# DEPARTMENT OF EDUCATION
## OFFICE OF THE SUPERINTENDENT

www.gdoe.net
500 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


May 17, 2018

GL#34-18-1904
Speaker Benjamin J.F. Cruz

MAY 18 2018
Time: 8:39 AM [ ] PM File No. 34-952
Received By:

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

**Re: Guahan Academy Charter School: FY 2018 April 2018 (Special #7) Allotment Request**

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 April 2018 (Special #7) 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 **$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 May 8, 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 MAY 18 AM 8:31

1904

JON J.P. FERNANDEZ
Superintendent of Education

# DEPARTMENT OF EDUCATION
# INTERNAL AUDIT OFFICE

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

FRANKLIN COOPER-NURSE
Chief Internal Auditor

May 16, 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: April 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 seventh special allotment request for April 2018. 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 May 8, 2018, IAO received the Department of Administration's transmittal for GACS's April 2018 Special #7 Allotment Request of $5,656.83. The IAO was not able to validate GACS's submitted Fiscal Year (FY) 2017 invoices. The record provided was incomplete, and we observed several deficiencies relative to complying with the Guam Procurement Law and regulations [e.g. Title 5 of the Guam Code Annotated §5216(e) and Title 2 of the Guam Administrative Rules and Regulations §3114(e)].

**Table 1: April 2018 Allotment Request Invoices (Special #7)**

| | A | B | C | (B-C) = D |
|---|---|---|---|---|
| Object Class | GACS Drawdown | Submitted Invoices | IAO Validation | Difference |
| Contractual | $ 5,656.83 | $ 5,656.83 | $ - | $ 5,656.83 |
| TOTAL | $ 5,656.83 | $ 5,656.83 | $ - | $ 5,656.83 |

PL 33-185 provides $6,500 for each student up to 740 students or a total of $4,810,000. For FY 2017, IAO validated $4,759,413.94 of expenditures, leaving an unexpended balance of $50,586.06. As of September 30, 2017, 990 students were enrolled in GACS. See Tables 2 and 3.

## Table 2: FY 2017 Validation Summary

| Month | A GACS Drawdown | B Submitted Invoices | C IAO's Validation | (B-C) = D 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 |
| **Total (FY 2017)** | **$5,408,737.90** | **$5,406,996.92** | **$4,759,413.94** | **$ 647,582.98** |

**Per PL 33-185 (FY 2017; SY 2016-2017)**

| | |
|---|---|
| Funding Per Student | $ 6,500 |
| Maximum Enrollment | 740 |
| GACS Maximum Budget | $ 4,810,000 |

**FY 2017 Year-to-Date**

| | |
|---|---|
| GACS Max. Budget | $4,810,000.00 |
| IAO's Validation | 4,759,413.94 |
| Remaining Funds | $ 50,586.06 |

## 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-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 April 2018 (Special #7) Allotment Request Invoices

| Object Code and Class | Reference | Vendor | Invoice # | Invoice Date | Invoice Amount | Validated | Validated Amount |
|---|---|---|---|---|---|---|---|
| 230 Contractual | T-2.1 | The Law Office of Lenny Rapadas, P.C. | 2015-001-021 | 6/2/2017 | $ 1,301.57 | | $ - |
| 230 Contractual | T-2.2 | The Law Office of Lenny Rapadas, P.C. | 2015-001-025 | 9/18/2017 | $ 4,355.26 | | - |
| | | | | | | Total | $ - |

*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*

May 7, 2018

To IAO
5/8/18

Department of Education
Office of the Superintendent
Date: 5/8/18 Time:
Rec'd By: [signature] 8:52 AM
Print Name Signature

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

**RE: Guahan Academy Charter School – May 2018 The Law Office of Lenny Rapadas, FY17 Services Allotment Request (Special No#7)**

*Buenas yan Hafa Adai*:

Pursuant to Public Law 33-42, Chapter II, Part I, we are submitting Guahan Academy Charter School's special allotment request for the month of May 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!*

*Sensaramente,*

Vincent P. Arriola
Acting Director

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

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

PURPOSE:

