Guam Legislature Clerks <clerks@guamlegislature.org>

M&C Fwd: iLearn Academy Charter School End of the Year 2020 Report

1 message

Speaker's Office <speaker@guamlegislature.org> Tue, Oct 27, 2020 at 1:22 PM
To: Clerks Office <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

10/27/20	10:59 AM	10/27/20	End of the Year 2020 Report.*	iLearn Academy Charter School	35GL-20-2342

Sinseru yan Minagåhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
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Gumai pribilehu yan konfedensia este siha na mensåhi. Solo espesiåtmente para hågu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespåtcha. Yanggen lachi rinisibu-mu nu este na mensåhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensåhi. Si Yu'os ma'åse'.

---------- Forwarded message ---------
From: **Helen Nishihira** <hnishihira@ilearnguam.org>
Date: Tue, Oct 27, 2020 at 11:07 AM
Subject: Re: iLearn Academy Charter School End of the Year 2020 Report
To: <speaker@guamlegislature.org>

My apologies Honorable Speak Tina Muna Barnes;

Please see the correct copy of the End of the Year Report FY2020

On Tue, Oct 27, 2020 at 10:58 AM Helen Nishihira <hnishihira@ilearnguam.org> wrote:

> Hafa Adai Honorable Speaker Tina Muna Barnes;
>
> iLearn has completed our End of the Year Report for FY2020. Inclusive of the report is the FY2019 audit report.
>
> iLearn has entered into our audit for FY2020 with Ernst & Young and under the supervision of the Office of Public Accountability.
>
> Please see the attached report.
>
> Sincerely,
>
> --
> **Helen Nishihira, MBA**
> iLACS Chief Operations Officer
> Board of Trustees Secretary
> Phone: (671) 989-3789/99
> *"The function of education is to teach one to think intensively and to think critically. Intelligence plus character - that's the goal of true education." ~ Martin Luther King, Jr.*

--
Helen Nishihira, MBA
iLACS Chief Operations Officer
Board of Trustees Secretary
Phone: (671) 989-3789/99
"The function of education is to teach one to think intensively and to think critically. Intelligence plus character - that's the goal of true education." ~ Martin Luther King, Jr.

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End of the Year Report SY2020



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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, 2019 – September 30, 2020. Demographic data is provided by RenWeb, the student information system currently used by iLearn Academy Charter School (iLearn). Academic data is provided by Achieve 3000 (Reading assessment) and McGraw Hill Diagnostic test for reading and math.

Type of Charter: STEM-based program for Elementary School age scholars, 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, 2022

BOARD OF TRUSTEES

Chairman of the Board:	Mrs. Helen Nishihira
Secretary of the Board:	Mrs. Rachel Cubacub
Treasurer of the Board:	Mr. Augusto T. Sablan
Member of the Board:	Ms. Rachel Stake
Member of the Board:	Mr. Wilhelm Miranda
Parent Board Member:	Mrs. Carina Su

SCHOOL LEADERSHIP

Chief Operations Officer	Mrs. Helen Nishihira
Chief Academic Officer	Ms. Rachel Stake
Principals Upper Division	Ms. Maria Dunn
Principals Lower Division	Mr. Argie Pamplona
Vice Principal/ Facilities	Mrs. Maria Singh
Business Manager	Mrs. Nina Field
Officer Manager	Mrs. Marti Sanchez
Student Affairs	Mr. Omar Baldemor
Faculty	33 teachers
Staff	4 Aides
Program Coordinator	1
Administrative Assistant	3

SCHOOL DEMOGRAPHICS

FACULTY & STAFF

Employee Category	Employee Title/Task	# of Employee	Qualifications / Certifications	Job Responsibilities
Executive	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.
	Chief Academic Officer	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 Principals in matters that enhance academic performance of students and ensures all activities are in line with the vision and mission of the school.
Admin	Principal	2	Bachelor's Degree/ Master's Degree in progress	1. Work with teachers to meet the academic, behavior, and mental health of students. Reviews lesson plans and teachers' schedules. 2. Work with the executive office to provide professional development.
	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 regard 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.
	Admin Asst I	1	Bachelor's Degree in Business Finance	1. Handles all withdrawal requests, procurement, grants, and others as assigned by chief admins
	Program Coordinator/ Procurement /Bus	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.
	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 3. Manages deployment of digital devices for teachers, students, and staff

	School Aide	4	High School Diploma	1. Manage safety of students 2. Minor custodial and maintenance work 3. Utilized as substitutes
Faculty	Teacher	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
	Limited Term – Teacher	12	Associates Degree in Education/ Bachelors Degree in progress	

STUDENT DEMOGRAPHICS

As of September 30, 2020, iLearn has a total of seven hundred fifty-six (756) students enrolled.

Rationale for over-enrollment: The 35th Guam Legislature passed PL 35-99 on September 2020. This had occurred a full month into School Year 2020-2021. Because planning for the school year takes place the last quarter of the fiscal year, iLearn needed to make decisions for the opening of the new school year based on certain assumptions.

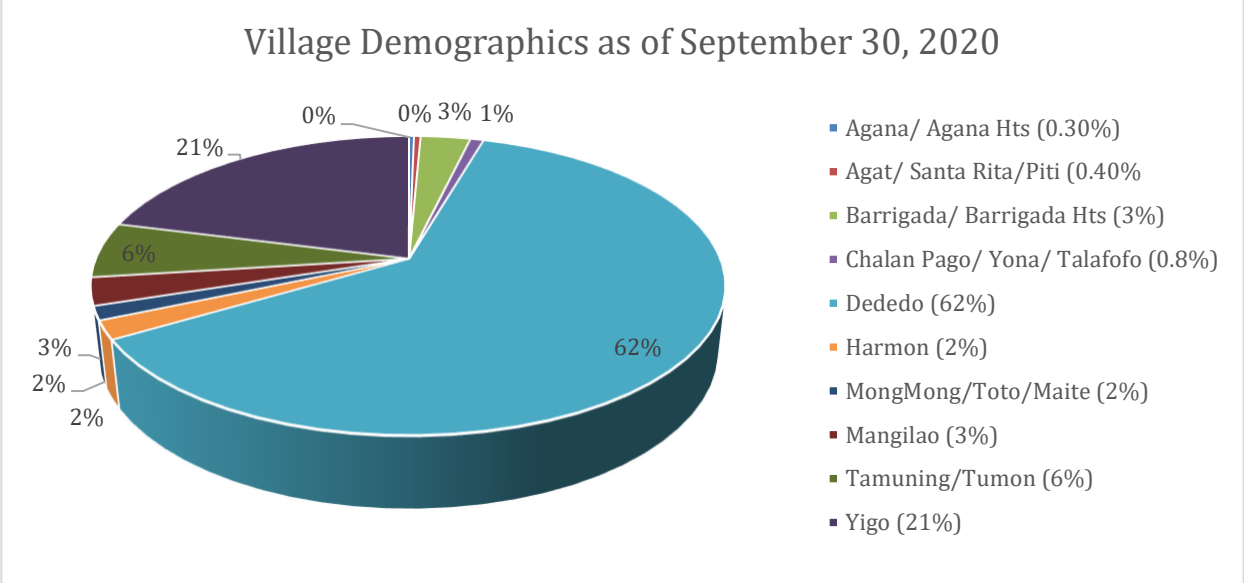
On January 2020, iLearn's request for an increase in budget (which included increasing enrollment from 620 to 740) was approved by the Guam Academy Charter School Council. On June 26, during a budget hearing, the 35th Guam Legislature supported the request for increased enrollment. On July 29, at a Round Table discussion, the 35th Guam Legislature supported the request to increase enrollment. However, due to COVID-19's potential negative impact on the local economy, the budget was passed with iLearn earmarked for only 620 student enrollment. iLearn had then determined that it would be for the best interest of the students to continue with the excess of 136 students. iLearn recognizes that funds will need ensure that this decision does not negatively impact the financial state of the organization.

