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End of FY2019 Report

TO: 35th Guam Legislature

Guam Congress Building
163 Chalan Santo Papa
Hagatna, Guam 96910

SUBJECT: iLearn Academy Charter School Annual Report

2019 OCT 28 AM 11:13

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iLearn Academy Charter School
End of FY2019 Report

NOTES

- Report was compiled by Helen Nishihira, Chief Operations Officer
- Data for demographics came from the Beginning of School Year Survey and RenWeb (Student Information System)
- Data for Academic Performance was compiled by Rachel Stake, Chief Academic Officer, Maria Dunn, and Argie Pamplona Data was obtained by the following instruments: ACT Aspire, Achieve 3000, and McGraw Hill Diagnostic Tests.
- Financial Report was provided by Ernst & Young LLP coordinated by iLearn Academy Charter School's business team; Nina Field, Yvonne Miranda, and Florence Formoso

This End of the Year Report is approved by the Board of Trustees of iLearn Academy Charter School

Rachel A. Stake

Othoniel Pineda

Helen Nishihira

Rachel Cubacub

End of the Year Report SY2019



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MISSION STATEMENT

iLearn Academy Charter School, instills in its students the standards for academic scholarship, integrity, leadership, and responsible citizenship utilizing technology to propel students to be innovative, inventive, and imaginative (i^3) global thinkers.

This report includes data from October 1, 2018 – September 30, 2019. Demographic data is provided by RenWeb, the student information system currently used by iLearn Academy Charter School (iLearn). Academic data is provided by the ACT Aspire (State Standardized Test), Achieve 3000 (Reading assessment), and McGraw Hill Diagnostic test for reading and math.

Type of Charter: STEM-based program for Elementary School age students, K-5th Grade
Charter Established: November 6, 2014
School Opened: January 27, 2015
School Hours: 7:30am – 2:30pm
Accreditation: Accredited by the Accrediting Commission for Schools, Western Association of Schools and Colleges through June 30, 2021

BOARD OF TRUSTEES

Chairman of the Board:	Mr. Francis Santos
Secretary of the Board:	Mrs. Helen Nishihira
Treasurer of the Board:	Mr. Augusto T. Sablan
Member of the Board:	Ms. Rachel Stake
Member of the Board:	Mr. Othoneil Pineda
Parent Board Member:	Mrs. Nannette Viola

SCHOOL LEADERSHIP

Chief Operations Officer	Mrs. Helen Nishihira
Chief Academic Officer	Ms. Rachel Stake
Principal	Ms. Rachel Stake
Vice Principal	Mrs. Maria Singh
Business Manager	Mrs. Nina Field
Officer Manager	Mrs. Marti Sanchez
Student Affairs	Mr. Omar Baldemor
Faculty	28 teachers
Staff	5 Aides
Program Coordinator	3
Administrative Assistant	1

SCHOOL DEMOGRAPHICS

FACULTY & STAFF

The following section reports on our school faculty and staff, indicating the qualifications and responsibilities of those holding each respective position.

Employee Category	Employee Title/Task	# of Employee	Qualifications / Certifications	Job Responsibilities
Chief Admin	Chief Operations Officer	1	Master's Degree in Administration	1. Serves as the superintendent of the school. 2. Oversees direct operations of the school and reports to the Board of Trustees, and GACSC.
	Director of Curriculum & Instruction/ Principal	1	Master's Degree in Curriculum and Instruction	1. Oversees the establishment of the curriculum, co-curricular activities, and extra-curricular activities. 2. Work with the Teachers in matters that enhance academic performance of students and ensures all .activities are in line with the vision and mission of the school.
Admin	Facilities Manager	1	Bachelor's Degree	1. Oversees the needs of school facilities.
	Business Manager	1	Bachelor's Degree in Business Accounting	1. Supervise all incoming cash and payments including lease payments, class disbursements, payables, and payroll 2. Keep personnel file on each employee for payroll and insurance purposes. 3. Oversee government reporting in regards to finance.
Admin Staff	Office Manager	1	High School Diploma Experience in managing office	1. Manage front office. 2. Directs and Assists incoming visitors. 3. Serves as the school's registrar.
	Admin Asst I	1	High School Diploma Experience in clerical work	1. Process applications of incoming students from the time of the first inquiry. 2. File information necessary for the school and other material as requested by Principal or Office Manager. 3. Assist business office with receivables.
	Program Coordinator/ Student Affairs Officer	1	Bachelor's Degree	1. Serves as the First Aid Counselor. 2. Track and compile attendance data of students. 3. Address student behavior issues. 4. And others, as described in the employee handbook.
	Program Coordinator/ Procurement /Bus	1	Bachelor's Degree in Business Finance	1. Handles all withdrawal requests, procurement, grants. 2. And others as assigned by chief admins
	Prog Coordinator/ Special Events/ Special Needs	1	Associates Degree	1. Coordinates with principal and teachers in developing student IEP. Maintain records of students with IEP. 2. Coordinates school events
	School Aide	5	High School Diploma	1. Manage safety of students 2. Minor custodial and maintenance work 3. Utilized as substitutes
Faculty	Teacher	28	(6) Associates Degree in Education with a three year Agreement to complete Bachelor's Degree upon hiring (21) Bachelor/ Masters Degree	1. Create and maintain an atmosphere conducive to learning 2. Facilitate subjects and classes as assigned using curriculum and other supplementary materials 3. Keep accurate records of both grades and attendance 4. And others, as described in the employee handbook

STUDENT DEMOGRAPHICS

By the end of School Year (SY) 2018-19, iLearn Academy Charter School's (iLearn's) enrollment was five hundred forty-eight (548) student scholars with one hundred thirty-six (136) students pre-enrolled for the following school year. iLearn started the SY2019-20 with an enrollment of six hundred twenty-two (622) students with iLearn absorbing the cost of the two students above the government appropriations.

Table 1. STUDENT DEMOGRAPHICS END OF SCHOOL YEAR 2018-19

As of May 16, 2019									
Grade Level			***Gender***	*#*	*%*		***Ethnicity***	*#*	*%*
K5	121		Male	56	46%		Chamorro	148	27%
			Female	65	54%		Filipino	307	56%
1	119		Male	59	50%		Micronesian*	49	9%
			Female	60	50%		Asian**	22	4%
2	88		Male	45	51%		Caucasian	11	2%
			Female	43	49%		Black	5	1%
3	96		Male	54	56%		Other***	6	1%
			Female	42	44%				
4	63		Male	35	56%				
			Female	28	44%				
5	61		Male	29	48%				
			Female	32	52%				
TOTAL	**548**		Male	278	51%				
			Female	270	49%		**TOTAL**	**548**	**100%**

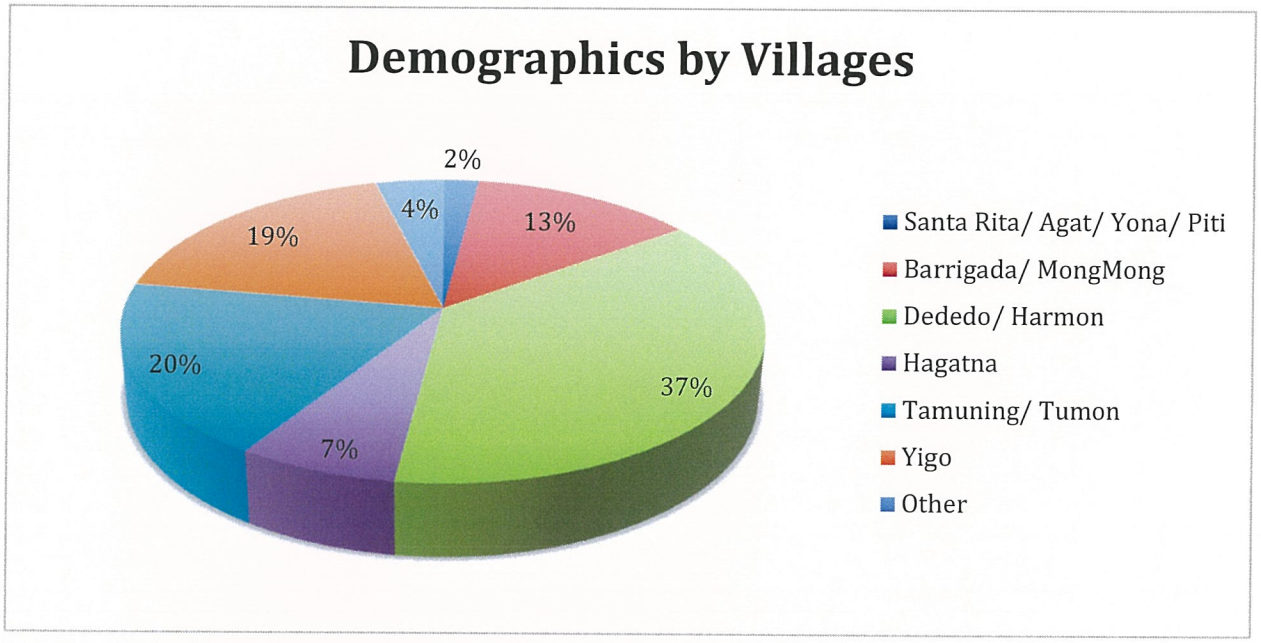
**Micronesian = Chuukese, Palauan, Pohnpeian, Yapese, Kosraean, RMI* ***Asian = Japanese, Chinese, Korean, Vietnamese, Indian*
****Other = Hawaiian, Samoan*

