DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

www.gdoe.net
501 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

August 23, 2018

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

Re: Guahan Academy Charter School: FY 2017 September 2017 (Partial #10) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2017 September 2017 (Partial #10) 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 33-185, Chapter II, Section 3 in its entirety.

Our Internal Audit Office was able to validate **$508** 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 14, 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 18 AM 11:59

Vice Speaker Therese M. Terlaje
34GL-18-2319
SEP 18 2018
Time: 8:56 AM
Received by: MFlores

2319

JON J.P. FERNANDEZ
Superintendent of Education

DEPARTMENT OF EDUCATION
INTERNAL AUDIT OFFICE

501 Mariner Avenue, Barrigada, Guam 96913
Telephone: (671) 300-1336
Fax: (671) 472-5001
Email: iao@gdoe.net

FRANKLIN COOPER-NURSE
Chief Internal Auditor

August 22, 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 2017 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 10th allotment request for September 2017. GDOE (IAO) is authorized by Public Law (PL) 33-185 to verify charter school invoices for accuracy and report its findings within 10 days.

On August 14, 2018, IAO received the Department of Administration's transmittal for GACS's September 2017 Partial #10 Allotment Request of $17,361. The IAO was able to validate **$508** of GACS's submitted invoices, and was not able to validate $16,853.

GACS requested to drawdown funds for meals at the Dusit Thani, pre-school curriculum materials, and a student learning software using blanket purchase agreements (BPA). Per Title 2 of the Guam Administrative Rules and Regulations, Division 4, §3112.11(a), "A blanket purchase agreement is a simplified method of filling anticipated repetitive needs for supplies and services [...]". Therefore, IAO could not validate $3,278 for meals at the Dusit Thani due to the questionable use of a BPA.

IAO could not validate $3,975 for the pre-school materials due to the Charter School Act only authorizing Academy Charter Schools to "...provide a program of education, which shall include any grade or grades from kindergarten through grade twelve (12)" (Title 12 of the Guam Code Annotated §12107).

Additionally, GACS previously requested to drawdown funds for the Edgenuity invoice in September 2017; and IAO was unable to validate the invoice due to the lack of required solicited quotations or procurement documentation. As a result, it appears that GACS has recently generated a BPA to support the procurement in an effort to drawdown funds. This appears

questionable as BPA documents were not originally provided in September 2017 and the BPA, dated August 2017, was signed by an accountant not employed by GACS at that time. Therefore, IAO could not validate the $3,975 invoice.

Table 1: September 2017 Allotment Request Invoices (Partial #10)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO Validation	Difference
Supplies and Materials	$ 508.00	$ 508.00	$ 508.00	$ -
Miscellaneous	$ 16,853.00	$ 16,853.00	$ -	$ 16,853.00
TOTAL	$ 17,361.00	$ 17,361.00	$ 508.00	$ 16,853.00

PL 33-185 provides $6,500 for each student up to 740 students or a total of $4,810,000. For Fiscal Year (FY) 2017, IAO validated $4,775,689.64 of expenditures, leaving an unexpended balance of 34,310.36. As of September 30, 2017, 990 students were enrolled in GACS. See Tables 2 and 3.

Table 2: FY 2017 Validation Summary

	A	B	C	(B-C) = D
Month	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
October 2016 (Partial and Final)	$ 801,410.41	$ 801,410.41	$ 800,083.21	$ 1,327.20
November 2016	$ 340,264.80	$ 340,264.80	$ 340,264.80	$ -
December 2016	$ 358,117.00	$ 358,117.00	$ 358,117.00	$ -
January 2017	$ 466,237.42	$ 466,237.42	$ 466,237.42	$ -
February 2017	$ 440,597.67	$ 440,597.67	$ 427,256.40	$ 13,341.27
March 2017	$ 304,482.97	$ 304,482.97	$ 295,460.97	$ 9,022.00
April 2017 (Partial)	$ 333,691.59	$ 330,624.81	$ 329,099.31	$ 1,525.50
April 2017 (Final)	$ 133,953.71	$ 134,553.71	$ 133,953.71	$ 600.00
May 2017	$ 248,969.83	$ 248,969.83	$ 248,969.83	$ -
June 2017	$ 305,491.85	$ 305,909.95	$ 304,190.11	$ 1,719.84
July 2017 (Partial)	$ 448,231.17	$ 448,231.17	$ 115,406.17	$ 332,825.00
July 2017 (Final)	$ 341,828.53	$ 341,828.53	$ 316,828.53	$ 25,000.00
August 2017 (Partial)	$ 160,177.71	$ 160,177.71	$ 148,867.19	$ 11,310.52
August 2017 (Final)	$ 346,065.61	$ 346,066.27	$ 267,366.71	$ 78,699.56
September 2017 (Partial)	$ 164,926.45	$ 165,233.49	$ 151,425.35	$ 13,808.14
September 2017 (Final)	$ 100,739.79	$ 100,739.79	$ 36,047.47	$ 64,692.32
September 2017 (2nd Final)	$ 48,499.31	$ 48,499.31	$ 17,947.24	$ 30,552.07
September 2017 (3rd Final)	$ 47,395.25	$ 47,395.25	$ 1,892.52	$ 45,502.73
May 2018 (Special #9)	$ 12,000.00	$ 12,000.00	$ -	$ 12,000.00
April 2018 (Special #7)	$ 5,656.83	$ 5,656.83	$ -	$ 5,656.83
September 2017 (#4)	$ 5,517.87	$ 5,517.87	$ 4,469.44	$ 1,048.43
September 2017 (#7)	$ 11,524.98	$ 11,524.98	$ -	$ 11,524.98
September 2017 (#8)	$ 9,250.00	$ 9,250.00	$ 9,250.00	$ -
September 2017 (#09)	$ 6,606.59	$ 6,606.59	$ 2,048.26	$ 4,558.33
September 2017 (Partial #10)	$ 17,361.00	$ 17,361.50	$ 508.00	$ 16,853.50
Total (FY 2017)	**$5,458,998.34**	**$5,457,257.86**	**$ 4,775,689.64**	**$ 681,568.22**

