

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

**Science is Fun and Awesome Learning Academy
Charter School**
(A Non-Profit Organization)

Fiscal Year ended September 30, 2023



**Shape the future
with confidence**



Shape the future
with confidence

Ernst & Young LLP
231 Ypao Road
Suite 201 Ernst & Young Building
Tamuning, Guam 96913

Tel: +1 671 649 3700
Fax: +1 671 649 3920
ey.com

December 4, 2025

The Board of Trustees and Management
Science is Fun and Awesome Learning Academy Charter School

We have performed an audit of the financial statements of the Science is Fun and Awesome Learning Academy Charter School (SiFA), as of and for the fiscal year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States of America (US GAAS), 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 December 4, 2025.

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 or those charged with governance with additional information regarding the scope and results of the audit that may assist the Board or those charged with governance in overseeing the financial reporting and disclosure processes which the management of SiFA 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 August 22, 2024 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 are the responsibility of SiFA'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 September 2024 meeting.

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

We initially identified substantial doubt about SiFA's ability to continue as a going concern due to recurring excess of expenses over revenues. To mitigate this uncertainty, management obtained a formal support letter from the Guam Academy Charter Schools Council (GACSC), affirming its commitment and ability to provide working capital and fully support SiFA through Government of Guam funding, with assurance that such support will not be recalled within one year of the financial statement issuance date. GACSC operates under the Government of Guam and does not maintain independent financial reporting; its financial capacity is tied to government appropriations, which historically fund charter schools.

Management asserts that continued support from the GACSC will enable 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.

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 executed by SiFA.

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

Significant deficiencies and material weaknesses identified during the course of our audit has been included in our 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* dated December 4, 2025.

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 September 2024 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

Management is still assessing the impact of adopting the following GASB Statements:

- GASB Statement No. 91, *Conduit debt obligations*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
- GASB Statement No. 99, *Omnibus 2022*

- GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*

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's 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 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, Paragraph 3.73-74 Provision of Nonaudited Services to Audited Entities 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 review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of SiFA.
- The preparation of the financial statements is based on SiFA's trial balance with the understanding that underlying books and records are maintained by SiFA's accounting department and that the final trial balance prepared by SiFA is complete.
- SiFA's BOT Chairman and Business and Accounting Officer have the skill set 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 and management 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



December 4, 2025

Ernst & Young LLP
231 Ypao Road
Suite 201
Tamuning, Guam 96913

In connection with your audit of the basic financial statements of the SIFA Learning Academy Charter School (SIFA) as of September 30, 2023 and for the period then ended, and the related notes to 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 fiduciary activity, and the respective changes in financial position, 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 August 22, 2024, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP applied on a basis consistent with that of the preceding periods.

In preparing the basic financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SIFA'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

S.I.F.A. Learning Academy Charter School
P.O. Box 9427 • Tamuning, Guam 96931 • Tel: (671) 734-7432 • info@sifalacs.com

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
Letter of Representations

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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 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 SIFA 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 April 4, 2023 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

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedules, accumulated by you during the current and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole. Refer to the “Schedule of Uncorrected Misstatements” in Appendix A.

Corrected misstatements

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected the adjustments in the financial statements. Refer to the “Schedule of Corrected Misstatements” in Appendix B.

Internal control

We have communicated to you all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting.

There have been no significant changes in internal control since September 30, 2023.

All significant deficiencies and material weaknesses identified and communicated by you to those charged with governance during your previous audit engagements have been remediated or otherwise eliminated prior to September 30, 2023 except for reconciliation of its accounts payable

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
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aging schedule to the general ledger and the adjusted cash balance per bank reconciliation to the general ledger cash balance.

Minutes and contracts

The dates of meetings of shareholders, trustees, committees of trustees and important management committees from October 1, 2022 to the date of this letter are as follows:

- November 4, 2022
- March 8, 2024
- May 10, 2024
- May 19, 2025

We have made available to you all minutes of the meetings of shareholders, trustees and committees of trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.

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), SIFA 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 SIFA 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.

We confirm that the accounts receivable balance of \$589,495 from the Government of Guam, which has been outstanding since FY2020, has been fully evaluated for collectability. Based on

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
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updated assessment during FY2023 and communication with the Department of Administration (DOA), we understand that prior-year obligations for charter schools will not be recorded as payables unless specifically authorized by the Legislature through a provision in the budget law. Accordingly, management determined that collection of this receivable is unlikely without legislative action and recorded a full allowance for doubtful accounts in FY2023. We acknowledge that this allowance was recorded in FY2023 and confirm that the financial statements appropriately reflect this adjustment in accordance with applicable accounting standards. The timing of this adjustment was based on management's updated assessment of collectability during the current year.

