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

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

2018 OCT 11 AM 7:55

Re: iLearn Academy Charter School: Fiscal Year 2018 September 2018 (Part 2) Allotment Request

Hafa Adai,

Upon review of the iLearn Academy Charter School (iLearn) Fiscal Year (FY) 2018 September 2018 (Part 2) Allotment Request by our Internal Audit Office (IAO) in collaboration with members of the iLearn, I am unable to submit my verification of accuracy as required by Public Law (P.L.) 34 - 42, Chapter II, Part I, in its entirety.

Our IAO was not able to validate the invoiced total as iLearn has exhausted their allotted appropriations for FY 2018. Please see the attached verification report. This validation is based on actual invoices submitted to the IAO on October 2, 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.

Sincerely,

Jon J.P. Fernandez
Superintendent of Education

Attachment

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

2410

Vice Speaker Therese M. Terlaje
34GL-18-2418
OCT 11 2018
Time: 1:39pm
Received by:

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 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.T. Cooper-Nurse, Chief Auditor, Internal Audit Office

SUBJECT: September 2018 Review of iLearn Academy Charter School's Invoices

Hafa Adai,

The Guam Department of Education (GDOE) Internal Audit Office (IAO) has completed its review of iLearn Academy Charter School (iLearn)'s allotment request for September 2018 (Part 2). 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 October 2, 2018, IAO received the Department of Administration (DOA)'s transmittal for iLearn's September 2018 (Part 2) Allotment Request of $179,748.47. Although the submitted invoices are accurate and valid, iLearn has exhausted their allotted appropriations for Fiscal Year (FY) 2018. See Table 1 and Appendix 1 for details.

Table 1: September 2018 Allotment Request

15th Drawdown	[A]	[B]	[C]
Object Class	iLearn's Drawdown	Submitted Invoices	IAO's Validation
Contractual	$ 179,748.47	$ 179,748.47	$ -
Total	$ 179,748.47	$ 179,748.47	$ -

P.L. 34-42 provides $6,500 for each student up to 500 students or a total of $3,250,000. However, due to revenue shortfalls from tax cuts, iLearn's FY 2018 appropriations were reduced by $281,567[1] for a revised appropriation of $2,968,433. For FY 2018, IAO validated $2,968,433 of expenditures, leaving an unexpended balance of $0. As of September 20, 2018, 500 students were enrolled in iLearn. See Tables 2, 3, and 4 for details.

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

Further, iLearn received in excess of what should have been provided per the law. 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. As of August 23, 2018, GDOE has received 95% of its FY 2018 local appropriations to date. However, iLearn was provided 5% more than GDOE's cash receipt. Therefore, IAO does not advise the release of funds for this allotment request. See Table 5 and Appendix 2.

Table 2: FY 18 Validation Summary

Month	iLearn's Drawdown	Submitted Invoices	IAO's Validation
October	$ 282,077.74	$ 282,077.74	$ 282,077.74
November	278,941.58	278,941.58	278,941.58
December	277,722.76	277,722.76	277,722.76
January	334,059.11	334,059.11	334,059.11
February	278,623.43	278,623.43	278,623.43
March	268,828.48	268,828.48	268,828.48
April	271,692.69	271,692.69	271,692.69
May	276,039.80	276,039.80	276,039.80
June	227,894.96	227,894.96	227,894.96
June (Supp. #1)	51,244.25	51,244.25	51,244.25
July	221,134.12	221,134.12	221,134.12
July (Supp. #1)	50,832.34	50,832.34	50,832.34
August	149,341.74	149,341.74	149,341.74
September	101,818.53	101,818.53	-
September (Part 2)	179,748.47	179,748.47	-
Total (FY 18)	$ 3,250,000.00	$ 3,250,000.00	$ 2,968,433.00

Table 3: FY 18 General Fund Appropriation Reduction

Remaining Funds	
P.L. 34-42 Funding Per Student ($6,500 x 500 Students)	$ 3,250,000.00
Less: Appropriations Reduction (BBMR Circular 18-04)	(281,567.00)
Revised Budget	2,968,433.00
Less: IAO's Validation	(2,968,433.00)
Unexpended Balance	$ -

