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OFFICE OF THE SUPERINTENDENT

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JON J.P. FERNANDEZ
Superintendent of Education

GU#34-17-1276
Speaker Benjamin J.F. Cruz

NOV 29 2017
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Received By:

November 28, 2017

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

Re: Guahan Academy Charter School: FY 2017 September 2017 (2nd Final) Allotment Request

Hafa Adai Director Baleto,

Upon review of the Guahan Academy Charter School Fiscal Year 2017 September 2017 (2nd Final) 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 **$17,947.24** of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on November 21, 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: Chairwoman and Members, Guam Education Board
Speaker, 34th Guam Legislature
Guahan Academy Charter School

2017 NOV 29 PM 2:10

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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

November 28, 2017

MEMORANDUM

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

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

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

SUBJECT: September 2017 Review of Guahan Academy Charter School Inc.'s Invoices

Hafa Adai,

The Guam Department of Education (GDOE) Internal Audit Office (IAO) has completed its review of Guahan Academy Charter School (GACS)'s second final allotment request for September 2017. GDOE (IAO) is authorized by Public Law (PL) 33-185 to verify charter school invoices for accuracy and report its findings within 10 days.

On November 21, 2017, IAO received the Department of Administration's transmittal for GACS's September 2017 Second Final Allotment Request of $48,499.31. The IAO validated **$17,947.24** of GACS's submitted invoices. Invoices totaling $30,552.07 were not validated due to lack of supporting documentation and a duplicate invoice. See Table 1.

Table 1: September 2017 Allotment Request Invoices (2nd Final)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO Validation	Difference
1 Personnel Salaries	$ 10,709.04	$ 10,709.04	$ 10,290.35	$ 418.69
2 Benefits	$ 1,297.67	$ 1,297.67	$ 1,018.94	$ 278.73
3 Contractual	$ 26,704.54	$ 26,704.54	$ 235.79	$ 26,468.75
4 Supplies & Materials	$ 1,328.46	$ 1,328.46	$ 110.06	$ 1,218.40
5 Student Material	$ -	$ -	$ -	$ -
6 Power	$ -	$ -	$ -	$ -
7 Water	$ -	$ -	$ -	$ -
8 Telephone & Wireless	$ 417.50	$ 417.50	$ -	$ 417.50
9 Miscellaneous	$ 8,042.10	$ 8,042.10	$ 6,292.10	$ 1,750.00
TOTAL	$ 48,499.31	$ 48,499.31	$ 17,947.24	$ 30,552.07

PL 33-185 provides $6,500 for each student up to 740 students or a total of $4,810,000. For Fiscal Year (FY) 2017, IAO validated $4,757,521.42 of expenditures, leaving an unexpended balance of $52,478.58. As of September 30, 2017, 990 students were enrolled in GACS. See Tables 2 and 3.

Table 2: FY 2017 Validation Summary

	A	B	C	(B-C) = D
Month	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
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
March 2017	$ 304,482.97	$ 304,482.97	$ 295,460.97	$ 9,022.00
April 2017 (Partial)	$ 333,691.59	$ 330,624.81	$ 329,099.31	$ 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	$ 1,719.84
July 2017 (Partial)	$ 448,231.17	$ 448,231.17	$ 115,406.17	$ 332,825.00
July 2017 (Final)	$ 341,828.53	$ 341,828.53	$ 316,828.53	$ 25,000.00
August 2017 (Partial)	$ 160,177.71	$ 160,177.71	$ 148,867.19	$ 11,310.52
August 2017 (Final)	$ 346,065.61	$ 346,066.27	$ 267,366.71	$ 78,699.56
September 2017 (Partial)	$ 164,926.45	$ 165,233.49	$ 151,425.35	$ 13,808.14
September 2017 (Final)	$ 100,739.79	$ 100,739.79	$ 36,047.47	$ 64,692.32
September 2017 (2nd Final)	$ 48,499.31	$ 48,499.31	$ 17,947.24	$ 30,552.07
Total (FY 2017)	$5,343,685.82	$ 5,341,944.64	$ 4,757,521.42	$584,423.22

