62 | 63 | 895 |
| Apr-18 | 76 | 91 | 92 | 88 | 72 | 87 | 79 | 51 | 41 | 30 | 28 | 32 | 60 | 63 | 890 |
| May-18 | 76 | 90 | 92 | 88 | 72 | 87 | 79 | 49 | 41 | 30 | 27 | 32 | 59 | 61 | 883 |
| Jun-18 | 75 | 90 | 91 | 87 | 72 | 87 | 79 | 49 | 41 | 30 | 27 | 32 | 59 | 61 | 880 |
| Jul-18 | 50 | 58 | 74 | 77 | 77 | 65 | 74 | 76 | 27 | 37 | 27 | 26 | 43 | - | 711 |
| Aug-18 | 50 | 58 | 74 | 77 | 77 | 65 | 74 | 76 | 27 | 37 | 27 | 26 | 43 | - | 711 |
| Sep-18 | 55 | 58 | 73 | 74 | 74 | 61 | 71 | 71 | 18 | 34 | 26 | 26 | 55 | - | 696 |
| Average | 71 | 85 | 89 | 87 | 74 | 82 | 80 | 58 | 37 | 32 | 28 | 31 | 60 | 48 | 861 |

Should you have any questions or concerns, please contact Leana Willess at 300-3697 or lmwilless@gdoe.net, and Franklin Cooper-Nurse at 300-1336 or fitcooper-nurse@gdoc.net.

Appendix 1: GACS September 2018 (Partial #1) Allotment Request Invoice

| Object Code and Class | Reference | Vendor | Invoice # | Invoice Date | Invoice Amount | Validated | Unvalidated | Validated Amount |
|------------------------|-----------|--------------------------------|------------|--------------|----------------|-----------|-------------|------------------|
| 111 Personnel Salaries | AT-2.1 | Sanford Technology Group | 201986-30H | 9/5/2018 | \$ 80,772.11 | ✓ | \$ | \$ 80,772.11 |
| | | | | | | | Subtotal | \$ 80,772.11 |
| 114 Personnel Benefits | AT-3.1 | Sanford Technology Group | 201986-30H | 9/5/2018 | \$ 5,007.86 | ✓ | \$ | \$ 5,007.86 |
| 114 Personnel Benefits | AT-3.2 | Sanford Technology Group | 201986-30H | 9/5/2018 | \$ 1,171.10 | ✓ | \$ | \$ 1,171.10 |
| 114 Personnel Benefits | AT-3.3 | Sanford Technology Group | 201986-30H | 9/5/2018 | \$ 2,633.12 | ✓ | \$ | \$ 2,633.12 |
| | | | | | | | Subtotal | \$ 8,812.08 |
| 230 Contractual | AT-4.1 | Sanford Technology Group | 201986-30H | 9/5/2018 | \$ 271.62 | ✓ | \$ | \$ 271.62 |
| 230 Contractual | AT-4.2 | Pacedit | 71218 | 9/1/2018 | \$ 685.00 | ✓ | \$ | \$ 685.00 |
| | | | | | | | Subtotal | \$ 956.62 |
| 290 Miscellaneous | AT-5.1 | Gualhan Academy Charter School | MEMO #51 | 7/31/2018 | \$ 1,450.00 | ✓ | \$ | \$ 1,450.00 |
| 290 Miscellaneous | AT-5.2 | Gualhan Academy Charter School | MEMO #52 | 8/31/2018 | \$ 400.00 | ✓ | \$ | \$ 400.00 |
| 290 Miscellaneous | AT-5.3 | The Guam Daily Post | A49709 | 8/8/2018 | \$ 410.00 | ✓ | \$ | \$ 410.00 |
| | | | | | | | Subtotal | \$ 2,260.00 |
| | | | | | | | Total | \$ 92,800.81 |