Table 4: FY 18 Enrollment Summary

SY	Month	Grade Level K	1	2	3	4	5	Total
17-18	October 2017	107	101	99	65	68	60	500
17-18	November 2017	107	101	99	65	68	60	500
17-18	December 2017	107	101	99	65	68	60	500
17-18	January 2018	107	101	99	65	68	60	500
17-18	February 2018	108	99	99	67	68	59	500
17-18	March 2018	108	99	99	67	68	59	500
17-18	April 2018	108	99	99	67	68	59	500
17-18	May 2018	109	99	99	67	68	59	501
17-18	June 2018	78	115	90	96	60	61	500
18-19	August 2018	85	113	87	95	60	60	500
18-19	September 2018	78	115	90	96	60	61	500
SY17-18 Average		**100**	**103**	**97**	**72**	**66**	**60**	**500**

Table 5: FY 18 Available Funds

	iLearn
P.L. 34-42 Appropriation	$ 3,250,000.00
Less: P.L. 34-87 (BBMR Circular 18-04) GF Reduction	$ (281,567.00)
Subtotal	$ 2,968,433.00
Less: P.L. 34-42 (% of Cash Not Received by GDOE)	$ (143,862.34)
Revised P.L. 34-42 Appropriation	$ 2,824,570.66
Less: IAO Validated Amounts	$ (2,968,433.00)
Total Available to iLearn	$ (143,862.34)
% of Funds Available	-5.1%

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: iLearn August 2018 Invoice Details

Month	Type of Request	Object Code & Class	Ref	Vendor	Description	Invoice Number	Invoice Date	Invoice Amount	Validated Amount
September	Part 2	230 Contractual	O-2.1	Saint Paul Christian School	A+ Ed. Infrastructure (Partial)	August 2018	August	9,748.47	-
September	Part 2	230 Contractual	O-2.2	Saint Paul Christian School	A+ Ed. Infrastructure	September 2018	September	170,000.00	-
							Total	179,748.47	-

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

OCT 0 1 2018

Edward Birn
Director
Vincent P. Arriola
Deputy Director

October 1, 2018

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

Fwd to LAO.
10/3/18

RE: iLearn Academy Charter School – September 2018 Allotment Request Part 2

Buenas yan Hafa Adai:

Pursuant to Public Law 33-42, Chapter II, Part I, we are submitting iLearn Academy Charter School's 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,

10/1/2018
Edward Birn
Director

Attachments

Department of Education
Superintendent
Time: 8:01 AM
Name Signature

iLearn
ACADEMY CHARTER SCHOOL

P.O. Box 8445, Tamuning, Guam 96931
Phone: 989-3789/99

September 30, 2018

Mr. Jon Fernandez
Superintendent, GDOE
P.O. Box DE
Hagatna, Guam 96932

Dear Mr. Fernandez,

Attached is a copy of the Allotment Request submitted to the Department of Administration for September 2018 Part 2 and corresponding invoices for the drawdown of funds under the FY2018 budget approved by the Legislature.

Sincerely,

Helen Nishihira
iLearn Academy Charter School
Authorized Board Member

iLearn
ACADEMY CHARTER SCHOOL

P.O. Box 8445, Tamuning, Guam 96931
Phone: 989-3789/99

September 30, 2018

To: Mr. Jon Fernandez
Superintendent, GDOE

Mr. Franklin Cooper-Nurse
Chief Auditor (IAO), GDOE

Ms. Leana Willess
Audit Staff, GDOE

From: Mrs. Helen Nishihira
Authorized Board Member, iLearn Academy Charter School

Mrs. Nina Doromal Field
Business Manager, iLearn Academy Charter School

Re: INVOICES

Please see attached copy of the invoices:

1) A+ Invoice (August partial 2018) [Part 1: 98,858.96 | Part 2: 9,748.47
2) A+ Invoice (September 2018)

If you have any questions, please contact us via email at hnishihira@ilearnguam.org or nfield@ilearnguam.org

