

Re: Messages & Communications Doc. No. 38GL-26-2038 through 2044.

From Guam Legislature Clerks <clerks@guamlegislature.gov>  
 Date Fri 3/13/2026 2:40 PM  
 To 38th Committee On Rules <committeeonrules@guamlegislature.gov>

Håfa Adai,

Received, and thank you.



**Kiana E. B. Wusstig**  
**Clerks Office**

*I Mina'trentai Ocho na Liheslaturan Guåhan*

Guam Congress Building, 163 Chalan Santo Papa, *Hagåtña*, Guam 96910  
 Voice: (671) 472-3465/3460 Fax: (671) 472-3524  
[guamlegislature.gov](http://guamlegislature.gov)

This message contains information which is confidential and privileged. Unless you are the intended recipient (or authorized to receive for the intended recipient), any unauthorized review, use, disclosure or distribution is strictly prohibited. If you have received this message in error, please contact the sender at [clerks@guamlegislature.gov](mailto:clerks@guamlegislature.gov) and destroy all copies of the message. Thank you

**From:** 38th Committee On Rules <committeeonrules@guamlegislature.gov>  
**Sent:** Friday, March 13, 2026 11:48 AM  
**To:** Guam Legislature Clerks <clerks@guamlegislature.gov>  
**Cc:** Frank Blas Jr. <speakerblas@guamlegislature.gov>  
**Subject:** Messages & Communications Doc. No. 38GL-26-2038 through 2044.

Håfa Adai Clerks Office,

Please see attached, **Messages & Communications Doc. No. 38GL-26-2038 through 2044** for processing:

✓	38GL-26-2038	Guam Customs and Quarantine Agency	Prior Year Obligations to pay Guam Waterworks Authority in the total amount of \$528.00.
✓	38GL-26-2039	Guam Customs and Quarantine Agency	Prior Year Obligations to pay Teleguam Holdings LLC dba: GTA in the total amount of \$9,787.78.
✓	38GL-26-2040	Department of Public Health and Social Services	Guam Department of Education (GDOE) Public Schools Variance Report for the month of February 2026*
✓	38GL-26-2041	Office of Public Accountability - Guam	Maga'låhen Hurao-CHamoru Academy Charter School FY2025 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*
✓	38GL-26-2042	Office of Public Accountability - Guam	Business and Technology Academy Charter School FY2025 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*
✓	38GL-26-2043	Office of the Legislative Secretary- Senator Sabrina Salas Matanane	Fourth Quarter Attendance and Voting Records Report for the months of October 2025 through December 2025*
✓	38GL-26-2044	Guam Solid Waste Authority	Board Meeting Packet for February 26, 2026*

Please retrieve Doc. No. 38GL-26-2039, 2042, 2044 from link below:

[Messages & Communications Physical Scanned Copy - Google Drive](#)

Kindly reply to this email



*Si Yu'os ma'åse',*

Marie Crisostomo  
 Committee on Rules Assistant

**COMMITTEE ON RULES**

Vice Speaker V. Anthony Ada, Chairperson

*I Mina'trentai Ocho Na Liheslaturan Guåhan*

38<sup>th</sup> Guam Legislature

Disclaimer: The content of this email is intended for the person or entity to which it is addressed only. This email may contain confidential information. If you are not the person to whom this message is addressed, be aware that any use, reproduction, or distribution of this message is strictly prohibited. If you received this in error, please contact the sender at [committeeonrules@guamlegislature.gov](mailto:committeeonrules@guamlegislature.gov) and immediately delete this email and any attachments.

**Messages and Communications 38GL-26-2042\***

2 messages

**Speaker Frank Blas Jr.** <speakerblas@guamlegislature.gov>

Tue, Mar 10, 2026 at 4:02 PM

To: 38th Committee On Rules &lt;committeonrules@guamlegislature.gov&gt;, Sabrina Salas Matanane &lt;office.senatorbri@guamlegislature.gov&gt;

*Håfa adai,*

Please see attached M&amp;C Doc. No. 38GL-26-2042

38GL-26-2042	Office of Public Accountability	Business and Technology Academy Charter School FY2025 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*
--------------	---------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

*Si Yu'os Ma'åse'**Bernice Rivera*

Administrative Assistant

**Office of Speaker Frank F. Blas, Jr.**I Mina'trentai Ocho na Liheslaturan Guåhan 38<sup>th</sup> Guam Legislature

Guam Congress Building, 163 Chalan Santo Papa, Hagatña

(671)969-6456

[speakerblas@guamlegislature.gov](mailto:speakerblas@guamlegislature.gov)

Electronic Privacy Notice: This e-mail and any attachment(s), contains information that is, or may be, covered by electronic communications privacy laws and legal privileges, and is also confidential and proprietary in nature. If you are not the intended recipient, please be advised that you are legally prohibited from retaining, using, copying, distributing, or otherwise disclosing the information in this e-mail or any attachment in any manner. Instead, please reply to the sender that you have received this communication in error, and then immediately delete it. Thank you in advance for your cooperation.

----- Forwarded message -----

From: **Office of Public Accountability - Guam** <[admin@guamopa.com](mailto:admin@guamopa.com)>

Date: Mon, Mar 9, 2026 at 5:38 PM




Subject: Transmittal: Business &amp; Technology Academy Charter School FY 2025 Financial Audit Reports

To: Chris Barnett <[malafunkshun@guamlegislature.gov](mailto:malafunkshun@guamlegislature.gov)>, Senator Telo T. Taitague <[senatortelot@gmail.com](mailto:senatortelot@gmail.com)>, Shelly Vargas Calvo <[officeofsenatorshellycalvo@guamlegislature.gov](mailto:officeofsenatorshellycalvo@guamlegislature.gov)>, William Parkinson <[senator.parkinson@guamlegislature.gov](mailto:senator.parkinson@guamlegislature.gov)>, Eulogio Shawn Gumataotao <[office.senatorshawn@guamlegislature.gov](mailto:office.senatorshawn@guamlegislature.gov)>, Senator Sabina F. Perez <[office.senatorperez@guamlegislature.gov](mailto:office.senatorperez@guamlegislature.gov)>, Vincent Borja <[vince.borja@guamlegislature.gov](mailto:vince.borja@guamlegislature.gov)>, Tina Muna Barnes <[senator.munabarnes@guamlegislature.gov](mailto:senator.munabarnes@guamlegislature.gov)>, Jesse Lujan <[senator.lujan@guamlegislature.gov](mailto:senator.lujan@guamlegislature.gov)>, Therese Tertaje <[senatortertajeguam@gmail.com](mailto:senatortertajeguam@gmail.com)>, Christopher Duenas <[senator.duenas@guamlegislature.gov](mailto:senator.duenas@guamlegislature.gov)>, Sabrina Salas Matanane <[office.senatorbri@guamlegislature.gov](mailto:office.senatorbri@guamlegislature.gov)>, Joe S. San Agustin <[senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com)>, V. Anthony Ada <[vicespeakertonyada@guamlegislature.gov](mailto:vicespeakertonyada@guamlegislature.gov)>, Office of Senator Frank Blas, Jr. <[speakerblas@guamlegislature.gov](mailto:speakerblas@guamlegislature.gov)>, Governor of Guam <[governor@guam.gov](mailto:governor@guam.gov)>, Lt. Governor of Guam <[joshua.tenorio@guam.gov](mailto:joshua.tenorio@guam.gov)>

Cc: Benjamin Cruz <[bjcruz@guamopa.com](mailto:bjcruz@guamopa.com)>, Vincent Duenas <[vduenas@guamopa.com](mailto:vduenas@guamopa.com)>, Frederick Jones <[fjones@guamopa.com](mailto:fjones@guamopa.com)>, Office of Public Accountability - Guam <[admin@guamopa.com](mailto:admin@guamopa.com)>

*Håfa Adai!*

The Office of Public Accountability has released the Business & Technology Academy Charter School FY 2025 Financial Highlights, Financial Statements and Report on Compliance and Internal Control, Letter to Those Charged With Governance, and Management Letter. You may visit our website at [www.opaguam.org](http://www.opaguam.org) to download the reports.

