DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

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JON J.P. FERNANDEZ
Superintendent of Education

GLA 34-18-2296
Speaker Benjamin J.F. Cruz

SEP 05 2018
Time: 934 [ ] AM [ ] PM File No.
Received By:

September 4, 2018

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

Re: Guahan Academy Charter School: FY 2018 August 2018 (Partial #3) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 August 2018 (Partial #3) 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 **$87,253.27** of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on August 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

2018 SEP -5 AM 9:44

2296

JON J.P. FERNANDEZ
Superintendent of Education

DEPARTMENT OF EDUCATION
INTERNAL AUDIT OFFICE
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FRANKLIN COOPER-NURSE
Chief Internal Auditor

September 4, 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: August 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 third partial allotment request for August 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 August 27, 2018, IAO received the Department of Administration's transmittal for GACS's August 2018 Partial #3 Allotment Request of $87,849.03. IAO was able to validate $87,253.27 of GACS's submitted invoices.

GACS procured copier services through the use of a Request for Quotation (RFQ). Three vendors provided quotations to GACS's RFQ. Xerox was selected based on "the quality of the machine and the more in depth quotation and specifications provided by the vendors." However, Xerox did not provide the lowest price and no documentation was provided to evidence that the other vendors were non-responsive and/or non-responsible. Per Title 2 of the Guam Administrative Rules and Regulations, Division 4, §3111(c)(1), "Awards shall be made to the lowest responsible and responsive bidder". Therefore, IAO could not validate $595.76 for the Xerox invoice.

Table 1: August 2018 Allotment Request Invoices (Partial #3)

Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Personnel Salaries	$ 76,777.88	$ 76,777.88	$ 76,777.88	$ -
Personnel Benefits	$ 8,404.43	$ 8,404.43	$ 8,404.43	$ -
Contractual	$ 1,908.14	$ 1,908.14	$ 1,312.38	$ 595.76
Telephone & Wireless	$ 758.58	$ 758.58	$ 758.58	$ -
TOTAL	$ 87,849.03	$ 87,849.03	$ 87,253.27	$ 595.76

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 $3,760,410 of expenditures, leaving a balance of $632,871 of unexpended funds. As of August 24, 2018, 711 students were enrolled in GACS. See Tables 2 and 3.

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

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
July 2018 (Partial #6)	$ 89,723.41	$ 89,723.41	$ 89,723.41	$ -
August 2018 (Partial #1)	$ 102,880.84	$ 102,880.84	$ 99,604.70	$ 3,276.14
August 2018 (Partial #2)	$ 57,076.74	$ 57,076.74	$ 42,076.74	$ 15,000.00
August 2018 (Partial #3)	$ 87,849.03	$ 87,849.03	$ 87,253.27	$ 595.76
Total (FY 2018)	**$5,444,743.33**	**$5,443,322.08**	**$3,760,410.00**	**$1,682,912.08**

		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	(3,760,410.00)
		Remaining Funds	$ 632,871.00

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
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
Aug-18	50	58	74	77	77	65	74	76	27	37	27	26	43	-	711
Average	73	87	91	88	74	84	80	57	39	32	28	31	60	52	876

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 August 2018 (Partial #2) Allotment Request Invoice

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
111 Personnel Salaries	AS-2.1	Sanford Technology Group	201485-30H	8/23/2018	$ 76,409.73	✔	$ 76,409.73
111 Personnel Salaries	AS-2.2	Guahan Academy Charter School		8/24/2018	$ 96.29	✔	$ 96.29
111 Personnel Salaries	AS-2.3	Guahan Academy Charter School		8/24/2018	$ 271.86	✔	$ 271.86
						Subtotal	$ 76,777.88
114 Personnel Benefits	AS-3.1	Sanford Technology Group	201485-30H	8/23/2018	$ 4,760.23	✔	$ 4,760.23
114 Personnel Benefits	AS-3.2	Sanford Technology Group	201485-30H	8/23/2018	$ 1,113.30	✔	$ 1,113.30
114 Personnel Benefits	AS-3.3	Sanford Technology Group	201485-30H	8/23/2018	$ 2,530.90	✔	$ 2,530.90
						Subtotal	$ 8,404.43
230 Contractual	AS-4.1	Sanford Technology Group	201485-30H	8/23/2018	$ 271.62	✔	$ 271.62
230 Contractual	AS-4.2	Xerox	94177457	8/8/2018	$ 1,040.76	✔	$ 1,040.76
230 Contractual	AS-4.3	Xerox	94177463	8/8/2018	$ 595.76		$ -
						Subtotal	$ 1,312.38
363 Telephone and Wireless	AS-5.1	GTA	11466213	8/1/2018	$ 758.58	✔	$ 758.58
						Subtotal	$ 758.58
						Total	**$ 87,253.27**