



**DEPARTMENT OF EDUCATION  
OFFICE OF THE SUPERINTENDENT**



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

January 4, 2019

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



**Re: Guahan Academy Charter School: FY 2019 December 2018 (#3) Allotment Request**

Hafa Adai,

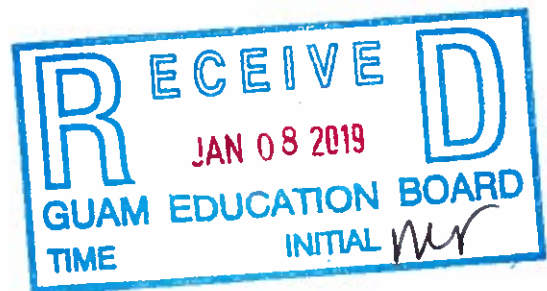
Upon review of the Guahan Academy Charter School Fiscal Year 2019 December 2018 (#3) Allotment Request by our Internal Audit Office in collaboration with members of the Guahan Academy Charter School Incorporated, I am able to submit my verification of accuracy as required by Public Law 34-116, Chapter II, Part I in its entirety.

Our Internal Audit Office was able to validate \$45,325.96 of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on December 28, 2018.

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

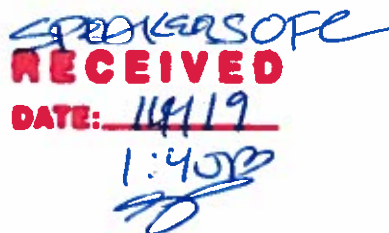
Sincerely,

Jon J.P. Fernandez  
Superintendent of Education



Attachment

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





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

**DEPARTMENT OF  
EDUCATION  
INTERNAL AUDIT OFFICE**

501 Mariner Avenue, Barrigada, Guam 96913  
Telephone: (671) 300-1336  
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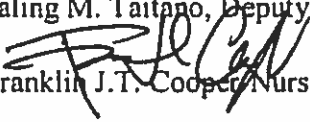
**FRANKLIN  
COOPER-NURSE**  
Chief Internal Auditor

January 4, 2019

**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:** December 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 allotment request for December 2018. GDOE (IAO) is authorized by Public Law (P.L.) 34-116 to verify charter school invoices for accuracy and report its findings within 10 days.

On December 28, 2018, IAO received the Department of Administration (DOA)'s transmittal for GACS's December 2018 #3 Allotment Request of \$45,882. IAO was able to validate \$45,325.96 of GACS's submitted invoices.

GACS procured copier services through the use of a Request for Quotation (RFQ). Three vendors provided quotations to GACS's RFQ. Xerox was selected based on "the quality of the machine and the more in depth quotation and specifications provided by the vendors." However, Xerox did not provide the lowest price and no documentation was provided to evidence that the other vendors were non-responsive and/or non-responsible. Per Title 2 of the Guam Administrative Rules and Regulations, Division 4, §3111(c)(1), "Awards shall be made to the lowest responsible and responsive bidder". Therefore, IAO could not validate \$556.04 for a Xerox invoice. See Table 1 and Appendix 1.

**Table 1: December 2018 Allotment Request Invoices (#3)**

Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Contractual	\$ 27,782.58	\$ 27,782.58	\$ 27,226.54	\$ 556.04
Supplies & Materials	\$ 1,599.71	\$ 1,599.71	\$ 1,599.71	\$ -
Miscellaneous	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ -
Power	\$ 7,407.64	\$ 7,407.64	\$ 7,407.64	\$ -
Telephone & Wireless	\$ 7,642.07	\$ 7,642.07	\$ 7,642.07	\$ -
<b>TOTAL</b>	<b>\$ 45,882.00</b>	<b>\$ 45,882.00</b>	<b>\$ 45,325.96</b>	<b>\$ 556.04</b>

P.L. 34-116 provides \$6,088 for each student up to 740 students or a maximum of \$4,505,120. Based on enrollment reports provided by GACS, 713 students were enrolled as of December 26, 2018. Based on the per pupil cost, GACS's current FY 2019 budget is \$4,340,744. For FY 2019, IAO validated \$838,067.89 of expenditures, leaving an unexpended balance of \$3,502,676.11 of unexpended funds. See Tables 2, 3, and 4 for details.