Table 2. STUDENT DEMOGRAPHICS BEGINNING OF SCHOOL YEAR 2019-20

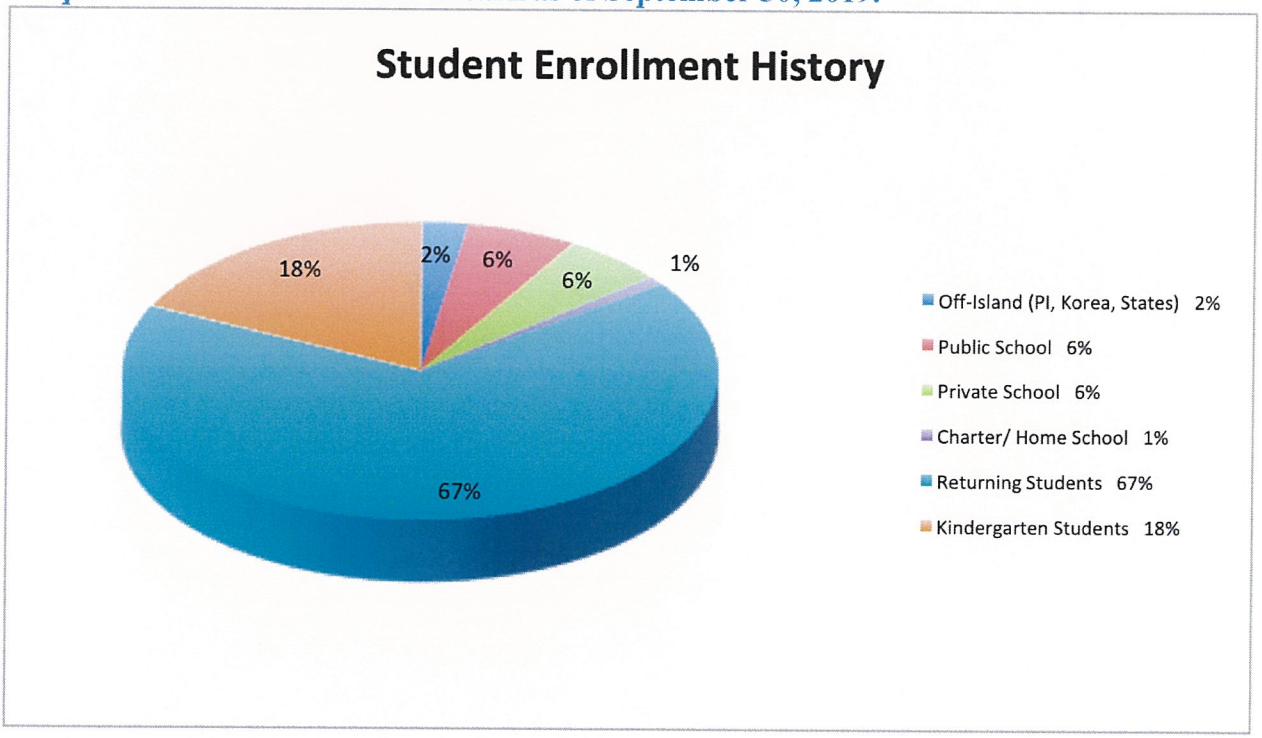
As of September 30, 2019									
Grade Level			***Gender***	*#*	*%*		***Ethnicity***	*#*	*%*
K5	114		Male	53	46%		Chamorro	171	27%
			Female	61	54%		Filipino	348	56%
1	124		Male	60	48%		Micronesian*	55	9%
			Female	64	52%		Asian**	24	4%
2	127		Male	65	51%		Caucasian	12	2%
			Female	62	49%		Black	6	1%
3	93		Male	50	54%		Other***	6	1%
			Female	43	46%				
4	100		Male	54	54%				
			Female	46	46%				
5	64		Male	34	53%				
			Female	30	47%				
TOTAL	**622**		Male	316	51%				
			Female	306	49%		**TOTAL**	**622**	**100%**

**Micronesian = Chuukese, Palauan, Pohnpeian, Yapese, Kosraean, RMI* ***Asian = Japanese, Chinese, Korean, Vietnamese, Indian*
****Other = Hawaiian, Samoa*

Graph 1. Villages that impact student enrollment as of September 30, 2019.



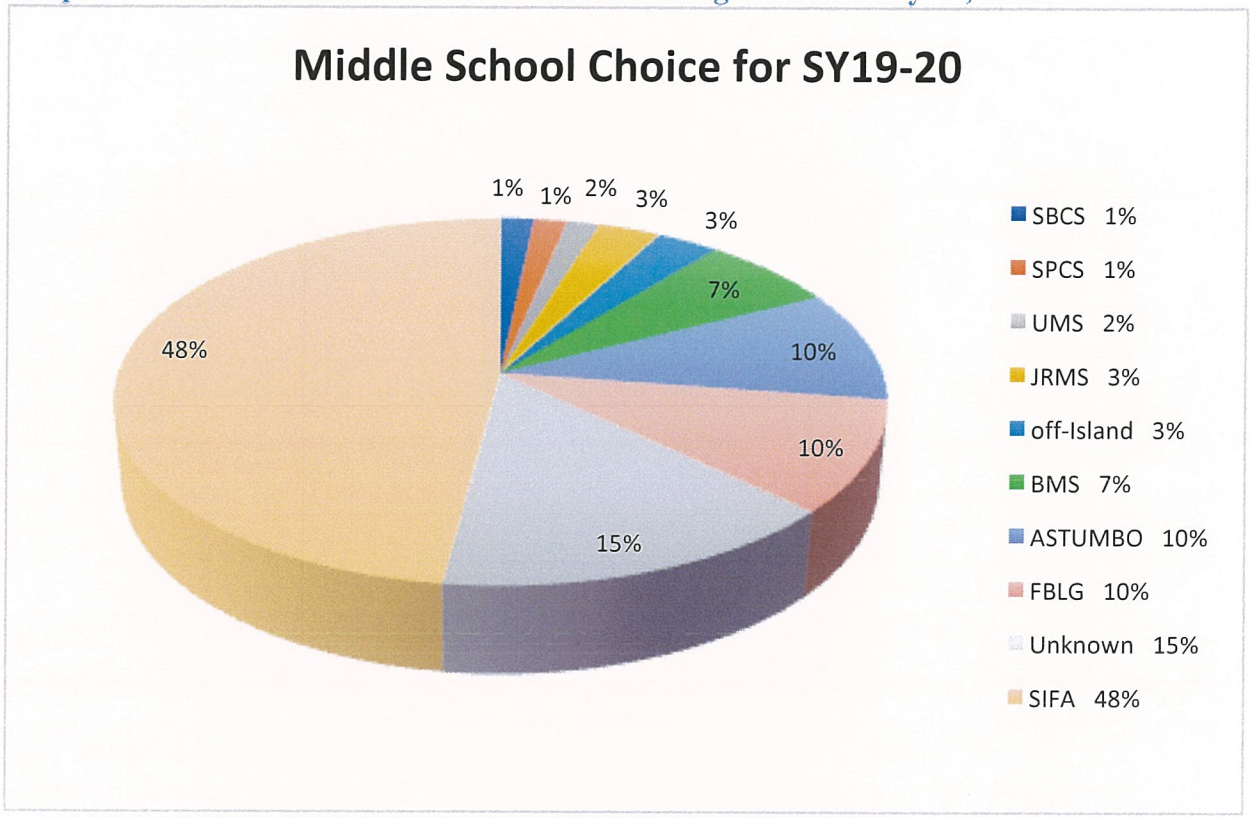
Graph 2. Feeder Schools for iLearn as of September 30, 2019.



Public Schools *= Adacao Elem, Astumbo Elem, Chief Brody Elem, DL Perez Elem, Finegayan Elem, JM Guerrero Elem, LBJ Elem, Liguan Elem, MA Ulloa Elem, Machanaonao Elem, MU Lujan Elem, Ordot Elem, Price Elem, Tamuning Elem, UPI Elem, and Wettengel Elementary School*

Note: *Eighty-five percent (85%) of all students enrolled are either returning iLearn or has started kindergarten this school year.*

Graph 3. Middle School Choice for students who graduated May 22, 2019.