Table 1. STUDENT DEMOGRAPHICS AS OF SEPTEMBER 30, 2020

Grade Level			***Female***	***Male***		***Ethnicity***	***#***	***%***
K5	121		67	54		Chamorro	188	25%
						Filipino	445	59%
1	135		73	62		Micronesian	63	8%
						Asian	28	4%
2	145		75	70		Caucasian	14	2%
						Black	0	0%
3	134		68	66		Multi	9	1%
						Other	9	1%
4	110		52	58				
5	111		54	57				
TOTAL	**756**		**389**	**367**			**756**	**100%**

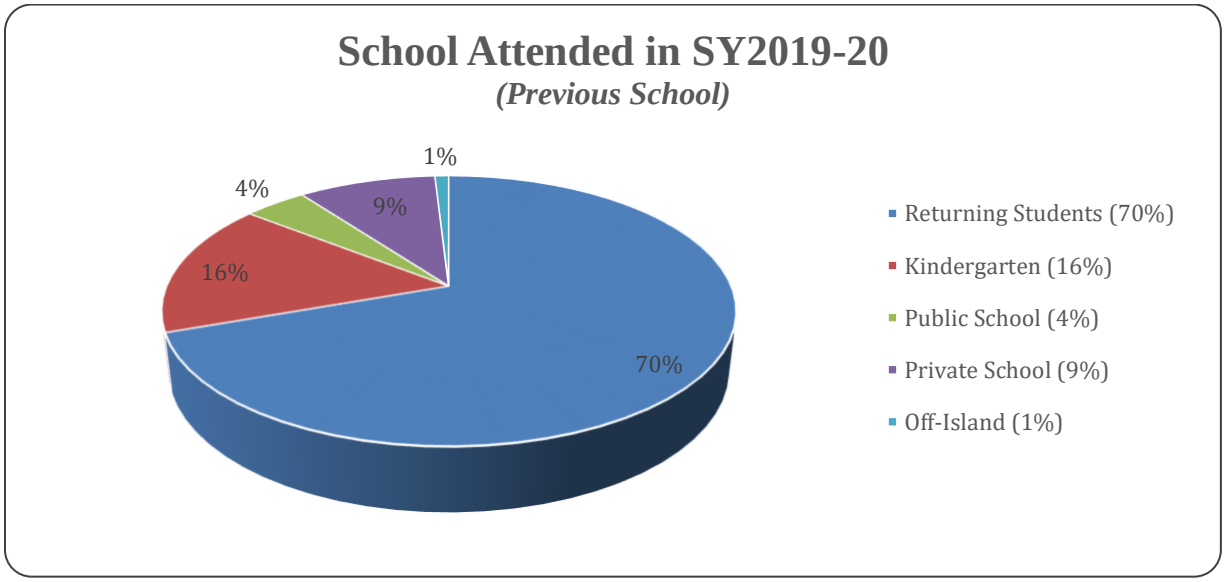
Micronesian = Chuukese, Palauan, Pohnpeian, Yapese, Kosraean, CNMI
Asian = Japanese, Chinese, Korean, Vietnamese, Indian
Other = Hawaiian, Samoan, not identified
Multi = Identified by more than two ethnic backgrounds.

Graph 1. Villages that impact student enrollment as of September 30, 2020



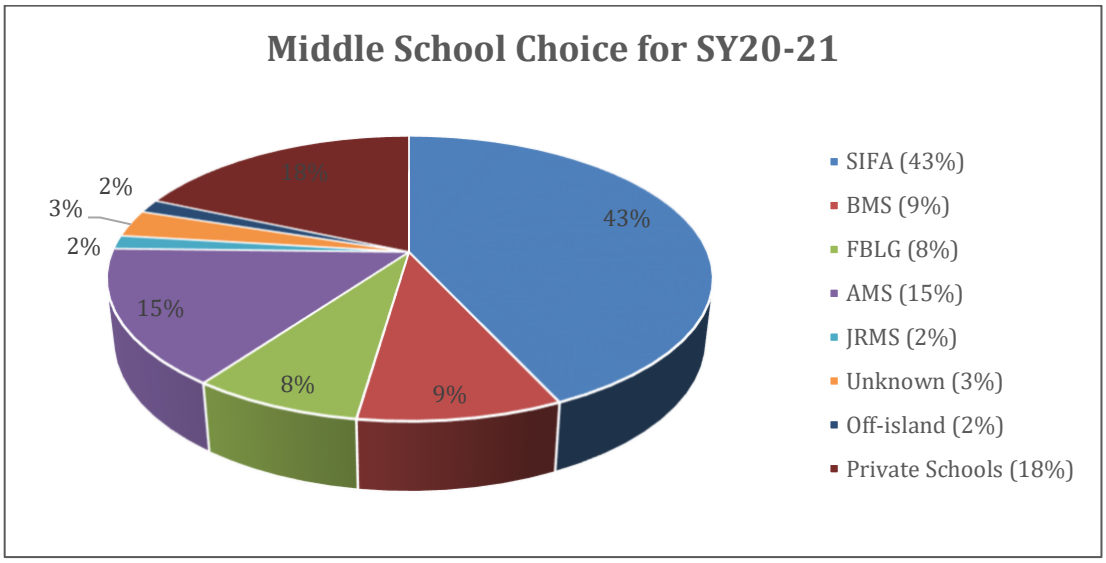
The demographics of iLearn demonstrates that its greatest population comes from the northern villages, specifically the village of Dededo.