**Table 2: FY 2019 Validation Summary**

Month	A GACS Drawdown	B Submitted Invoices	C IAO's Validation	(B-C) = D Difference
October (Partial #1)	\$ 108,789.52	\$ 108,789.52	\$ 107,930.56	\$ 858.96
October (Partial #2)	\$ 25,685.00	\$ 25,685.00	\$ 25,685.00	\$ -
October (Partial #3)	\$ 79,776.00	\$ 79,776.00	\$ 79,776.00	\$ -
October (Partial #4)	\$ 113,896.59	\$ 113,896.59	\$ 113,896.59	\$ -
November (Partial #1)	\$ 122,579.95	\$ 122,579.95	\$ 121,892.91	\$ 687.04
November (Partial #2)	\$ 123,322.92	\$ 123,322.92	\$ 106,610.75	\$ 16,712.17
December (#1)	\$ 157,511.85	\$ 157,511.85	\$ 145,091.85	\$ 12,420.00
December (#2)	\$ 91,858.27	\$ 91,858.27	\$ 91,858.27	\$ -
December (#3)	\$ 45,882.00	\$ 45,882.00	\$ 45,325.96	\$ 556.04
<b>Total (FY 2019)</b>	<b>\$869,302.10</b>	<b>\$869,302.10</b>	<b>\$838,067.89</b>	<b>\$ 31,234.21</b>

**Table 3: FY 2019 Remaining Funds**

Funding Per Student	\$ 6,088.00
Current Enrollment	713
GACS Budget	\$ 4,340,744.00
Less: IAO's Validations	\$ 838,067.89
<b>FY 2019 Remaining Funds</b>	<b>\$ 3,502,676.11</b>

**Table 4: FY 2019 Enrollment Summary**

Months	Grade Level													Total
	1	2	3	4	5	6	7	8	9	10	11	12	K	
Oct-18	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Nov-18	57	58	75	75	74	61	73	75	19	35	26	28	57	713
Dec-18	57	58	75	75	74	61	73	75	19	35	26	28	57	713
<b>Average</b>	<b>57</b>	<b>58</b>	<b>75</b>	<b>75</b>	<b>74</b>	<b>61</b>	<b>73</b>	<b>75</b>	<b>19</b>	<b>35</b>	<b>26</b>	<b>28</b>	<b>57</b>	<b>713</b>

Based on the Deputy Attorney General's information and guidance on August 24, 2018 (Ref: DOA 18-0353), there is a fundamental difference in the interpretation of what GDOE shall validate as an accurate and proper use of government funds. GDOE strongly believes in transparency and accountability and the work being done by IAO in its review is not contrary to any legislative statutes. IAO has a fiduciary responsibility and is guided by professional standards in conducting any review. As such, IAO will continue to do its due diligence in properly and thoroughly advising the Superintendent of charter school's requests for drawdown of government funds. The Department of Administration has control over all education and charter school appropriations and is not obligated to follow the Superintendent's validation and can release requested charter school allotments on its own accord.

Should you have any questions or concerns, please contact Leana Willess at 300-3697 or [lmwilless@gdoe.net](mailto:lmwilless@gdoe.net), and Franklin Cooper-Nurse at 300-1336 or [fitcooper-nurse@gdoe.net](mailto:fitcooper-nurse@gdoe.net).

**Appendix 1: GACS December 2018 (#3) Allotment Request Invoice**

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Unvalidated	Validated Amount
230 Contractual	I-2.1	New Fresh Bread Bakeshop	GACS-0027	12/14/2018	\$ 13,415.00	✓		\$ 13,415.00
230 Contractual	I-2.2	New Fresh Bread Bakeshop	GACS-0028	12/21/2018	\$ 12,187.50	✓		\$ 12,187.50
230 Contractual	I-2.3	Xerox	095351351	12/1/2018	\$ 1,624.04	✓		\$ 1,624.04
230 Contractual	I-2.4	Xerox	095351365	12/1/2018	\$ 556.04			\$ -
						Subtotal		\$ 27,226.54
240 Supplies and Materials	I-3.1	Cosmos Distributing Co., Ltd	7218835-IN	12/11/2018	\$ 1,564.00	✓		\$ 1,564.00
240 Supplies and Materials	I-3.2	MD Wholesale	SI-18-61078	12/12/2018	\$ 35.71	✓		\$ 35.71
						Subtotal		\$ 1,599.71
290 Miscellaneous	I-4.1	Gualhan Academy Charter School	Memo #56	12/27/2018	\$ 1,450.00	✓		\$ 1,450.00
						Subtotal		\$ 1,450.00
361 Power	I-5.1	Guam Power Authority	7 346674118605	12/11/2018	\$ 7,407.64	✓		\$ 7,407.64
						Subtotal		\$ 7,407.64
363 Telephone and Wireless	I-6.1	GTA	11737641	12/1/2018	\$ 7,642.07	✓		\$ 7,642.07
						Subtotal		\$ 7,642.07
						Total		\$ 45,325.96



**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 M. Birn**  
Director  
**Vincent P. Arrlola**  
Deputy Director

December 28, 2018

12/28/18 fwd to IA  
Per Supt.

