



December 28, 2017

The Board of Trustees
iLearn Academy Charter School, Inc.

We have audited the financial statements of *iLearn* Academy Charter School, Inc., (the Academy) for the year ended September 30, 2017, and have issued our report thereon dated December 28, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Academy is responsible.

Our Responsibility under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards

Our responsibility under auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, have been described in our engagement letter dated October 27, 2017. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of the Academy’s financial statements and the accompanying supplementary information, in relation to the financial statements as a whole, for the year ended September 30, 2017 (the financial statements), in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), in all material respects, and to perform specified procedures on the required supplementary information for the year ended September 30, 2017;
- To report on the Academy’s internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2017 based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

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Our Responsibility under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards, continued

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements have been prepared by management with the oversight of the Board of Trustees are fairly presented, in all material respects, in conformity with generally accepted accounting principles. The audit of financial statements does not relieve management or the Board of Trustees of their responsibilities.

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 on the effectiveness of the Academy's internal control over financial reporting. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

Significant Audit Findings

We discussed our judgements about the quality, not just the acceptability, of the Academy's accounting principles as applied in its financial reporting, including consistency of the accounting principles and their application and the clarity and completeness of the financial statements and related note disclosures.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Academy are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2017. We noted no transactions entered into by the Academy during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant or sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

The disclosure of economic dependency and related parties in Notes 3 and 4, respectively to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. There were no corrected or uncorrected misstatements in the financial statements for year ended September 30, 2017.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached Appendix A – management representation letter dated December 28, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Academy's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Academy's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Control Related Matters

We have issued a separate report to you, dated December 28, 2017, on the Academy's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, which was based upon the audit performed in accordance with *Government Auditing Standards*.

We have communicated to management, in a separate letter also dated December 28, 2017, certain deficiencies and other matters related to the Academy's internal control over financial reporting that we identified during the audit.

Independence

We are not aware of any relationships between Burger Comer Magliari and the Academy, or any other matters that in our professional judgement, may reasonably be thought to bear on our independence. We confirm that we are independent with respect to the Academy within the meaning of the applicable published rules and pronouncements, interpretations and rulings.

This information is intended solely for the use of Board of Trustees, the management of *iLearn* Academy Charter School, Inc., and the Office of Public Accountability – Guam and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

