

*Management Letter*

**Guahan Academy Charter School, Inc.**  
(A Non-Profit Organization)

*Year ended September 30, 2025*



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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

March 31, 2026

Board of Trustees  
Guahan Academy Charter School, Inc.

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

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

During our audit, we identified certain internal control deficiencies, opportunities for improvement of your internal processes and business operations and other matters. These recommendations are attached and are limited to items that we identified during the audit up to March 31, 2026.

### **Internal Controls Over the Preparation of Bank Reconciliations**

#### *Observation*

We noted that the bank reconciliations provided to us do not tie with the cash balance per the general ledger and were not updated for most recent transactions and adjustments. Further, we noted that some reconciling items included in the Academy’s bank reconciliations have remained outstanding for more than six months. This resulted in extended procedures to verify the completeness and accuracy of the reconciliations.

*Recommendation*

We recommend that management ensure bank reconciliations are updated for current information. This includes updating cleared items, adjusting reconciling items and ensuring the reconciliation ties to the most recent general ledger balance. Further, management should also establish a regular monitoring process to ensure reconciling items are reviewed, followed up, documented and resolved in a timely manner to strengthen internal controls over cash.

**In-Kind Revenues and Expenses**

*Observation*

The Academy records in-kind revenues and expenses of approximately \$1,085,000 relating to the use of a facility at no cost to the Academy. Government Accounting Standards Board does not require the recognition of such contributed services which overstates both the revenues and expenses.

*Recommendation*

The Academy may consider non-recognition of revenues and expenses for contributed services.

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

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

*Ernst + Young LLP*