DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

www.gdoe.net
500 Mariner Avenue
Barrigada, Guam 96913
Telephone: (671) 300-1547/1536•Fax: (671)472-5001
Email: jonfernandez@gdoe.net

JON J.P. FERNANDEZ
Superintendent of Education

May 10, 2018

GL#34-18-1867
Speaker Benjamin J.F. Cruz

MAY 10 2018
Time: 2:03 [ ] AM [X] PM File No. _____
Received By:

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

Re: Guahan Academy Charter School: FY 2018 April 2018 (Special #5) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 April 2018 (Special #5) 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 34-42, Chapter II, Section 3 in its entirety.

Our Internal Audit Office was able to validate **$0** of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on April 30, 2018.

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

2018 MAY 10 PM 2:24

Sincerely,

Jon J.P. Fernandez
Superintendent of Education

Attachment

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

1867

JON J.P. FERNANDEZ
Superintendent of Education

DEPARTMENT OF EDUCATION
INTERNAL AUDIT OFFICE
500 Mariner Avenue, Barrigada, Guam 96913
Telephone: (671) 300-1336
Fax: (671) 472-5001
Email: iao@gdoe.net

FRANKLIN COOPER-NURSE
Chief Internal Auditor

May 10, 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: April 2018 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 fifth special allotment request for April 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 April 30, 2018, IAO received the Department of Administration's transmittal for GACS's April 2018 Special #5 Allotment Request of $4,124.98. The IAO was not able to validate GACS's submitted invoice due to an incomplete procurement record as required by 5 GCA §5249 (e.g. the selected offeror's proposal and basis of selection were not in the record). Additionally, it appears that the method of source selection is questionable as audit services are generally procured through a request for proposal per 5 GCA §5216.

Table 1: April 2018 Allotment Request Invoices (Special #5)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
1 Contractual	$ 4,124.98	$ 4,124.98	$ -	$ 4,124.98
TOTAL	$ 4,124.98	$ 4,124.98	$ -	$ 4,124.98

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 $416,719[1] for a revised appropriation of $4,393,281. For FY 2018, IAO validated $2,606,779.29 of expenditures, leaving a balance of $1,786,501.71 of unexpended funds. As of April 23, 2018, 890 students were enrolled in GACS. See Tables 2 and 3.

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 #2)	$ 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	$ 182,255.56	$ 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
April 2018 (Partial #1)	$ 204,677.70	$ 204,677.70	$ 204,677.70	$ -
April 2018 (No. 3)	$ 104,800.00	$ 104,800.00	$ -	$ 104,800.00
April 2018 (Special #4)	$ 50,173.75	$ 50,173.75	$ -	$ 50,173.75
April 2018 (Partial #2)	$ 125,858.12	$ 125,857.92	$ 125,342.16	$ 515.76
April 2018 (Special #5)	$ 4,124.98	$ 4,124.98	$ -	$ 4,124.98
Total (FY 2018)	**$ 3,864,034.50**	**$3,863,780.69**	**$ 2,606,779.29**	**$ 1,257,001.40**

		GACS Max. Budget	$ 4,810,000.00
		Less: Appropriations	
Funding Per Student	$ 6,500	reduction	(416,719.00)
Maximum Enrollment	740	Revised Budget	$ 4,393,281.00
GACS Maximum Budget	$ 4,810,000	Less: IAO's Validations	(2,606,779.29)
		Remaining Funds	$ 1,786,501.71

Table 3: FY 2018 GACS Enrollment

	Grade Level														
Months	1	2	3	4	5	6	7	8	9	10	11	12	K	PK	Total
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
Average	**78**	**94**	**95**	**91**	**74**	**89**	**83**	**54**	**41**	**31**	**29**	**33**	**65**	**64**	**922**

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

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 1: GACS April 2018 (Special #5) Allotment Request Invoices

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
230 Contractual	W-2.1	Burger Comer Magliari	17 AU89785	10/6/2017	$ 4,124.98		$ -
						Total	$ -

Eddie Baza Calvo
Governor
Ray Tenorio
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

Edward Birn
Acting Director
Vincent P. Arriola
Deputy Director

April 27, 2018

To Internal Audit.
4/30/18

Mr. Jon J.P. Fernandez
Superintendent
Guam Department of Education
500 Mariner Avenue
Barrigada, Guam 96913-1608

RE: Guahan Academy Charter School – April 2018 Burger, Comer, Magliari FY16 Audit Contract Balance Allotment Request (Special No#5)

Buenas yan Hafa Adai:

Pursuant to Public Law 33-42, Chapter II, Part I, we are submitting Guahan Academy Charter School's special allotment request for Burger, Comer, Magliari for the month of April for Fiscal Year 2018. Herewith are the supporting documents provided by Guahan Academy Charter School for your review and immediate action.

