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

GL# 34-18-2198
Speaker Benjamin J.F. Cruz

August 2, 2018

AUG 0 3 2018
Time: 8:09 [X] AM [ ] PM File No. 34-2018
Received By: adam

AUG 3 AM 9:30

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

Re: Guahan Academy Charter School: FY 2018 July 2018 (Partial #5) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 July 2018 (Partial #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 July 27, 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

2198

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

July 31, 2018

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: July 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 partial 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 27, 2018, IAO received the Department of Administration's transmittal for GACS's July 2018 Partial #5 Allotment Request of $19,201.89. IAO was not able to validate GACS's submitted invoices due to areas of concern relative to source selection, an incomplete procurement record, and invoices outside contract terms. Per Title 5 of the Guam Code Annotated §5216, legal services are to be procured through a Request for Proposal rather than a Request for Quotation.

Table 1: July 2018 Allotment Request Invoices (Partial #5)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Contractual	$ 19,201.89	$ 19,201.89	$ -	$ 19,201.89
TOTAL	$ 19,201.89	$ 19,201.89	$ -	$ 19,201.89

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

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

$3,441,751.88 of expenditures, leaving a balance of $951,529.12 of unexpended funds. As of July 25, 2018, 711 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
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
June 2018 (Partial #1)	$ 14,342.50	$ 14,342.50	$ -	$ 14,342.50
June 2018 (Partial #2)	$ 184,486.82	$ 184,487.12	$ 168,673.37	$ 15,813.75
June 2018 (Partial #3)	$ 96,418.68	$ 96,418.68	$ 95,622.52	$ 796.16
June 2018 (Partial #4)	$ 150,000.00	$ 150,000.00	$ -	$ 150,000.00
July 2018 (Partial #2)	$ 142,777.52	$ 142,777.52	$ 142,777.52	$ -
July 2018 (Partial #1)	$ 14,000.00	$ 14,000.00	$ -	$ 14,000.00
July 2018 (Partial #3)	$ 27,226.83	$ 27,226.83	$ 16,189.58	$ 11,037.25
July 2018 (Partial #4)	$ 33,222.58	$ 33,222.58	$ 15,023.60	$ 18,198.98
July 2018 (Partial #5)	$ 19,201.89	$ 19,201.89	$ -	$ 19,201.89
Total (FY 2018)	**$5,107,213.31**	**$5,105,792.06**	**$3,441,751.88**	**$1,664,040.18**

		GACS Max. Budget	$ 4,810,000.00
		Less: Appropriations reduction	(416,719.00)
Funding Per Student	$ 6,500	Revised Budget	$ 4,393,281.00
Maximum Enrollment	740	Less: IAO's Validations	(3,441,751.88)
GACS Maximum Budget	$ 4,810,000	Remaining Funds	$ 951,529.12

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
May-18	76	90	92	88	72	87	79	49	41	30	27	32	59	61	883
Jun-18	75	90	91	87	72	87	79	49	41	30	27	32	59	61	880
Jul-18	50	58	74	77	77	65	74	76	27	37	27	26	43	-	711
Average	**75**	**90**	**92**	**89**	**74**	**86**	**81**	**55**	**40**	**32**	**29**	**32**	**62**	**57**	**893**

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 July 2018 (Partial #5) Allotment Request Invoice

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
230 Contractual	AO-2.1	Torres Law Group	32481	5/31/2018	$ 13,082.59		$ -
230 Contractual	AO-2.2	Torres Law Group	32482	5/31/2018	$ 4,448.13		$ -
230 Contractual	AO-2.3	Torres Law Group	32483	5/31/2018	$ 353.13		$ -
230 Contractual	AO-2.4	Torres Law Group	32484	5/31/2018	$ 287.50		$ -
230 Contractual	AO-2.5	Torres Law Group	32485	5/31/2018	$ 169.38		$ -
230 Contractual	AO-2.6	Torres Law Group	32516	5/31/2018	$ 786.25		$ -
230 Contractual	AO-2.7	Torres Law Group	32517	5/31/2018	$ 25.00		$ -
230 Contractual	AO-2.8	Torres Law Group	32518	5/31/2018	$ 25.00		$ -
230 Contractual	AO-2.9	Torres Law Group	32519	5/31/2018	$ 25.00		$ -
						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

July 27, 2018

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

Forward to IAO -
7/27/18

RE: Guahan Academy Charter School – July 2018 (Partial#5) 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 July 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: Time: 8:07 2:70
Rec'd By: Name Signature

Sensaramente,

Edward Birn
Director

Attachments

GUAHAN ACADEMY CHARTER SCHOOL

DATE: July 25, 2018

TO: Edward Birn
Director,
Department of Administration

FROM: Badette Lacap
Senior Accountant
Guahan Academy Charter School Incorporated

RE: July 2018 - Allotment Request (Partial #5)

Attached are all relevant documents to support the July 2018 Allotment Request (Partial # 5) 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
Wilfred Aflague, CFO
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:

July 2018 - Allotment Request (Partial # 5) - TORRES LAW GROUP

REAN CODE	PROGRAM NUMBER	AMOUNT	INVOICE
190	5639A189964GA201-290	$ 19,201.89	July 2018 - Allotment Request (Partial # 5 - TORRES LAW GROUP
	TOTAL	$ 19,201.89	

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 DC

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

PREPARED BY:

_____ _____ _____
Signature Date

APPROVING OFFICIAL:

Badette Lacap, Senior Accountant _____ July 25, 2018
FINANCE & PROCUREMENT COMMITTEE Signature Date

CERTIFICATION OF FUNDS AVAILABLE:

Hentrick M. Eveluck, Acting Chairman _____ July 25, 2018
FINANCE & PROCUREMENT COMMITTEE Signature Date

GUAHAN ACADEMY CHARTER SCHOOL
Allotment Summary
July 2018 - Allotment Request (Partial # 5) - TORRES LAW GROUP

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	
PERSONNEL BENEFITS	114	
CONTRACTUAL	230	$ 19,201.89
MATERIALS & SUPPLIES	240	
WORKMAN'S COMP & GEN LIAB	270	
DRUG TESTING	271	
MISCELLANEOUS	290	
POWER	361	
WATER	362	
TELEPHONE & WIRELESS	363	
	TOTAL	$ 19,201.89

GUAHAN ACADEMY CHARTER SCHOOL

FUNCTION: Guahan Academy Charter School, Inc.
JULY 2018 -ALLOTMENT REQUEST (Partial #5)

INVOICE: GACS FY 2017-2018-07-2018-005

AUTHORITY: Public Law 34-42

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.

Department of Administration
Division of Accounts
JUL 26 2018
Customer Service

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