



# DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT

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**JON J.P. FERNANDEZ**  
Superintendent of Education

August 4, 2017

Speaker Benjamin J.F. Cruz

Ms. Christine W. Baleto  
Director  
Department of Administration  
P.O. Box 884  
Hagatña, Guam 96932

AUG 08 2017  
Time: 9:10 AM [ ] PM File No. 34-760  
Received By: *[Signature]*

Re: Guahan Academy Charter School: FY 2017 July 2017 (Partial) Allotment Request

Hafa Adai Director Baleto,

Upon review of the Guahan Academy Charter School Fiscal Year 2017 July 2017 (Partial) Allotment Request by our Internal Audit Office in collaboration with members of the Guahan Academy Charter School Incorporated, I am unable to submit my verification of accuracy as required by Public Law 33-185, Chapter II, Section 2 in its entirety.

Our Internal Audit Office was able to validate \$115,406.17 of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on July 26, 2017.

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

Sincerely,

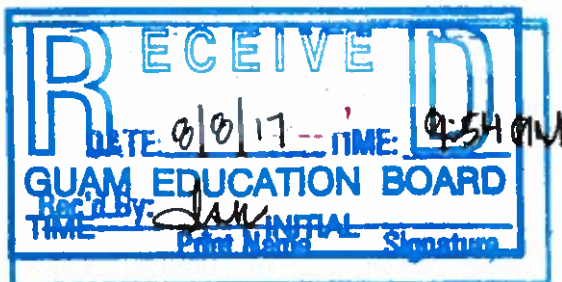
*[Signature]*  
Jon J.P. Fernandez  
Superintendent of Education

DEPARTMENT OF ADMINISTRATION

AUG 08 2017  
*[Signature]* 0829  
DIRECTOR'S OFFICE

Attachment

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



**GUAHAN ACADEMY CHARTER SCHOOL**  
Received By: *[Signature]*  
Date: 8/8/17 Time: 9:37 AM



**JON J.P. FERNANDEZ**  
Superintendent of Education

**DEPARTMENT OF  
EDUCATION  
INTERNAL AUDIT OFFICE**

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**FRANKLIN  
COOPER-NURSE**  
Chief Internal Auditor

August 4, 2017

**MEMORANDUM**

To: Jon J.P. Fernandez  
Superintendent of Education

From: Franklin Cooper-Nurse  
Chief Auditor 

Subject: July 2017 Review of Guahan Academy Charter School Inc. (GACS)'s Invoices

Hafa Adai,

The Internal Audit Office (IAO) has completed its review of GACS's partial allotment request for the month of July 2017. Please see the attached report for IAO's complete review and results.

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

Cc: Deputy Superintendent of Finance and Administrative Services

**Guam Department of Education  
 Internal Audit Office  
 Review of Guahan Academy Charter School Inc. Invoices  
 For the Period of July 2017**

**Purpose:** To validate Guahan Academy Charter School Inc. (GACS)'s invoices for July 2017

**Source:** Joseph Limtiaco Cabana, Finance Officer for GACS

**Prepared by:** Franklin Cooper-Nurse, Chief Auditor, Guam Department of Education (GDOE)  
 Leana Willess, Auditor, GDOE

**Results:** Pursuant to Public Law (PL) 33-185, upon receipt of invoices, GDOE shall verify invoices for accuracy and report its finding to the Department of Administration (DOA) within ten (10) calendar days. Internal Audit Office (IAO)'s review focused on validation of July 2017 expenditures. The results were as follows:

**Table 1: July 2017 Allotment Request Invoices (Partial)**

July 2017 (Partial) Monthly Allotment Validation	Object Class	A	B	C	(A-B)	(B-C)	(A-C)
		GACS Drawdown	Submitted Invoices	IAO's Validation	D Variance	E Carryover Invoices	F Unsupported/Lapses
	1 Personnel Salaries	\$ 71,454.45	\$ 71,454.45	\$ 71,454.45	\$ -	\$ -	\$ -
	2 Benefits	\$ 11,420.77	\$ 11,420.77	\$ 11,420.77	\$ -	\$ -	\$ -
	3 Contractual	\$ 342,997.69	\$ 342,997.69	\$ 10,172.69	\$ -	\$ 332,825.00	\$ 332,825.00
	4 Supplies & Materials	\$ 321.28	\$ 321.28	\$ 321.28	\$ -	\$ -	\$ -
	5 Student Material	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	6 Power	\$ 4,987.68	\$ 4,987.68	\$ 4,987.68	\$ -	\$ -	\$ -
	7 Water	\$ 1,607.91	\$ 1,607.91	\$ 1,607.91	\$ -	\$ -	\$ -
	8 Telephone & Wireless	\$ 3,283.40	\$ 3,283.40	\$ 3,283.40	\$ -	\$ -	\$ -
	9 Miscellaneous	\$ 3,802.40	\$ 3,802.40	\$ 3,802.40	\$ -	\$ -	\$ -
	Workman's Compensation and General Liability	\$ 8,355.59	\$ 8,355.59	\$ 8,355.59	\$ -	\$ -	\$ -
	<b>TOTAL</b>	<b>\$ 448,231.17</b>	<b>\$ 448,231.17</b>	<b>\$ 115,406.17</b>	<b>\$ -</b>	<b>\$ 332,825.00</b>	<b>\$ 332,825.00</b>