Should you have any further questions or concerns, please contact, Mary Grace Edrosa at 475-1283

Si Yu'os Maase!

Department of Education
Office of the Superintendent
Date: 4/30/18
Rec'd By: Print Name Signature

Sensaramente,

Edward Birn
Acting Director

Attachments

GOVERNMENT OF GUAM
DEPARTMENT OF ADMINISTRATION
FINANCIAL MANAGEMENT SYSTEM

REQUEST FOR DIRECT PAYMENT

DOCUMENT NO.: _____

■ URGENT - EXPEDITE PAYMENT ☐ KEY & RELEASE - A S A P

PAYEE:	VENDOR NUMBER:
Guahan Academy Charter School P.O. Box CS Hagatna, GU 96932	G0016588

PURPOSE:

April 2018 - Allotment Request (Special # 5)- Burger Comer Magliari

TRAN CODE	ACCOUNT NUMBER	AMOUNT	REMARKS
190	5639A179964GA201-290	$ 4,124.98	April 2018 - Allotment Request (Special # 5)- Burger Comer Magliari
	TOTAL	$ 4,124.98	

CHECK APPROPRIATE BOX BELOW:

■ ACCOUNT NUMBER IS CORRECT
■ JOB ORDER NUMBER IS CORRECT
☐ INSUFFICIENT FUNDS
■ PRIOR REFERENCE IS CORRECT
■ VENDOR NUMBER IS CORRECT
☐ OVERRIDE IS AUTHORIZED
☐ SUFFICIENT FUNDS

■ I CERTIFY THAT GOODS/SERVICES SPECIFIED HAVE BEEN RECEIVED AND THAT PAYMENT IS PROPER AS PER THE ATTACHED DOC

☐ I CERTIFY THAT A VALID LIABILITY EXIST BY REASON OF WITHHOLDING, OVERPAYMENT AND THAT PAYMENT IS PROPER AS PER TH ATTACHED DOCUMENTS.

PREPARED BY:

_____ _____ Signature _____ Date

APPROVING OFFICIAL:

Badette Lacap, Senior Accountant _____ Signature April 24, 2018 Date
FINANCE & PROCUREMENT COMMITTEE

CERTIFICATION OF FUNDS AVAILABLE:

VICTOR A. PEREZ, COMMITTEE CHAIR _____ Signature April 24, 2018 Date
FINANCE & PROCUREMENT COMMITTEE

GUAHAN ACADEMY CHARTER SCHOOL

BOARD OF TRUSTEES

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Chairwoman

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Technology

P.O. Box CS
Hagatna, Guam 96932
(671) 979-1065/6
Board Liaison
Cell: (671) 483-3044
info.gacsbot@gmail.com

DATE: April 24, 2018

TO: Edward Birn
Director,
Department of Administration

FROM: Badette Lacap
Senior Accountant
Guahan Academy Charter School Incorporated

RE: Allotment Request Special No. 5 – Burger, Comer, Magliari

Attached are all relevant documents to support the April 2018 Allotment Request (04-2018-005) for Guahan Academy Charter School Incorporated.

A copy of these materials will also be submitted to the GDOE IAO.

Thank you for your time and consideration.

CC: Board of Trustees

GDOE IAO

GUAHAN ACADEMY CHARTER SCHOOL

PROCUREMENT/ALLOTMENT MEMORANDUM

GACS NO. 4-2018-005

RE: SPECIAL ALLOTMENT REQUEST FOR BURGER, COMER & MAGLIARI, CPA

Department of Administration
Division of Accounts
APR 27 2018
Customer Service

Date: April 24, 2018

To: Mr. Franklin Cooper-Nurse, Chief Auditor
Internal Audit Office, Guam Department of Education

Re: No. 5 – Special Allotment Request for Burger, Comer & Magliari
FY16 Audit Contract Balance

Via: Ms. Bernadette Lacap, Accountant

Fr: Victor A. Perez, Chairman of Finance & Procurement Committee
Board of Trustees, Guahan Academy Charter School

