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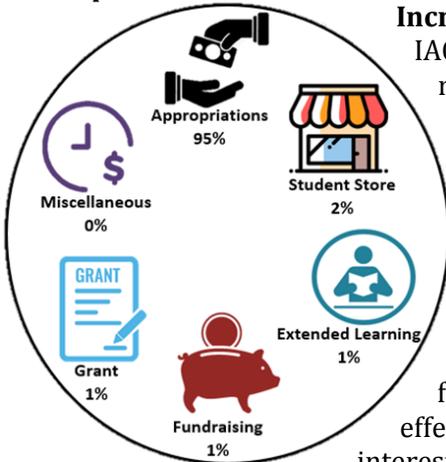
iLearn Academy Charter School – FY 2019 Financial Highlights

March 24, 2020

Hagåtña, Guam – The Office of Public Accountability has released the iLearn Academy Charter School’s (IACS) financial statements, report on compliance and internal control, management letter, and the auditor’s communication with those charged with governance for fiscal year (FY) 2019. Independent auditors, Ernst & Young LLP rendered an unmodified (clean) opinion on IACS’ financial statements.

IACS closed FY 2019 with a positive net position of approximately \$349 thousand (K). However, IACS’ substantial deficit from FY 2018 still had an ongoing effect on the financial statements resulting in a cumulative deficit of \$75K. We commend IACS for being transparent in providing their ACT Aspire test results on a comparative basis.

Graph 1: IACS FY 2019 Revenues



Increase in Revenues and Expenditures

IACS’ total revenues increased by 29%, from \$3.1 million (M) in FY 2018. Of the total revenues, \$3.8M or 95% was from Government of Guam appropriations, \$86K was from the student store, \$42K was from extended learning, \$38K was from grant revenue, \$26K was from donations, and \$25K came from other sources of revenue.

IACS’s operating expenditures increased by \$128K, from \$3.5M in FY 2018 to \$3.6M in FY 2019. Contract services comprised 56% of total expenditures and decreased by \$6K, from \$2.06M in FY 2018. IACS has an A+ agreement where they pay a monthly lease to a vendor and this academic partner provides a fully furnished school facility, utilities, services, and supplies. The A+ agreement took effect in July 2018 and will expire in June 2023. In FY 2019, IACS entered into an interest-bearing repayment plan to pay for prior-year invoices that were unpaid due to

budget cuts.

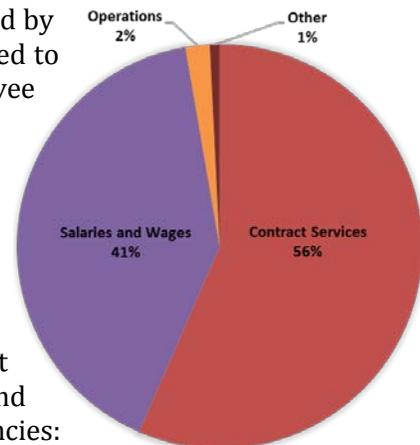
Additionally, salaries and wages comprised 41% of total expenditures and increased by \$106K or 8% from \$1.4M in FY 2018. This was due to the additional personnel hired to cover the after school program, increased cost of employee benefits, and employee salary increments.

Travel and meetings increased by approximately \$10K, from \$1K in FY 2018. This was due to employees attending two off-island conferences – EdSurge Fusion Conference and the National Charter School Conference.

Report on Internal Control and Management Letter

The independent auditors did not identify any material weaknesses or significant deficiencies in IACS’s Report on Internal Control over Financial Reporting and Compliance. The auditors issued a Management Letter that identified two deficiencies: (1) record of sole source procurement not submitted to the Legislature and (2) the entire cost of multi-year software was expensed upon payment instead of the appropriate period.

Graph 2: IACS FY 2019 Expenditures



For more details on IACS’s operations, see the Management’s Discussion and Analysis in the audit report at www.opaguam.org and www.ilearnacademycharterschool.com.