Graph 2. Feeder Schools for iLearn as of September 30, 2020.



iLearn saw a 3% increase of transfer enrollment from private schools. Transfers were significantly COVID-19 related. The decision was based on affordability and the ability to continue with the academic year in the midst of a pandemic. In SY2019-20 when the Governor's Executive Order shut down traditional face-to-face classes, iLearn completed the 4th quarter via online classrooms.

Graph 3. Middle School Choice for students who graduated May 22, 2020.



Three percent (3%) of parents had not made a decision as to where to send their child at the date of cumulative folder pick-up. Forty-three percent (43%) chose to continue with another charter school, SIFA Academy Charter School. Thirty-four percent (34%) chose to return to their district public school.

The main concern of parents and students was to find a school they could afford and maintain the service they received at iLearn Academy Charter School. Decisions were greatly impacted by COVID-19.

Table 2. OTHER NEEDS AS OF SEPTEMBER 30, 2020

Student with ISP/IEP (SPED)*	6 students currently with IEP
Students in the Autism Spectrum	2 students (1 with one to one needs)
Students who are ELL/ ESL	117 students where English is not the primary language of home and parents. 48 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.

It was a challenge to meet each students' IEP needs in the midst of the Governor's Executive Orders. However, the iLearn's academic team and the parents had established a strong partnership to lessen the disruption caused by COVID-19.

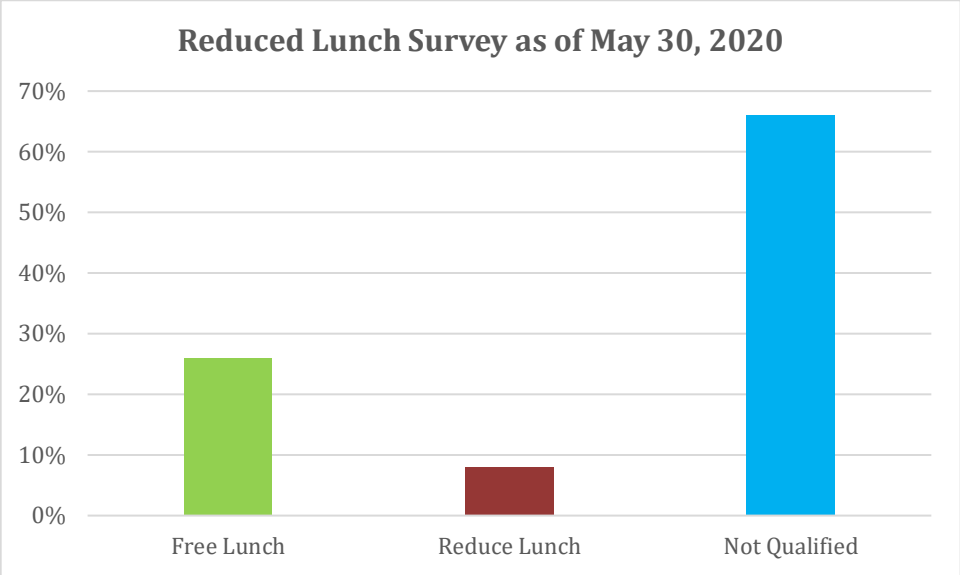
SOCIO-ECONOMIC DEMOGRAPHIC

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 twenty-six percent (26%) of our students would have qualified for free lunch and eight percent (8%) 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 sable to sufficiently provide and there were only a few occasions where the school intervened and provided for the student.

Approximately thirty-five percent of our students live in multi-generational homes. This living arrangement may be the reason the percentage of families receiving federal assistance is lower than anticipated. Also, COVID-19 and none face-to-face classes has made it difficult to obtain 100% response to parent surveys.

Graph 4. Socio-Economic Demographics



STUDENT ATTENDANCE

Excessive Absence/Tardy – Class report pulled was from RenWeb Student Information System at the close-out of SY2019-20 show the following information:

Table 3. Student Attendance

Total excused/unexcused absences of 622 students maximum for 180 school days.	Total School average	1% absenteeism rate overall for 180 days.
Total Students with >10 days absences	49 students	8% of students
Total Students with >15 days absences	30 students	5% of students
Total Students with >20 days absences	24 students	4% of students

There was a significant rate of absences in SY19-20. In the fall of 2019, a large portion of our students came down with the flu, averaging 5 days of absences before returning to school. The excess of absences caused iLearn to close for "Flu Season" on November 7, 2019, giving the school a total of five days break. November 7 – November 11, with Monday November 10 as a professional development.

We also saw another peak of absences due to illness from January - February. On March 16, the Governor's Executive Order closed down fact to face classes. Fourteen students were not able to sustain online classes due to internet access, however materials were delivered to students. On September 2020, utilizing the Educational Stimulus Funds, we were able to distribute mifi to students who did not have access to internet.

STUDENT ACADEMIC PERFORMANCE

Due to COVID-19, our students were not able to take the ACT Aspire. Although iLearn continued classes up to the end of the school year, the annual End of the Year McGraw Hill Diagnostics were not held due to COVID-19.

MCGRAW HILL DIAGNOSTIC REPORT

KINDERGARTEN

Proficiency Percentage	Fall	Winter	Spring
Letter Fluency			
Proficient	58%	67%	
Approaching	7%	7%	
Below	34%	26%	
Phonemic Awareness			
Proficient		16%	
Approaching		40%	
Below		44%	
Phonological Awareness			
Proficient		22%	
Approaching		21%	
Below		57%	
Spelling			
Proficient			
Approaching			
Below			

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	16%	69%	
Approaching	39%	28%	
Below	44%	3%	

FIRST GRADE

Proficiency Percentage	Fall	Winter	Spring
Phonemic Awareness			
Proficient	13%	65%	
Approaching	43%	22%	
Below	45%	13%	
Phonological Awareness			
Proficient	7%	42%	
Approaching	11%	17%	
Below	83%	41%	
Word Fluency			
Proficient	31%	41%	
Approaching	18%	9%	
Below	51%	50%	
Spelling			
Proficient	9%	9%	
Approaching	13%	67%	
Below	78%	24%	
Oral Fluency			
Proficient			
Approaching			
Below			
CLOZE			
Proficient			
Approaching			
Below			

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	17%	54%	
Approaching	50%	29%	
Below	33%	17%	