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

**RE: Guahan Academy Charter School – December 2018 (Partial#3) Allotment Request**

*Buenas yan Hafa Adai:*

Pursuant to Public Law 34-116, Chapter II, Section 2, we are submitting Guahan Academy Charter School's partial allotment request for the month of December for Fiscal Year 2019. 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 M. Birn  
Director

Department of Education	
Office of the Superintendent	
DATE: 12/28/18	TIME: 12:40pm
Rec'd By: Manu	8/22803
Print Name	Signature

**Attachments**



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

**REQUEST FOR DIRECT  
PAYMENT**

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

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

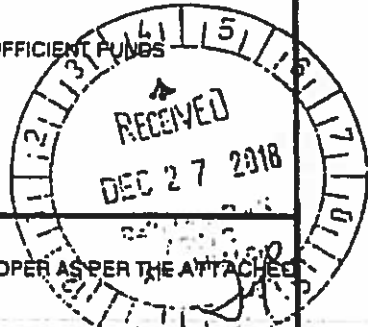
<b>PAYEE:</b> Guahan Academy Charter School P.O. Box CS Hagatna, GU 96932	<b>VENDOR NUMBER:</b> G0016588
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**PURPOSE:**  
**December 2018 - Allotment Request # 3**

D	ACCOUNT NUMBER	AMOUNT	Invoices
	5639A1989964GA201-290	\$ 45,882.00	December 2018 - Allotment Request # 3
<b>TOTAL</b>		<b>\$ 45,882.00</b>	

CHECK APPROPRIATE BOX BELOW:

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> ACCOUNT NUMBER IS CORRECT  | <input type="checkbox"/> JOB ORDER NUMBER IS CORRECT | <input type="checkbox"/> INSUFFICIENT FUNDS |
| <input type="checkbox"/> PRIOR REFERENCE IS CORRECT | <input 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 ATTACHED DOCUMENTS.

**PREPARED BY:**

Badette Lacap, Senior Accountant

*[Signature]*  
Signature

December 27, 2018

Date

**APPROVING OFFICIAL:**

Wilfred Allague, CFO  
FINANCE & PROCUREMENT COMMITTEE

*[Signature]*  
Signature

December 27, 2018

Date

Hantrick M. Eveluck, Treasurer  
FINANCE & PROCUREMENT COMMITTEE

*[Signature]*  
Signature

December 27, 2018

Date



**GUAHAN  
ACADEMY  
CHARTER SCHOOL**

**DATE:** December 27, 2018

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

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

**RE:** December 2018 - Allotment Request # 3

Attached are all relevant documents to support the December 2018 Allotment Request #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**





**GUAHAN  
ACADEMY  
CHARTER SCHOOL**

**FUNCTION:** Guahan Academy Charter School, Inc.  
DECEMBER 2018 –ALLOTMENT REQUEST # 3

**INVOICE:** GACS FY 2018-2019; 12-2018-003

**AUTHORITY:** Public Law 34-116

**BE IT ENACTED BY THE PEOPLE OF GUAM**

**Section 1.** Section 2 of Part 1, Chapter II of Public Law 34-116, is hereby *to read:*

**Section 2. Guam Academy Charter Schools.** Notwithstanding any other provision of law, pursuant to § 12116(e), 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 2019 General and Special Fund appropriations in Section 1 of this Part of this Chapter to the GDOE, Six Thousand Eighty-eight Dollars (6,088) per enrollee of the Academy Charter Schools chartered by the Guam Academy Charter Schools Council *not to exceed* six hundred twenty (620) students for the iLearn Academy Charter School, seven hundred forty (740) students for the Guahan Academy Charter School, and three hundred (350) students for the Science is Fun and Awesome Academy Charter School from the total Fiscal Year 2019 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 which *shall* be remitted to GDOE. Upon receipt of the remitted invoice GDOE *shall* verify accuracy of the invoice and report its findings within ten (10) days of receipt of said invoice by the GDOE 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.

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

# GUAHAN ACADEMY CHARTER SCHOOL

## Allotment Summary December 2018 - Allotment Request # 3

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	\$ -
PERSONNEL BENEFITS	114	\$ -
CONTRACTUAL	230	\$ 27,782.58
MATERIALS & SUPPLIES	240	\$ 1,599.71
WORKMAN'S COMP & GEN LIAB	270	\$ -
DRUG TESTING	271	\$ -
MISCELLANEOUS	290	\$ 1,450.00
POWER	361	\$ 7,407.64
WATER	362	\$ -
TELEPHONE & WIRELESS	363	\$ 7,642.07
<b>TOTAL:</b>		<b>\$ 45,882.00</b>