# DEPARTMENT OF EDUCATION
## OFFICE OF THE SUPERINTENDENT

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

GLH 34 FB - 2068

July 11, 2018

**Speaker Benjamin J.F. Cruz**

JUL 11 2018
Time: 321 [ ] AM [ ] PM File No. _____
Received By: _____

2018 JUL 11 PM 3:20

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

**Re: iLearn Academy Charter School: Fiscal Year 2018 July 2018 Allotment Request**

Hafa Adai,

Upon review of the iLearn Academy Charter School (iLearn) Fiscal Year 2018 July 2018 Allotment Request by our Internal Audit Office (IAO) in collaboration with members of the iLearn, I am able to submit my verification of accuracy as required by Public Law 34 - 42, Chapter II, Part I, in its entirety.

Our IAO was able to validate **$221,134.12** of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to the IAO on July 2, 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
iLearn Academy Charter School

2068

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

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

**FRANKLIN COOPER-NURSE**
Chief Auditor


July 11, 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: July 2018 Review of iLearn Academy Charter School's Invoices

Hafa Adai,

The Guam Department of Education (GDOE) Internal Audit Office (IAO) has completed its review of iLearn Academy Charter School (iLearn)'s allotment request for July 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 July 2, 2018, IAO received the Department of Administration's transmittal for iLearn's July 2018 Allotment Request of $221,134.12. IAO validated **$221,134.12** of the submitted invoices. See Table 1 and Appendix 1 for details.

**Table 1: July 2018 Allotment Request**

| 10th Drawdown | [A] | [B] | [C] |
|---|---|---|---|
| Object Class | iLearn's Drawdown | Submitted Invoices | IAO's Validation |
| Personnel Salaries | $ 46,569.67 | $ 46,569.67 | $ 46,569.67 |
| Benefits | 4,564.45 | 4,564.45 | 4,564.45 |
| A+ Contract | 170,000.00 | 170,000.00 | 170,000.00 |
| Total | **$ 221,134.12** | **$ 221,134.12** | **$ 221,134.12** |

PL 34–42 provides $6,500 for each student up to 500 students or a total of $3,250,000. However, due to revenue shortfalls from tax cuts, iLearn's Fiscal Year (FY) 2018 appropriations were reduced by $281,567[1] for a revised appropriation of $2,968,433. For FY 2018, IAO validated

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

$2,768,258.92 of expenditures, leaving an unexpended balance of $200,174.08. As of June 28, 2018, 500 students were enrolled in iLearn. See Tables 2, 3, and 4 for details.

**Table 2: FY 18 Validation Summary**

| Month | iLearn's Drawdown | Submitted Invoices | IAO's Validation |
|---|---|---|---|
| October | $ 282,077.74 | $ 282,077.74 | $ 282,077.74 |
| November | 278,941.58 | 278,941.58 | 278,941.58 |
| December | 277,722.76 | 277,722.76 | 277,722.76 |
| January | 334,059.11 | 334,059.11 | 334,059.11 |
| February | 278,623.43 | 278,623.43 | 278,623.43 |
| March | 268,828.48 | 268,828.48 | 268,828.48 |
| April | 271,692.69 | 271,692.69 | 271,692.69 |
| May | 276,039.80 | 276,039.80 | 276,039.80 |
| June | 227,894.96 | 227,894.96 | 227,894.96 |
| June (Supp. #1) | 51,244.25 | 51,244.25 | 51,244.25 |
| July | 221,134.12 | 221,134.12 | 221,134.12 |
| **Total (FY 18)** | **$ 2,768,258.92** | **$ 2,768,258.92** | **$ 2,768,258.92** |

**Table 3: FY 18 General Fund Appropriation Reduction**

| Remaining Funds | |
|---|---|
| P.L. 34-42 Funding Per Student ($6,500 x 500 Students) | $ 3,250,000.00 |
| Less: Appropriations Reduction (BBMR Circular 18-04) | (281,567.00) |
| Revised Budget | 2,968,433.00 |
| Less: IAO's Validation | (2,768,258.92) |
| **Unexpended Balance** | **$ 200,174.08** |

**Table 4: FY 18 Enrollment Summary**

| SY | Month | Grade Level K | 1 | 2 | 3 | 4 | 5 | Total |
|---|---|---|---|---|---|---|---|---|
| 17-18 | October 2017 | 107 | 101 | 99 | 65 | 68 | 60 | 500 |
| 17-18 | November 2017 | 107 | 101 | 99 | 65 | 68 | 60 | 500 |
| 17-18 | December 2017 | 107 | 101 | 99 | 65 | 68 | 60 | 500 |
| 17-18 | January 2018 | 107 | 101 | 99 | 65 | 68 | 60 | 500 |
| 17-18 | February 2018 | 108 | 99 | 99 | 67 | 68 | 59 | 500 |
| 17-18 | March 2018 | 108 | 99 | 99 | 67 | 68 | 59 | 500 |
| 17-18 | April 2018 | 108 | 99 | 99 | 67 | 68 | 59 | 500 |
| 17-18 | May 2018 | 109 | 99 | 99 | 67 | 68 | 59 | 501 |
| 17-18 | June 2018 | 78 | 115 | 90 | 96 | 60 | 61 | 500 |
| **SY 17-18 Average** | | **104** | **102** | **98** | **69** | **67** | **60** | **500** |

Should you have any questions or concerns, please contact Joy Bulatao at 300-3695 or jvbulatao@gdoe.net, and Franklin Cooper-Nurse at 300-1336 or fjtcooper-nurse@gdoe.net.

# Appendix 1: iLearn July 2018 Invoice Details

| Month | Type of Request | Object Code & Class | Ref | Vendor | Description | Invoice Number | Invoice Date | Invoice Amount | Validated Amount |
|---|---|---|---|---|---|---|---|---|---|
| July | Monthly | 111 Personnel | K-2.1 | Sanford Technology Group LLC | PPE 06/29/18 | 199334-04J | 6/29/2018 | 46,569.67 | 46,569.67 |
| July | Monthly | 113 Benefits | K-3.1 | Sanford Technology Group LLC | PPE 06/29/18 | 199334-04J | 6/29/2018 | 4,564.45 | 4,564.45 |
| July | Monthly | 233 Classroom Space and Office Rental | K-4.1 | Saint Paul Christian School | A+ Ed. Infrastructure | - | July 2018 | 170,000.00 | 170,000.00 |
| | | | | | | | Total | **221,134.12** | **221,134.12** |