



**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).