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

October 3, 2018

Vice Speaker Therese M. Terlaje
34GL-18-2392
OCT 04 2018
Time: 1252 PM
Received by: MPUNES

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

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

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 September 2018 (Partial #3) Allotment Requests 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 (P.L.) 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 September 25, 2018.

On a moving forward basis, IAO will be tracking the local appropriations received by charter schools against cash received by GDOE. Per P.L. 34-42, Guam Academy Charter Schools were to receive local appropriations in proportion to the cash received by GDOE for FY 2018. This additional review will be included in IAO's validation reports to ensure that charter schools receive local funds as prescribed in law.

Please advise my office if you have any further questions or concerns regarding this matter.

2018 OCT -4 PM 1:31

Sincerely,

Jon J.P. Fernandez
Superintendent of Education

Attachment
Cc: Chairman and Members, Guam Education Board
Speaker, 34th Guam Legislature
Guahan Academy Charter School

2392

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

October 3, 2018

MEMORANDUM

TO: Jon J.P. Fernandez, Superintendent of Education

CC: Taling M. Taitano, Deputy Superintendent of Finance and Administrative Services

FROM: Franklin J.F. 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 third partial allotment request for September 2018. GDOE (IAO) is authorized by Public Law (P.L.) 34-42 to verify charter school invoices for accuracy and report its findings within 10 days.

On September 25, 2018, IAO received the Department of Administration's transmittal for GACS's September 2018 Partial #3 Allotment Request of $40,957.50. IAO was not able to validate submitted invoices for food services due to an incomplete procurement record and areas of concern relative to source selection and compliance to Guam Procurement Law and regulations (e.g. Title 5 of the Guam Code Annotated §5211(b) and Title 2 of the Guam Administrative Rules and Regulations, Division 4 §3109(f)(2)).

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

Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Contractual	$ 40,957.50	$ 40,957.50	$ -	$ 40,957.50
TOTAL	$ 40,957.50	$ 40,957.50	$ -	$ 40,957.50

P.L. 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

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

validated $3,957,580.30 of expenditures, leaving a balance of $435,700.70 of unexpended funds. As of September 21, 2018, 705 students were enrolled in GACS. See Tables 2 and 3.

Per P.L. 34-42, Guam Academy Charter Schools are to receive local appropriations in proportion to the cash received by GDOE for FY 2018. As of August 23, 2018, GDOE has received 95% of its FY 2018 local appropriations. To date, GACS was provided 90% of their allotted appropriations. See Table 4 and Appendix 2.

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	$ 109,713.73	$ -
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
September 2018 (Partial #1)	$ 92,800.81	$ 92,800.81	$ 92,800.81	$ -
September 2018 (Partial #2)	$ 104,700.40	$ 104,730.40	$ 104,369.49	$ 360.91
September 2018 (Partial #3)	$ 40,957.50	$ 40,957.50	$ -	$ 40,957.50
Total (FY 2018)	**$ 5,683,202.04**	**$ 5,681,810.79**	**$ 3,957,580.30**	**$ 1,724,230.49**

			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	(3,957,580.30)
			Remaining Funds	$ 435,700.70

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
Sep-18	56	58	73	75	74	61	72	74	18	34	26	27	57	-	705
Average	71	85	89	87	74	82	80	58	37	32	28	31	60	52	862

Table 4: FY 2018 Funds Available

	GACS
P.L. 34-42 Appropriation	$ 4,810,000.00
Less: P.L. 34-87 (BBMR Circular 18-04) GF Reduction	$ (416,719.00)
Subtotal	$ 4,393,281.00
Less: P.L. 34-42 (% of Cash Not Received by GDOE)	$ (212,916.27)
Revised Appropriation	$ 4,180,364.73
Less: IAO Validated Amounts	$(3,957,580.30)
Total Available to GACS	$ 222,784.43
% of Funds Available	5.3%

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 #3) Allotment Request Invoice

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
230 Contractual	AV-2.1	New Fresh Bread Bakeshop	GACS-0012	9/7/2018	$ 13,215.00		$ -
230 Contractual	AV-2.2	New Fresh Bread Bakeshop	GACS-0013	9/7/2018	$ 10,120.00		$ -
230 Contractual	AV-2.3	New Fresh Bread Bakeshop	GACS-0014	9/17/2018	$ 5,060.00		$ -
230 Contractual	AV-2.4	New Fresh Bread Bakeshop	GACS-0015	9/21/2018	$ 12,562.50		$ -
						Total	$ -

Appendix 2: GDOE and BBMR FY 2018 Appropriation / Allotment Status as of August 23, 2018

Guam Department of Education
FY 2018 Appropriations and Allotments [2]
As of August 23, 2018