Note: Fifteen percent (15%) of parents had not made a decision as to where to send their child as of this date. Main concern of parents and students was to find a school they could afford and maintain the service they received at iLearn.

Table 3. OTHER NEEDS AS OF SEPTEMBER 30, 2019

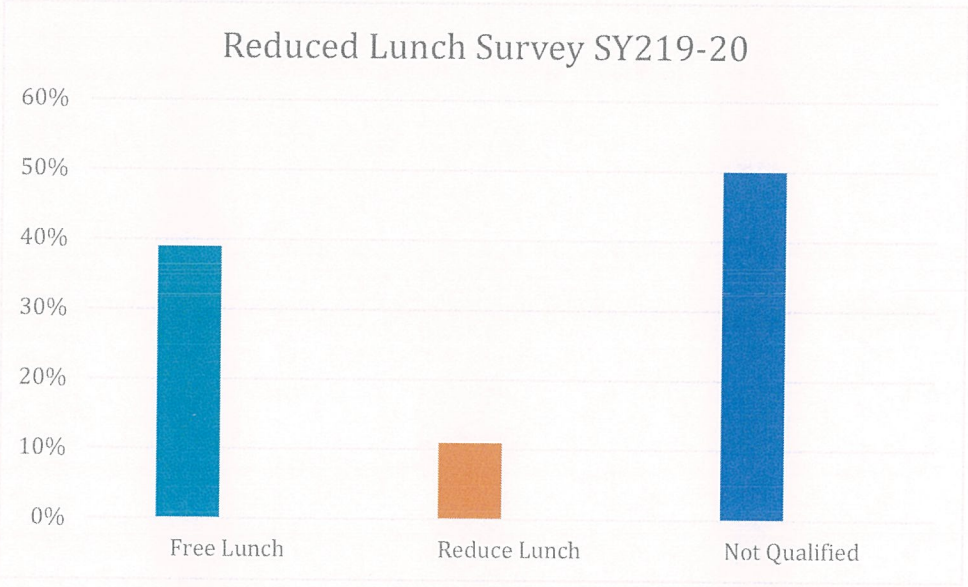
Student with ISP/IEP (SPED)*	6 students currently with IEP 1 student progressed was removed from IEP 2 students undergoing process for SPED
Students in the Autism Spectrum	4 students (1 with one to one needs) 1 student undergoing process for SPED is also being observed for Autism Spectrum
Students who are ELL/ ESL	126 students where English is not the primary language of home and parents. 53 students are classified as English Language Learners. This indicates while they may appear fluent in the English language, their primary language still impacts their ability to fully comprehend materials at grade level.

*iLearn Academy Charter School has been working towards a more personalized learning method. This means that student scholars are able to progress utilizing their current level of learning as their base performance. This lessens the gap with learning and focuses on mastery. In a sense, all our scholars create their own IEP by collaborating with their teachers.

SOCIO-ECONOMIC DEMOGRAPHIC

Although iLearn does not participate in the National School Lunch Program, iLearn tracks the needs of its students. With the "Beginning of the Year Demographic Survey" as a tool of measurement, it has been found that thirty-nine percent (39%) of our students would have qualified for free lunch and eleven percent (11%) would have qualified for partially reduced lunch. iLearn monitors the students carefully and carries the cost of lunches for students who are not able to bring food to school or purchase prepared school lunches. To date, one hundred percent of our students either pack school lunch or purchase prepared school lunches without the assistance of the National School Lunch Program. Parents have been sufficiently been able to provide and there were only a few occasions where the school intervened and provided for the student.

Graph 4. Socio-Economic Demographics



STUDENT ATTENDANCE

Excessive Absence/Tardy – Class report pulled from RenWeb at the close-out of SY2018-19 show the following information:

Table 4. STUDENT ATTENDANCE

Total excused/unexcused absences of 620 students maximum for 178 school days or 1157 credit hours	Total School average	1.25% absenteeism rate
Total excused/unexcused tardy of 620 students maximum for 178 school days	Total School average	>1.0% tardy rate
Total Students with >10 days absences	26 students	4% of students
Total Students with >15 days absences	4 students	>1.0% of students
Total Students with >20 days absences	1 student	>0.05% of students
Total Students with >10 days tardy	16 students	2% of students
Total Students with >15 days tardy	7 students	1% of students
Total Students with >20 days tardy	2 students	>0.05% of students

Student attendance has improved from the previous years. iLearn established personnel who actively pursues individuals who have missed multiple days or have arrived on campus late in multiple occasions. This open line of communication has proved to reduce attendance issues.

STUDENT ACADEMIC PERFORMANCE

The goal of iLearn Academy Charter School is that 75% of its students would perform at "Readiness" or "Exceeding" levels. Although, iLearn students have yet to achieve these goals, there is an indication of a slow but upward progression from the previous school year. As a result, iLearn incorporated additional professional development and more collaboration with teachers to help improve the programs and identify the needs of our student scholars. In turn, iLearn adopted a science curriculum, Amplify Science, to help improve reading and writing performance as well as provide a real-world-problem-solving learning platform.

Graph 5.1. SY18-19 ACT Aspire Comparative Results: iLearn versus National Average.

Measure	Grade	English	Reading	Math
ACT Aspire Benchmark	3	413	413	413
iLearn	3	414	410	410
iLearn Readiness Level	3	Ready	In Need	Close
National Average	3	417	413	413
National Average Readiness Level	3	Ready	Ready	Ready
ACT Aspire Benchmark	4	417	417	416
iLearn	4	418	412	414
iLearn Readiness Level	4	Ready	Close	Close
National Average	4	420	416	416
National Average Readiness Level	4	Ready	Close	Ready
ACT Aspire Benchmark	5	419	420	418
iLearn	5	420	416	415
iLearn Readiness Level	5	Ready	Close	Close
National Average	5	423	417	418
National Average Readiness Level	5	Ready	Close	Ready

The data above demonstrates iLearn's performance against the national average. In all grade levels, iLearn's scholars scored a few points above the ACT Aspire Benchmark for English. In all grade levels, iLearn's scholars scored a few points below the ACT Aspire Benchmark for Math. In all grade levels, iLearn's scholars scored below the Benchmark for Reading.

While reading scores are not at the desired level, there is evidence that the majority of our scholars have improved their skills at a personal level. This is shown through the collection of data from Achieve 3000. This data is provided in Graphs 7-11.

Graph 5.2. ACT Aspire Three Year Data Trend

ACT Aspire Trend Data
3-5 Years
Schoolwide English Scores
Average Score

Grade	2016	2017	2018	2019
3	415R	414R	414R	414R
4	418R	418R	419R	418R
5	418C	421R	420R	420R

ACT Aspire Trend Data
3-5 Years
Schoolwide Writing Scores
Average Score

Grade	2016	2017	2018	2019
3	421C	N/A	*	
4	422C	N/A	*	
5	422C	N/A	*	

ACT Aspire Trend Data
3-5 Years
Schoolwide Reading Scores
Average Score

Grade	2016	2017	2018	2019
3	411C	409S	410S	410S
4	412C	413C	413C	412C
5	413S	416C	415C	416C

ACT Aspire Trend Data
3-5 Years
Schoolwide Mathematics Scores
Average Score

Grade	2016	2017	2018	2019
3	411C	411C	410C	410C
4	413C	414C	415C	414C
5	412C	415C	415C	415C

KEY	
E	Exceeding
R	Ready
C	Close
S	In Need of Support
*	Pending Results

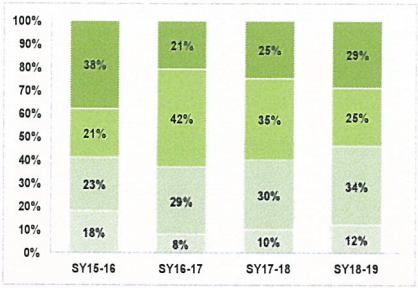
The above data demonstrates iLearn's four-year performance. It takes three points of data to demonstrate trends and with a fourth point of data, the results clearly shows iLearn is steadily progressing towards its academic goals.

It is iLearn's desire to eventually compile a STEM composite score to help indicate a more comprehensive evaluation of our overall program. In order to obtain this score, the subtests for English, Writing, Reading, Math, and Science need to be taken. iLearn initially took the Writing subtest as we had purchased our own assessments in 2016. In 2017, iLearn joined GDOE in the state-wide assessment but only three subtests were taken. We have collaborated with GDOE and they will be including the science subtest in the spring of 2020 and the writing subtest in the spring of 2021.