**April 2018 - Allotment Request (Special # 7) - The Law Office of Lenny Rapadas, FY17 Services and Travel**

| TRAN CODE | ACCOUNT NUMBER | AMOUNT | Invoice |
|---|---|---|---|
| 190 | 5639A179964GA201-290 | $ 5,656.83 | April 2018 - Allotment Request (Special # 7) - The Law Office of Lenny Rapadas, FY17 Services and Travel |
| | TOTAL | $ 5,656.83 | |

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 DOCU

☐ 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
FINANCE & PROCUREMENT COMMITTEE
_____ Signature April 27, 2018 Date

CERTIFICATION OF FUNDS AVAILABLE:

VICTOR A. PEREZ, COMMITTEE CHAIR
FINANCE & PROCUREMENT COMMITTEE
_____ Signature April 27, 2018 Date

GUAHAN ACADEMY CHARTER SCHOOL

PROCUREMENT/ALLOTMENT MEMORANDUM

GACS NO. 4-2018-007

RE: SPECIAL ALLOTMENT REQUEST FOR
THE LAW OFFICE OF LENNY RAPADAS
FY17 PROFESSIONAL SERVICES & TRAVEL

Date: April 27, 2018

To: Mr. Franklin Cooper-Nurse, Chief Auditor
Internal Audit Office, Guam Department of Education

Re: No. 7 – Special Allotment Request
Law Office of Lenny Rapadas
FY17 Services and Travel

Via: Ms. Bernadette Lacap, Accountant

Fr: Victor A. Perez, Chairman of Finance & Procurement Committee
Board of Trustees, Guahan Academy Charter School

Dear Mr. Cooper-Nurse:

It is the intent and desire of Guahan Academy Charter School to follow up on pending allotment requests that were not validated by your office for payment, particularly for professional legal services rendered by our legal counsel for the month of September, 2017, and for travel authorized by the Board of Trustees.

I. **AUTHORITY:**
Executed Contract to Employ Attorney, effective October 1, 2016. Exhibit 1

II. **PROCUREMENT CHRONOLOGY:**

| DATE | TRANSACTION | COMMENT |
|---|---|---|
| | Notice of RFP 9-2015-002 for Legal Services<br>**Deadline:** September 30, 2015 | Exhibit 2 |
| | Publication of Notice in THE POST | Exhibit 3 |
| | Request for Proposal 9-2015-002 for Legal Services | Exhibit 4 |
| | Extension of Notice of RFP 9-2015-002 for Legal Services<br>**Deadline:** October 9, 2015 | Exhibit 5 |
| | Publication of Notice for Extension of RFP | Exhibit 6 |

| DATE | TRANSACTION | COMMENT |
|---|---|---|
| | Responders to RFP 9-2015-002 for Legal Services<br>1) Gumataotao and Pole<br>2) Law Office of Lenny Rapadas | Exhibit 7<br>Exhibit 8 |
| | RFP Evaluator's Guide for RFP 9-2015-002 for Legal Services | Exhibit 9 |
| 10/10/2015 | Procurement Committee Recommendations | Exhibit 10 |
| 10/12/2015 | Letter to Responders to RFP 9-2015-002<br>1) Gumataotao & Pole<br>2) Law office of Lenny Rapadas | Exhibit 11<br>Exhibit 12 |
| 10/16/2015 | Letter to Gumataotao & Pole<br>Re: Non-Selection | Exhibit 13 |
| 10/16/2015 | Notice of Intent to Award to Law Office of Lenny Rapadas | Exhibit 14 |
| 10/20/2015 | #1 Contract to Employ Attorney (10/20/15 – 9/30/16)<br>Executed by: Trustee DeBold and Attorney Rapadas | Exhibit 15 |
| 10/1/2016 | #2 Contract to Employ Attorney (continuing) (10/1/16 – 9/30/17)<br>Executed by: Trustee Valencia-Ovalles and Attorney Rapadas | (Ref. Ex. 1) |