On July 26, 2017, the IAO received DOA's transmittal for GACS's July 2017 Partial Allotment Request of \$448,231.17 and invoices from the Office of the Superintendent. *The IAO validated \$115,406.17 of GACS's submitted invoices for the month of July 2017.* See Table 2 for the list of submitted invoices.

Additionally, an invoice totaling \$332,825 for contractual was not validated and is pending additional documents for IAO's review.

**Table 2: GACS July 2017 Allotment Request Invoices**

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
111 Personnel	K-2.1	Sanford Technology Group	184854-30H	7/12/2017	\$ 71,454.45	✓	\$ 71,454.45
							<b>Subtotal</b>
114 Personnel Benefits	K-3.1	Sanford Technology Group	184854-30H	7/12/2017	\$ 4,538.43	✓	\$ 4,538.43
114 Personnel Benefits	K-3.2	Sanford Technology Group	184854-30H	7/12/2017	\$ 1,061.45	✓	\$ 1,061.45
114 Personnel Benefits	K-3.3	Sanford Technology Group	184854-30H	7/12/2017	\$ 3,842.17	✓	\$ 3,842.17
114 Personnel Benefits	K-3.4	Sanford Technology Group	184854-30H	7/12/2017	\$ 1,978.72	✓	\$ 1,978.72
							<b>Subtotal</b>
230 Contractual	K-4.1	ASC Trust Corporation	54207	7/5/2017	\$ 156.00	✓	\$ 156.00
230 Contractual	K-4.2	De Villa Resort Development	1933	7/1/2017	\$ 2,200.00	✓	\$ 2,200.00
230 Contractual	K-4.3	Rex	063017-02	6/30/2017	\$ 332,825.00	✓	\$ -
230 Contractual	K-4.4	Sanford Technology Group	184854-30H	7/12/2017	\$ 398.87	✓	\$ 398.87
230 Contractual	K-4.5	The Advocate	07-01-2017	6/30/2017	\$ 6,000.00	✓	\$ 6,000.00
230 Contractual	K-4.6	Xerox	89775992	7/1/2017	\$ 422.47	✓	\$ 422.47
230 Contractual	K-4.7	Xerox	889775966	7/1/2017	\$ 995.35	✓	\$ 995.35
							<b>Subtotal</b>
270 Workman's Compensation and General Liability	K-5.1	Moylan's Insurance		4/30/2017	\$ 4,188.61	✓	\$ 4,188.61
270 Workman's Compensation and General Liability	K-5.2	Moylan's Insurance		5/31/2017	\$ 2,083.49	✓	\$ 2,083.49
270 Workman's Compensation and General Liability	K-5.3	Moylan's Insurance		6/30/2017	\$ 2,083.49	✓	\$ 2,083.49
							<b>Subtotal</b>
							<b>\$ 10,172.69</b>
							<b>\$ 4,188.61</b>
							<b>\$ 2,083.49</b>
							<b>\$ 2,083.49</b>
							<b>\$ 8,355.59</b>