**5 attachments** **Business and Technology Academy Charter School FY2025 FS.pdf**  
114K **25 BTACS Management Letter.pdf**  
31K **25 BTACS Auditor's Required Communication.pdf**  
2724K **BTACS FY 2025 Financial Highlights.pdf**  
126K **38GL-26-2042.pdf**  
1093K**38th Committee On Rules** <committeonrules@guamlegislature.gov>

Tue, Mar 10, 2026 at 5:24 PM

To: "Speaker Frank Blas Jr." &lt;speakerblas@guamlegislature.gov&gt;

*Håfa Adai,*

Received, and thank you.



*Si Yu'os ma'åse',*

Marie Crisostomo

Committee on Rules Assistant

## **COMMITTEE ON RULES**

Vice Speaker V. Anthony Ada, Chairperson

*I Mina'trentai Ocho Na Liheslaturan Guåhan*

*38<sup>th</sup> Guam Legislature*

Disclaimer: The content of this email is intended for the person or entity to which it is addressed only. This email may contain confidential information. If you are not the person to whom this message is addressed, be aware that any use, reproduction, or distribution of this message is strictly prohibited. If you received this in error, please contact the sender at [committeeonrules@guamlegislature.gov](mailto:committeeonrules@guamlegislature.gov) and immediately delete this email and any attachments.

[Quoted text hidden]



Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov>

## Transmittal: Business & Technology Academy Charter School FY 2025 Financial Audit Reports

2 messages

**Office of Public Accountability - Guam** <admin@guamopa.com>

Mon, Mar 9, 2026 at 5:38 PM

To: Chris Barnett <malafunkshun@guamlegislature.gov>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, Shelly Vargas Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, William Parkinson <senator.parkinson@guamlegislature.gov>, Eulogio Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>, "Senator Sabina F. Perez" <office.senatorperez@guamlegislature.gov>, Vincent Borja <vince.borja@guamlegislature.gov>, Tina Muna Barnes <senator.munabarnes@guamlegislature.gov>, Jesse Lujan <senator.lujan@guamlegislature.gov>, Therese Terlaje <senatorterlajeguam@gmail.com>, Christopher Dueñas <senator.duenas@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>, "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, "Office of Senator Frank Blas, Jr." <speakerblas@guamlegislature.gov>, Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>

Cc: Benjamin Cruz <bjcruz@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Frederick Jones <fjones@guamopa.com>, Office of Public Accountability - Guam <admin@guamopa.com>

Håfa Adai!

The Office of Public Accountability has released the Business & Technology Academy Charter School FY 2025 Financial Highlights, Financial Statements and Report on Compliance and Internal Control, Letter to Those Charged With Governance, and Management Letter. You may visit our website at [www.opaguam.org](http://www.opaguam.org) to download the reports.

### 4 attachments

-  **Business and Technology Academy Charter School FY2025 FS.pdf**  
114K
-  **25 BTACS Management Letter.pdf**  
31K
-  **25 BTACS Auditor's Required Communication.pdf**  
2724K
-  **BTACS FY 2025 Financial Highlights.pdf**  
126K

Doc Type: 38GL-26-2042  
OFFICE OF THE SPEAKER  
FRANK F. BLAS, JR.  
March 9, 2026  
Time: 5:38 PM  
Received: *PK*

**Speaker Frank Blas Jr.** <speakerblas@guamlegislature.gov>

Tue, Mar 10, 2026 at 8:50 AM

To: Office of Public Accountability - Guam <admin@guamopa.com>

Cc: Chris Barnett <malafunkshun@guamlegislature.gov>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, Shelly Vargas Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, William Parkinson <senator.parkinson@guamlegislature.gov>, Eulogio Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>, "Senator Sabina F. Perez" <office.senatorperez@guamlegislature.gov>, Vincent Borja <vince.borja@guamlegislature.gov>, Tina Muna Barnes <senator.munabarnes@guamlegislature.gov>, Jesse Lujan <senator.lujan@guamlegislature.gov>, Therese Terlaje <senatorterlajeguam@gmail.com>, Christopher Dueñas <senator.duenas@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>, "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>, Benjamin Cruz <bjcruz@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Frederick Jones <fjones@guamopa.com>, Office of Public Accountability - Guam <admin@guamopa.com>

Håfa Adai,

Confirming receipt of your email and the attached reports.

*Si Yu'os Ma'åse'*

*Bernice Rivera*

Administrative Assistant



## **Office of Speaker Frank F. Blas, Jr.**

**I Mina'trentai Ocho na Liheslaturan Guahan 38<sup>th</sup> Guam Legislature**

**Guam Congress Building, 163 Chalan Santo Papa, Hagatña**

**(671)969-6456**

**[speakerblas@guamlegislature.gov](mailto:speakerblas@guamlegislature.gov)**

Electronic Privacy Notice: This e-mail and any attachment(s), contains information that is, or may be, covered by electronic communications privacy laws and legal privileges, and is also confidential and proprietary in nature. If you are not the intended recipient, please be advised that you are legally prohibited from retaining, using, copying, distributing, or otherwise disclosing the information in this e-mail or any attachment in any manner. Instead, please reply to the sender that you have received this communication in error, and then immediately delete it. Thank you in advance for your cooperation.

[Quoted text hidden]



**Financial Highlights  
Business and Technology Academy Charter School  
FY 2025 Financial Highlights**

March 9, 2025

The Business and Technology Academy Charter School (the Academy) – designed to provide middle and high school students the opportunity to prepare for postsecondary education and career development – received an unmodified opinion on its Fiscal Year (FY) ended September 30, 2025 financial statements and report on compliance from independent auditors Ernst & Young, LLP (EY). EY did not identify any deficiencies in the Academy’s internal control over financial reporting on compliance that they considered to be a material weakness. However, auditors noted five deficiencies in relation to its internal control and financial report. The Academy closed FY 2025 with a net position of \$134 thousand (K). FY 2025 was the first year that the Office of Public Accountability has overseen the Academy’s financial audit.

**Revenues and Expenditures**

For FY 2025, the Academy received and reported approximately \$1.4 million (M) in revenue from the Government of Guam (GovGuam), which represents 87% of the total \$1.5M allocation (\$7.8K per pupil for 200 students). Over the same period, the Academy’s total expenditures were approximately \$1.2M, with salaries and wages comprising the biggest operating expenditure at \$473K (38% of total expenditures). As of the end of FY 2025, the Academy had 174 students enrolled.

**Related Party Transactions**

On August 12, 2024, the Academy entered into a zero-interest loan agreement with Business & Technology Endowment Foundation, Inc. (BTEF). The loan agreement is in the form of cash advances by the Academy on behalf of BTEF to support school operations, including payroll, vendor payments, utilities, facility expenses, and other operational needs. As of September 30, 2025, the outstanding loan amounted to \$177K and is reported as due to related party in the accompanying statements.

**Lease Agreement Overview**

Effective July 2024, the Academy has a sublease agreement with the Business & Technology Endowment Foundation. The Academy leases a portion of the real property utilized as a school campus. The lease contract, with a three-year term, includes a fixed monthly base rent of \$14.7K, totaling \$177K as of September 30, 2025. The total lease liability was \$299K, representing the present value of remaining lease payments at the end of FY 2025.