I. **AUTHORITY:**
Guahan Academy Charter School – Procurement Policy and Procedures adopted October 25, 2013. Exhibit 1

II. **PROCUREMENT CHRONOLOGY:**

DATE	TRANSACTION	COMMENT
1/23/14	Letter – Request for Proposal 1) Deloitte & Touche 2) Ernst & Young 3) J. Scott Magliari & Associates	 Exhibit 2 Exhibit 3 Exhibit 4
2/11/2014	Follow-Up Letter and Deadline for Response – Feb. 14, 2014 1) Deloitte & Touche 2) Ernst & Young 3) J. Scott Magliari & Associates	 Exhibit 5 Exhibit 6 Exhibit 7
2/14/2014	Response (Offer) from Deloitte & Touche - $6,550	Exhibit 8
2/25/2014	Notice of Intent to Award - $6,000	Exhibit 9
3/31/2014	FY13 AUDIT CONTRACT - $6,000 Executed by: Dr. Donna Dwiggins and Karvin Flynn	Exhibit 10

DATE	TRANSACTION	COMMENT
7/20/2016	FY14 AND FY15 AUDIT CONTRACT FY 14 - $10,500.00 FY 15 - $10,500.00 Executed by: Trustee T. Debold and Karvin Flynn	Exhibit 11
4/25/2017	FY 15 AMENDED AUDIT CONTRACT - $5,500.00 Executed by: Trustee T. Debold and Karvin Flynn	Exhibit 12
4/25/2017	FY 16 AUDIT CONTRACT - $14,000.00* Executed by: Trustee T. Debold and Karvin Flynn Balance: $4,124.98	Exhibit 13

III. **ALLOTMENT REQUEST AMOUNT:** $4,124.98

INVOICE	DATE OF INVOICE	AMOUNT	DOE/IAO VALIDATED	TOTAL	COMMENT
17AU78880	5/22/2017	$4,666.67	August 2017	$4,666.67	Exhibit 14
17AU838876	7/14/2017	$5,208.35	August 2017	$5,208.35	Exhibit 15
17AU89785	10/6/2017	$4,124.98	Requested	$4,124.98	Exhibit 16
				$14,000.00*	

If you should need additional information or documentation or have any questions, please feel free to contact our accountant, Ms. Bernadette Lacap. Thank you.

Cc: DOA Director
DOE Superintendent

GUAHAN ACADEMY CHARTER SCHOOL

BOARD OF TRUSTEES

OFFICERS:
Fe Valencia-Ovalles
Chairwoman

Hentrick M. Eveluck
Vice Chairman

Jacqui Cyrus, MA, MEd, EdD
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Technology

P.O. Box CS
Hagatna, Guam 96932
(671) 979-1065/6
Board Liaison
Cell: (671) 483-3044
info.gacsbot@gmail.com

FUNCTION: Guahan Academy Charter School, Inc.
Allotment Request Special No. 5 – Burger, Comer, Magliari

INVOICE: GACS FY 2017-2018-04-2018-005

AUTHORITY: Public Law 34-42

Department of Administration
Division of Accounts
APR 27 2018
Customer Service

BE IT ENACTED BY THE PEOPLE OF GUAM

Section 1. Section 2 of Part 1, Chapter II of Public Law 34-42, is hereby *amended to read*:

Section2. Notwithstanding any provision of law, for the School Year 2017-2018, pursuant to § 12116(e), Chapter 12 Title 17 GCA, the Department of Administration (DOA) is hereby authorized and directed to deduct Six Thousand Five Hundred Dollars ($6,500) per enrollee of Academy Charter Schools chartered by the Guam Academy Charter Schools Council, *not to exceed* seven hundred forty (740) students for the *Guahan* Academy Charter School and five hundred (500) students for the *iLearn* Academy Charter School, as recommended by the Guam Academy Charter School Council from the total General Fund appropriation in Section 1 of this Part of this Chapter to the GDOE, based on the actual enrollment at the time, multiplied by the per pupil cost, as established in this Section. Each Academy Charter School *shall* submit a monthly invoice to the DOA. Upon receipt of said invoice, the DOA *shall* remit it to the GDOE. Upon receipt of the remitted invoice, GDOE shall verify the invoice for accuracy and report its findings within ten (10) days of receipt of said invoice to DOA prior to the release of funds. If the GDOE fails to reports its findings, the invoiced amount received by DOA shall be automatically transmitted to each Academy Charter School.

GUAHAN ACADEMY CHARTER SCHOOL
Allotment Summary
April 2018 - Allotment Request (Special # 5)- Burger Comer Magliari

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	$ -
PERSONNEL BENEFITS	114	$ -
CONTRACTUAL	230	$ 4,124.98
MATERIALS & SUPPLIES	240	$ -
WORKMAN'S COMP & GEN LIAB	270	$ -
DRUG TESTING	271	$ -
MISCELLANEOUS	290	$ -
POWER	361	$ -
WATER	362	$ -
TELEPHONE & WIRELESS	363	$ -
	TOTAL	$ 4,124.98