290 Miscellaneous	K-6.1	Agaña Shopping Center	OREV717-184	7/13/2017	\$ 1,000.00	✓	\$ 1,000.00
290 Miscellaneous	K-6.2	Guaahan Academy Charter School	AMENDED MEMORANDUM NO. 36	5/31/2017	\$ 1,800.00	✓	\$ 1,800.00
290 Miscellaneous	K-6.3	Treasurer of Guam	2217109544	6/30/2017	\$ 665.00	✓	\$ 665.00
290 Miscellaneous	K-6.4	Treasurer of Guam	A99-262219	6/30/2017	\$ 60.00	✓	\$ 60.00
290 Miscellaneous	K-6.5	U.S. Postal Service	1305010102	5/16/2017	\$ 234.00	✓	\$ 234.00
290 Miscellaneous	K-6.6	Fast Copy Factory	20021	7/13/2017	\$ 43.40	✓	\$ 43.40
<b>Subtotal \$ 3,802.40</b>							
240 Supplies and Materials	K-7.1	ComPacific	658429	7/10/2017	\$ 224.00	✓	\$ 224.00
240 Supplies and Materials	K-7.2	National Office Supply	S-176123	7/12/2017	\$ 97.28	✓	\$ 97.28
<b>Subtotal \$ 321.28</b>							
361 Power	K-8.1	Guam Power Authority	584346149132051	7/11/2017	\$ 4,304.94	✓	\$ 4,304.94
361 Power	K-8.2	Guam Power Authority	587262753841010	7/14/2017	\$ 267.29	✓	\$ 267.29
361 Power	K-8.3	Guam Power Authority	587362758064551	7/14/2017	\$ 415.45	✓	\$ 415.45
<b>Subtotal \$ 4,987.68</b>							
362 Water	K-9.1	Guam Waterworks Authority	29535537841	7/6/2017	\$ 1,607.91	✓	\$ 1,607.91
<b>Subtotal \$ 1,607.91</b>							
363 Telephone and Wireless	K-10.1	GTA	10539932	7/1/2017	\$ 2,030.18	✓	\$ 2,030.18
363 Telephone and Wireless	K-10.2	IT&E	3823771	5/15/2017	\$ 417.50	✓	\$ 417.50
363 Telephone and Wireless	K-10.3	IT&E	3908405	5/31/2017	\$ 418.01	✓	\$ 418.01
363 Telephone and Wireless	K-10.4	IT&E	3990467	6/30/2017	\$ 417.71	✓	\$ 417.71
<b>Subtotal \$ 3,283.40</b>							

Per PL 33-185, IAO validated \$4,743,034.21 for School Year (SY) 2016 – 2017. The law provides \$6,500 for each student up to 740 students or a total of \$4,810,000. As of July 25, 2017, 839 students were enrolled in GACS, exceeding the 740 student cap. See Tables 3 and 4.

**Table 3: SY 2016-2017 Validation Summary**

	Month	GACS Drawdown	Submitted Invoices	IAO's Validation	Variance	Carrier Invoices
	July 2016 (Partial)	\$ 143,772.78	\$ 143,772.78	\$ 143,772.78	\$ -	\$ -
	July 2016 (Final)	\$ 229,600.76	\$ 229,600.76	\$ 229,600.76	\$ -	\$ -
	August 2016	\$ 308,098.66	\$ 302,136.14	\$ 302,136.14	\$ 5,962.52	\$ -
	September 2016	\$ 363,891.77	\$ 363,891.97	\$ 363,891.77	\$ (0.20)	\$ 0.20
	<b>SY 2016-2017; FY 2016 Subtotal</b>	<b>\$ 1,045,363.97</b>	<b>\$ 1,039,401.65</b>	<b>\$ 1,039,401.45</b>	<b>\$ 5,962.52</b>	<b>\$ 0.20</b>
SY 2016 - 2017	October 2016 (Partial and Final)	\$ 801,410.41	\$ 801,410.41	\$ 800,083.21	\$ -	\$ 1,327.20
	November 2016	\$ 340,264.80	\$ 340,264.80	\$ 340,264.80	\$ -	\$ -
	December 2016	\$ 358,117.00	\$ 358,117.00	\$ 358,117.00	\$ -	\$ -
	January 2017	\$ 466,237.42	\$ 466,237.42	\$ 466,237.42	\$ -	\$ -
	February 2017	\$ 440,597.67	\$ 440,597.67	\$ 427,256.40	\$ 13,341.27	\$ 13,341.27
	March 2017	\$ 304,482.97	\$ 304,482.97	\$ 295,460.97	\$ 9,022.00	\$ 9,022.00
	April 2017 (Partial)	\$ 333,691.59	\$ 330,624.81	\$ 329,099.31	\$ 4,592.28	\$ 1,525.50
	April 2017 (Final)	\$ 133,953.71	\$ 134,553.51	\$ 133,953.71	\$ -	\$ 599.80
	May 2017	\$ 248,969.83	\$ 248,969.83	\$ 248,969.83	\$ -	\$ -
	June 2017	\$ 305,491.85	\$ 305,909.95	\$ 304,190.11	\$ 1,301.74	\$ 1,719.84
	<b>SY 2016-2017; FY 2017 Subtotal</b>	<b>\$ 3,733,217.25</b>	<b>\$ 3,731,168.97</b>	<b>\$ 3,703,632.76</b>	<b>\$ 28,257.29</b>	<b>\$ 27,535.61</b>
	<b>Grand Total (SY 2016-2017)</b>	<b>\$ 4,778,581.22</b>	<b>\$ 4,770,570.62</b>	<b>\$ 4,743,034.21</b>	<b>\$ 34,219.61</b>	<b>\$ 27,535.81</b>
SY 2017 - 2018	July 2017 (Partial)	\$ 448,231.17	\$ 448,231.17	\$ 115,406.17	\$ 332,825.00	\$ 332,825.00
	<b>SY 2017-2018; FY 2017 Subtotal</b>	<b>\$ 448,231.17</b>	<b>\$ 448,231.17</b>	<b>\$ 115,406.17</b>	<b>\$ 332,825.00</b>	<b>\$ 332,825.00</b>
	<b>Grand Total (FY 2017)</b>	<b>\$ 4,181,448.42</b>	<b>\$ 4,179,399.54</b>	<b>\$ 3,819,038.93</b>	<b>\$ 361,082.29</b>	<b>\$ 360,360.61</b>