**Report on Internal Control and Compliance and Management Letter**

For FY 2025, EY noted no significant deficiencies or material weaknesses were identified in the Report on Internal Control over Financial Reporting and Compliance. However, EY identified certain internal control matters for management consideration:

1. **Accounting for Leases:** EY noted significant discrepancies between the schedule provided by management and the lease entries recorded. These discrepancies stem from the initial recognition of the right-of-use asset and related lease liability, while the amortization and interest expense align with the schedule. Auditors recommended that the Academy continue to utilize the calculation schedule, as it aligns with the requirements established by Governmental Accounting Standards Board No. 87, and to ensure consistency between the schedule and the corresponding entries recorded in the books.
2. **Bank Reconciliations:** EY noted a February 2025 transaction included in the March 2025 bank reconciliation, which was confirmed to be a clerical error, and observed that management prepares bank reconciliations only after receiving the bank statements, resulting in the absence of reconciling items. EY recommends the Academy conduct a thorough review of the bank reconciliation process to prevent any errors, and recommends management prepare bank reconciliations in conjunction with the month-end closing of the books, rather than waiting for the bank statements.
3. **Month-End/Year-End Accrual Entries:** EY observed that payroll costs for the September 6 and September 20 pay periods were recorded in the subsequent fiscal year, which resulted in an understatement of payroll expenditures/expenses and related accruals. Additionally, in EY's tests for unrecorded liabilities, they noted that costs incurred near year-end were not recognized by the Academy, despite these costs being included in the Academy's allotment requests for the year. EY recommends that the Academy enhance its year-end closing process by allocating additional time and resources for the review of transactions, as this will help ensure that any misstatements are identified and corrected in a timely manner.
4. **Enrollment Listing:** In EY's review of the student enrollment listing, they noted a duplicate name among the enrolled students. The presence of this duplicate has led to an overstatement of revenues by management, resulting in an excess over the budget allocated by GovGuam. EY recommends that the Academy enhance its data maintenance practices to ensure that the data is consistently updated, accurate, and free from duplicates, as this is essential, as the data is utilized for reporting purposes and revenue recognition.
5. **Continuous Professional Development:** EY noted that the accounting team is new, small in resource personnel, and still acquiring the necessary expertise to perform financial reporting. EY recommends the Academy continue to provide training and development to its personnel to improve and keep up to date with changing reporting and regulatory requirements.

For more details, refer to the Academy's FY 2025 Financial Statements and Report on Compliance and Internal Control, Management Letter, and Auditor's Communication With Those Charged With Governance at [www.opaguam.org](http://www.opaguam.org) and [www.guambtacs.com](http://www.guambtacs.com).

*Financial Statements, Required Supplementary  
Information, and Report on Compliance and  
Internal Control*

**Business and Technology Academy Charter  
School**

(A Non-Profit Organization)

*Year ended September 30, 2025  
with Report of Independent Auditors*



Business and Technology Academy Charter School  
(A Non-Profit Organization)

Financial Statements, Required Supplementary Information, and Report on  
Compliance and Internal Control

Year ended September 30, 2025

**Contents**

Report of Independent Auditors .....	1
Management’s Discussion and Analysis.....	4
Audited Basic Financial Statements	
Governmental Funds Balance Sheet/Statement of Net Position.....	12
Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balance/Statement of Activities.....	13
Notes to Financial Statements.....	14
Required Supplementary Information	
Budgetary Comparison Schedule – Governmental Funds .....	24
Report on Compliance and Internal Control	
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	25



## Report of Independent Auditors

The Board of Trustees  
Business and Technology Academy Charter School

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the General Fund of Business and Technology Academy Charter School (the “Academy”), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy’s basic financial statements as listed in the table of contents (collectively referred to as the “basic financial statements”).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Academy as of September 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 and the Budgetary Comparison Schedule – Governmental Funds on page 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2026, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

*Ernst + Young LLP*

March 6, 2026

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management's Discussion and Analysis

Year ended September 30, 2025

As management of Business and Technology Academy Charter School (BTACS), we offer readers of the financial statements this narrative overview and analysis of the financial activities of BTACS for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the information presented within the body of the audited financial report.

**A. FINANCIAL HIGHLIGHTS**

Our basic financial statements provide these insights into the results of this fiscal year's operations.

- Enrollment at the end of School Year 2024 - 2025 is 174 students which is less than the 200 students as authorized by P.L. 37-42.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to BTACS's basic financial statements. The basic financial statements are comprised of two components: (1) governmental funds financial statements and government-wide financial statements (2) notes to the basic financial statements.

*Notes to Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

*Government-Wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of BTACS's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on BTACS's net position and how it has changed. Net position is the difference between the total assets and total liabilities.

The Statement of Activities presents information on how BTACS's net position changed during the fiscal year. The current year's revenue and expenses are taken into account regardless of when cash is received or paid.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management's Discussion and Analysis, continued

**B. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Although BTACS had been allocated a budget for 200 students for FY 2024-2025, current enrollment is 174 as of September 30, 2025.

Figure 1 presents a condensed summary of BTACS's financial position as of September 30, 2025 and 2024, derived from the government-wide Statement of Net Position.

**Statements of Net Position  
Figure 1**

	<u>2025</u>	<u>2024</u>
Current assets	\$381,057	\$147,943
Capital assets, net	<u>458,190</u>	<u>434,183</u>
<b>Total assets</b>	<b><u>839,247</u></b>	<b><u>582,126</u></b>
Current liabilities	228,537	119,148
Noncurrent liabilities	<u>476,612</u>	<u>450,876</u>
<b>Total liabilities</b>	<b><u>705,149</u></b>	<b><u>570,024</u></b>
Net investment in capital assets	144,215	334,894
Unrestricted	<u>( 10,117)</u>	<u>(322,792)</u>
<b>Total net position</b>	<b><u>\$134,098</u></b>	<b><u>\$ 12,102</u></b>

Total assets were \$839,247 as of September 30, 2025, consisting of cash, accounts receivable, lease assets, and capital assets. Total liabilities were \$705,149, primarily of accounts payable, a related party loan, and lease liabilities. As a result, BTACS's reported total net position of \$134,098 at Fiscal Year 2025.

P.L. 37-42 states that in School Year 2024-2025, the school is authorized to receive seven thousand eight hundred (\$7,800) per enrollee not to exceed two hundred (200) students.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management’s Discussion and Analysis, continued

**B. GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued**

Figure 2 provides a summary and analysis of BTACS’s revenues and expenses for the years ended September 30, 2025 and 2024.

**Statements of Activities  
Figure 2**

	<u>2025</u>	<u>2024</u>
<b>REVENUE</b>		
Appropriation – Students	\$1,357,200	\$250,000
<b>Total Revenue</b>	<u>1,357,200</u>	<u>250,000</u>
<b>EXPENSES</b>		
Salaries and wages	473,121	3,433
Repairs and maintenance	188,253	139,304
Amortization expense	167,376	41,844
Contract services	134,965	11,901
Utilities	126,108	25,239
Supplies and materials	96,105	14,000
Insurance	14,291	---
Interest	13,581	4,278
Travel	1,342	---
Depreciation expense	9,722	---
Bank charges and fees	210	---
Advertisement	130	---
Taxes and licenses	<u>---</u>	<u>5,544</u>
<b>TOTAL EXPENSES</b>	<u>1,235,204</u>	<u>245,543</u>
Change in net position	121,996	4,457
Net Position at Beginning of the Year	<u>12,102</u>	<u>7,645</u>
<b>Net Position at end of the Year</b>	<b><u>\$ 134,098</u></b>	<b><u>\$ 12,102</u></b>

Total revenues consisted entirely of government appropriations based on student enrollment. Total expenses were \$1,235,204 and included instructional costs, operational expenses, and non-cash expenses such as depreciation and amortization. The net position increased by \$121,996 during fiscal year 2025.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management’s Discussion and Analysis, continued

**C. GOVERNMENTAL FUNDS BUDGET ANALYSIS AND HIGHLIGHTS**

*Financial Analysis of the Governmental Funds*

Prior to the start of BTACS’s fiscal year, an annual budget is submitted to the Guam Academy Charter School Council. The Council, in turn, submits the budget from the charter schools to the Legislature.