SECOND GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	6%	9%	
Approaching	18%	32%	
Below	76%	59%	
Oral Fluency			
Proficient	49%	48%	
Approaching	20%	8%	
Below	31%	44%	
CLOZE			
Proficient	54%	65%	
Approaching	15%	5%	
Below	31%	30%	
Spelling			
Proficient	15%	19%	
Approaching	24%	6%	
Below	61%	75%	

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	1%	7%	
Approaching	19%	24%	
Below	80%	69%	

THIRD GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	7%	13%	
Approaching	29%	36%	
Below	64%	51%	
Oral Fluency			
Proficient	67%	50%	
Approaching	6%	25%	
Below	27%	25%	
CLOZE			
Proficient	73%	71%	
Approaching	10%	5%	
Below	17%	24%	
Spelling			
Proficient	25%	31%	
Approaching	38%	17%	
Below	37%	52%	

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	1%	6%	
Approaching	11%	25%	
Below	88%	69%	

FOURTH GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	15%	28%	
Approaching	27%	40%	
Below	58%	32%	
Oral Fluency			
Proficient	67%	60%	
Approaching	14%	25%	
Below	19%	15%	
CLOZE			
Proficient	78%	81%	
Approaching	14%	5%	
Below	8%	14%	
Spelling			
Proficient	54%	51%	
Approaching	31%	20%	
Below	15%	29%	

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	1%	4%	
Approaching	11%	21%	
Below	88%	71%	

FIFTH GRADE

Proficiency Percentage	Fall	Winter	Spring
Reading Comprehension			
Proficient	3%	1%	
Approaching	28%	30%	
Below	69%	69%	
Oral Fluency			
Proficient	71%	94%	
Approaching	19%	5%	
Below	10%	1%	
CLOZE			
Proficient	54%	66%	
Approaching	34%	27%	
Below	12%	7%	
Spelling			
Proficient	78%	73%	
Approaching	16%	17%	
Below	6%	10%	

Proficiency Percentage	Fall	Winter	Spring
Math			
Proficient	0%	3%	
Approaching	15%	30%	
Below	85%	67%	

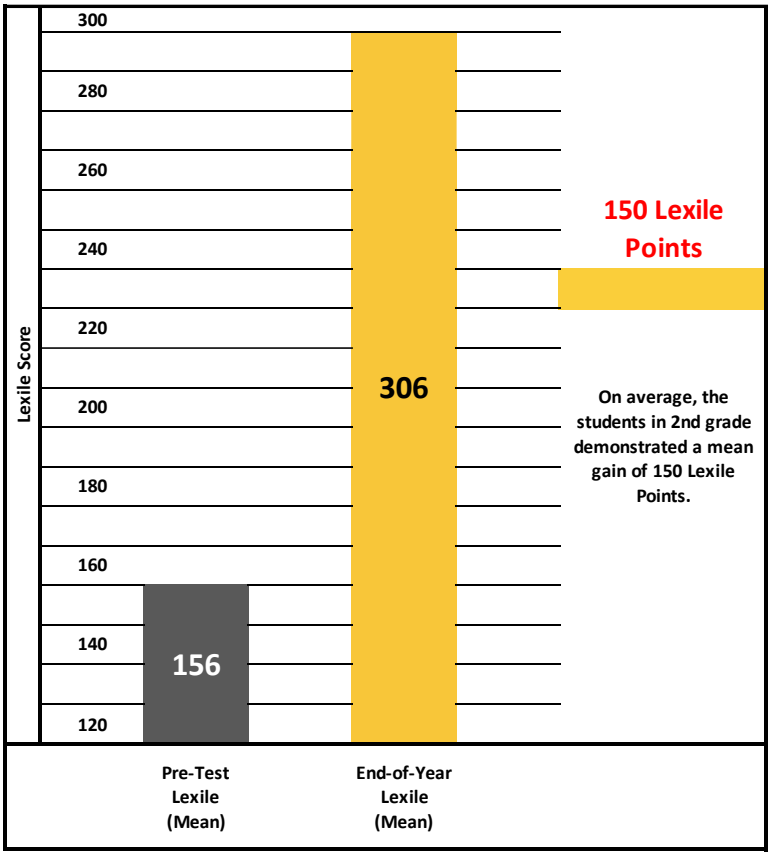
Diagnostic results show the impact of a severe Fall Flu Season when it came to the reading sub-test. Although the fall flu season brought a negative growth in reading, students were able to catch up and made strides to making a positive growth by the end of the school year. The Math sub-test demonstrated a positive growth in spite of the Fall Flu Season and in spite of COVID-19.

Doc. No. 35GL-20-2342.*

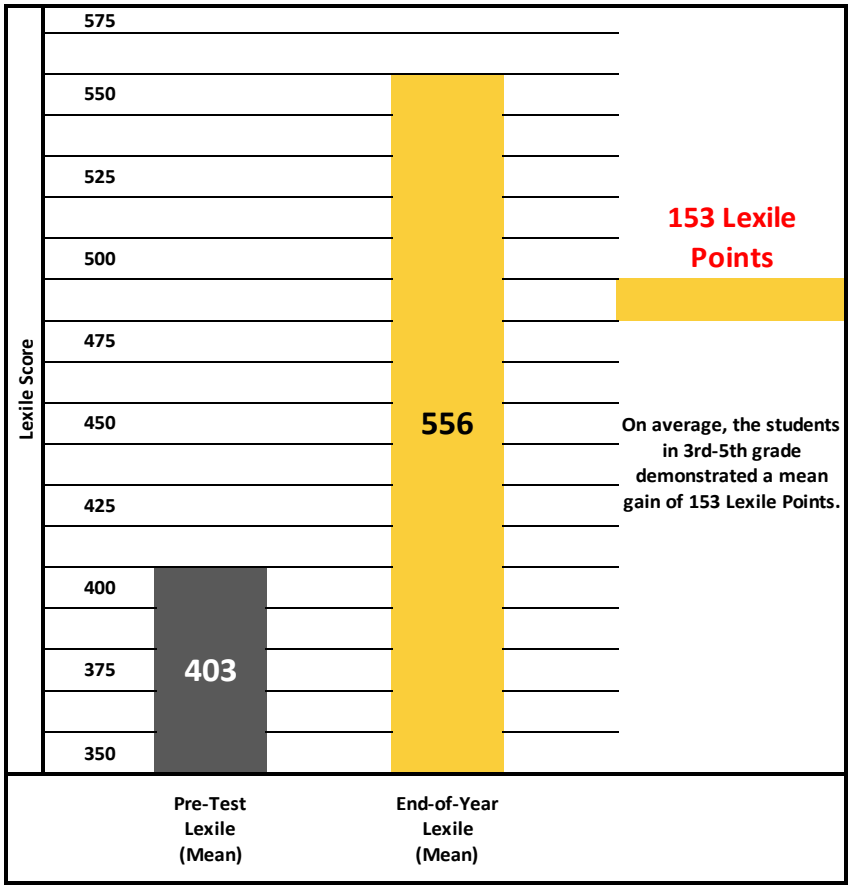
ACHIEVE 3000 REPORT

iLearn utilizes Achieve 3000 as a supplement application to promote student literacy. Kindergarten through second grade students utilizes a partnership platform called Smarty-Ants and then transition into Achieve 3000 on the second semester of second grade. Because of this, second grade scores are separated from the upper grade levels.