Per PL 33-185 (FY 2017; SY 2016-2017)		FY 2017 Year-to-Date	
Funding Per Student	$ 6,500	GACS Max. Budget	$4,810,000.00
Maximum Enrollment	740	IAO's Validation	4,775,689.64
GACS Maximum Budget	$ 4,810,000	Remaining Funds	$ 34,310.36

Table 3: FY 2017 GACS Enrollment

	Grade Level														
Months	1	2	3	4	5	6	7	8	9	10	11	12	K	PK	Total
Oct-16	87	75	81	57	49	76	53	55	25	23	27	16	102	-	726
Nov-16	84	75	81	57	51	73	49	55	26	24	27	16	98	-	716
Dec-16	85	76	81	57	51	71	48	55	25	22	29	16	98	-	714
Jan-17	85	76	81	60	50	72	48	55	25	21	27	15	97	-	712
Feb-17	85	76	81	61	52	70	45	55	25	22	27	16	95	-	710
Mar-17	85	76	81	62	53	71	47	55	25	22	27	16	94	-	714
Apr-17	87	77	81	61	53	71	48	55	26	22	26	15	93	-	715
May-17	97	87	78	81	64	58	74	50	58	28	22	32	5	-	734
Jun-17	90	88	78	85	67	65	75	49	56	28	23	30	18	-	752
Jul-17	92	100	100	98	79	92	90	55	53	36	28	34	52	71	980
Aug-17	90	104	104	102	83	105	93	58	50	36	30	35	64	71	1,025
Sep-17	85	100	101	98	79	96	92	56	47	34	30	35	70	67	990
Average	88	84	86	73	61	77	64	54	37	27	27	23	74	70	843

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 2017 (Partial #10) Allotment Request Invoices

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
240 Supplies and Materials	Y-2.1	Fast Copy Factory		8/13/2017	$ 508.00	✔	$ 508.00
						Subtotal	$ 508.00
290 Miscellaneous	Y-3.1	Dusit Thani		1/4/2017	$ 3,278.00		$ -
290 Miscellaneous	Y-3.2	Edgenuity Inc	107811	8/16/2017	$ 9,600.00		$ -
290 Miscellaneous	Y-3.3	Highscope Educational Research Foundation	INV073302	7/31/2017	$ 3,975.00		$ -
						Subtotal	$ -
							$ 508.00

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

August 13, 2018

Forward to IAO.
8/14/18

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

RE: Guahan Academy Charter School – September 2017 Allotment Request#10

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 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: 8/14/18 Time:
Rec'd By: Signature

Sensaramente,

Edward Birn
Director

✓ Attachments

GUAHAN ACADEMY CHARTER SCHOOL

DATE: August 08, 2018

TO: Edward Birn

Director,
Department of Administration

FROM: Badette Lacap
Senior Accountant
Guahan Academy Charter School Incorporated

RE: FY 2016-2017 – ALLOTMENT REQUEST # 10

Attached are all relevant documents to support the GACS Sept 2017 Allotment Request # 10 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:

SEPT 2017 ALLOTMENT REQUEST # 10

FY 2016-2017

TRAN CODE	ACCOUNT NUMBER	AMOUNT	REMARKS
190	5639A179964GA201-290	$ 17,361.00	SEPT 2017 ALLOTMENT REQUEST # 10
			FY 2016-2017
	TOTAL	$ 17,361.00	

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 DOCUM

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

PREPARED BY:

_____ _____ Signature _____ Date

APPROVING OFFICIAL:

Badette Lacap, Senior Accountant _____ Signature August 8, 2018 Date

FINANCE & PROCUREMENT COMMITTEE

CERTIFICATION OF FUNDS AVAILABLE:

Hentrick M. Eveluck, Acting Chairman _____ Signature August 8, 2018 Date

FINANCE & PROCUREMENT COMMITTEE

GUAHAN ACADEMY CHARTER SCHOOL

Department of Administration
Division of Accounts
AUG 10 2018
Customer Service

FUNCTION: Guahan Academy Charter School, Inc.

FY 2016-2017 - ALLOTMENT REQUEST # 10

INVOICE: GACS FY 2016-2017-09-2017-10

AUTHORITY: Public Law 33-185

BE IT ENACTED BY THE PEOPLE OF GUAM

Section 1. Section 2 of Part 1, Chapter II of Public Law 33-185, is hereby *amended to read*:

Section2. Notwithstanding any provision of law, for the School Year 2016-2017, 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

GUAHAN ACADEMY CHARTER SCHOOL
Allotment Summary

SEPT 2017 ALLOTMENT REQUEST # 10
FY 2016-2017

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	
PERSONNEL BENEFITS	114	
CONTRACTUAL	230	$ -
MATERIALS & SUPPLIES	240	$ 508.00
WORKMAN'S COMP & GEN LIAB	270	
DRUG TESTING	271	
MISCELLANEOUS	290	$ 16,853.00
POWER	361	
WATER	362	
TELEPHONE & WIRELESS	363	$ -
	TOTAL	$ [illegible]