Graph 5.3 ACT Aspire percentage by grade level.

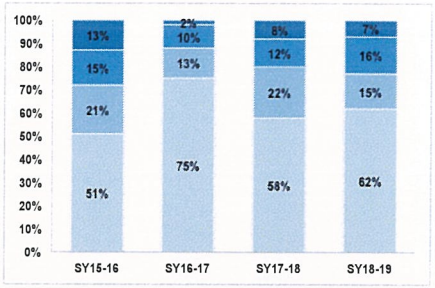
ACT Aspire Assessment Results
Percentages by Year

ACT Aspire Assessment Results
3rd Grade English



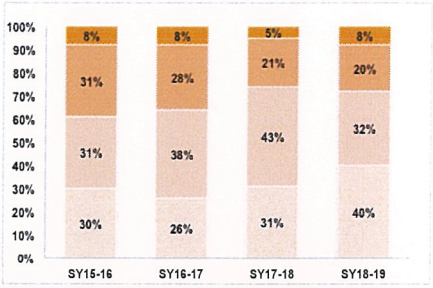
School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	18%	23%	21%	38%	100%
SY16-17	8%	29%	42%	21%	100%
SY17-18	10%	30%	35%	25%	100%
SY18-19	12%	34%	25%	29%	100%

ACT Aspire Assessment Results
3rd Grade Reading



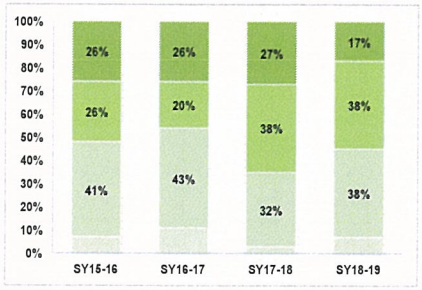
School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	51%	21%	15%	13%	100%
SY16-17	75%	13%	10%	2%	100%
SY17-18	58%	22%	12%	8%	100%
SY18-19	62%	15%	16%	7%	100%

ACT Aspire Assessment Results
3rd Grade Math



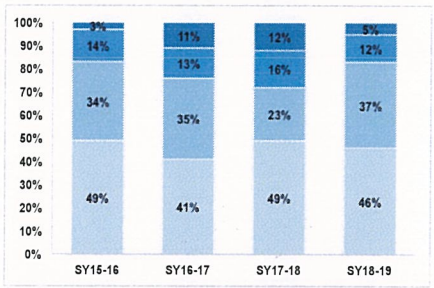
School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	30%	31%	31%	8%	100%
SY16-17	26%	38%	28%	8%	100%
SY17-18	31%	43%	21%	5%	100%
SY18-19	40%	32%	20%	8%	100%

ACT Aspire Assessment Results
4th Grade English



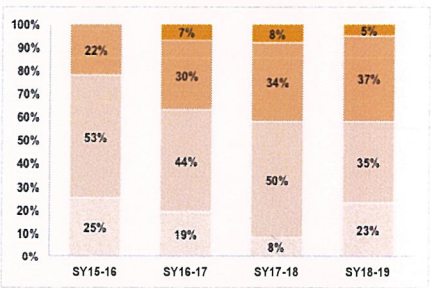
School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	7%	41%	26%	26%	100%
SY16-17	11%	43%	20%	26%	100%
SY17-18	3%	32%	38%	27%	100%
SY18-19	7%	38%	38%	17%	100%

ACT Aspire Assessment Results
4th Grade Reading



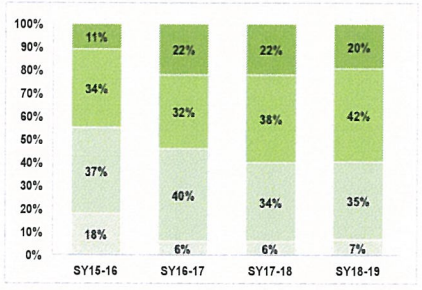
School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	49%	34%	14%	3%	100%
SY16-17	41%	35%	13%	11%	100%
SY17-18	49%	23%	16%	12%	100%
SY18-19	46%	37%	12%	5%	100%

ACT Aspire Assessment Results
4th Grade Math



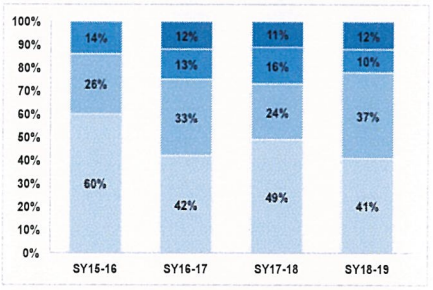
School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	25%	53%	22%		100%
SY16-17	19%	44%	30%	7%	100%
SY17-18	8%	50%	34%	8%	100%
SY18-19	23%	35%	37%	5%	100%

ACT Aspire Assessment Results
5th Grade English



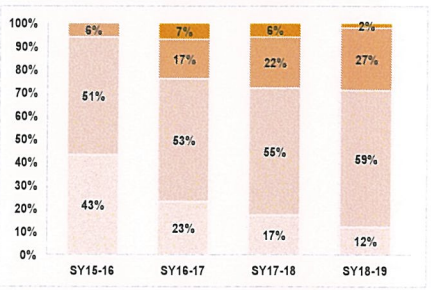
School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	18%	37%	34%	11%	100%
SY16-17	6%	40%	32%	22%	100%
SY17-18	6%	34%	38%	22%	100%
SY18-19	7%	35%	42%	20%	100%

ACT Aspire Assessment Results
5th Grade Reading



School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	60%	26%	14%		100%
SY16-17	42%	33%	13%	12%	100%
SY17-18	49%	24%	16%	11%	100%
SY18-19	41%	37%	10%	12%	100%

ACT Aspire Assessment Results
5th Grade Math



School Year	In Need	Close	Ready	Exceeding	Total
SY15-16	43%	51%	6%		100%
SY16-17	23%	53%	17%	7%	100%
SY17-18	17%	55%	22%	6%	100%
SY18-19	12%	59%	27%	2%	100%

In conjunction to ACT Aspire, iLearn Academy administers diagnostic tests for all students K – 5th grades. These tests are given at the beginning of the year, mid-year, and end of the year. The following results are as follows. ELA component of the diagnostic includes Reading, English, and Writing. The diagnostic tests support the finding of the ACT Aspire.

Graph 6. Kindergarten diagnostic year-round results

KINDERGARTEN

Proficiency Percentage	Fall	Winter	Spring
Letter Fluency			
Proficient	44%	54%	66%
Approaching	13%	21%	19%
Below	44%	26%	15%
Phonemic Awareness			
Proficient		21%	26%
Approaching		38%	39%
Below		41%	35%
Phonological Awareness			
Proficient		23%	36%
Approaching		10%	31%
Below		67%	33%
Spelling			
Proficient		29%	21%
Approaching		21%	16%
Below		50%	63%

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	20%	65%	86%
Approaching	37%	26%	13%
Below	43%	9%	1%

FIRST GRADE

Proficiency Percentage	Fall	Winter	Spring
Phonemic Awareness			
Proficient	28%	67%	60%
Approaching	43%	23%	27%
Below	28%	9%	13%
Phonological Awareness			
Proficient	33%	73%	74%
Approaching	15%	9%	8%
Below	52%	18%	18%
Word Fluency			
Proficient	45%	46%	53%
Approaching	18%	13%	22%
Below	37%	41%	25%
Spelling			
Proficient	42%	57%	69%
Approaching	33%	20%	18%
Below	26%	23%	13%
Oral Fluency			
Proficient			87%
Approaching			9%
Below			4%
CLOZE			
Proficient			22%
Approaching			41%
Below			37%

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	40%	64%	80%
Approaching	49%	29%	16%
Below	10%	6%	4%

SECOND GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	6%	11%	11%
Approaching	17%	29%	47%
Below	77%	61%	42%
Oral Fluency			
Proficient	55%	62%	67%
Approaching	19%	14%	12%
Below	26%	24%	21%
CLOZE			
Proficient	71%	77%	82%
Approaching	9%	7%	5%
Below	20%	17%	13%
Spelling			
Proficient	19%	27%	33%
Approaching	32%	30%	33%
Below	49%	44%	34%

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	3%	10%	27%
Approaching	15%	47%	40%
Below	83%	44%	33%

THIRD GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	7%	15%	16%
Approaching	21%	30%	31%
Below	72%	55%	53%
Oral Fluency			
Proficient	59%	59%	61%
Approaching	12%	24%	17%
Below	29%	17%	22%
CLOZE			
Proficient	67%	68%	66%
Approaching	9%	11%	11%
Below	24%	21%	23%
Spelling			
Proficient	49%	56%	49%
Approaching	27%	22%	22%
Below	24%	22%	29%