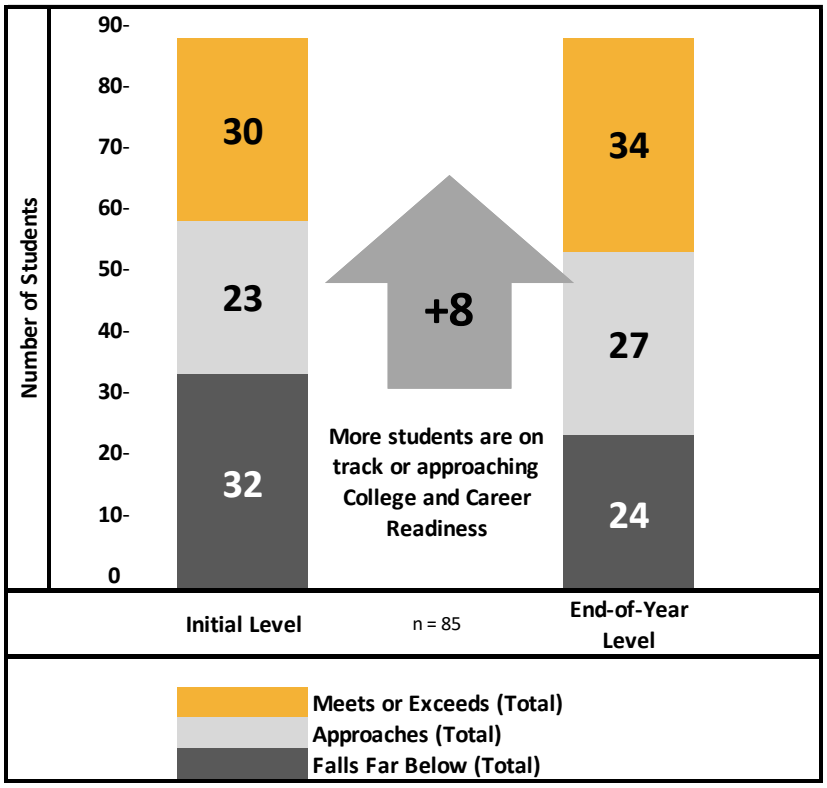
Lexile Gains: Pre-Test to End-of-Year		
	2nd	Total
Overall Lexile Growth Total:	18610	18610
Overall Lexile Growth Average:	**150**	**150**
Overall Lexile Total PreTest:	19345	19345
Overall Lexile Total PreTest Average:	**156**	**156**
Overall Lexile Total PostTest:	37955	37955
Overall Lexile Total PostTest Average:	**306**	**306**



Lexile Gains: Pre-Test to End-of-Year				
	3rd	4th	5th	Total
Overall Lexile Growth Total:	15480	16395	8815	40690
Overall Lexile Growth Average:	**158**	**164**	**136**	**153**
Overall Lexile Total PreTest:	29325	38335	33255	100915
Overall Lexile Total PreTest Average:	**305**	**391**	**512**	**403**
Overall Lexile Total PostTest:	45060	54035	42070	141165
Overall Lexile Total PostTest Average:	**463**	**555**	**648**	**556**

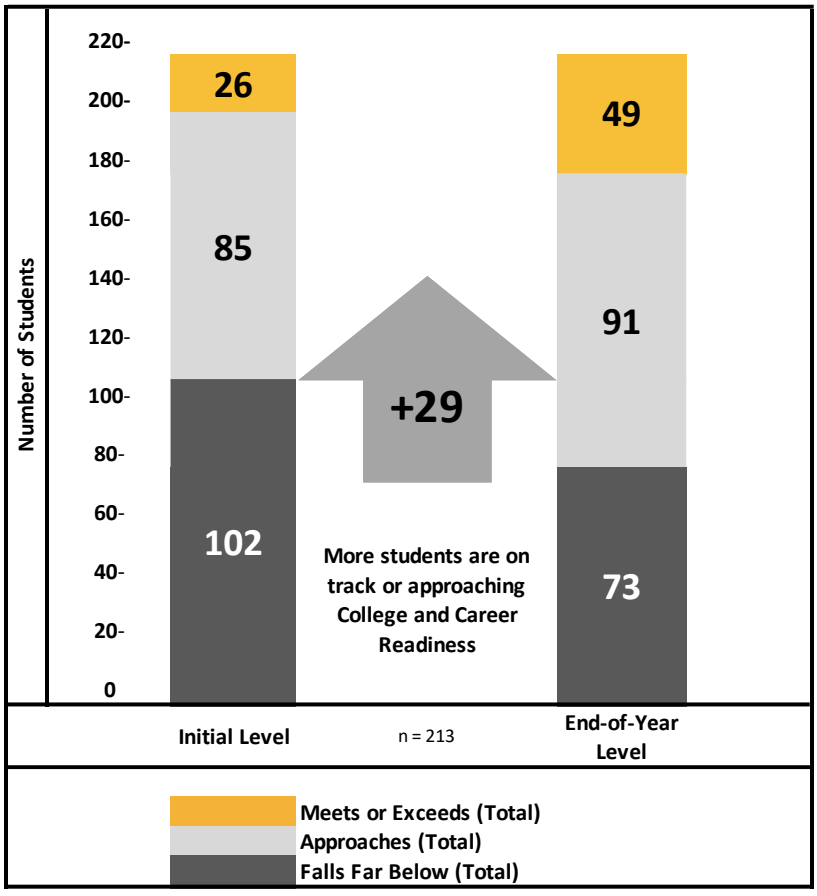


College and Career Readiness		
Levels	2	Total
Below	32	32
Below	24	24
Approach	23	23
Approach	58	27
Exceeds	30	30
Exceeds	42	34
		Up 8



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

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

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	98	305	463	158
4	100	391	555	164
5	65	512	648	136
Overall	263	403	556	153

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	124	156	306	150
Overall	124	156	306	150

In the past, Achieve 3000 scores support the results provided by ACT Aspire. In spite of the fact that the ACT Aspire was not assessed in the spring, we are confident that the results would have supported iLearn's academic growth in Reading.

