DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

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JON J.P. FERNANDEZ
Superintendent of Education

August 4, 2017

GL# 34-17-855
Speaker Benjamin J.F. Cruz

AUG 0 8 2017
Time: 9:10 [ ]AM [ ]PM File No 34-760
Received By:

2017 AUG -8 AM 9:29

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

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,

Jon J.P. Fernandez
Superintendent of Education

Attachment

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

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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, and Franklin Cooper-Nurse at 300-1336 or fjtcooper-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

		A	B	C	(A-B) D	(B-C) E	(A-C) F
	Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Variance	Carryover Invoices	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	$ -	$ -	$ -
10	Workman's Compensation and General Liability	$ 8,355.59	$ 8,355.59	$ 8,355.59	$ -	$ -	$ -
	TOTAL	$ 448,231.17	$ 448,231.17	$ 115,406.17	$ -	$ 332,825.00	$ 332,825.00

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
						Subtotal	$ 71,454.45
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
						Subtotal	$ 11,420.77
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
						Subtotal	$ 10,172.69
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
						Subtotal	$ 8,355.59

290 Miscellaneous	K-6.1	Agana Shopping Center	OREV717-184	7/13/2017	$	1,000.00	✔	$ 1,000.00
290 Miscellaneous	K-6.2	Guahan 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
							Subtotal	$ 3,802.40
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
							Subtotal	$ 321.28
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
							Subtotal	$ 4,987.68
362 Water	K-9.1	Guam Waterworks Authority	29535537841	7/6/2017	$	1,607.91	✔	$ 1,607.91
							Subtotal	$ 1,607.91
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
							Subtotal	$ 3,283.40

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	Carryover Invoices
SY 2016 - 2017	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
	SY 2016-2017; FY 2016 Subtotal	$ 1,045,363.97	$ 1,039,401.65	$ 1,039,401.45	$ 5,962.32	$ 0.20
	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
	SY 2016-2017; FY 2017 Subtotal	$ 3,733,217.25	$ 3,731,168.37	$ 3,703,632.76	$ 28,257.29	$ 27,535.61
	Grand Total (SY 2016-2017)	$ 4,778,581.22	$ 4,770,570.02	$ 4,743,034.21	$ 34,219.61	$ 27,535.81
SY 2017 - 2018	July 2017 (Partial)	$ 448,231.17	$ 448,231.17	$ 115,406.17	$ 332,825.00	$ 332,825.00
	SY 2017-2018; FY 2017 Subtotal	$ 448,231.17	$ 448,231.17	$ 115,406.17	$ 332,825.00	$ 332,825.00
	Grand Total (FY 2017)	$ 4,181,448.42	$ 4,179,399.54	$ 3,819,038.93	$ 361,082.29	$ 360,360.61

Table 4: SY 2016-2017 GACS Enrollment

Months	Grade Level 1	2	3	4	5	6	7	8	9	10	11	12	K	PK	Grand Total
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
SY 2016-2017; FY 2016 Average	82	74	76	52	47	69	49	53	30	21	29	16	81	-	679
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
SY 2016-2017; FY 2017 Average	87	78	80	65	54	70	54	54	32	24	26	19	78	-	721
Grand Average (SY 2016-2017)	85	76	78	58	51	69	51	53	31	22	28	18	79	-	700
Jul-17	61	95	89	115	74	81	83	51	47	34	24	30	38	17	839
SY 2017-2018; FY 2017 Average	61	95	89	115	74	81	83	51	47	34	24	30	38	17	839
Grand Average (FY 2017)	73	86	84	87	62	75	67	52	39	28	26	24	59	17	778