For Fiscal Year 2025, BTACS submitted a budget request for a cap of 200 enrollees and was granted the cap for \$7,800 per enrollee. BTACS’s staffing pattern could accommodate 200 enrollees as well.

Contractual Services constitute a significant part of the budget. We have a sublease agreement with the Business and Technology Endowment Foundation, Inc., wherein they will provide a fully furnished facility, utilities, services and supplies.

**D. CURRICULUM FRAMEWORK**

BTACS aims to provide high school students with meaningful, research-based learning opportunities aligned with college and career readiness standards, ensuring every graduate earns a high school diploma while achieving personal success pathways in education and employment.

**CURRICULAR PROGRAM**

During SY 2024-2025, BTACS offered the following courses:

Core Subjects	Electives
<ul style="list-style-type: none"><li>● Science</li><li>● Mathematics</li><li>● English Language Arts (ELA)</li><li>● Social Studies</li><li>● Applied Communications</li></ul>	<ul style="list-style-type: none"><li>● Fine Arts</li><li>● Band</li><li>● CHamorro Studies</li><li>● BT Course</li></ul>

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management’s Discussion and Analysis, continued

**STUDENT PROFILE**

The student population for SY 2024-2025 was as follows:

	<b>9TH GRADE</b>	<b>10TH GRADE</b>	<b>11TH GRADE</b>	<b>12<sup>TH</sup> GRADE</b>	<b>TOTAL</b>
<b>MALE</b>	34	25	24	15	<b>98</b>
<b>FEMALE</b>	40	13	11	12	<b>76</b>
<b>TOTAL</b>	<b>74</b>	<b>38</b>	<b>35</b>	<b>27</b>	<b>174</b>

**GRADE LEVEL DISTRIBUTION**

	Beginning Count September 2024	Ending Count June 2025	No. of students promoted	Advancement Rate
9th	23	24	24	100%
10th	12	20	20	100%
11th	16	21	21	100%

<b>SY 24-25 Graduate Profile</b>		
Number of Seniors	Number of Graduate	Graduation Rate
7	7	100%

<b>Post-Secondary Pathways</b>				
Post-Secondary	Military	Immediate Job	Undecided	Unable to Contact
1	1	3	1	1

**AVERAGE DAILY ATTENDANCE (SY 2024-2025)**

SCHOOL DAYS: **32**

AVERAGE DAILY ATTENDANCE (TOTAL PRESENT/NUMBER OF DAYS WITH ATTENDANCE): **112**

PERCENT PRESENT (TOTAL PRESENT/TOTAL ATTENDANCE MARKS TAKEN): **75.94%**

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management's Discussion and Analysis, continued

**STUDENT DEMOGRAPHICS**

**Ethnicity**

<b>ETHNICITY</b>	<b>Students</b>
Asian	20
Hawaiian/Pacific Islander	131
White	10
Other/ Mixed	13
<b>TOTAL</b>	<b>174</b>

**Villages**

<b>VILLAGE</b>	<b>Students</b>
Barrigada	23
Chalan Pago-Ordot	11
Dededo	22
Hagatna	5
Hagatna Heights	5
Mangilao	30
Mongmong-Toto-Maite	14
Malesso	1
Piti	6
Santa Rita	1
Sinajana	5
Talofofu	6
Tamuning	8
Yigo	22
Yona	9
Not Indicated	6

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management’s Discussion and Analysis, continued

**E. PARENTAL INVOLVEMENT**

Parental engagement continues to play an important role in supporting student success and strengthening the BTACS school community. The school holds regular Parent-Teacher Conferences (PTCs) throughout the academic year to provide parents and guardians with meaningful opportunities to discuss their child’s progress, address any academic or behavioral concerns, and collaborate with teachers on strategies for continued growth.

Beyond formal conferences, parents frequently contribute their time and effort to assist in school activities, events, and initiatives—reflecting a strong spirit of partnership between home and school. To help maintain open and convenient communication, BTACS has established a community WhatsApp group dedicated to parents. This platform allows families to stay informed, ask questions, and engage directly with school staff and one another, fostering a more connected and collaborative environment.

On August 25, 2025, BTACS hosted its first virtual Parent-Teacher Organization (PTO) meeting for the school year. During this meeting, parents successfully elected the initial slate of PTO officers, marking an important milestone in the school’s efforts to formalize parental involvement. The newly elected officers are currently in the process of completing and filing the required organizational documents with the Department of Revenue and Taxation. Once established, the PTO will further enhance parent participation in school initiatives, community outreach, and student support programs.

**F. OPERATIONAL CHANGES/CHALLENGES**

**Leadership Transition**

In December 2024, Business and Technology Academy Charter School (BTACS) underwent a change in school leadership. This transition marked a new phase in the school’s growth, with a focus on strengthening organizational systems, refining internal processes, and ensuring that operations align with the school’s mission and long-term strategic goals.

**Data Systems and Process Development**

BTACS continues to build and refine its data collection and management processes through its Student Information System, FACTS SIS. As a relatively new institution, the school is still in the process of structuring and standardizing its data workflows to ensure consistency, accuracy, and accessibility across departments. The administration remains committed to streamlining these systems to enhance efficiency, improve reporting capabilities, and better support student learning outcomes.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Management's Discussion and Analysis, continued

**G. OPERATIONAL CHANGES/CHALLENGES, continued**

**Staffing and Operational Support**

The school experienced significant growth during the past academic year, with enrollment more than doubling. This rapid expansion has occasionally resulted in staffing challenges, requiring administrators to step in and provide classroom or operational coverage when faculty members are absent due to illness or appointments. Despite these challenges, the school community has demonstrated flexibility, teamwork, and a shared commitment to maintaining instructional quality and student support.

**Continuous Improvement and Capacity Building**

As BTACS continues to develop its operational systems, the leadership team recognizes that this process involves ongoing learning and adaptation. The school remains dedicated to evaluating and improving internal practices, investing in staff training, and implementing sustainable systems that will support both current needs and future growth.

**ACCOLADES**

- WASC Accreditation March 2025
- Governor's Summer Youth Employment Program: July 8-9, 2025
- Internship Programs:
  - Atking Kroll
  - Cars Plus
  - Tech Evo
  - Asia Pacific Airlines

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Governmental Funds Balance Sheet/Statement of Net Position

September 30, 2025

	<u>Fund</u>	<u>(Note 2)</u>	<u>Net Position</u>
<b>Assets:</b>			
Cash	\$ 212,128	\$ ---	\$ 212,128
Accounts receivable - due from GovGuam	168,929	---	168,929
Lease asset - building, net	---	292,912	292,912
Depreciable capital assets, net	<u>---</u>	<u>165,278</u>	<u>165,278</u>
Total assets	<u>\$ 381,057</u>	<u>458,190</u>	<u>839,247</u>
<b>Liabilities and Fund Balance/Net Position:</b>			
Accounts payable and other liabilities	\$ 213,852	---	213,852
Due to related party	177,322	---	177,322
Long term liability:			
Due within one year	---	168,778	168,778
Due after one year	<u>---</u>	<u>145,197</u>	<u>145,197</u>
Total liabilities	<u>391,174</u>	<u>313,975</u>	<u>705,149</u>
Fund balance: unassigned	( <u>10,117</u> )	<u>10,117</u>	
Total liabilities and fund balances	<u>\$ 381,057</u>		
<b>Net position:</b>			
Net investment in capital assets		144,215	144,215
Unrestricted		( <u>10,117</u> )	( <u>10,117</u> )
Total net position		<u>\$ 134,098</u>	<u>\$ 134,098</u>

*See accompanying notes.*

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Statement of Governmental Funds Revenues, Expenditures and Changes in Fund  
Balance/Statement of Activities

Year ended September 30, 2025

	<u>General Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
Expenditures/expenses:			
Instructional services:			
Salaries and wages	\$ 473,121	\$ ---	\$ 473,121
Contract services	134,965	---	134,965
Support services:			
Repairs and maintenance	188,253	---	188,253
Amortization expense	---	167,376	167,376
Utilities	126,108	---	126,108
Supplies and materials	96,105	---	96,105
Insurance	14,291	---	14,291
Interest	---	13,581	13,581
Travel and meetings	11,342	---	11,342
Depreciation expense	---	9,722	9,722
Bank charges	210	---	210
Advertisement	130	---	130
	1,044,525	190,679	1,235,204
Total expenditures/expenses			
General revenue - Appropriations	1,357,200	---	1,357,200
Excess (deficiency) of revenues over (under) expenditures/expenses	312,675	( 312,675 )	
Change in net position		121,996	121,996
Fund balance/net position:			
Beginning of year	( 322,792 )	334,894	12,102
End of year	\$( 10,117 )	\$ 144,215	\$ 134,098

See accompanying notes.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements

Year ended September 30, 2025

**1. Organization**

Business and Technology Academy Charter School (the “Academy”) is a non-profit public benefit corporation designed to provide high school and in the future middle school students the opportunity to prepare for postsecondary education and career development. The Academy is organized exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Academy was incorporated under the laws of Guam on August 25, 2024 and began student enrollment during September 2024.