OTHER STUDENT ACCOMPLISHMENTS

A. Math Olympiad
   - iLearn Academy ranked first place all island.
B. Script Spelling Bee
C. International Week
D. Chamorro Month Celebration
E. Annual Spring Concert
F. Annual Spring Dance Presentation
G. 4th Annual NEHS Induction
H. Spring Lego Robotics Competition
I. Spring Lego Robotics Jr. Exhibition
J. Service Learning with AmeriCorps (Agriculture)

PROFESSIONAL DEVELOPMENT

A. Achieve 3000
B. Smarty Ants
C. Amplify Science
D. Singapore Math
E. Employee Ethics and Harassment
F. Wabisabi Program
   - Learn from failure, Personalized Learning
G. Service Learning with AmeriCorps

OTHER NOTABLES

The pandemic closed Guam's educational institutions on March 16, 2020. iLearn was able to seamlessly move into a 100% virtual classroom because of our STEM platform. Students were already familiar with Google Classrooms and their other online applications such as IXL and their online books and resources.

iLearn had undergone professional development regarding the mental health of both students and teachers. However, the damaging effects of COVID-19 is still unknown. A survey given to parents to comply with the Educational Sustainability Funds, indicated that while parents were satisfied that their kids are able to continue education safely through a virtual classroom, they longed to have their children back in school. The emotional and economic stress within the household has impacted both students and the teachers.

IMAGES & ACTIVITIES

iLearn Academy Charter School was able to do a lot of activities prior to closing down the campus due to COVID-19.

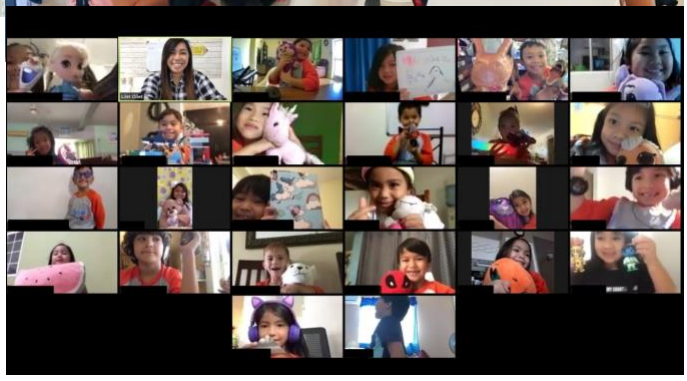












Upper left: Annual Scripps Spelling Bee. Photo not shown is the Annual Math Olympiads where iLearn placed first all-island.

Upper right: Field trip to the Guam Museum. Photo not shown is the field trip to the Micronesia Mall theater for an all school viewing of Frozen II. Also not shown is the field trip to the University of Guam for Polka Dots the Musical about bullying.

Lower left: The Great Shake Out. **Middle right:** Chamorro Week festivities. **Lower right:** Painting with Dawn, a local artist. **Bottom right:** Online classroom.

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.

Ernst & Young LLP
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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 years ended September 30, 2019 and 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 audits. 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 opinion.

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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, 2019 and 2018, and the respective changes in financial position for the years 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 20 and budgetary comparison information on page 33 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 20, 2020, 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 20, 2020

C. 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 School, the liabilities exceeded assets by $ 74,965 (net position) at the close of the fiscal year but this is attributed to the prior year's deficit.

Figure 1 provides a summary of the School's net position as of September 30, 2019, 2018 and 2017:

Net Position
Figure 1

	2019	2018	2017	2019% increase (decrease) from 2018
Cash (net of fiduciary funds)	$ 193,152	$ 10,398	$ 69,993	1757.59%
Accounts Receivable	150,815	-	287,639	100.00%
Prepaid Expense	61,710	-	-	100.00%
Grant Equipment (net of depreciation)	33,812	-	-	100.00%
Other Current Assets	1,575	-	-	100.00%
Total Assets	441,064	10,398	357,632	4141.82%
Accounts Payable	205,636	392,000	350,560	-47.54%
Due to related party	-	42,500	-	-100.00%
Notes Payable- Prior Year Obligations	310,393	-	-	100.00%
Total Liabilities	516,029	434,500	350,560	18.76%
Unrestricted	(74,965)	(424,102)	7,072	-82.32%
Total Net Position	(74,965)	(424,102)	7,072	-82.32%

C. Government-Wide Financial Analysis, continued

The budget cut in prior year due to Tax Cuts and Jobs Act of 2017 still has effects in Fiscal year 2019. Prior year obligations that were not met in the year incurred were converted into Notes Payable. We used our remaining funds to pay the prior year obligations as authorized by P.L. 35-29 Chapter II §12116(f) an amendment to Chapter 12, Title 17 GCA.

> "(f) All Fiscal Year 2019 funds appropriated to the Charter School
>
> *may* be used to pay prior year obligations."

Figure 2 provides summary and analysis of the School's revenues and expenses for the years ended September 30, 2019, 2018 and 2017 follows:

Statement of Activities
Figure 2

	2019	2018	2017	2019% increase (decrease) from 2018
Revenues				
Appropriations - Students	$ 3,774,560	$ 2,968,433	$ 3,246,147	27.16%
Extended Learning	41,900	30,100	26,480	39.20%
Miscellaneous	3,711	298	12,198	1145.30%
Student Store	86,145	69,662	---	23.66%
Fundraising	21,535	2,336	155	821.88%
Donations	25,917	12,851	1,790	101.67%
Grant (In-Kind Contribution Equipment)	38,038	---	---	---
Grant Revenue	---	---	63,708	---
In-Kind Contribution	---	---	9,984	---
Total Revenues	3,991,806	3,083,680	3,360,462	29.45%
Expenses				
Contract services	2,058,290	2,064,426	2,115,001	-0.30%
Salaries and wages	1,485,546	1,379,593	1,109,454	7.68%
Operations	70,290	58,433	92,291	20.29%
Travel and meetings	10,236	633	38,453	1517.06%
Other Expense	18,307	11,769	6,137	55.55%
Total Expenses	3,642,669	3,514,854	3,361,336	3.64%
Change in Net Position	349,137	(431,174)	(874)	-180.97%
Net Position at Beginning of Year	(424,102)	7,072	7,946	-6096.92%
Net Position at End of Year	$ (74,965)	$ (424,102)	$ 7,072	-82.32%

C. Government-Wide Financial Analysis, continued

Public Law 34-116, Chapter II, Section 2 states that in School Year 2018-2019, the School is authorized to receive Six Thousand Eighty-eight Dollars ($6,088) per enrollee not to exceed six hundred twenty (620) students for the iLearn Academy Charter School. For Salaries and Wages, the increase is attributed to personnel increments and the inclusion of After School Program stipends such as Extended Learning, Math Olympiad, Dance Club, Music Club, Art Club, WAVE, and Robotics.

