



**DEPARTMENT OF EDUCATION  
OFFICE OF THE SUPERINTENDENT**

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**JON J.P. FERNANDEZ**  
Superintendent of Education

July 10, 2018

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

Speaker Benjamin J.F. Cruz

JUL 18 2018

Time: 1:50 PM File No. \_\_\_\_\_  
Received By:

**Re: Guahan Academy Charter School: FY 2018 June 2018 (Partial #4) Allotment Request**

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 June 2018 (Partial #4) 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 \$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 July 2, 2018.

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

Sincerely,

Jon J.P. Fernandez  
Superintendent of Education

Received By:   
Date: 7/18/18 Time: 8:59 am

Attachment

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



**JON J.P. FERNANDEZ**  
Superintendent of Education

**DEPARTMENT OF  
EDUCATION  
INTERNAL AUDIT OFFICE**

500 Mariner Avenue, Barrigada, Guam 96913  
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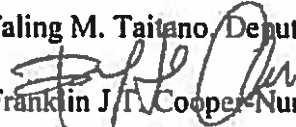
**FRANKLIN  
COOPER-NURSE**  
Chief Internal Auditor

July 10, 2018

**MEMORANDUM**

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

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

**FROM:**  Franklin J. Cooper-Nurse, Chief Auditor, Internal Audit Office

**SUBJECT:** June 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 fourth partial allotment request for June 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 July 2, 2018, IAO received the Department of Administration's transmittal for GACS's June 2018 Partial #4 Allotment Request of \$150,000. The IAO was not able to validate GACS's submitted invoice due to a statute restricting the use of funds to construct, reconstruct, or improve GACS's campus per Title 17 of the Guam Code Annotated Section 12116 (d). The allotment request was part of the total contract cost for the construction of GACS's campus at the Nan Corporation property.

**Table 1: June 2018 Allotment Request Invoices (Partial #4)**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>(B-C) = D</b>
<b>Object Class</b>	<b>GACS Drawdown</b>	<b>Submitted Invoices</b>	<b>IAO's Validation</b>	<b>Difference</b>
Contractual	\$ 150,000.00	\$ 150,000.00	\$ -	\$ 150,000.00
<b>TOTAL</b>	<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>	<b>\$ -</b>	<b>\$ 150,000.00</b>

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 2018 appropriations were reduced by \$416,719<sup>1</sup> for a revised appropriation of \$4,393,281. For FY 2018, IAO validated

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

\$3,267,761.18 of expenditures, leaving a balance of \$1,125,519.82 of unexpended funds. As of June 27, 2018, 880 students were enrolled in GACS. See Tables 2 and 3.

**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
<b>Total (FY 2018)</b>	<b>\$4,870,784.49</b>	<b>\$4,869,363.24</b>	<b>\$3,267,761.18</b>	<b>\$1,601,602.06</b>

		GACS Max. Budget	\$ 4,810,000.00
		Less: Appropriations reduction	(416,719.00)
Funding Per Student	\$ 6,500	Revised Budget	\$ 4,393,281.00
Maximum Enrollment	740	Less: IAO's Validations	(3,267,761.18)
GACS Maximum Budget	\$ 4,810,000	Remaining Funds	\$ 1,125,519.82

**Table 3: FY 2018 GACS Enrollment**

Months	Grade Level														Total
	1	2	3	4	5	6	7	8	9	10	11	12	K	PK	
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
<b>Average:</b>	<b>78</b>	<b>93</b>	<b>94</b>	<b>90</b>	<b>73</b>	<b>89</b>	<b>82</b>	<b>53</b>	<b>41</b>	<b>31</b>	<b>29</b>	<b>33</b>	<b>64</b>	<b>63</b>	<b>632</b>

Should you have any questions or concerns, please contact Joy Bulatao at 300-3695 or [jvbulatao@gdoc.net](mailto:jvbulatao@gdoc.net), and Franklin Cooper-Nurse at 300-1336 or [fitcooper-nurse@gdoc.net](mailto:fitcooper-nurse@gdoc.net).

