

*Report on Compliance*

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

*Year ended September 30, 2021*



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

Report on Compliance

Year ended September 30, 2021

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## Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Management and the Board of Directors  
iLearn Academy Charter School, Inc.

### **Report on Compliance for Each Major Federal Program**

We have audited the iLearn Academy Charter School, Inc.'s. (the Academy) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended September 30, 2021. The Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Academy's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Academy's compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Academy as of and for the year ended September 30, 2021 and have issued our report thereon dated February 23, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Ernst + Young LLP*

February 23, 2022

ILearn Academy Charter School, Inc.  
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Schedule of Expenditures of Federal Awards

Year ended September 30, 2021

<u>Grantor/Federal Department Program Title</u>	<u>Assistance Listing No.</u>	<u>Expenditures</u>
<b>U.S. Department of Education</b>		
Consolidated Grant	84.403A	\$ 47,756
Education Stabilization Fund - State Educational Agency (Outlying Areas)	84.425A	<u>741,969</u>
Total Federal Awards Expended		<u>\$ 789,725</u>

*See accompanying notes.*

ILearn Academy Charter School, Inc.  
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Notes to the Schedule of Expenditures of Federal Awards

Year Ended September 30, 2021

**1. General**

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 receives federal awards from pass-through entities such as the Guam Department of Education.

The program titles and Assistance Listing numbers were obtained from the pass-through grantor.

**2. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Academy under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Academy.

**3. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

*Indirect Cost Allocation*

The Academy has elected not to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414 of the Uniform Guidance. The Academy does not receive any indirect cost allocation and no indirect costs were recorded against any federal program for the year ended September 30, 2021.

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Schedule of Findings and Questioned Costs

Year ended September 30, 2021

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ **Yes**        X   **No**

Significant deficiency(ies) identified?

\_\_\_\_\_ **Yes**        X   **None reported**

Noncompliance material to financial statements noted?

\_\_\_\_\_ **Yes**        X   **No**

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ **Yes**        X   **No**

Significant deficiency(ies) identified?

\_\_\_\_\_ **Yes**        X   **None reported**

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ **Yes**        X   **No**



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Schedule of Findings and Questioned Costs, continued

**Section I - Summary of Auditor's Results, continued**

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425A	Education Stabilization Fund – State Educational Agency (Outlying Areas)
<hr/>	
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low risk auditee?	<u>    </u> Yes <u>  X  </u> No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.