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.

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.

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 SIFA'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, 2023, SIFA had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at that date.

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
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There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 2023 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

Contingent liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed, nor are there any accruals for loss contingencies included in the balance sheet or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62.

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that SIFA'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 SIFA's internal control over financial reporting. 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 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 SIFA.

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
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Independence

We have communicated to you the names of all SIFA'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 SIFA.

We are not aware of any business relationship between SIFA 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 SIFA's audit.

Required supplementary information

We acknowledge our responsibility for the required supplementary information on the management's discussion and analysis on pages 4 through 9 and the budgetary Comparison Schedule – Government Funds on page 25, which have been measured and presented in conformity with the guidelines and/or objectives established by the Governmental Accounting Standards Board in its applicable GASB Statement.

There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

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

Restatement of Financial Statements

During fiscal year 2023, management determined that the lease agreement with Eagle had been previously misinterpreted. The agreement had been interpreted and recorded as requiring annual payments of \$2.4 million. Management now interprets the lease agreement as a lump sum obligation of \$2.4 million amortized over a five-year lease term. As a result of this adjustment, the beginning balances as of October 1, 2022 were restated to reflect management interpretation of the lease agreement.

As of October 1, 2022, SIFA recognized an accounts receivable of \$2,181,865 due to excess payments made on its lease. SIFA has also established a full allowance for this receivable. The restatement also had reduced depreciable capital assets, net and lease liability by \$1,400,269 and \$3,131,075, respectively, and increased beginning net position by \$1,730,806, resulting in a restated beginning net position of \$509,424. Following is the summary of the financial statement line items impacted by this restatement:

	<u>As previously Reported</u>	<u>Correction of an error</u>	<u>As restated</u>
Fund balance/net (deficit) position at the beginning of the year	(1,221,382)	1,730,806	509,424

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
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Conflicts of interest

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

Additional 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 include all fiduciary activities as required by GASB Statement No.84.

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 (unrestricted), and classifications of fund balance (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.

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.

Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
Letter of Representations

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Going Concern

Note 11 to the basic financial statements discloses all matters of which we are aware that are relevant to the SIFA's ability to continue as a going concern, including the principal conditions or events that raise substantial doubt, the significance of those conditions or events in relation to the SIFA's ability to meet its obligations and management's plans that are intended to mitigate substantial doubt about the SIFA's ability to continue as a going concern.

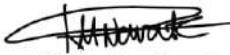
Subsequent events

Subsequent to September 30, 2023, no events or transactions as outlined in Appendix C 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 SIFA affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position or results of operations SIFA.

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 SIFA, 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,

 12/04/2025
Dr. Anthony Jay Sunga
Chief Executive Officer
Chairman of the Board of Trustees

 12/04/2025
Katherine Navato
Business & Accounting Officer

Board of Trustees and Management
Science is Fun and Awesome Learning Academy Charter School

December 4, 2025

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
Letter of Representations

December 4, 2025

Appendices

A – Schedule of Uncorrected Misstatements

B – Schedule of Corrected Misstatements

C – Subsequent Events

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
Letter of Representations

December 4, 2025

Appendix A – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements									
Entity: SIFA Learning Academy Charter School			Period Ended: 30-Sep-2023			Currency: USD			
Uncorrected misstatements			Analysis of misstatements Debit/(Credit)						
No.	WIP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Non taxable
		Factual misstatements:							
	PY SAD 01	N0110 To reconcile balances per aging schedule to Trial balance. Contract services Accounts payable (A/P)							36,875 X
	PY SAD 02	N0110 To reconcile balances per aging schedule to Trial balance. Contract services Accounts payable (A/P)							12,458 X
	SAD 01	N.01 To record an adjustment to reconcile the balances per aging schedule against the trial balance Contract services Accounts payable						55,908	X
	SAD 02	LRE.01 To record an adjustment to correct the difference between the balance of restated amounts from GL and the updated GASB 87 schedule based on the updated lease interpretation Lease liability Capital asset, net Net position/fund balance			29,667				
	SAD 05	UE.01 To recognize grant revenue related to the GEDA grant, as these funds have been fully expended on eligible costs Unearned revenue Revenue		45,194				(45,194)	X
		Projected misstatements:							
	SAD 03	TA1 To record an adjustment due to overstated amount of accounts receivable from EAGLE as of 10/01/2022. Bad debts expense Accounts receivable						95,239	X
			(95,239)						95,239 X

