

*Management Letter*

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

*Year ended September 30, 2025*



January 23, 2026

Board of Trustees  
iLearn Academy Charter School, Inc.

In planning and performing our audit of the financial statements of the iLearn Academy Charter School, Inc. (the “Academy”) as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’s internal control.

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

During our audit, we noted the following deficiencies that should be brought to your attention:

### Lease Agreement (Update of Prior Year Comment)

Condition:

During our examination of the monthly lease invoices from TLI, we noted that the Academy did not receive supporting documents for other billed charges pertaining to utilities, communication, trash food services which totaled \$872,409 for the entirety of the fiscal year.

Recommendation:

We recommend the Academy to request appropriate supporting schedules and documents from TLI to ensure that amounts charged to the Academy are reasonable.

## Monitoring of Interbank Transfers

### Condition:

During our examination of revenues and expenses, we observed that interbank transfers totaling \$150,000 were incorrectly recorded as revenue and expense transactions during the year. The adjusting entry to correct this error has been appropriately reflected in the financial statements.

### Recommendation:

We recommend that the Academy incorporate the preparation and review of closing entries into its year-end closing procedures. This will ensure that revenue and expense accounts affected by interbank transfers are properly closed, preventing the overstatement of revenues and expenses in future periods.

## Capitalization of Depreciable Capital Assets

### Condition:

During our review of expenses, we noted that certain leasehold improvements initiated and completed during the year were incorrectly recorded as expenditures, even though they met the capitalization criteria outlined in the Academy's policy. The adjusting entries to reclassify these items from expenses to capital assets have been properly reflected in the financial statements.

### Recommendation:

We recommend that the Academy strengthen its review and approval procedures for capitalizable expenditures as part of the year-end closing process. Specifically, management should ensure that all leasehold improvements and similar items meeting the capitalization thresholds and criteria outlined in the Academy's policy are identified and recorded as capital assets rather than expenses. Implementing this control will help prevent misclassification, ensure accurate financial reporting, and maintain proper compliance with the Academy's capitalization policy.

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This communication is intended solely for the information and use of management and the Board of Trustees, others within the organization, and the Office of Public Accountability and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

*Ernst + Young LLP*