**Appendix 1: GACS June 2018 (Partial #4) Allotment Request Invoice**

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated Amount	Validated Amount
230 Contractual	AJ-2.1	U-One Ludixell		11/11/2017	\$ 150,000.00	\$	-
<b>Total</b>						<b>\$</b>	<b>-</b>



**Eddie Baza Calvo**  
Governor  
**Ray Tenorio**  
Lieutenant Governor

**Department of Administration**  
(DIPATTAMENTON ATEMENSTRASION)  
**DIRECTOR'S OFFICE**  
(UFISINAN DIREKTOT)  
Post Office Box 884 Hagafña, Guam 96932  
Tel: (671) 475-1101/1250 Fax: (671) 477-6788



**Edward Birn**  
Director  
**Vincent P. Arrinola**  
Deputy Director

July 2, 2018

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

**RE: Guahan Academy Charter School – June 2018 (Partial#4) Allotment Request**

*Buenos yan Hafu 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 June 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!*

*Sensarapente,*

Edward Birn  
Director

*For 7/2/18  
7/2/18*

7/2/18 Fwd to IA  
pw. Supt

<b>Department of Education</b>	
Office of the Superintendent	
DATE: 7/2/18	TIME: _____
Rec'd. by: <i>Chil</i>	8070203
Print Name: _____	Signature: _____

Attachments



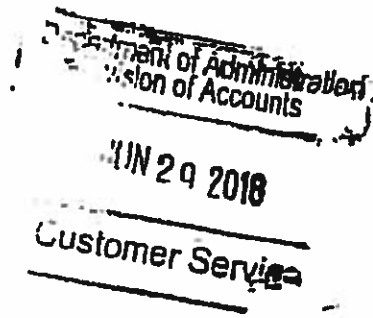
**GUAHAN  
ACADEMY  
CHARTER SCHOOL**

**DATE:** June 27, 2018

**TO:** Edward Birn  
Director,  
Department of Administration

**FROM:** Badette Lacap  
Senior Accountant  
Guahan Academy Charter School Incorporated

**RE:** June 2018 - Allotment Request (Partial #4)



Attached are all relevant documents to support the June 2018 Allotment Request (Partial # 4) 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**



**GOVERNMENT OF GUAM**  
 DEPARTMENT OF ADMINISTRATION  
 FINANCIAL MANAGEMENT SYSTEM

**REQUEST FOR DIRECT  
 PAYMENT**

DOCUMENT NO.: \_\_\_\_\_

URGENT - EXPEDITE PAYMENT     KEY & RELEASE - A S A P

<b>PAYEE:</b> Guahan Academy Charter School P.O. Box CS Hagatna, GU 96932	<b>VENDOR NUMBER:</b>  G0016588
--	---------------------------------------

**PURPOSE:**  
**June 2018 - Allotment Request (Partial # 4)**

QTY	DESCRIPTION	AMOUNT	REMARKS
190	5639A189964GA201-290	\$ 150,000.00	U-ONE LUDIXELL
<b>TOTAL</b>		<b>\$ 150,000.00</b>	

**CHECK APPROPRIATE BOX BELOW:**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> ACCOUNT NUMBER IS CORRECT  | <input checked="" type="checkbox"/> JOB ORDER NUMBER IS CORRECT | <input type="checkbox"/> INSUFFICIENT FUNDS |
| <input checked="" type="checkbox"/> PRIOR REFERENCE IS CORRECT | <input checked="" type="checkbox"/> VENDOR NUMBER IS CORRECT    |   |
| <input type="checkbox"/> OVERRIDE IS AUTHORIZED                | <input type="checkbox"/> 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: \_\_\_\_\_

<b>APPROVING OFFICIAL:</b>	Signature	Date
<u>Badette Lecap, Senior Accountant</u>		6/27/18
<b>FINANCE &amp; PROCUREMENT COMMITTEE</b>	Signature	
<b>CERTIFICATION OF FUNDS AVAILABLE:</b>		
<u>Hentrick M. Eveluck, Acting Chairman</u>		6/27/18
<b>FINANCE &amp; PROCUREMENT COMMITTEE</b>	Signature	Date



**GUAHAN ACADEMY CHARTER SCHOOL**

**Allotment Summary**

**June 2018 - Allotment Request (Partial # 4)**

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	\$ -
PERSONNEL BENEFITS	114	\$ -
CONTRACTUAL	230	\$ 150,000.00
MATERIALS & SUPPLIES	240	\$ -
WORKMAN'S COMP & GEN LIAB	270	\$ -
DRUG TESTING	271	\$ -
MISCELLANEOUS	290	\$ -
POWER	361	\$ -
WATER	362	\$ -
TELEPHONE & WIRELESS	363	\$ -
<b>TOTALS</b>		<b>\$ -</b>



**GUAHAN  
ACADEMY  
CHARTER SCHOOL**

**FUNCTION:** Guahan Academy Charter School, Inc.  
JUNE 2018 -ALLOTMENT REQUEST (Partial #4)

**INVOICE:** GACS FY 2017-2018-06-2018-003

**AUTHORITY:** Public Law 34-42

Department of Administration  
Division of Accounts

JUN 29 2018

Customer Service

**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:**

**Section 2. 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 report its findings, the invoiced amount received by DOA shall be automatically transmitted to each Academy Charter School.**