For Operations, the increase in expenditures is attributed to purchase materials for the expansion of academic programs.

For Travel and meetings, the administration participated in off island conventions such as National Charter School Conference and EdSurge.

D. Governmental Fund Budget Analysis and Highlights

Financial Analysis of the Government's Fund

Prior to the start of the School's fiscal year, the Board of the School 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 School's budget.

	Governmental Fund 2019		
	Original Budget	Actual	Variance
REVENUES			
Local Govt. Appropriations	$ 3,774,560	$ 3,774,560	$ ---
Non-Appropriated Fund	---	217,246	(217,246)
Total Revenues	$3,774,560	$3,991,806	$(217,246)
EXPENSES			
Salaries, Wages, & Benefits	1,540,564	1,485,546	55,018
Professional Devt./Travel	10,706	10,236	470
Contractual Service	68,000	18,290	49,710
Curriculum-Supplemental	---	26,196	(26,196)
Miscellaneous-Operations	62,400	62,401	(1)
A+ Contract (Educational Infrastructure Contract)	2,040,000	2,040,000	---
Total Expenses	$3,721,670	$3,642,669	$79,001

For Fiscal Year 2019, the School received 100% of its appropriations. The School was able to participate in professional development training on and off island. The School also implemented supplemental curriculum such as Achieve 3000, Smarty Ants, Amplify Science, and Nearpod. The School's Non-Appropriated Fund (composed of student store, donations, and fundraising) was used to offset operating expenses.

E. Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School and to show accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Helen Nishihira or Mrs. Nina Field at iLearn Academy Charter School at P.O. Box 8445, Tamuning, Guam 96913 or by telephone at (671) 989-3789.

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

Governmental Funds Balance Sheets/Statements of Net Position

	Years ended September 30, 2019			2018		
	General Fund	Adjustments	Statement of Net Position	General Fund	Adjustments	Statement of Net Position
Assets:						
Cash	$ 193,152	$ ---	$ 193,152	$ 10,398	$ ---	$ 10,398
Accounts receivable	150,815	---	150,815	---	---	---
Prepaid expenses	61,710	---	61,710	---	---	---
Equipment, net accumulated depreciation	33,812	---	33,812	---	---	---
Inventory	1,575	---	1,575	---	---	---
Total assets	$ 441,064	$ ---	$ 441,064	$ 10,398	$ ---	$ 10,398
Liabilities and Fund Balance/Net Position:						
Accounts payable and accrued expenses	$ 205,636	$ ---	$ 205,636	$ 392,000	$ ---	$ 392,000
Long-term notes payable due to related parties:						
Due within one year	---	61,939	61,939	42,500	---	42,500
Due after one year	---	248,454	248,454		---	
Total liabilities	205,636	310,393	516,029	434,500	---	434,500
Fund balance: unassigned	235,428	(310,393)	---	(424,102)	424,102	---
Total liabilities and fund balances	$ 441,064			$ 10,398		
Net position:						
Unrestricted		(310,393)	(74,965)		(424,102)	(424,102
Total liabilities and net position		$ ---	$ 441,064		$ ---	$ 10,398

See accompanying notes.

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

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

	Years ended September 30, 2019			2018		
	General Fund	Adjustments	Statement of Activities	General Fund	Adjustments	Statement of Activities
Expenditures/expenses:						
Instructional services:						
Contract services	$ 1,747,897	$ 310,393	$ 2,058,290	$ 2,064,426	$ ---	$ 2,064,426
Salaries and wages	1,485,546	---	1,485,546	1,379,593	---	1,379,593
Support services:						
Operations	70,290	---	70,290	58,433	---	58,433
Travel and meetings	10,236	---	10,236	633	---	633
Interest	9,832	---	9,832	---	---	---
Insurance	7,991	---	7,991	5,465	---	5,465
Bank charges	484	---	484	328	---	328
Miscellaneous	---	---	---	5,976	---	5,976
Total expenditures/expenses	3,332,276	310,393	3,642,669	3,514,854	---	3,514,854
General revenues:						
Appropriations	3,774,560	---	3,774,560	2,968,433	---	2,968,433
Grant	38,038	---	38,038	---	---	---
Donations	25,917	---	25,917	12,851	---	12,851
Fundraising	21,535	---	21,535	2,336	---	2,336
Miscellaneous	3,711	---	3,711	298	---	298
	3,863,761	---	3,863,761	2,983,918	---	2,983,918
Program revenues:						
Student store	86,145	---	86,145	69,662	---	69,662
Extended learning	41,900	---	41,900	30,100	---	30,100
	128,045	---	128,045	99,762	---	99,762
Excess (deficiency) of revenues over (under) expenditures	659,530	(659,530)		(431,174)	431,174	
Change in net position		349,137	349,137		(431,174)	(431,174)
Fund balance/net position:						
Beginning of year	(424,102)	---	(424,102)	7,072	---	7,072
End of year	$(235,428)	$ ---	$(74,965)	$(424,102)	$ ---	$(424,102)

See accompanying notes.

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

Statements of Fiduciary Net Position

	Agency Funds Years ended September 30, 2019	2018
Assets:		
Cash	$ 2,662	$ 2,086
Total asset	$ 2,662	$ 2,086
Liability:		
Others	$ 2,662	$ 2,086
Total liability	$ 2,662	$ 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 science, technology, engineering 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 expiring in June 2023. 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. 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-excphange 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.

Adjustments required to reconcile total governmental fund balance to net position of governmental activities in the statement of net position as of September 30, 2019 are as follows:

Fund balance – governmental funds	$ 235,428
Less – notes payable	(310,393)
Net position of governmental activities	$(74,965)

Adjustments required to reconcile net change in total governmental fund balance to change in net position of governmental activities in the statement of activities for the year ended September 30, 2019 are as follows:

Net change in fund balances – governmental funds	$659,530
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 contract services	310,393
Change in net position of governmental activities	$349,137

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 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.

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.