Fund	Appropriation	GDOE Cash Received	Cash Received as % of Appropriations	% of Cash Not Received by GDOE
General Fund (GF) [1]	$ 187,273,035.00	$ 180,784,491.43	96.5%	3.5%
TEFF Ops Fund	$ 4,353,375.00	$ 4,353,375.00	100.0%	0.0%
TEFF - 1st Generation	$ 100,000.00	$ -	0.0%	100.0%
PLRF	$ 996,946.00	$ 747,711.00	75.0%	25.0%
Interscholastics / Health & Physical	$ 891,754.00	$ 607,042.00	68.1%	31.9%
Limited Gaming Fund	$ 608,518.00	$ 456,389.00	75.0%	25.0%
Subtotal	$ 194,223,628.00	$ 186,949,008.43	96.3%	3.7%
JFKHS Maintenance	$ 1,568,000.00	$ 1,568,000.00	100.0%	0.0%
Charter Schools	$ 2,327,016.00		0.0%	100.0%
Grand Total	$ 198,118,644.00	$ 188,517,008.43	95.2%	4.8%

Bureau of Budget and Management Research
FY 2018 Appropriation /Allotment Status Report [2]
As of August 23, 2018

Fund	Appropriation	BBMR Circular 18-04 GF Reduction	PL 34-87 GF Reduction	Appropriation Less PL 34-87 Reduction
GDOE	$ 214,310,861.00	$ (18,610,365.00)	$ (9,072,589.00)	$ 205,238,272.00
Chamoru Studies	$ 401,207.00	$ (34,759.00)	$ -	$ 401,207.00
Universal Pre-Kindergarten Pilot Prog.	$ 1,054,596.00	$ (91,366.00)	$ (1,054,596.00)	$ -
Textbooks & Collateral Mat. FY 2017	$ 1,500,000.00	$ (129,954.00)	$ -	$ 1,500,000.00
Textbooks & Collateral Mat. FY 2018	$ 1,500,000.00	$ (129,954.00)	$ -	$ 1,500,000.00
Textbooks & Collateral Mat. FY 2018 (Advance)	$ (1,500,000.00)	$ 129,954.00	$ (1,500,000.00)	$ (3,000,000.00)
Maintenance / Repair School Facilities	$ 500,000.00		$ -	$ 500,000.00
Grand Total	$ 217,766,664.00	$ (18,866,444.00)	$ (11,627,185.00)	$ 187,273,035.00

[1] GDOE's report did not include the P.L 34-87 GF Reduction (BBMR Circular 18-04). IAO included it, from BBMR's FY 2018 Appropriation/Allotment Status Report (as of August 23, 2018), for a more accurate presentation of GDOE's actual cash receipt.

[2] GDOE and BBMR's reports were obtained during the Education Financial Supervisory Commission's August 2018 meeting.

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

September 24, 2018

Forward to IAO
9/26/18

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

RE: Guahan Academy Charter School – September 2018 (Partial#3) 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 September for Fiscal Year 2018. Herewith is the invoice and supporting documentation. GDOE is requested to verify the invoice and its supporting documentation for accuracy and to report its findings in the ten days of this letter.

Should you have any further questions or concerns, please contact, Mary Grace Edrosa at 475-1283

Si Yu'os Maase!

Sensaramente,

Edward Birn
Director

9/24/18

Department of Education
Office of the Superintendent
Date: 9/25/18 Time:
Rec'd By: 8092504
Title Signature

✓ Attachments

GUAHAN ACADEMY CHARTER SCHOOL

DATE: September 24, 2018

TO: Edward Birn
Director,
Department of Administration

FROM: Badette Lacap
Senior Accountant
Guahan Academy Charter School Incorporated

RE: September 2018 - Allotment Request (Partial # 3)

Attached are all relevant documents to support the September 2018 Allotment Request (Partial # 3) 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:

September 2018 - Allotment Request (Partial # 3)- New Fresh Bread Bakeshop

TRAN CODE	ACCOUNT NUMBER	AMOUNT	Invoices
190	5639A189964GA201-290	$ 40,957.50	September 2018 - Allotment Request (Partial # 3)- New Fresh Bread Bakeshop
	TOTAL	$ 40,957.50	

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 DOC

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

PREPARED BY:

Badette Lacap, Senior Accountant — Signature — September 24, 2018 Date

APPROVING OFFICIAL:

Wilfred Aflague, CFO — Signature — September 24, 2018 Date

FINANCE & PROCUREMENT COMMITTEE

CERTIFICATION OF FUNDS AVAILABLE:

Hentrick M. Eveluck, Acting Chairman — Signature — September 24, 2018 Date

FINANCE & PROCUREMENT COMMITTEE

Doc. No. 34GL-18-2392.

GUAHAN ACADEMY CHARTER SCHOOL

Allotment Summary

September 2018 - Allotment Request (Partial # 3)- New Fresh Bread Bakeshop

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	
PERSONNEL BENEFITS	114	
CONTRACTUAL	230	$ 40,957.50
MATERIALS & SUPPLIES	240	
WORKMAN'S COMP & GEN LIAB	270	
DRUG TESTING	271	
MISCELLANEOUS	290	
POWER	361	
WATER	362	
TELEPHONE & WIRELESS	363	
	TOTAL:	$ 40,957.50

GUAHAN ACADEMY CHARTER SCHOOL

FUNCTION: Guahan Academy Charter School, Inc.
SEPTEMBER 2018 –ALLOTMENT REQUEST (Partial # 3)

INVOICE: GACS FY 2017-2018-09-2018-003

AUTHORITY: Public Law 34-42

RECEIVED
SEP 24 2018

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.

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