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iLearn Academy Charter School – FY 2020 Financial Highlights

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Hagåtña, Guam – The Office of Public Accountability has released the iLearn Academy Charter School’s (IACS) financial statements, report on compliance and internal control, and the auditor’s communication with those charged with governance for fiscal year (FY) 2020. IACS closed FY 2020 with a positive net position of \$157 thousand (K). Independent auditors, Ernst & Young LLP rendered an unmodified (clean) opinion on IACS’ financial statements. In addition, no material weaknesses or deficiencies were identified in IACS’ Report on Internal Control over Financial Reporting and Compliance.

Over-enrollment during School Year (SY) 2020 – 2021

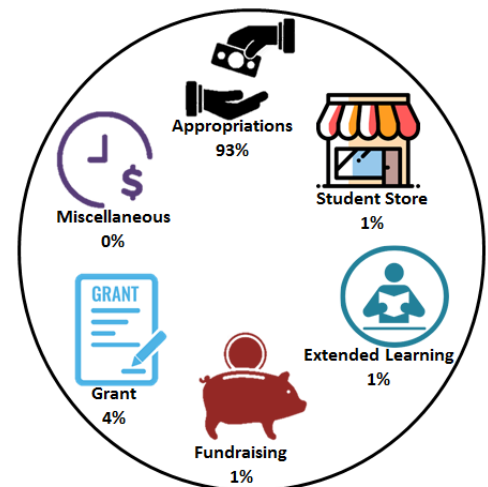
At the end of FY 2020, IACS had an enrollment of 756 students. In September 2020, the 35th Guam Legislature passed Public Law 35-99 wherein the budget earmarked for only 620 student enrollment. Although there was support for IACS’ request to increase enrollment, the increase was not passed due to the novel coronavirus (COVID-19) potential negative impact on the economy.

IACS reprioritized expenditures to accommodate the additional 136 students. The Paycheck Protection Program (PPP) and the shutdown of campus use during COVID-19 made reprioritizing possible and achieving IACS’ core mission. The campus lease did not increase because no additional classrooms were needed to support the over-enrollment.

\$102K Increase in Revenues

IACS’ total revenues increased by \$102K from \$4.0 million (M) in FY 2019. Of the total revenues, \$3.8M or 93% was from Government of Guam (GovGuam) appropriations, \$165K from grant revenue, \$46K from the student store, \$27K from extended learning, \$26K from fundraising, and \$17K from other sources of revenue.

The increase was primarily due to an increase of \$38K in GovGuam appropriations and \$127K in grant revenue. IACS received several items from the GDOE Consolidated Grant. In addition, the Education Stabilization Fund of the Coronavirus Aid, Relief, and Economic Security Act provided IACS with the necessary equipment required to enforce COVID-19 safety and distance learning. Extended Learning and Student Store revenues decreased due to the pandemic lockdown that prohibited face-to-face learning and no students were allowed on campus.



IACS receives approximately 100% of its annual revenues from the Guam Legislature. Due to continued uncertainties of the COVID-19 outbreak and its impact on the tourism-based economy

of Guam, IACS is unable at this time to reasonably estimate the potential future impact on its financial statements.

\$220K Increase in Expenditures

IACS' operating expenditures increased by \$220K from \$3.6M in FY 2019 to \$3.9M in FY 2020. Contract services comprised 53% of total expenditures and increased by \$2K in FY 2020. Contract services are composed of the A+ lease for building, supplies, and utilities; financial audit services; and legal services.

Salaries and Wages increased by \$154K, which is attributed to hiring of additional teachers to accommodate the additional 136 students that exceeded the 620 mark. As mentioned, no additional funding was received for those extra students. Operations increased by \$57K due to the purchase of additional curriculum and student program expenses.

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