Sincerely,

Mrs. Helen Nishihira
Authorized Board Member, iLearn Academy Charter School

Mrs. Nina Doromal Field
Business Manager, iLearn Academy Charter School

iLearn
ACADEMY CHARTER SCHOOL
P.O. Box 8445, Tamuning, Guam 96931
Phone: 989-3789/99

FUNCTION: iLearn Academy Charter School
SEPTEMBER 2018 Allotment Request PART 2

INVOICE: ILACS FY 2018-09-2018

AUTHORITY: P.L. 34-42, Chapter II, Section 3
Section 3. Guam Academy Charter Schools. Notwithstanding any provision of law, pursuant to § 12116(e) of Chapter 12, Title 17 GCA, the Department of Administration (DOA) is hereby authorized and directed to deduct, in proportion to the ratio of cash received from the total Fiscal Year 2018 General and Special Fund appropriations in Section 1 of this Part of this Chapter to the GDOE, Six Thousand Five Hundred Dollars ($6,500) per enrollee of the Academy Charter Schools chartered by the Guam Academy Charter Schools Council not to exceed seven hundred forty (740) students for the Guåhan Academy Charter School and five hundred (500) students for the iLearn Academy Charter School from the total Fiscal Year 2018 General and Special Fund appropriations in Section 1 of this Part of this Chapter to GDOE based on the actual enrollment at the time multiplied by the per pupil cost as established by this Section. Each Academy Charter School shall submit a monthly invoice to DOA. Upon receipt of said invoice, DOA shall remit it to 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 GDOE fails to report its findings, the invoiced amount received by DOA *shall* be automatically transmitted to each Academy Charter School.

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
TOTAL FUNDING AVAILABLE: $6,500 X 500 Students		
A+ Contract (PARTIAL AUG 2018)		$ 9,748.47
A+ Contract (SEPTEMBER)		$ 170,000.00

ALLOTMENT REQUEST: $ 179,748.47

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:
iLearn Academy Charter School PO BOX 8445 TAMUNING, GUAM 96913	I0012226

PURPOSE:

Allotment Request for SEPTEMBER 2018 PART 2

TRAN CODE	ACCOUNT NUMBER	AMOUNT	Remarks
190	5639A189964GA202-290	$ 179,748.47	
	TOTAL	179,748.47	

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 DOCUMENTS

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

PREPARED BY:

NINA D. FIELD - BUSINESS MANAGER — Signature — September 30, 2018 — Date

APPROVING OFFICIAL

HELEN NISHIHIRA - AUTHORIZED BOARD MEMBER — Signature — September 30, 2018 — Date

CERTIFICATION OF FUNDS AVAILABLE

HELEN NISHIHIRA - AUTHORIZED BOARD MEMBER — Signature — September 30, 2018 — Date

_____ — Signature — Date

1

SAINT PAUL CHRISTIAN SCHOOL

INVOICE

671-637-9855
mdorego.spcs@gmail.com

1700 Mendioka St.
Dededo, Guam 96929

Attention: Nina Doromal Field
Business Manager
iLearn Academy Charter School
Date: SY 2017-2018

Project Title: A+ Education Infrastructure Contract
Invoice: A+ AUGUST 2018

Description	Charge	Payment	Balance
A+ Contract	$ 170,000		$ 170,000.00

Notes: PAST DUE AUGUST 2018 $ 170,000.00

Sincerely yours,

Malu Dorego (SPCS Business Manager)

Note:
Partial only
to fit unexpended Balance.

Partial: $ 9,748.47

SAINT PAUL CHRISTIAN SCHOOL

INVOICE

671-637-9855
mdorego.spcs@gmail.com

1700 Mendioka St.
Dededo, Guam 96929

Attention: Nina Doromal Field
Business Manager
iLearn Academy Charter School
Date: SY 2017-2018

Project Title: A+ Education Infrastructure Contract
Invoice: A+ September 2018

Description	Charge	Payment	Balance
A+ Contract	$ 170,000		$ 170,000.00

Notes: PAST DUE SEPTEMBER 2018 $ 170,000.00

Sincere'y yours,

Malu Dorego (SPCS Business Manager)