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	3%	4%	12%
Approaching	14%	21%	27%
Below	83%	75%	61%

FOURTH GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	12%	19%	23%
Approaching	25%	28%	34%
Below	63%	53%	43%
Oral Fluency			
Proficient	68%	68%	65%
Approaching	18%	21%	23%
Below	14%	11%	12%
CLOZE			
Proficient	83%	83%	77%
Approaching	13%	11%	17%
Below	4%	6%	6%
Spelling			
Proficient	51%	41%	74%
Approaching	31%	40%	20%
Below	18%	19%	6%

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	0%	0%	14%
Approaching	3%	17%	44%
Below	97%	83%	42%

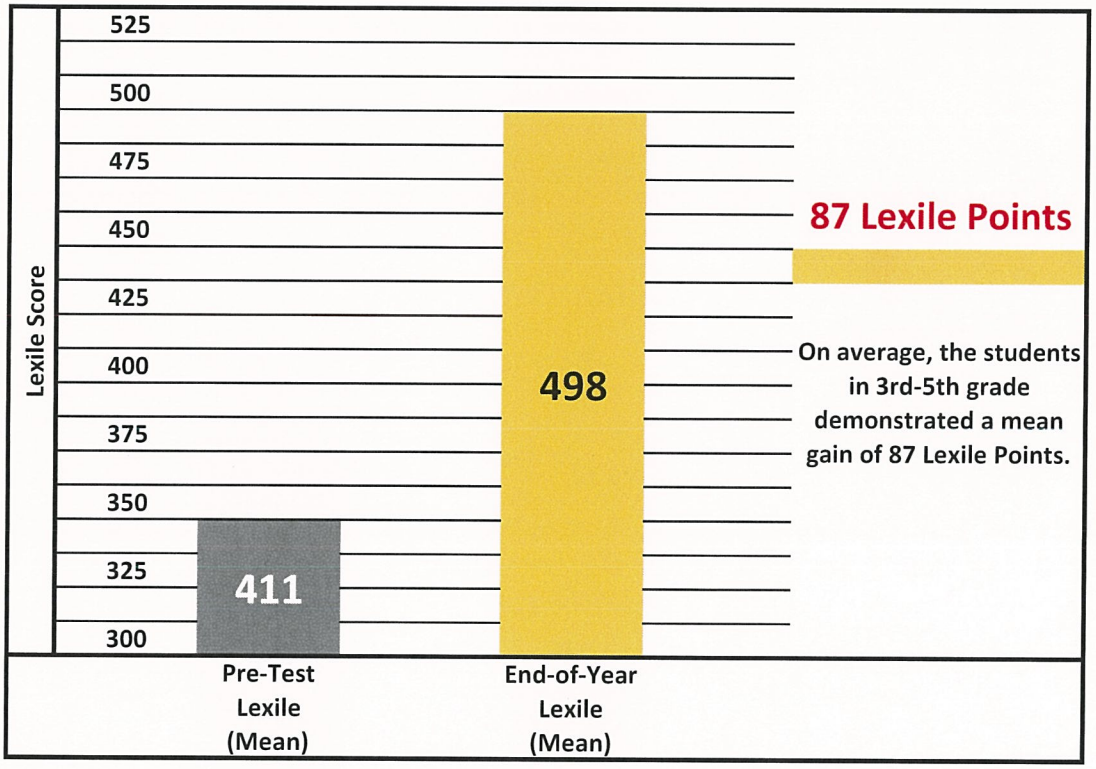
FIFTH GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	2%	8%	4%
Approaching	30%	29%	41%
Below	68%	63%	55%
Oral Fluency			
Proficient	88%	86%	96%
Approaching	3%	7%	2%
Below	8%	7%	2%
CLOZE			
Proficient	77%	80%	76%
Approaching	14%	12%	15%
Below	9%	8%	9%
Spelling			
Proficient	83%	87%	58%
Approaching	10%	10%	33%
Below	7%	3%	9%

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	2%	3%	2%
Approaching	10%	22%	38%
Below	88%	75%	60%

Graph 7. Achieve 3000 (Differentiated Reading Program)

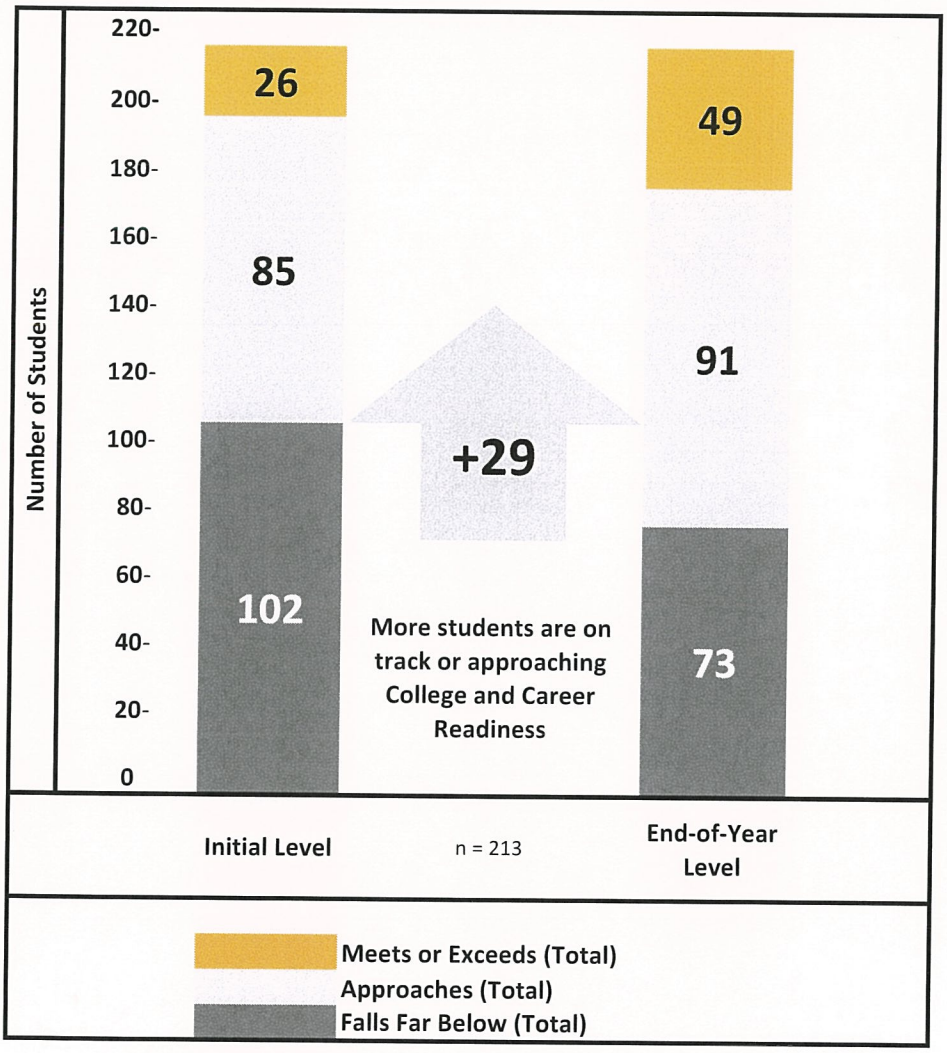
Lexile Gains: Pre-Test to End-of-Year				
	3rd	4th	5th	Total
Overall Lexile Growth Total:	8410	6010	4315	18735
Overall Lexile Growth Average:	**89**	**99**	**74**	**262**
Overall Lexile Total PreTest:	24055	23730	34070	81855
Overall Lexile Total PreTest Average:	**256**	**389**	587	**411**
Overall Lexile Total PostTest:	32465	29740	38385	100590
Overall Lexile Total PostTest Average:	**345**	**488**	**662**	**498**



The Achieve 3000 scores show growth in individual skills. The program allows student scholars to confidently participate in class discussions as they read materials from the same article but at their grade level. Scholars work towards personal goals and celebrate each personal milestone.