Per PL 33-185 (FY 2017; SY 2016-2017)		Year-to-Date	
Funding Per Student	$ 6,500	GACS Max. Budget	$4,810,000.00
Maximum Enrollment	740	IAO's Validation	$4,757,521.42
GACS Maximum Budget	$ 4,810,000	Remaining Funds	$ 52,478.58

Table 3: FY 2017 GACS Enrollment

	Grade Level														
Months	1	2	3	4	5	6	7	8	9	10	11	12	K	PK	Total
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
Jul-17	92	100	100	98	79	92	90	55	53	36	28	34	52	71	980
Aug-17	90	104	104	102	83	105	93	58	50	36	30	35	64	71	1,025
Sep-17	85	100	101	98	79	96	92	56	47	34	30	35	70	67	990
Average	88	84	86	73	61	77	64	54	37	27	27	23	74	70	843

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.

Appendix: GACS September 2017 (2nd Partial) Allotment Request Invoices

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
111 Personnel	Q-2.1	Guahan Academy Charter School			$ 10,709.04		$ 10,290.35
							$ 10,290.35
114 Personnel Benefits	Q-3.1	Guahan Academy Charter School			$ 974.23		$ 747.88
114 Personnel Benefits	Q-3.2	Guahan Academy Charter School			$ 323.44		$ 271.06
						Subtotal	$ 1,018.94
230 Contractual	Q-4.1	B&G Pacific LLC	GUAHAN2174	2/24/2017	$ 12,683.75		$ -
230 Contractual	Q-4.2	Pacific Waste Systems, LLC	111918	9/30/2017	$ 235.79	✔	$ 235.79
230 Contractual	Q-4.3	The Tax Shelter, Inc.	17-1717	8/2/2017	$ 1,032.50		$ -
230 Contractual	Q-4.4	The Tax Shelter, Inc.	17-1809	9/30/2017	$ 752.50		$ -
230 Contractual	Q-4.5	The Advocate	8/1/2017	8/1/2017	$ 6,000.00		$ -
230 Contractual	Q-4.6	The Advocate	9/1/2017	9/1/2017	$ 6,000.00		$ -
						Subtotal	$ 235.79
290 Miscellaneous	Q-5.1	Dial Rent-to-Own	4106171	9/12/2017	$ 189.60	✔	$ 189.60
290 Miscellaneous	Q-5.2	Guahan Academy Charter School	MEMO #2018-01	9/30/2017	$ 1,360.00	✔	$ 1,360.00
290 Miscellaneous	Q-5.3	Guahan Academy Charter School	MEMO #33	3/1/2017	$ 4,300.00	✔	$ 4,300.00
290 Miscellaneous	Q-5.4	Treasurer of Guam	PHC--042579	9/15/2017	$ 442.50	✔	$ 442.50
290 Miscellaneous	Q-5.5	Guahan Academy Charter School	MEMO #41	10/7/2017	$ 1,750.00		
						Subtotal	$ 6,292.10
363 Telephone and Wireless	Q-6.1	IT&E	4251749	9/30/2017	$ 417.50		$ -
						Subtotal	$ -
240 Supplies and Materials	Q-7.1	Cosmos Distributing Co., Ltd.	7194614-IN	9/12/2017	$ 680.00		$ -
240 Supplies and Materials	Q-7.2	The Home Depot	69022	10/4/2017	$ 200.64		$ -
240 Supplies and Materials	Q-7.3	Aqualicious	GACS-092617	9/26/2017	$ 23.75	✔	$ 23.75
240 Supplies and Materials	Q-7.4	Aqualicious	GACS-092917	9/29/2017	$ 36.00	✔	$ 36.00
240 Supplies and Materials	Q-7.5	MedPharm	SV-17085448	9/1/2017	$ 42.46	✔	$ 42.46
240 Supplies and Materials	Q-7.6	MedPharm	SV-17085817	9/22/2017	$ 7.85	✔	$ 7.85
240 Supplies and Materials	Q-7.7	National Office Supply	T-006399	9/1/2017	$ 337.76		$ -
						Subtotal	$ 110.06
						Total	$ 17,947.24