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
Letter of Representations

December 4, 2025

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity:		Period Ended:		Currency:						
		Analysis of misstatements Debit/(Credit)								
No.	WIP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	Income statement effect of the prior period
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Prior period Debit/(Credit)
										Non taxable
SAD 04	TA1	To record a reversal on the allowance related to the overstated receivables								
		Allowance for doubtful accounts	95,238						(95,238) X	
		Bad debts expense								(95,238) X
		Total of uncorrected misstatements before income tax	(35,050)	0	18,953	0	5,383	0	10,714	51,333
		Total of uncorrected misstatements	(35,050)	0	18,953	0	5,383	0	10,714	51,333
		Financial statement amounts	418,315	0	(67,425)		(330,890)	178,534		(257,298)
		Effect of uncorrected misstatements on F/S amounts	-8.4%	0.0%	-21.7%	0.0%	-1.6%	6.0%		-20.0%
		Memo: Total of non-taxable items (marked 'X' above)						10,714		51,333
		Uncorrected misstatements before income tax					38.1%	10,714		51,333
		Less: Tax effect of misstatements at current year marginal rate					0%	0		0
		Uncorrected misstatements in income tax						0		0
		Cumulative effect of uncorrected misstatements after tax but before turnaround					6.0%	10,714		51,333
		Turnaround effect of prior period uncorrected misstatements								
		All factual and projected misstatements:								
		Judgmental misstatements (Note 3):								
		Cumulative effect of uncorrected misstatements, after turnaround effect:								
		Current year income before tax								
		Current year income after tax								

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
Letter of Representations

December 4, 2025

Appendix B – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: **SIFA Learning Academy Charter School** Period ended: **30-Sep-2023** Currency: **USD**

Corrected misstatements			Analysis of misstatements Debit/(Credit)						
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit) Non taxable
AJE02	C.02	To correct and reverse the current year's deposit-in-transit bank reconciling item							
		Fiduciary Account - Restricted for student activities	2,834						
		Accounts payable			126,325				
		Cash	(129,159)						
AJE01	T.00	To record an adjustment to reconcile the beginning net position per TB with prior year ending net position per audited FS.							
		Fund balances unassigned/net position - unrestricted					45,194		
		Unearned revenues			(45,194)				
RJE01	UE.00	To reclass the expenditures related to purchases of student uniforms and software subscriptions from other income to expenditure - operations							
		Expenditures - operations						7,129	
		Revenues - other income						(7,129)	
RJE02	UE.00	To reclass the expenditures related to purchases of supplies, logistics and donations from other income to expenditure - operations							
		Expenditures - operations						36,656	
		Revenues - other income						(36,656)	
AJE03	E.00	To provide allowance for the doubtfulness of collectability of the unpaid dues from DOA							
		Provision for doubtful accounts						589,495	
		Allowance for doubtful accounts	(589,495)						
AJE04	VE.03	To accrue the understated audit fee from the FY22 audit.							
		Expenditures - operations						10,300	
		Accrued expenses and other current liabilities	(10,300)						
Total of corrected misstatements before income tax			(726,120)	0	81,131	0	45,194	0	599,795
Financial statement amounts			418,315	0	(87,425)	0	(330,890)		178,534
Effect of corrected misstatements on F/S amounts			.173.6%	0.0%	92.8%	0.0%	.13.7%		336.0%

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
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Appendix C – Subsequent Events

SIFA Learning Academy Charter School
Subsequent Events Questionnaire
Coverage: **From October 1, 2023 to Audit Report Date**

Question	
1	Are there any subsequent events that occurred that may affect the financial statements other than those that are already been communicated? No
2	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? Have any other significant unusual transactions been entered into? No
3	Have any significant contingent liabilities or commitments arisen, except as disclosed in the financial statements? No
4	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)? No
5	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? No
6	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? No
7	Have any significant unusual or non-recurring adjustments been recorded (or are necessary)? No
8	Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements? No
9	Have there been any changes in the entity's related parties? No
10	Have any significant new related party transactions occurred? No
11	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 audited financial statements? No
12	Are there any significant new contracts or agreements (including amendment) and written communications with any regulatory agencies that could have an effect on the audited financial statements other than those that are already been provided to EY (if any). No
13	Did SIFA Learning Academy Charter School provide all of minutes of BOT meeting that were held subsequent to the balance sheet date? No
14	Are you aware of any fraud or suspected fraud affecting SIFA Learning Academy Charter School provide 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? No

A – Management Representations Letter, continued

SIFA Learning Academy Charter School
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15	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 SIFA Learning Academy Charter School provide? No
16	Are you aware of any close relationship, or business employment or other relationships that could bear EY independence such as business/financial relationship, litigation with EY, family relationship/employment, loans, cooperative arrangements and others? No
17	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? No
18	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? No
19	Are you aware of any significant time lag that may pertain to collections on accounts receivable, credit memoranda issues for sales returns and allowances? No
20	Are you aware of any journal entries that would have a material effect on the financial statements as of the balance sheet date? No