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

June 14, 2018

GL#34-KG-1995
Speaker Benjamin J.F. Cruz

JUN 15 2018
Time: 8:45 AM [ ] PM File No. _____
Received By: _____

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

Re: Guahan Academy Charter School: FY 2018 May 2018 (Partial #6) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 May 2018 (Partial #6) 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 June 4, 2018.

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

1995

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

June 14, 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: May 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 sixth partial allotment request for May 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 June 4, 2018, IAO received the Department of Administration's transmittal for GACS's May 2018 Partial #6 Allotment Request of $92,457.50. The IAO was not able to validate GACS's submitted invoices due an incomplete procurement record; and several areas of concern noted relative to the method of source selection and compliance to Guam Procurement Law and regulations (e.g. Title 5 of the Guam Code Annotated (GCA) §5211(b), and Title 2 of the Guam Administrative Rules and Regulations, Division 4 §3109(f)(2)).

Table 1: May 2018 Allotment Request Invoices (Partial #6)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Contractual	$ 92,457.50	$ 92,457.50	$ -	$ 92,457.50
TOTAL	$ 92,457.50	$ 92,457.50	$ -	$ 92,457.50

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 FY 2018 appropriations were reduced by $416,719[1] for a revised appropriation of $4,393,281. For FY 2018, IAO validated $3,003,465.29

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

of expenditures, leaving a balance of $1,389,815.71 of unexpended funds. As of May 31, 2018, 883 students were enrolled in GACS. See Tables 2 and 3.

Table 2: FY 2018 Validation Summary

Month	A GACS Drawdown	B Submitted Invoices	C IAO's Validation	(B-C) = D 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
April 2018 (Special #6)	$ 8,000.00	$ 8,000.00	$ -	$ 8,000.00
April 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	$ -
April 2018 (Special #8)	$ 13,026.00	$ 13,026.00	$ -	$ 13,026.00
May 2018 (Special #10)	$ 48,000.00	$ 48,000.00	$ -	$ 48,000.00
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	$ 103,488.65	$ 103,488.65	$ -
May 2018 (Partial #6)	$ 92,457.50	$ 92,457.50	$ -	$ 92,457.50
Total (FY 2018)	**$ 4,425,536.49**	**$ 4,424,114.94**	**$ 3,003,465.29**	**$ 1,328,192.15**

Funding Per Student	$ 6,500	GACS Max. Budget	$ 4,810,000.00
Maximum Enrollment	740	Less Appropriations reduction	(416,719.00)
GACS Maximum Budget	$ 4,810,000	Revised Budget	$ 4,393,281.00
		Less: IAO's Validations	(3,003,465.29)
		Remaining Funds	$ 1,389,815.71

Table 3: FY 2018 GACS Enrollment

Months	Grade Level 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
May-18	76	90	92	88	72	87	79	49	41	30	27	32	59	61	883
Average	**78**	**94**	**95**	**91**	**74**	**89**	**83**	**54**	**41**	**31**	**29**	**33**	**65**	**64**	**922**

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 May 2018 (Partial #6) Allotment Request Invoices

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
230 Contractual	AF-2.1	New Fresh Bread Bakeshop	GACS-0004	4/27/2018	$ 18,670.00		$ -
230 Contractual	AF-2.2	New Fresh Bread Bakeshop	GACS-0005	5/4/2018	$ 18,617.50		$ -
230 Contractual	AF-2.3	New Fresh Bread Bakeshop	GACS-0006	5/11/2018	$ 18,740.00		$ -
230 Contractual	AF-2.4	New Fresh Bread Bakeshop	GACS-0007	5/18/2018	$ 18,300.00		$ -
230 Contractual	AF-2.5	New Fresh Bread Bakeshop	GACS-0008	5/25/2018	$ 18,130.00		$ -
						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
Director
Vincent P. Arriola
Deputy Director

June 1, 2018

To IAO - 8
6/4/18

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

RE: Guahan Academy Charter School – May 2018 (Partial#6) Allotment Request

Buenas yan Hafa Adai:

Pursuant to Public Law 33-42, Chapter II, Part I, we are submitting Guahan Academy Charter School's partial allotment request for the month of May 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: 6/4/18 Time: 8:00AM
Rec'd By: [signature]
Print Name Signature

Sensaramente,

Edward Birn
Director

✓Attachments

GUAHAN ACADEMY CHARTER SCHOOL

DATE: May 31, 2018

TO: Edward Birn
Director,
Department of Administration

FROM: Badette Lacap
Senior Accountant
Guahan Academy Charter School Incorporated

RE: May 2018 - Allotment Request (Partial #6)

Attached are all relevant documents to support the May 2018 Allotment Request (Partial # 6) 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

P.O. Box CS
Hagatna, Guam 96932
Tel. No. (671) 734-1066

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:

May 2018 - Allotment Request (Partial #6)

TRAN CODE	ACCOUNT NUMBER	AMOUNT	INDEX
190	5639A179964GA201-290	$ 92,457.50	
			May 2018 - Allotment Request (Partial #6)
	TOTAL	$ 92,457.50	

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:

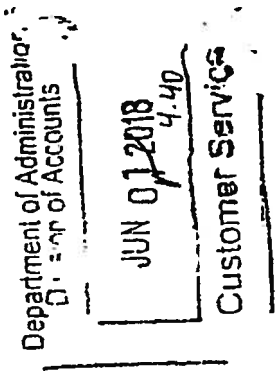
Badette Lacap, Senior Accountant _____ Signature May 31, 2018 Date
FINANCE & PROCUREMENT COMMITTEE

CERTIFICATION OF FUNDS AVAILABLE:

Hentrick M. Eveluck, Acting Chairman _____ Signature May 31, 2018 Date
FINANCE & PROCUREMENT COMMITTEE

GUAHAN ACADEMY CHARTER SCHOOL
Allotment Summary
May 2018 - Allotment Request (Partial #6)

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	
PERSONNEL BENEFITS	114	
CONTRACTUAL	230	$ 92,457.50
MATERIALS & SUPPLIES	240	
WORKMAN'S COMP & GEN LIAB	270	
DRUG TESTING	271	
MISCELLANEOUS	290	
POWER	361	
WATER	362	
TELEPHONE & WIRELESS	363	
	TOTAL:	$ 92,457.50



GUAHAN ACADEMY CHARTER SCHOOL

FUNCTION: Guahan Academy Charter School, Inc.
MAY 2018 –ALLOTMENT REQUEST (Partial #6)

INVOICE: GACS FY 2017-2018-05-2018-006

AUTHORITY: Public Law 34-42

Department of Administration
- Division of Accounts
JUN 01 2018
4:40
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.

P.O. Box CS
Hagatna, Guam 96932
Tel. No. (671) 734-1066