



Financial Highlights
iLearn Academy Charter School, Inc.
FY 2024 Financial Highlights, April 2025

April 29, 2025

The Office of Public Accountability has released iLearn Academy Charter School, Inc.'s (iLACS) Financial Statements, Reports on Compliance and Internal Control, Management Letter, and Letter to Those Charged with Governance for Fiscal Year (FY) 2024. Independent auditors, Ernst & Young, LLP (EY), issued an unmodified (clean) opinion on iLACS' financial statements. In the Report on Internal Control over Financial Reporting, no material weaknesses or significant deficiencies were identified.

iLACS closed FY 2024 with a \$2.1 million (M) deficit in net position, a \$742 thousand (K) decrease from their FY 2023 net position of negative \$1.4M.

Expenses Increase by 53%

At the close of FY 2024, iLACS reported a net position of negative \$2.1M with liabilities exceeding assets. In-kind expenses rose significantly from \$22K in FY 2023 to \$151K in FY 2024, primarily due to consumables and supplies received by the Guam Department of Education (GDOE) through the American Rescue Plan (ARP) grant. Although iLACS continues to benefit from these in-kind contributions, all assets remain as the property of GDOE and, therefore, was not recorded in iLACS' finances. Additionally, the school experienced an approximate \$22K increase in Travel and Meetings expenses, largely due to charter-related conferences held in January and July. Chiefs and Principals traveled to Boston for the National Charter School Conference, and faculty engaged in various training and professional development activities.

Revenues Increase by \$1M

iLACS achieved a \$1.2M increase in total revenues, reaching \$7.2M in FY 2024 – a 20% growth in comparison to FY 2023's \$6M. They also saw a significant increase in grant funding, rising from \$45K in FY 2023 to \$949K in FY 2024. The \$902K growth was primarily due to the ARP grant, which covered items such as school supplies, office supplies, and personal protective equipment. It also covered two months' worth of rent, and \$5K to each teacher that worked during the COVID-19 pandemic.

FY 2024 Appropriations Increase by \$300k

iLACS was appropriated \$5.8M in FY 2024, a \$300k increase from their \$5.5M FY 2023 allocation. Pursuant to Public Law 37-42, Chapter II, Part II, Section 3 and Chapter XI, Section 17, the school is authorized to receive \$7.5K per enrollee not to exceed seven hundred forty (780) students. Student enrollment at the close of the fiscal year was 780, the maximum amount of students permitted for funding.

Highest Enrollment Opening

In February 2024, iLACS recorded its highest enrollment opening with over 100 new applicants, with its waiting list exceeding 20 students per grade level, with admissions granted on a first-come, first-served basis, subject to grade-level availability. iLACS' strong retention rate is the primary contributor to a growing waiting list during enrollment periods. While enrollment rates from feeder schools have remained steady, data reveals that their largest influx of students continues to occur at the kindergarten level.

The Rise and Fall of Assets

The school reported a 769% increase in cash assets, rising from \$34.4K in FY 2023 to \$299K in FY 2024 – an increase of nearly \$264K due in large part to higher revenue collections in the current year. Conversely, accounts receivable decreased by 98%, from \$474K in FY 2023 to \$9K in FY 2024. The \$465K drop was caused by the FY 2023 balance reflecting appropriations that were uncollected at year-end. However, they were collected in FY 2024.

Lease Agreement Overview

iLACS leases its school campus, which includes classrooms, administrative offices, a cafeteria, and a gymnasium. The lease, effective August 1, 2022, has an initial term of five years, with an option to extend up to a total of 25 years. The contract provides for fixed annual base rent payments ranging from approximately \$1.9M to \$3.4M. In addition to base rent, iLACS pays fixed annual additional rent ranging from approximately \$433K to \$1.1M. Additional rent reimburses the landlord for costs related to property maintenance, insurance, asset management, audit and legal fees, and a maintenance reserve. The lease allows the landlord to adjust additional rent payments at any time. For the fiscal years 2024 and 2023, additional rent payments totaled \$648K and \$694K, respectively.

Future lease and additional rent payments are projected through 2047, totaling \$60.9M in lease payments, consisting of approximately \$41M in principal and \$20M in interest. Over the same period, additional rent payments are expected to total \$20.2M.

Report on Compliance for Each Major Federal Program

The report on compliance for each major federal program concluded that iLACS complied, in all material respects, with compliance requirements that could have a direct and material effect on each of its major federal programs for FY 2024. Additionally, in the Report on Internal Control over Compliance, no material weaknesses or significant deficiencies were identified.

For a more detailed discussion of iLACS' operations, please refer to the Management's Discussion and Analysis in the audit report at www.opaguam.org and www.ilearnacademycharterschool.com.