Graph 8. 3rd – 5th Grade College Readiness Indicator

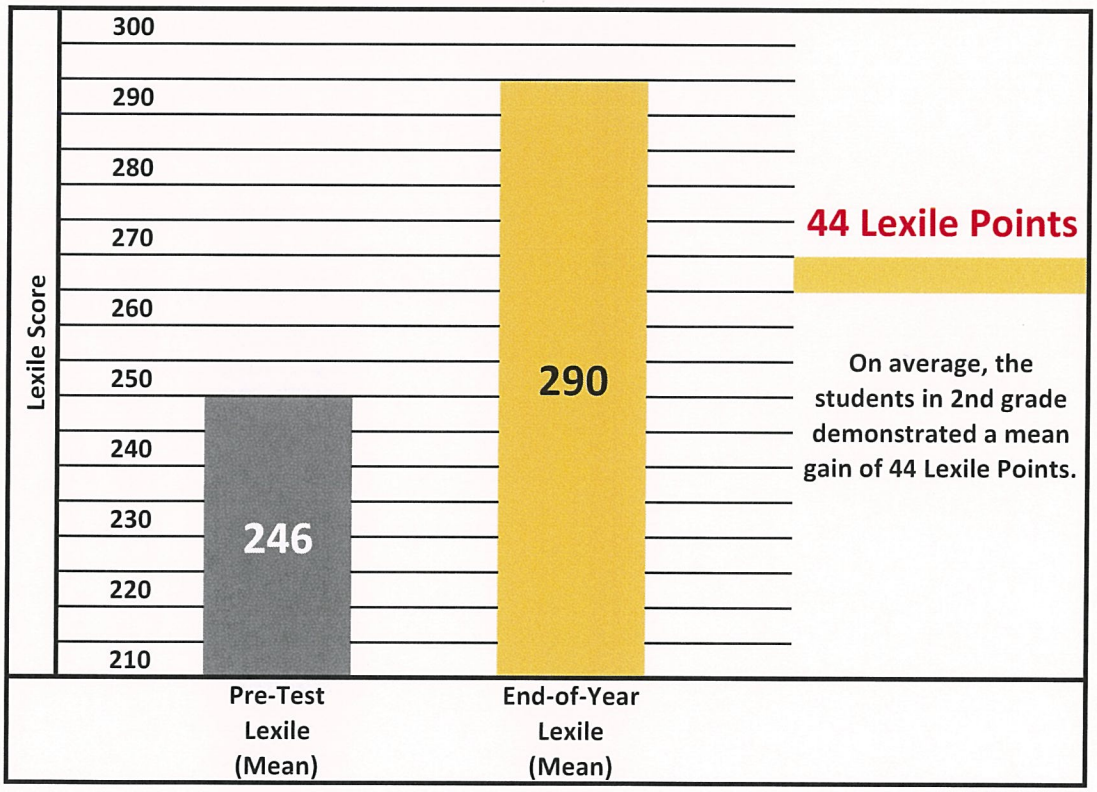
College and Career Readiness				
Levels	3	4	5	Total
Below	52	31	19	102
Below	42	20	11	73
Approach	27	28	30	85
Approach	25	33	33	91
Exceeds	15	2	9	26
Exceeds	27	8	14	49
				Up 29



The preceding graph, based on pre-test and end-of-year Lexile scores, demonstrates that more ILearn Academy Charter School students are on track for college and career readiness after actively participating in the Achieve3000 program during the 2018-2019 school year

Graph 9. Second Grade Achieve 3000 Results

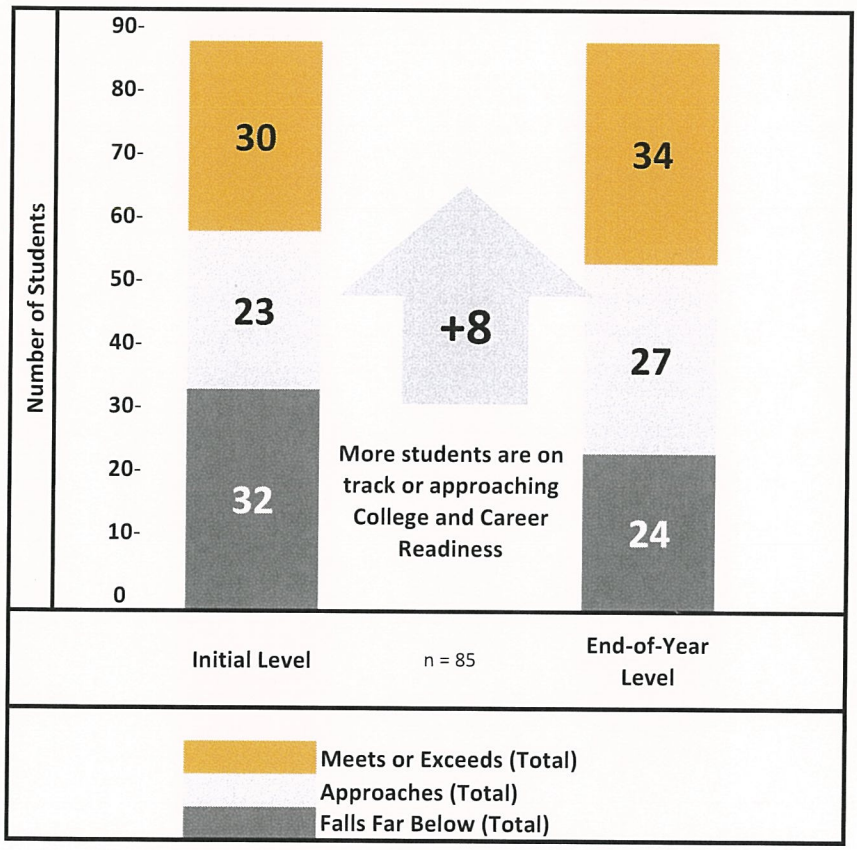
Lexile Gains: Pre-Test to End-of-Year		
	2nd	Total
Overall Lexile Growth Total:	3805	3805
Overall Lexile Growth Average:	**45**	**45**
Overall Lexile Total PreTest:	20875	20875
Overall Lexile Total PreTest Average:	**246**	**246**
Overall Lexile Total PostTest:	24680	24680
Overall Lexile Total PostTest Average:	**290**	**290**



Second Grade starts this program in the middle of the school year. Prior to this program, all second grade student scholars work on a lower primary version of Achieve 3000 called Smarty Ants.

Graph 10. 2nd Grade College Readiness Indicator

College and Career Readiness		
Levels	2	Total
Below	32	32
Below	24	24
Approach	23	23
Approach	27	27
Exceeds	30	30
Exceeds	34	34
		Up 8



The preceding graph, based on pre-test and end-of-year Lexile scores, demonstrates that more ILearn Academy Charter School students are on track for college and career readiness after actively participating in the Achieve3000 program during the 2018-2019 school year

Graph 11. Overall Achieve 3000 Findings.

Findings that Count				
Findings That Count:				
Student Performance Across the 3rd-5th Grade Levels				
Grade	Users with Valid Test Scores	Pre-Test Lexile (Mean)	End-Of-Year Lexile (Mean)	Actual Growth (Mean)
3	94	256	345	89
4	61	389	488	99
5	58	587	662	74
Overall	**213**	**411**	**498**	**87**

Findings that Count				
Findings That Count:				
Student Performance Across 2nd Grade				
Grade	Users with Valid Test Scores	Pre-Test Lexile (Mean)	End-Of-Year Lexile (Mean)	Actual Growth (Mean)
2	85	246	290	44
Overall	**85**	**246**	**290**	**44**

Overall, iLearn's student scholars have not met school goals for reading levels. However, they have met personal goals and achieved personal growths. This is an indicator that Achieve 3000 is beneficial to student progress. Longevity of usage is necessary to acquire school goals of readiness.

OTHER STUDENT ACCOMPLISHMENTS

A. Math Olympiad – iLearn Academy ranked third overall.
B. Script Spelling Bee
C. International Week
D. Chamorro Month Celebration
E. Annual Spring Concert
F. Annual Spring Dance Presentation
G. 3rd Annual NEHS Induction
H. Spring Lego Robotics Competition
I. Service Learning with AmeriCorps (Agriculture)

PROFESSIONAL DEVELOPMENT

A. First Aid/ CPR
B. Crisis Prevention
C. Achieve 3000
D. Smarty Ants
E. Amplify Science
F. Singapore Math
G. Employee Ethics and Harassment
H. Future Focus Learning (Personalized and Socio-Emotional Learning)

IMAGES








Upper: 5th Graduating Class, Germinating, Service Learning (Building Planters with AmeriCorps)
Lower: Fieldtrip to AAFB, Chamorro Week, 1st 5K *(Suess on the Loose)*







Upper Left: National Elementary Honor Society Lion's Chapter's newly elected officers.

Lower Left: Called to serve their school.

Upper Right: Math Olympiad wins 3rd place overall.

FINANCIAL ACCOUNTABILITY

Information in this section comes from the Office of Public Accountability and from the financial portion of the Ernst &Young LLP Audit findings. For the purpose of this reporting and to reduce replication of information, only the portions that demonstrate the financial health and practices of iLearn Academy Charter School have been included.

