

*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*



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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

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## 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  
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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.

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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<br>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  
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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:

| <b>Core Subjects</b>  | <b>Electives</b>  |
|---|---|
| <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  
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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<br>September 2024 | Ending Count June<br>2025 | No. of students<br>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  
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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>              | 174             |

**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               |
| Talofofo            | 6               |
| Tamuning            | 8               |
| Yigo                | 22              |
| Yona                | 9               |
| Not Indicated       | 6               |

Business and Technology Academy Charter School  
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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  
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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<br/>Fund</u>    | <u>Adjustments<br/>(Note 2)</u> | <u>Statement of<br/>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)<br>expenditures/expenses | 312,675                    | ( 312,675 )                     |                                    |
| Change in net position  |                            | 121,996                         | 121,996                            |
| Fund balance/net position:  |                            |                                 |                                    |
| Beginning of year   | ( <u>322,792</u> )         | <u>334,894</u>                  | <u>12,102</u>                      |
| End of year   | \$( <u><u>10,117</u></u> ) | \$ <u><u>144,215</u></u>        | \$ <u><u>134,098</u></u>           |

*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  
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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<br><u>October 1, 2024</u> | <u>Additions</u>   | <u>Ending Balance</u><br><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><br><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><br><u>Amounts</u> | <u>Actual</u><br><u>Amounts</u> | <u>Variance</u><br><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 )                           |
|                                     | <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>                         |
|                                     | <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> )                  |



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## 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.

*Ernst + Young LLP*

March 6, 2026