The Academy is established for the purpose of operating an academy charter school which operates independently from the Guam Public School System for the purposes specifically set forth in 17 GCA §12102. The Academy is governed by a Board of Trustees. The Trustees are elected or selected pursuant to the Charter granted by the Guam Academy Charter Schools Act of 2009 (GACS). The Board of Trustees consists of not more than nine (9) members. As of September 30, 2025, the Board of Trustees consisted of six (6) members. At least one member must be a parent or guardian of a student attending the Academy and one member must be from the general public.

The Academy is subject to independent oversight by the Guam Academy Charter School Council (the “Council”). The Council is tasked with monitoring the Academy’s operations, compliance with applicable laws and the provisions of the charter granted, the progress of meeting student academic achievement expectations specified in the charter and compliance with annual reporting requirements. The Academy follows the governmental reporting model as used by local education agencies because of the authority of the Council to terminate or revoke the charter with all assets reverting back to the Guam Department of Education (GDOE).

**2. Summary of Significant Accounting Policies**

The financial statements of the Academy are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing Governmental Accounting and Financial Reporting Principles.

The Academy is a special-purpose government that is engaged in governmental activities. Therefore, the financial statements are prepared in the same manner as general-purpose governments.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

The Academy's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Academy. These statements include the financial activities of the overall entity. These statements distinguish between the governmental and business-type activities of the Academy. Governmental activities generally are financed through appropriations from the Government of Guam and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**Fund Financial Statements**

The Academy uses a governmental fund to report on its financial position and results of operations. The operations of the governmental fund are accounted for with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues and expenditures.

Separate financial statements are provided for Governmental funds. The Academy presents a balance sheet and a statement of revenues, expenditures and changes in fund balance for its governmental fund. The ending governmental fund balance on the balance sheet is then reconciled to the ending governmental activities net position.

Adjustments required to reconcile total governmental fund balance to net position of governmental activities in the statement of net position as of September 30, 2025 are as follows:

Fund balance - governmental funds	\$( 10,117)
Add:	
Lease asset, net	292,912
Depreciable capital assets, net	165,278
Less:	
Lease liability – current	(168,778)
Lease liability – noncurrent	<u>(145,197)</u>
Net position - governmental activities	\$ <u>134,098</u>

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Fund Financial Statements, continued**

Adjustments required to reconcile net change in total governmental fund balance to change in net position of governmental activities in the statements of activities for the year ended September 30, 2025 are as follows:

Net change in fund balances – governmental funds	\$312,675
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This amount consists of depreciation expense.	( 9,722)
Some income and expenses reported in the statement of activities do not affect the current financial resources and therefore are not reported as income and expenditures in the governmental funds. This amount consists of interest expense.	( 13,581)
In the governmental funds, lease assets additions are reported as expenditure and other financing resources while principal and interest portions are reported as lease services when the lease payments are due. However, in the statement of activities, lease payments reduces the lease liability by the principal portion and lease assets are amortized over shorter of their useful lives or lease term. This amount consists of lease amortization.	<u>(167,376)</u>
Change in net position of governmental activities	<u>\$121,996</u>

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Measurement Focus/Government-wide and Fund Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Academy gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements of the Academy are accounted for using a flow of current financial resources measurement focus. The statement of governmental fund revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means that the amount of the transaction can be determined and “available” means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred.

**Net Position and Fund Balance**

Net position in the government-wide financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law.

The unassigned fund balance has not been assigned to another fund or restricted, committed or assigned to specific purposes within the General Fund.

**Budgets**

Pursuant to the Guam Academy Charter Schools Act of 2009, the Board of Trustees adopts an annual budget. The annual budget must be submitted to the Council every fiscal year. The Council must submit the budget to the Guam Legislature. Following the appropriation of GDOE’s operating budget for the fiscal year, the amount approved by the Guam Legislature for the operation of the Academy shall be available for expenditure by the Academy’s Board of Trustees.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Cash**

For the purpose of presentation in the governmental funds balance sheet/statement of net position, cash consists of cash balances deposited in banks.

**Funding**

The Academy receives financial support in monthly allotments from the General Fund of the Government of Guam via the Department of Administration (DOA) to finance administrative and general expenditures/expenses on a reimbursable basis. Such expenditures/expenses mainly consist of salaries and wages, contractual wages, supplies and materials, utilities and other operating costs. The actual amounts remitted to the Academy are determined by the DOA's Internal Auditors through the validation of submitted invoices. As of September 30, 2025, the Academy recorded a receivable due from GovGuam in the amount of \$168,929 relating to government appropriations

Pursuant to Guam Public Law 37-125, the cost per pupil was \$7,800 for the fiscal year ended September 30, 2025. The maximum number of students to be funded by the General Fund is not to exceed 200 students during Fiscal Year (FY) 2025. In FY2025, the maximum number of enrolled students was multiplied by the FY2025 Government of Guam General Appropriations Act approved amount of \$7,800 per student enrollee. For the fiscal year ended September 30, 2025, a total of 174 students, were enrolled and the Academy received government appropriations totaling \$1,357,200.

**Compensated Absences**

Permanent employees of the Academy earn paid sick leave and personal leave in accordance with employee contracts and personnel policies. Eligible employees accrue seven (7) days of sick leave and seven (7) days of personal leave per year. Accrued leave does not carry over from year-to-year. Any unused leave will not be paid to the employee upon separation. As accumulated leave is not payable upon separation, no liability for compensated absences has been recorded as of September 30, 2025.

**Income Taxes**

The Academy is a non-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Guam Territorial Income Tax Law. Therefore, the Academy has made no provision for income taxes in the accompanying financial statements.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Capital Assets**

Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the Academy as assets with an initial cost of more than \$500 or the anticipated life or useful value of said property is more than one year.

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives of 3 years.

**Deferred Outflows of Resources**

In addition to assets, the statement of financial position, will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. The Academy has no items that qualify for reporting under this category.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position, will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (addition of net position) until then. The Academy has no items that qualify for reporting under this category.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Recently Adopted Accounting Pronouncements**

During the year ended September 30, 2025, the Academy implemented the following pronouncements.

GASB Statement No. 101, *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The implementation of this Statement did not have a material effect on the accompanying financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to ascertain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The implementation of this Statement did not have a material effect on the accompanying financial statements.

**Upcoming Accounting Pronouncements**

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and address certain application issues identified through pre-agenda research conducted by the GASB. This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, budgetary comparison information and financial trends information in the statistical section. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 103 will be effective for fiscal year ending September 30, 2026.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Upcoming Accounting Pronouncements, continued**

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 104 will be effective for fiscal year ending September 30, 2026.

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 105 will be effective for fiscal year ending September 30, 2026.