OFFICE OF PUBLIC ACCOUNTABILITY

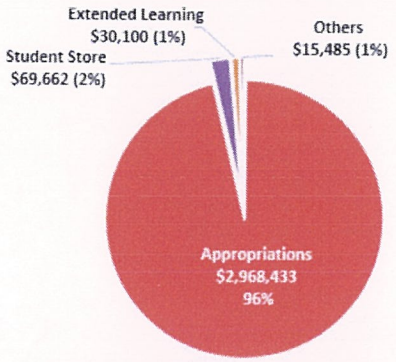
Suite 401 DNA Building, 238 Archbishop Flores Street, Hagatna, Guam 96910
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www.opaguam.org

iLearn Academy Charter School – FY 2018 Financial Highlights

March 25, 2019

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) 2018. Independent Auditors Ernst & Young, LLP rendered an unmodified (clean) opinion on IACS's FY 2018 financial statements.

Graph 1: IACS FY 2018 Revenues

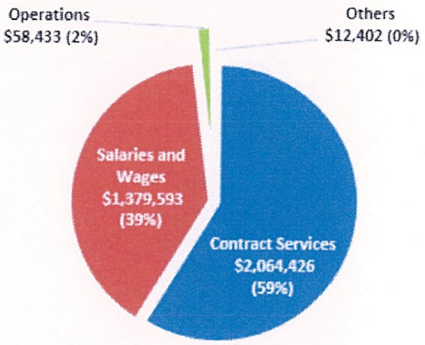


IACS closed FY 2018 with a negative $424 thousand (K) net position. The Tax Cuts and Jobs Act of 2017 resulted in $278K decrease in IACS FY 2018 appropriations from Government of Guam (GovGuam). IACS anticipated 620 students but was only granted appropriations for 500 students. FY 2018 total revenues comprised $3 million (M) from the GovGuam appropriations, $70K from student store, $30K from extended learning, and $15K from other sources.

IACS's operating expenditures increased by $154K, from $3.36M in FY 2017 to $3.51M in FY 2018. Salaries and wages comprised 39% of the total expenditures and increased by $270K or 24%, from $1.1M in FY 2017 to $1.4M in FY 2018. The increase was because of additional teachers hired.

In July 2018, IACS entered an A+ Contract where they pay a lease to an academic partner who provides a furnished school facility, utilities, services, and supplies. This allows IACS to focus on providing educational services to students since the lease provides all infrastructural support. The A+ agreement will expire in June 2023. IACS records the lease as contract services, which comprised 59% of the total expenditures. IACS disclosed related party transactions as certain members of IACS are also officers or board members of the A+ agreement contractor.

Graph 2: IACS FY 2018 Expenditures



Report on Internal Control and Management Letter

The independent auditors did not identify any material weaknesses or significant deficiencies on IACS' Report on Internal Control over Financial Reporting and Compliance. The auditors issued a Management Letter that identified five deficiencies: (1) lack of segregation of duties involving the business office manager performing almost all accounting duties; (2) improper recording of payroll liabilities; (3) inaccurate student enrollment reports; (4) lack of proper documentation for hourly employment rates; and (5) missing register of proposal from procurement file.

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.

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ey.com

Building a better working world

Report of Independent Auditors

The Board of Trustees of
iLearn Academy Charter School, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of iLearn Academy Charter School, Inc., as of and for the year ended September 30, 2018, and the related notes to the financial statements which collectively comprise iLearn Academy Charter School, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

A member firm of Ernst & Young Global Limited

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of iLearn Academy Charter School, Inc., as of September 30, 2018, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 3 through 13 and budgetary comparison information on page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 auditing standards generally accepted in the United States, 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 25, 2019, on our consideration of iLearn Academy Charter School, Inc.'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 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 iLearn Academy Charter School, Inc.'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 iLearn Academy Charter School, Inc.'s internal control over financial reporting and compliance.

Ernst & Young LLP

March 25, 2019

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Academy's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on the Academy's net position and how it has changed. Net position is the difference between the Academy's total assets and total liabilities. Measuring net position is one way to gauge the Academy's financial condition.

The *Statement of Activities* presents information on how the Academy's net position changed during the fiscal year. All the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

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 ANALYSIS

Net position may serve over time as a useful indicator of a charter school's financial position. In the case of the Academy, the liabilities exceeded assets by $422,016 at the close of the fiscal year.

Figure 1 provides a summary of the Academy's net position as of September 30, 2018 and 2017:

Net Position
Figure 1

	2018	2017
Cash	$ 10,398	$ 69,993
Accounts receivable	---	287,639
Total assets	10,398	357,632
Accounts payable	392,000	350,560
Due from related party	42,500	---
Total liabilities	434,500	350,560
Unrestricted	(424,102)	7,072
Total net position	$(424,102)	$ 7,072

Management's Discussion and Analysis, continued

Due to the Tax Cuts and Jobs Act of 2017, this heavily impacted the Academy's FY2018 drawdowns and resulted in a negative net position.

Figure 2 provides a summary and analysis of the Academy's revenues and expenses for the years ended September 30, 2018 and 2017 as follows:

Statement of Activities
Figure 2

	2018	2017
REVENUES		
Appropriation- Students	$ 2,968,433	$3,246,147
Extended Learning	30,100	26,480
Miscellaneous	69,960	12,198
Other Income	15,187	75,637
Total Revenues	3,083,680	3,360,462
EXPENSES		
Contract services	2,064,426	2,115,001
Salaries and wages	1,379,593	1,109,454
Operations	58,433	92,291
Travel and meetings	633	38,453
Other Expenses	11,769	6,137
Total Expenses	3,514,854	3,361,336
Decrease in Net Position	(431,174)	(874)
Net Position at Beginning of Year	7,072	7,946
Net Position at End of Year	$(424,102)	$ 7,072

Public Law 34-42, Chapter II, Section 3 states that in School Year 2017-2018, the School is authorized to receive Six Thousand Five Hundred Dollars ($6,500) per enrollee not to exceed five hundred (500) students.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

Governmental Fund Budget Analysis and Highlights

Prior to the start of the Academy's fiscal year, the Board of the Academy adopted an annual budget that is submitted to the Guam Academy Charter School Council. The Council, in turn, submits the budget from the charter schools to the Legislature. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the Academy's budget.

	Governmental Fund 2018		
	Original Budget	Actual	Variance
REVENUES			
Local Govt. Appropriations	$3,250,000	$2,968,433	$ 281,567
EXPENSES			
Salaries, Wages, & Benefits	1,303,832	1,349,502	(45,670)
Professional Devt./Travel	20,000	633	19,367
Contractual Service	46,719	730	45,989
Curriculum/Supplies	19,600	35	19,565
Miscellaneous	---	58,266	(58,266)
Student Affairs Expense	---	64,577	(64,577)
Extended Learning	30,780	31,896	(1,116)
A+ Contract (Educational Infrastructure Contract)	2,040,000	2,025,800	14,200
Total Expenses	$3,460,931	$3,531,439	$(70,508)

For Fiscal Year 2018, the School received all of its appropriations except for the 8% budget cut of $281,567. The School anticipated 620 students but was only granted appropriations for 500 students. The budget cut heavily impacted our operations and we focused our remaining allotment funds on payroll and pertinent operating expenses. The School shut down all travel and postponed curriculum upgrades. The School also developed Non-Appropriated Funds to help offset operating costs. All student store, donations, and fundraising efforts helped with payroll expenses.

Doc. No. 35GL-19-1152.

iLearn Academy Charter School Inc.
(A Non-Profit Organization)

Governmental Funds Balance Sheet/Statement of Net Position

September 30, 2018

	General Fund	Adjustments	Statement of Net Position
Assets:			
Cash *(Note 5)*	$ 10,398	$ ---	$ 10,398
Total assets	$ 10,398	$ ---	$ 10,398
Liabilities and Fund Balance/Net Position:			
Accounts payable and accrued expenses *(Notes 2 and 4)*	$ 392,000	$ ---	$ 392,000
Note payable due to related party *(Note 4)*	42,500	---	42,500
Total liabilities	434,500	---	434,500
Fund balance: unassigned	(424,102)	424,102	---
Total liabilities and fund balances	$ 10,398		
Net position:			
Unrestricted		(424,102)	(424,102)
Total liabilities and net position		$ ---	$ 10,398

See accompanying notes.