III. ALLOTMENT REQUEST AMOUNT: FY17 Services: $4,355.26 *
Travel: $1,301.57**
Total: $5,656.83

| INVOICE | DATE OF INVOICE | AMOUNT | ALLOTMENT REQUEST | DOE/IAO VALIDATED | TOTAL | COMMENT |
|---|---|---|---|---|---|---|
| #1 2015-001-012 | 9/23/2016 | $2,535.00 | 10/27/2016 | 11/8/2016 | $2,535.00 | Exhibit 16 |
| #2 2015-001-013 | 10/20/2016 | $2,717.00 | 10/27/2016 | 11/8/2016 | $2,717.00 | Exhibit 17 |
| #3 2015-001-014 | 11/17/2016 | $2,990.00 | 11/25/2016 | 12/6/2016 | $2,990.00 | Exhibit 18 |
| #4 2015-001-015 | 12/6/2016 | $3,100.50 | 12/29/2016 | 1/11/2017 | $3,100.50 | Exhibit 19 |
| #5 2015-001-016 | 12/30/2016 | $3,029.00 | 1/30/2017 | 2/9/2017 | $3,029.00 | Exhibit 20 |
| #6 2015-001-017 | 1/31/2017 | $5,289.70 | 2/27/2017 | 3/15/2017 | $5,289.70 | Exhibit 21 |
| #7 2015-001-018 | 2/28/2017 | $6,481.02 | 3/28/2017 | 4/10/2017 | $6,481.02 | Exhibit 22 |
| #8 2015-001-019 | 4/6/2017 | $4,699.50 | 4/21/2017 | 5/4/2017 | $4,699.50 | Exhibit 23 |
| #9 2015-001-020 | 5/8/2017 | $2,782.00 | 5/10/2017 | 5/25/2017 | $2,782.00 | Exhibit 24 |
| #10 2015-001-021 | 6/2/2017 | $1,301.57 (Travel) | 6/29/2017 | Not Validated: 7/12/2017 | $1,301.57 (Travel)** | Exhibit 25 Travel Expenses |
| #11 2015-001-022 | 6/7/2017 | $5,169.07 | 6/29/2017 | 7/12/2017 | $5,169.07 | Exhibit 26 |
| #12 2015-001-023 | 7/19/2017 | $3,749.98 | 8/8/17 | 8/15/2017 | $3,749.98 | Exhibit 27 |

| | | | | | | |
|---|---|---|---|---|---|---|
| #13 2015-001-024 | 8/17/2017 | $3,001.96 | 9/12/2017 | 9/26/2017 | $3,001.96 | Exhibit 28 |
| #14 2015-001-025 | 9/18/2017 | $4,355.26 | 10/17/2017 | Not Validated: 11/1/2017 | $4,355.26* | Exhibit 29 |
| TOTAL PAID: | | | | | $45,544.23 | |

Travel was budgeted for FY17 at a total amount of $41,620 which included travel for conferences concerning National Charter Schools. Attorney Rapadas was approved to attend the lawyers association of the National Charter Schools. Below is a copy of the referenced page of GACS Official Revised Budget for FY17 under "Travel".

| | | | | | |
|---|---|---|---|---|---|
| June 11-14, 2017 | National Charter Schools Conference Washington, D.C. | $1,640 (2)=$3,280 | $950 (2) x 4 days = $7,600 | $10,880.00 | X (budgeted last fiscal year) |

It is also important to note that the FY17 Budget Balance as of September 30, 2017, was $50,586.06 according to your last validation note to GACS. (See attachment.)

If you should need additional information or documentation or have any questions, please feel free to contact our accountant, Ms. Bernadette Lacap.

We respectfully seek your assistance in closing this matter. Thank you.

cc: DOA Director
DOE Superintendent

# GUAHAN ACADEMY CHARTER SCHOOL
## Allotment Summary
## April 2018 - Allotment Request (Special # 7) - The Law Office of Lenny Rapadas, FY17 Services and Travel

| CLASSIFICATION | ACCOUNT CODE | TOTAL REQUESTED |
|---|---|---|
| PERSONNEL SALARIES | 111 | $ - |
| PERSONNEL BENEFITS | 114 | $ - |
| CONTRACTUAL | 230 | $ 5,656.83 |
| MATERIALS & SUPPLIES | 240 | $ - |
| WORKMAN'S COMP & GEN LIAB | 270 | $ - |
| DRUG TESTING | 271 | $ - |
| MISCELLANEOUS | 290 | $ - |
| POWER | 361 | $ - |
| WATER | 362 | $ - |
| TELEPHONE & WIRELESS | 363 | $ - |
| TOTAL | | $ 5,656.83 |

Department of Administration
Division of Accounts
MAY 04 2018
4:45
Customer Service