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**3. Economic Dependency**

The Academy receives a majority of its annual revenue from the Guam Legislature under the Guam Academy Charter School Funds under a six-year agreement. Under such agreement, the Council will review the Academy every six years, beginning on the date on which the charter is granted or renewed, to determine whether the charter should be revoked for material violations of laws and the terms of agreement or if the Academy fails to meet the goals and student academic achievement expectations.

**4. Concentration of Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Academy’s deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government’s name. The Academy does not have a depository policy for custodial credit risk.

At September 30, 2025, the Academy has a balance of \$212,128, deposited in multiple accounts with a single financial institution which is insured by the Federal Deposit Insurance Corporation (FDIC).

**5. Capital and Lease Assets**

The following is a summary of the changes in capital and lease assets for the year ended September 30, 2025:

	Beginning Balance <u>October 1, 2024</u>	<u>Additions</u>	Ending Balance <u>September 30, 2025</u>
Depreciable capital assets:			
Furniture, fixtures, and equipment	\$ ---	\$ 175,000	\$175,000
Less accumulated depreciation	<u>---</u>	<u>( 9,722)</u>	<u>( 9,722)</u>
Depreciable capital assets, net	<u>\$ ---</u>	<u>\$ 165,278</u>	<u>\$165,278</u>
Lease asset:			
Building	\$502,133	\$ ---	\$502,133
Less accumulated amortization	<u>( 41,845)</u>	<u>(167,376)</u>	<u>(209,221)</u>
Lease asset, net	<u>\$460,288</u>	<u>\$(167,376)</u>	<u>\$292,912</u>

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Notes to Financial Statements, continued

**6. Lease**

The Academy leases a portion of the real property utilized as school campus. The lease contract was effective on July 1, 2024 for a term of 3 years. The lease contract includes fixed monthly base rent amounting to \$14,714.

The opening and closing balance of the lease liability for the year ended September 30, 2025 are as follows:

Beginning balance	\$462,272
Principal payment	<u>(162,982)</u>
Ending balance	<u>\$299,290</u>

A summary of future lease payments is as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$168,778	\$7,785	\$176,563
2027	<u>130,512</u>	<u>1,911</u>	<u>132,423</u>
	<u>\$299,290</u>	<u>\$9,696</u>	<u>\$308,986</u>

**7. Related Party Transaction**

On August 12, 2024, the Academy entered into a zero-interest loan agreement with Business and Technology Endowment Foundation, Inc. (BTEF). The loan agreement is in the form of cash advances by the Academy on behalf of BTEF to support school operations, including payroll, vendor payments, utilities, facility expenses, and other operational needs. As of September 30, 2025, outstanding loan amounted to \$177,322 and is reported as due to related party in the accompanying financial statements.

## Required Supplementary Information

Business and Technology Academy Charter School  
(A Non-Profit Organization)

Budgetary Comparison Schedule – Governmental Funds  
(Unaudited)

Year ended September 30, 2025

	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Budget</u>
Expenditures:			
Personnel - Salaries and benefits	\$ 665,800	\$ 473,121	\$ 192,679
Contract services	483,000	134,965	348,035
Supplies and materials	202,200	96,105	106,095
Utilities	120,000	126,108	( 6,108 )
Insurance	15,000	14,291	709
Online curricular materials	14,000	---	14,000
Student information system	5,000	---	5,000
Learning management system	5,000	---	5,000
Travel	---	11,342	( 11,342 )
Bank charges	---	210	( 210 )
Advertisement	---	130	( 130 )
Repairs and maintenance	---	188,253	( 188,253 )
Total expenditures	<u>1,510,000</u>	<u>1,044,525</u>	<u>465,475</u>
Revenues:			
GovGuam allotment \$1,500,000	1,500,000	1,357,200	142,800
Fundraising income \$10,000	<u>10,000</u>	<u>---</u>	<u>10,000</u>
Total revenues	<u>1,510,000</u>	<u>1,357,200</u>	<u>152,800</u>
Excess of revenue over expenditures	<u>\$ ---</u>	<u>\$ 312,675</u>	<u>\$( 312,675 )</u>



## Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Trustees  
Business and Technology Academy Charter School

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Business and Technology Academy Charter School (“the Academy”), which comprise the statement of financial position as of September 30, 2025, and the related notes (collectively referred to as the “financial statements”), and have issued our report thereon dated March 6, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Academy’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Ernst + Young LLP is written in a black, cursive script. The word "Ernst" is on the top line, followed by a plus sign, and "Young" is on the bottom line. "LLP" is written in a smaller, simpler font to the right of "Young".

March 6, 2026

*Management Letter*

**Business and Technology Academy Charter School**  
(A Non-Profit Organization)

*Year ended September 30, 2025*



March 6, 2026

The Board of Trustees  
Business and Technology Academy Charter School

In planning and performing our audit of the financial statements of the governmental activities and the General Fund of the Business and Technology Academy Charter School (the “Academy”) as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we noted the following other matters that should be brought to your attention:

### **Accounting for Leases**

Condition: During our testing of leases, we noted significant discrepancies between the schedule provided by management and the lease entries recorded. These discrepancies stem from the initial recognition of the right-of-use asset and related lease liability, while the amortization and interest expense align with the schedule.

## **Accounting for Leases, continued**

Recommendation: We recommend the Academy continue to utilize the calculation schedule, as it aligns with the requirements established by Governmental Accounting Standards Board No. 87. Additionally, it is essential to ensure consistency between the schedule and the corresponding entries recorded in the books.

## **Bank Reconciliations**

Condition: During our walkthrough procedures pertaining to the bank reconciliation process, we noted a February 2025 transaction included in the March 2025 bank reconciliation, which was confirmed to be a clerical error. Additionally, we observed that management prepares bank reconciliations only after receiving the bank statements, resulting in the absence of reconciling items.

Recommendation: We recommend the Academy conduct a thorough review of the bank reconciliation process to prevent any errors. Additionally, we recommend management prepare bank reconciliations in conjunction with the month-end closing of the books, rather than waiting for the bank statements.

## **Month-End/Year-End Accrual Entries**

Condition: During our payroll walkthrough procedures, we observed that payroll costs for the September 6 and September 20 pay periods were recorded in the subsequent fiscal year. This resulted in an understatement of payroll expenditures/expenses and related accruals. Additionally, in our tests for unrecorded liabilities, the team noted that costs incurred near year-end were not recognized by the School, despite these costs being included in the School's allotment requests for the year.

Recommendation: We recommend the Academy enhance its year-end closing process by allocating additional time and resources for the review of transactions. This will help ensure that any misstatements are identified and corrected in a timely manner.

## **Enrollment Listing**

Condition: During our review of the student enrollment listing, we noted a duplicate name among the enrolled students. The presence of this duplicate has led to an overstatement of revenues by management, resulting in an excess over the budget allocated by the Government of Guam.

Recommendation: We recommend the Academy enhance its data maintenance practices to ensure that the data is consistently updated, accurate, and free from duplicates. This is essential, as the data is utilized for reporting purposes and revenue recognition.

### **Continuous Professional Development**

Condition: We noted that the accounting team is new, small in resource personnel, and still acquiring the necessary expertise to perform financial reporting.

Recommendation: We recommend the Academy continue to training and development to its personnel to improve and keep up to date with changing reporting and regulatory requirements.

\*\*\*\*\*

This communication is intended solely for the information and use of management and the Board of Trustees, others within the organization, and the Office of Public Accountability - Guam and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

*Ernst + Young LLP*

*The Auditor's Communication With Those Charged  
With Governance*

**Business and Technology Academy Charter School**

*Year ended September 30, 2025*





March 6, 2026

The Board of Trustees  
Business and Technology Academy Charter School

We have performed an audit of the financial statements of the governmental activities and the General Fund of Business and Technology Academy Charter School (the Academy), as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated March 6, 2026.

This report summarizes our communications with those charged with governance as required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process.