Agency Funds

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

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 34-116, the cost per pupil was $6,088 for the fiscal year ending September 30, 2019. Student enrollment is not to exceed 620 students during Fiscal Year 2019. The number of enrolled students was multiplied by the FY 2019 Government of Guam General Appropriations Act approved amount of $6,088 per student enrollee. For the fiscal year ended September 30, 2019, the maximum of 620 students were enrolled in the Academy. The Academy received government appropriations totaling $3,774,560 and $2,968,433, respectively, for the fiscal years ended September 30, 2019 and 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, 2019 and 2018 accrued compensated absences totaled $0 and $24,000, respectively, and is included as a component of accounts payable and accrued expenses.

2. Summary of Significant Accounting Policies, continued

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.

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.

2. Summary of Significant Accounting Policies, continued

Recently Adopted 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. The implementation of this statement did not have a material effect on the accompanying financial statements.

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. The implementation of this statement did not have a material effect on the accompanying financial statements.

Upcoming Accounting Pronouncements

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 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.

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements continued

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.

In May 2019, GASB issued Statement No. 91, *Conduit debt obligations*. The primary objectives of this statement are to provide a single method reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 91 will be effective for fiscal year ending September 30, 2022.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. This Statement addresses a variety of topics and includes specific provisions about leases; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; applicability of Statement no. 73 and 84 for postemployment benefits, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. GASB Statement No. 92 will be effective for fiscal year ending September 30, 2020.

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, which expires in June 2023, SPCS is the sole provider of the facility, equipment, utilities, services, and supplies to the Academy in exchange for monthly contract dues. The agreement shall be automatically extended for successive periods of five years unless either party submits notice of non-renewal. For the years ended September 30, 2019 and 2018 amounts paid to SPCS totaled $1,870,000 and $1,685,800, respectively. At September 30, 2019 and 2018, the Academy recorded $170,000 and $340,000, respectively, payable to SPCS. This amount is included as a component of accounts payable and accrued expenses.

For July 1, 2019 through June 30,2023, the agreement calls for the following monthly fee payments:

a) $221,000 to accommodate 621 up to 740 students
b) $256,208 to accommodate 741 up to 860 students
c) $283,021 to accommodate 861 up to 950 students

Notes Payable

	2019	2018
Unsecured note payable due to SPCS, interest at 6.0% per annum with monthly payments totaling $6,573 inclusive of interest. Matures on March 2024	$ 310,393	$ ---
Unsecured note payable due to a board member. Interest at 6.0% per annum.	---	42,500
	310,393	42,500
Less current installments	61,939	42,500
	$ 248,454	$ ---

4. Related Party Transactions, continued

A summary of future maturities of notes payable is as follows:

Years ending September 30,	Principal	Interest	Total
2020	$ 61,939	$ 16,939	$ 78,878
2021	65,759	13,119	78,878
2022	69,815	9,062	78,877
2023	74,121	4,756	78,877
2024	38,759	681	39,440
	$ 310,393	$ 44,557	$ 354,950

5. Long-Term Liabilities

A summary of changes in long-term liabilities during fiscal year 2019 is as follows:

	Outstanding October 1, 2018	Increases	Decreases	Outstanding September 30, 2019	Current	Noncurrent
Notes payable to related parties	$42,500	$340,000	$72,107	$310,393	$61,939	$248,454

A summary of changes in long-term liabilities during fiscal year 2018 is as follows:

	Outstanding October 1, 2017	Increases	Decreases	Outstanding September 30, 2018	Current	Noncurrent
Notes payable to related parties	$ ---	$42,500	$ ---	$42,500	$42,500	$ ---

6. 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 two bank accounts 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, 2019 and 2018.

7. 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.

8. Subsequent Events

The Academy has evaluated subsequent events through March 31, 2020, which is the date the financial statements were available to be issued.

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

Budgetary Comparison Schedule – Governmental Funds

	Years ended September 30, 2019				2018			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Expenditures:								
Salaries and wages	$ 1,324,774	$ 1,428,968	$ 1,485,546	$(56,578)	$ 1,267,832	$ 1,267,832	$ 1,379,593	$(111,761)
Employee benefits	35,640	---	7,991	(7,991)	36,000	36,000	5,465	30,535
Professional development / travel	10,706	10,706	10,236	470	20,000	20,000	633	19,367
Contractual service	68,000	68,000	18,290	49,710	46,719	46,719	10,530	36,189
Miscellaneous	61,200	61,200	70,290	(9,090)	19,600	19,600	58,433	(38,833)
Extended learning	180,150	138,928	---	138,928	30,780	30,780	43,872	(13,092)
A+ Contract (Educational Infrastructure Contract)	2,040,000	2,040,000	2,040,000	---	2,040,000	2,040,000	2,016,000	24,000
Workers Compensation	1,200	1,200	---	1,200	---	---	---	---
Interest	---	---	9,832	(9,832)	---	---	---	---
Bank charges	---	---	484	(484)	---	---	328	(328)
Total expenditures	3,721,670	3,749,002	3,642,669	106,333	3,460,931	3,460,931	3,514,854	(53,923)
General revenues:								
Appropriation - students	3,774,560	3,774,560	3,774,560	---	3,250,000	2,990,000	2,968,433	(21,567)
Grant Revenue	---	---	38,038	38,038	---	---	---	---
Donations	---	---	25,917	25,917	---	---	12,851	12,851
Fundraising	---	---	21,535	21,535	---	---	2,336	2,336
Miscellaneous	---	---	3,711	3,711	---	---	298	298
	3,774,560	3,774,560	3,863,761	89,201	3,250,000	2,990,000	2,983,918	(6,082)
Program revenues:								
Student store	---	---	86,145	86,145	---	---	69,662	69,662
Extended learning	---	---	41,900	41,900	---	---	30,100	30,100
	---	---	128,045	128,045	---	---	99,762	99,762
Excess (deficiency) of revenues over expenditures	52,890	25,558	349,137	323,579	(210,931)	(470,931)	(431,174)	39,757
Increase (decrease) in net position	52,890	25,558	349,137	323,579	(210,931)	(470,931)	(431,174)	39,757
Fund balance/net position:								
Beginning of year	(424,102)	(424,102)	(424,102)	---	7,072	7,072	7,072	---
End of year	$(371,212)	$(398,544)	$(74,965)	$ 323,579	$(203,859)	$(463,859)	$(424,102)	$ 39,757

REPORT ENDS HERE

- This report was compiled in part by Helen Nishihira, Chief Operations Officer; Rachel Stake, Chief Academic Officer; Nina Field, Business Manager.
- Data for demographics came from the Beginning of the School Year Survey, RenWeb Student Information System, McGraw Hill Diagnostics, Achieve 3000.
- Annual Audit was provided by Ernst & Young LLP in coordination with Nina Field, Yvonne Miranda, and Florence Formoso.