DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

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JON J.P. FERNANDEZ
Superintendent of Education

Vice Speaker Therese M. Terlaje
34GL-18-2313
SEP 14 2018
Time: 8:38am
Received by:

2018 SEP 14 AM 8:56

September 12, 2018

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

Re: Guahan Academy Charter School: FY 2018 September2018 (Partial #1) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 September 2018 (Partial #1) Allotment Request by our Internal Audit Office in collaboration with members of the Guahan Academy Charter School Incorporated, I am able 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 **$92,800.81** of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on September 7, 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

2313

JON J.P. FERNANDEZ
Superintendent of Education

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

September 12, 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: September 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 first partial allotment request for September 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 September 7, 2018, IAO received the Department of Administration's transmittal for GACS's September 2018 Partial #1 Allotment Request of $92,800.81. IAO was able to validate $92,800.81 of GACS's submitted invoices.

Table 1: September 2018 Allotment Request Invoices (Partial #1)

Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Personnel Salaries	$ 80,772.11	$ 80,772.11	$ 80,772.11	$ -
Personnel Benefits	$ 8,812.08	$ 8,812.08	$ 8,812.08	$ -
Contractual	$ 956.62	$ 956.62	$ 956.62	$ -
Miscellaneous	$ 2,260.00	$ 2,260.00	$ 2,260.00	$ -
TOTAL	$ 92,800.81	$ 92,800.81	$ 92,800.81	$ -

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 $3,853,210.81 of expenditures, leaving a balance of $540,070.19 of unexpended funds. As of September 6, 2018, 696 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

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 #3)	$ 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)	$ 184,436.82	$ 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
September 2018 (Partial #1	$ 92,800.81	$ 92,800.81	$ 92,800.81	$ -
Total (FY 2018)	**$5,537,544.14**	**$5,536,122.89**	**$3,853,210.81**	**$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	(3,853,210.81)
		Remaining Funds	$ 540,070.19

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
Aug-18	50	58	74	77	77	65	74	76	27	37	27	26	43	-	711
Sep-18	55	58	73	74	74	61	71	71	18	34	26	26	55	-	696
Average	**71**	**85**	**89**	**87**	**74**	**82**	**80**	**58**	**37**	**32**	**28**	**31**	**60**	**48**	**861**

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 September 2018 (Partial #1) Allotment Request Invoice

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
111 Personnel Salaries	AT-2.1	Sanford Technology Group	201986-30H	9/5/2018	$ 80,772.11	✔	$ 80,772.11
						Subtotal	$ 80,772.11
114 Personnel Benefits	AT-3.1	Sanford Technology Group	201986-30H	9/5/2018	$ 5,007.86	✔	$ 5,007.86
114 Personnel Benefits	AT-3.2	Sanford Technology Group	201986-30H	9/5/2018	$ 1,171.10	✔	$ 1,171.10
114 Personnel Benefits	AT-3.3	Sanford Technology Group	201986-30H	9/5/2018	$ 2,633.12	✔	$ 2,633.12
						Subtotal	$ 8,812.08
230 Contractual	AT-4.1	Sanford Technology Group	201986-30H	9/5/2018	$ 271.62	✔	$ 271.62
230 Contractual	AT-4.2	Pacedit	71218	9/1/2018	$ 685.00	✔	$ 685.00
						Subtotal	$ 956.62
290 Miscellaneous	AT-5.1	Guahan Academy Charter School	MEMO #51	7/31/2018	$ 1,450.00	✔	$ 1,450.00
290 Miscellaneous	AT-5.2	Guahan Academy Charter School	MEMO #52	8/31/2018	$ 400.00	✔	$ 400.00
290 Miscellaneous	AT-5.3	The Guam Daily Post	A49709	8/8/2018	$ 410.00	✔	$ 410.00
						Subtotal	$ 2,260.00
						Total	**$ 92,800.81**