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

Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities

Year ended September 30, 2018

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses:			
Instructional services:			
Contract services *(Notes 1, 2, and 4)*	$ 2,064,426	$ ---	$ 2,064,426
Salaries and wages	1,379,593	---	1,379,593
Support services:			
Operations	58,433	---	58,433
Miscellaneous	5,976	---	5,976
Insurance	5,465	---	5,465
Travel and meetings	633	---	633
Bank charges	328	---	328
Total expenditures/expenses	3,514,854	---	3,514,854
General revenues:			
Appropriations *(Notes 2 and 3)*	2,968,433	---	2,968,433
Donations	12,851	---	12,851
Fundraising	2,336	---	2,336
Miscellaneous	298	---	298
	2,983,918	---	2,983,918
Program revenues:			
Student store	69,662	---	69,662
Extended learning	30,100	---	30,100
	99,762	---	99,762
Deficiency of revenues under expenditures	(431,174)	431,174	
Change in net position		(431,174)	(431,174)
Fund balance/net position:			
Beginning of year	7,072	---	7,072
End of year	$(424,102)	$ ---	$(424,102)

See accompanying notes.

Doc. No. 35GL-19-1152.

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

Statement of Fiduciary Net Position

September 30, 2018

	Agency Funds
Assets:	
Cash *(Note 5)*	$ 2,086
Total asset	$ 2,086
Liability:	
Others	$ 2,086
Total liability	$ 2,086

See accompanying notes.

1. Organization

iLearn Academy Charter School, Inc., (the Academy) is a non-profit public benefit corporation designed to enrich student learning in all content areas with a special emphasis in technology, science, and math. The Academy was incorporated under the laws of Guam on December 5, 2014. The Academy began student enrollment during January 2015.

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 less than five (5) members and not more than nine (9) 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 retains an independent contractor, Saint Paul Christian School (SPCS), under the A+ contract for five successive years. Under the terms of agreement, SPCS is the sole provider of the facility, fixed assets and related equipment, utilities, services, and supplies to the Academy. In return, the Academy is obligated to pay monthly contract dues invoiced by SPCS.

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 Government of Guam Department of Education.

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.

In accordance with Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments ("GASB 34"), the Academy is a special-purpose government that is engaged in governmental activities and is not a component unit of another government. Therefore, the financial statements are prepared in the same manner as general purpose governments.

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.

2. Summary of Significant Accounting Policies, continued

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 government fund. The ending fund balance on the balance sheet is then reconciled to the ending governmental net position.

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.

2. Summary of Significant Accounting Policies, continued

Measurement Focus/Government-wide and Fund Financial Statements, continued

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 Superintendent of Education of the Government of Guam's Department of Education (GDOE) which in turn incorporates such as part of its budget submitted 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.

Cash

For the purpose of presentation in the Governmental Funds balance sheet/statement of net position, cash consists of cash balances deposited in banks.

Agency Funds

Agency funds represent the cash assets of various school clubs held by the Academy in a purely custodial capacity.

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2. Summary of Significant Accounting Policies, continued

Funding

The Academy receives financial support in monthly allotments from the General Fund of the Government of Guam via the GDOE to finance administrative and general expenses on a reimbursable basis. Such expenses mainly consist of contract dues under the A+ Contract, salaries and wages, and Extended Learning wages due to after school teachers. The actual amounts remitted to the Academy are determined by the GDOE's Internal Auditors through the validation of submitted invoices.

Pursuant to Guam Public Law 34-42, the cost per pupil was $6,500 for the fiscal year ending September 30, 2018. Student enrollment is not to exceed 500 students during Fiscal Year 2018. The number of enrolled students was multiplied by the FY 2018 Government of Guam General Appropriations Act approved amount of $6,500 per student enrollee. For the fiscal year ended September 30, 2018, the maximum of 500 students were enrolled in the Academy. The Academy received government appropriations totaling $2,968,433 for the fiscal year ended September 30, 2018.

Fundraising and Donations

The Academy participates in various fundraising activities during the year. Revenues received from these fundraising activities are recognized as fundraising income. In addition, the Academy receives cash donations from private individuals and businesses that are recognized as donations when received.

Compensated Absences

Permanent employees who are guaranteed leave with their contracts are entitled to paid vacation and sick leave. Entitled employees can accrue four hours of paid sick leave and three hours of paid personal leave every pay period. Accumulation of compensated leave hours may not exceed fifty-six hours of sick leave and twenty-one hours of personal leave within a school year. Unused personal or sick leave at the end of a school year will be credited to the employee at approximately half of the employee's current contractual rate multiplied by the number of unused hours of sick and personal leave. At September 30, 2018 accrued compensated absences totaled $24,000 and is included as a component of accounts payable and accrued expenses.

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. A Return of Organization Exempt from Income Tax is filed by the Academy. Forms 990 filed by the Academy are subject to examination by the Government of Guam Department of Revenue and Taxation for up to three years from the extended due date of each return.

Doc. No. 35GL-19-1152.

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. Donated property and equipment are valued at the estimated fair market value as of the date received.

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives.

Deferred Outflows of Resources

In addition to assets, the statements 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 statements 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. generally accepted accounting principles 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.

Recently Adopted Accounting Pronouncements

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This Statement replaces the requirement of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The implementation of this statement did not have a material effect on the accompanying financial statements.

2. Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements, continued

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements.* The Statement is intended to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement did not have a material effect on the accompanying financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68 and No. 73.* The Statement addresses issues regarding (1) presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of this statement did not have a material effect on the accompanying financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017.* This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The implementation of this statement did not have a material effect on the accompanying financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have a material effect on the accompanying financial statements.

Upcoming Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance of this statement. GASB Statement No. 83 will be effective for the Academy for fiscal year ending September 30, 2019.

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. GASB Statement No. 84 will be effective for fiscal year ending September 30, 2020.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. GASB Statement No. 87 will be effective for fiscal year ending September 30, 2021.

In April 2018, GASB issued Statement no. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 89 will be effective for fiscal year ending September 30, 2019.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for fiscal year ending September 30, 2021.

In March 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. GASB Statement No. 90 will be effective for fiscal year ending September 30, 2020.

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

The Academy is currently evaluating the effects the above upcoming accounting pronouncements might have on its financial statements.

3. Economic Dependency

The Academy receives approximately 100% of its annual revenue from the Guam Department of Education under a five-year charter agreement. Under such agreement, the Council will review the Academy every five 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. Related Party Transactions

Certain board members of the Academy are also officers or board members of SPCS. Pursuant to the terms and conditions of the A+ Contract, SPCS is the sole provider of the facility, equipment, utilities, services, and supplies to the Academy in exchange for monthly contract dues. For the year ended September 30, 2018 amounts paid to SPCS totaled $1,685,800. At September 30, 2018, the Academy recorded $340,000 payable to SPCS. This amount is included as a component of accounts payable and accrued expenses.

On September 13, 2018, the Academy obtained a promissory note from a board member in the amount of $42,500 with interest of 6% if repayment in whole exceeds sixty days. As of March 25, 2019, the date the financial statements were available to be issued, the Academy has repaid the full balance of the promissory note with no interest incurred.

5. 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.

The Academy maintains one bank account with a financial institution. The Academy at times maintains cash balances in excess of $250,000, the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Academy has not made any provisions as it has not incurred any losses due to exceeding insured amounts. All of the Academy's bank balance was fully insured as of September 30, 2018.

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6. Risk Management

The Academy is exposed to various risks of loss related to student or employee injury for which the Academy carries workers compensation insurance. The Academy maintains workmen's compensation insurance to provide for claims arising from these risks.

There were no material losses sustained as a result of the Academy's risk management practices.

7. Subsequent Events

The Academy has evaluated subsequent events through March 25, 2019, which is the date the financial statements were available to be issued.

Doc. No. 35GL-19-1152.

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

Budgetary Comparison Schedule – Governmental Funds
Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Expenditures:				
Salaries and wages	$ 1,267,832	$ 1,267,832	$ 1,379,593	$(111,761)
Employee benefits	36,000	36,000	5,465	30,535
Professional development / travel	20,000	20,000	633	19,367
Contractual service	46,719	46,719	10,530	36,189
Miscellaneous	19,600	19,600	58,433	(38,833)
Extended learning	30,780	30,780	43,872	(13,092)
A+ Contract (Educational Infrastructure Contract)	2,040,000	2,040,000	2,016,000	24,000
Bank charges	---	---	328	(328)
Total expenditures	3,460,931	3,460,931	3,514,854	(53,923)
General revenues:				
Appropriation - students	3,250,000	2,990,000	2,968,433	(21,567)
Miscellaneous	---	---	298	298
Donations	---	---	12,851	12,851
Fundraising	---	---	2,336	2,336
	3,250,000	2,990,000	2,983,918	(6,082)
Program revenues:				
Student store	---	---	69,662	69,662
Extended learning	---	---	30,100	30,100
	---	---	99,762	99,762
Excess of expenditures over revenues	(210,931)	(470,931)	(431,174)	39,757
Decrease in net position	(210,931)	(470,931)	(431,174)	39,757
Fund balance/net position:				
Beginning of year	7,072	7,072	7,072	---
End of year	$(203,859)	$(463,859)	$(424,102)	$ 39,757