## **REQUIRED COMMUNICATIONS**

Professional standards require the auditor to provide the Board of Trustees (the Board) with additional information regarding the scope and results of the audit that may assist the Board in overseeing the financial reporting and disclosure processes which the management of the Academy is responsible. We summarize these required communications as follows:

### **Overview of the planned scope and timing of the audit**

Our audit scope and timing is consistent with the plan communicated in our engagement letter dated November 4, 2025 and at our audit planning meeting with management.

### **Auditors' Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS) and Generally Accepted Government Auditing Standards (GAGAS)**

The financial statements, required supplementary information, and supplementary information are the responsibility of the Academy's management as prepared with the oversight of those charged with governance. Our audit was designed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Our responsibilities are included in our audit engagement letter.

### **Changes to the audit strategy, timing of the audit and significant risks identified**

Our audit strategy is consistent with the plan communicated during the November 2025 meeting.

### **Matters relevant to our evaluation of the entity's ability to continue as a going concern**

We did not identify any events or conditions that led us to believe there was substantial doubt about the Academy's ability to continue as a going concern.

### **Our views about the qualitative aspects of the entity's significant accounting practices, including:**

- **Accounting policies**
- **Accounting estimates**

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

We have provided a discussion of significant accounting policies and our views regarding significant accounting estimates and financial statement disclosures and related matters in Note 1 of the basic financial statements.

We determined that those charged with governance are informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

### **Related party relationships and transactions**

We noted no significant matters regarding the Academy's relationships and transactions with related parties to the financial statements.

### **Changes to the terms of the audit with no reasonable justification for the change**

None.

### **Significant unusual transactions**

We are not aware of any significant unusual transactions carried out by the Academy.

**Difficult or contentious matters subject to consultation outside of the audit team**

There were no difficult or contentious matters that required consultation outside of the audit team.

**Material corrected misstatements related to accounts and disclosures**

Refer to the “Management Representations Letter” in Appendix A.

**Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial**

Refer to the “Management Representations Letter” in Appendix A.

**Significant deficiencies and material weaknesses in internal control over financial reporting**

No material weaknesses have been identified.

**Fraud and noncompliance with laws and regulations (illegal acts)**

We are not aware of any matters that require communication.

**Obtain information relevant to the audit**

Inquiries regarding matters relevant to the audit were performed during the November 2025 meeting and at the update status meetings during the audit.

**Independence matters**

We are not aware of any matters that in our professional judgment would impair our independence.

**New accounting pronouncements**

No issues have been identified with regard to management’s planned application of new accounting pronouncements.

**Significant issues discussed with management in connection with the auditor’s initial appointment or recurring retention**

We are not aware of any matters that require communication.

**Disagreements with management and significant difficulties encountered in dealing with management when performing the audit**

There were no difficulties encountered in dealing with management in performing the audit.

**Management consultations with other accountants**

We are not aware of any consultations made by management with other accountants or specialists.

**Other material written communications with management**

None.

**Other matters**

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

**AICPA ethics ruling regarding third-party service providers**

There are no significant matters arising from the audit that required us to subcontract portions of the Audit Services to other EY firms and that required participation of personnel from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers.

**Representations we are requesting from management**

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix A.

**Engagement team's involvement with preparation of the financial statements**

Under GAS 2018 Revision, Chapter 3 Ethics, Independence and Professional Judgment, Paragraphs 3.73-74 explains that the audit team should make consideration of management's ability to effectively oversee the non-audit services to be provided. The engagement team should determine that the audited entity has designated an individual who possesses suitable skill, knowledge or experience and that the individual understands the services to be performed sufficiently to oversee them. The engagement team should document consideration of management's ability to oversee non-audit services to be performed.

The engagement team believes that this significant threat is reduced to an acceptable level upon application of the following safeguards:

- An engagement quality control review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- The preparation of the financial statements is based on the Academy's trial balance with our understanding that the Academy's underlying books and records are maintained by the Academy's accounting department and that the final trial balance prepared by the Academy is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of the Academy.
- The Academy's Procurement Officer has the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

\*\*\*\*\*

This communication is intended solely for the information and use of the Board of Trustees, management, and the Office of Public Accountability - Guam and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Ernst + Young LLP*

## Appendix

### A – Management Representations Letter

A – Management Representations Letter



March 6, 2026

Ernst & Young LLP  
196 Bejong Street  
Barrigada, Guam 96913

In connection with your audit of the basic financial statements of Business and Technology Academy Charter School (the “Academy”) as of September 30, 2025 and for the year then ended, and the related notes (collectively referred to hereafter as the “financial statements”), we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the Academy and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

***Management’s responsibilities***

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated November 4, 2025, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP.

In preparing the basic financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy’s ability to continue as a going concern for one year after the basic financial statement date.

We acknowledge our responsibility for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters. This responsibility includes identifying the use of new technologies or techniques in preparing such information (e.g., the use of generative artificial intelligence), and

A – Management Representations Letter, continued



additional details you may require regarding the use of any such technologies and techniques in order to perform your audit procedures.

- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within the Academy from whom you determined it necessary to obtain evidence

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

There are no material transactions that have not been properly recorded in the accounting records underlying the basic financial statements.

From October 1, 2024 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements of any opinion unit that comprises the basic financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

***Uncorrected misstatements***

There are no uncorrected misstatements (including the effects of correcting or reversing prior period uncorrected misstatements), or uncorrected misstatements in disclosures relating to the current period financial statements for each opinion unit.

***Corrected misstatements***

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements.

Refer to the “Schedule of Corrected Misstatements” in Appendix A.

***Internal control***

We are not aware of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting.

A – Management Representations Letter, continued



***Minutes and contracts***

The dates of meetings of shareholders, directors, committees of directors and important management committees, from the beginning of the period covered by the financial statements to the date of this letter are as follows:

- March 26, 2025 – Regular Board of Trustees Meeting
- April 23, 2025 – Special Board of Trustees Meeting

We have made available to you all minutes of the meetings of shareholders, directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared. Minutes and contracts were made available on request from the date of incorporation.

We also have made available to you all significant agreements and contracts, including amendments, and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that have a material effect on the financial statements.

***Methods, significant assumptions, and data used in making accounting estimates***

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including those measured at fair value, are reasonable and supportable.

***Ownership and pledging of assets***

Except for assets accounted for in accordance with GASB Statements No. 87, 94 and 96, as amended, for which we were provided a right-to-use another entity's nonfinancial asset (the underlying asset), the Academy has satisfactory title to all assets appearing in the statement of net position. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which the Academy has satisfactory title appear in the statement of net position.

***Receivables and revenues***

Adequate provision has been made for any receivable as of the statement of net position date that may not be collectible, including any losses, costs and expenses that may be incurred related to the collection of those receivables.

Revenues and other governmental fund financial resources are recognized in the period in which they became both measurable and available to finance expenditures of the fiscal period.

A – Management Representations Letter, continued



***Leases***

We have identified and accounted for all contracts that meet the criteria to be accounted for as a lease under GASB Statement No. 87—as amended. We have appropriately considered any modifications, termination or purchase options in the contract.

To measure the lease liability, we used the rate the lessor charges to us or the rate implicit in the lease. When the interest rate could not be readily determined, we then estimated our incremental borrowing rate (IBR). We believe our IBR is a reasonable estimate and represents an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term.

***Long-lived assets (asset groups) to be held and used***

No events or changes in circumstances have occurred that indicate the carrying amounts of long-lived assets (asset groups) to be held and used, including intangible assets that are subject to amortization, may not be recoverable.

***Fair value measurements***

We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. Our valuation techniques have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of GASB Statement No. 72—as amended. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB Statement No. 72—as amended.

***Related party relationships and transactions***

We have made available to you the names of all related parties and all relationships and transactions with related parties.

The substance of transactions with related parties as defined in GASB Statement No. 56—as amended, has been considered and appropriate adjustments or disclosures are made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.