**Table 4: SY 2016-2017 GACS Enrollment**

Months	Grade Level														Grand Total
	1	2	3	4	5	6	7	8	9	10	11	12	K	PK	
Jul-16	79	77	76	57	46	56	48	57	38	21	31	18	52	-	656
Aug-16	85	73	77	50	47	76	49	50	28	21	29	16	94	-	695
Sep-16	83	73	75	50	47	75	49	52	24	20	27	15	97	-	687
<b>SY 2016-2017; FY 2016 Average</b>	<b>82</b>	<b>74</b>	<b>76</b>	<b>52</b>	<b>47</b>	<b>69</b>	<b>49</b>	<b>53</b>	<b>30</b>	<b>21</b>	<b>29</b>	<b>16</b>	<b>81</b>	<b>-</b>	<b>679</b>
Oct-16	87	75	81	57	49	76	53	55	25	23	27	16	102	-	726
Nov-16	84	75	81	57	51	73	49	55	26	24	27	16	98	-	716
Dec-16	85	76	81	57	51	71	48	55	25	22	29	16	98	-	714
Jan-17	85	76	81	60	50	72	48	55	25	21	27	15	97	-	712
Feb-17	85	76	81	61	52	70	45	55	25	22	27	16	95	-	710
Mar-17	85	76	81	62	53	71	47	55	25	22	27	16	94	-	714
Apr-17	87	77	81	61	53	71	48	55	26	22	26	15	93	-	715
May-17	97	87	78	81	64	58	74	50	58	28	22	32	5	-	734
Jun-17	90	88	78	85	67	65	75	49	56	28	23	30	18	-	752
<b>SY 2016-2017; FY 2017 Average</b>	<b>87</b>	<b>78</b>	<b>80</b>	<b>65</b>	<b>54</b>	<b>70</b>	<b>54</b>	<b>54</b>	<b>32</b>	<b>24</b>	<b>26</b>	<b>19</b>	<b>78</b>	<b>-</b>	<b>721</b>
<b>Grand Average (SY 2016-2017)</b>	<b>85</b>	<b>76</b>	<b>78</b>	<b>58</b>	<b>51</b>	<b>69</b>	<b>51</b>	<b>53</b>	<b>31</b>	<b>22</b>	<b>28</b>	<b>18</b>	<b>79</b>	<b>-</b>	<b>700</b>
Jul-17	61	95	89	115	74	81	83	51	47	34	24	30	38	17	839
<b>SY 2017-2018; FY 2017 Average</b>	<b>61</b>	<b>95</b>	<b>89</b>	<b>115</b>	<b>74</b>	<b>81</b>	<b>83</b>	<b>51</b>	<b>47</b>	<b>34</b>	<b>24</b>	<b>30</b>	<b>38</b>	<b>17</b>	<b>839</b>
<b>Grand Average (FY 2017)</b>	<b>73</b>	<b>86</b>	<b>84</b>	<b>87</b>	<b>62</b>	<b>75</b>	<b>67</b>	<b>52</b>	<b>39</b>	<b>28</b>	<b>26</b>	<b>24</b>	<b>59</b>	<b>17</b>	<b>778</b>