***Side agreements and other arrangements***

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

A – Management Representations Letter, continued



***Arrangements with financial institutions***

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

***Events of default under debt agreements***

No events of default have occurred with respect to any of the Academy's debt agreements.

***Oral or written guarantees***

There are no oral or written guarantees, including guarantees of the debt of others.

***Purchase commitments***

At September 30, 2025, the Academy had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at that date.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2025 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

***Non-compliance with laws and regulations, including fraud***

We acknowledge that we are responsible to determine that the Academy's business activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws or regulations, including fraud.

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Academy's internal control over financial reporting, including any unresolved matters that existed as of the opening balance sheet date for the period under audit that could result in a misstatement of the financial statements or otherwise affect financial reporting of the entity. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no

A – Management Representations Letter, continued



knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by “whistleblowers”) which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Academy.

***Independence***

We have communicated to you the names of the Academy’s affiliates, as described in the AICPA Code of Professional Conduct ET section 1.224.020 *State and Local Government Client Affiliates*, officers and directors, or individuals who serve in such capacity for the Academy.

We are not aware of any business relationship between the Academy and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an “EY Firm”), other than one pursuant to which an EY Firm performs professional services.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of the Academy’s audit.

***Conflicts of interest***

There are no instances where any officer or employee of the Academy has an interest in a Academy with which the Academy does business that would be considered a “conflict of interest.” Such an interest would be contrary to Academy policy.

***Effects of new accounting principles***

As discussed in Note 2, we have not completed the process of evaluating the effects that will result from adopting the amendments to the codification provided in:

- GASB Statement No. 103
- GASB Statement No. 104
- GASB Statement No. 105

The Academy is therefore unable to disclose the effects that adopting the amendments in the aforementioned GASB Statements will have on its financial position and the changes in its financial position when such amendment are adopted.

***Certain risk disclosures***

There are no risks related to vulnerabilities due to material concentrations or constraints, in accordance with the GASB Statement No. 102, *Certain Risk Disclosures*.

A – Management Representations Letter, continued



***Required supplementary information***

We acknowledge our responsibility for the required supplementary information on management's discussion and analysis and budgetary comparison information for the general fund, which have been measured and presented in conformity with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement.

There are no significant assumptions or interpretations underlying the measurement or presentation of the information.

***Other representations***

- We have identified and disclosed to you, all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds. We have identified and disclosed to you, all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements where the noncompliance could have a direct and material effect on the basic financial statements.
- We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments and tax levies and refunds.
- The basic financial statements properly classify all funds and activities in accordance with GASB Statement No. 54—as amended.
- All funds that meet the quantitative criteria in GASB Statement No. 34, as amended and GASB Statement No. 37, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable fund balance, and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.

A – Management Representations Letter, continued



- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.
- Risk disclosures associated with deposits and investment securities and derivatives transactions are presented in accordance with GASB requirements.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and, if applicable, depreciated.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and net position was properly recognized under the policy.
- We are following either our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or are following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.
- Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

***Other matters***

We have received a draft copy of our financial statements and required supplementary information as of and for the year ended September 30, 2025. The accuracy and completeness of the financial statements, including footnote disclosures, are our responsibility.

You have assisted in the preparation of our financial statements and required supplementary information based on information in our trial balance and accounting records. It is our understanding that:

- our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete and,
- all adjusting journal entries posted to the trial balance have been approved by us, and
- we have designated a competent representative to oversee your services and that our personnel have sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements and required supplementary information, including footnote disclosures.

A – Management Representations Letter, continued



We have reviewed the draft financial statements and required supplementary information for accuracy and completeness. We acknowledge that we have reviewed them and taken responsibility for them.

***Subsequent events***

Subsequent to September 30, 2025, no events or transactions as outlined in “Subsequent Events” in Appendix B have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to the Academy’s affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, and changes in financial position of the Academy.

We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and was, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of the Academy and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dylan Sablan", written over a horizontal line.

Dylan Sablan, Principal

A handwritten signature in black ink, appearing to read "Kella Hernandez", written over a horizontal line.

Kella Hernandez, Procurement Officer

A – Management Representations Letter, continued

Appendices

A – Schedule of Corrected Misstatements

B – Subsequent Events

A – Management Representations Letter, continued

Appendix A – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Business and Technology Academy Charter School Period ended: 30-Sep-2025 Currency: USD

No.	WIP ref.	Account	Analysis of misstatements				Effect on the current period OCI	Income statement effect in the current period
			Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current		
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
AJE 1	UJA 00	To correct the overstatement of appropriations for FY2025						
		Appropriations						7,722
		Accounts Receivable (AR)	(7,722)					
AJE 2		To correct lease balances for FY2025		26,105				
		Lease asse: - building, net						
		Long term liability - Due after one year				(26,105)		
RJE 1		To correct lease liability classification						
		Long term liability - Due after one year				168,778		
		Long term liability - Due after one year				(168,778)		
<b>Total of corrected misstatements before income tax</b>			<b>(7,722)</b>	<b>26,105</b>	<b>0</b>	<b>(26,105)</b>	<b>0</b>	<b>7,722</b>
<b>Financial statement amounts</b>			<b>381,057</b>	<b>458,190</b>	<b>(211,174)</b>	<b>(313,975)</b>	<b>(159,058)</b>	<b>(121,990)</b>
<b>Effect of corrected misstatements on F/S amounts</b>			<b>-2.0%</b>	<b>5.7%</b>	<b>0.0%</b>	<b>8.3%</b>	<b>0.0%</b>	<b>-6.3%</b>

A – Management Representations Letter, continued

Appendix B – Subsequent Events

	Question	
1	Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements? <b>no</b>	
2	Have any significant contingent liabilities or commitments arisen, except as disclosed in the financial statements? <b>no</b>	
3	Have any significant changes occurred in trends in sales/revenues or costs that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for warranties or employee benefits or unearned income)? <b>no</b>	
4	Have any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements? <b>no</b>	
5	Have any significant changes occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data? <b>no</b>	
6	Have any significant unusual or non-recurring adjustments been recorded (or are necessary)? <b>no</b>	
7	Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements? <b>no</b>	
8	Have there been any changes in the entity's related parties? <b>no</b>	
9	Have any significant new related party transactions occurred? <b>no</b>	
10	Have any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the financial statements? <b>no</b>	
11	Are there any significant new contracts or agreements (including amendments) and written communications with any regulatory agencies that could have an effect on the financial statements other than those that are already been provided to EY (if any)? <b>no</b>	
12	Are you aware of any minutes of BOD meetings that were held subsequent to the balance sheet date that were not previously provided? <b>no</b>	
13	Are you aware of any fraud or suspected fraud affecting <b>Business and Technology Academy Charter School</b> , involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the financial statements? <b>no</b>	
14	Are you aware of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of <b>Business and Technology Academy Charter School</b> ? <b>no</b>	
15	Are you aware of any close relationships, or business, employment or other relationships that could bear on EY's independence (e.g. business/financial relationships, litigation with EY, family relationship, employment, loans, cooperative arrangements, etc.)? <b>no</b>	
16	Are you aware of any cash receipt records for significant or unusually large amounts that may pertain to proceeds of loans, significant sales of productive assets or other unusual items? <b>no</b>	
17	Are you aware of any cash disbursement records for that may pertain to unusual payments, payments of liabilities not recorded as of the balance sheet date or other unusual items? <b>no</b>	
18	Are you aware of any significant time lag that may pertain to collections on accounts receivable, credit memoranda issues for sales returns and allowances? <b>no</b>	
19	Are you aware of any going concern indicators such as negative working capital, significant transactions from balance sheet date to audit report that has significant impact on the Company's liquidity or ability to operate one year and one day from the audit report date? <b>no</b>	
20	Are you aware of any journal entries posted after September 30, 2025 that would have a material effect on the financial statements as of the balance sheet date? <b>no</b>	