

Orange County Educational Arts Academy
A California Public Charter School

**BOARD OF DIRECTORS
MEETING MINUTES**

Special Meeting

February 26, 2024

5:30 p.m. – Open Session

OCEAA School Library

825 N Broadway, Santa Ana, CA

Reference Materials: <https://bit.ly/42RROXJ>

Zoom Link for Presenters:

<https://us06web.zoom.us/j/86824973165?pwd=EQGw1fAljHxuaXQCWWmlzoQnmihFF4.1>

MINUTES

I. Call to Order: 5:39

A. Roll Call

Board Members

Dr. Alfonso Bustamante
Carmen Aparicio, Chair
Ben Stanphill, Secretary
Jessica Reyes
Dr. Kenia Cueto

Present

Absent

_____	X
X	_____
X	_____
X	_____
_____	X

Staff/Other

Dr. Pedro Llorente, School Director
Mike Limon, President/Executive Director

_____	X
X	_____

B. Approval of Agenda

II. Public Comment

Opportunity for members of the public to address the Board on agenda items and/or on non-agenda items during regular meetings only

III. Review and Approve 2022-23 OCEAA Financial Audit

Action: Approve 2022-23 Financial Audit	Motion: BS Second: JR
	Vote: 3 for 0 against

IV. Items for Future Meetings

The next regularly scheduled meeting is on March 13, 2024.

V. Adjournment

The meeting was adjourned at 5:46 PM.



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

February 26, 2024

To the Board of Directors of
Orange County Educational Arts Academy
Santa Ana, California

We have audited the financial statements of Orange County Educational Arts Academy for the year ended June 30, 2023, and we will issue our report thereon dated February 26, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 3, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Orange County Educational Arts Academy are described in Note 1 to the financial statements. As described in Note 1P, the Organization changed accounting policies related to leases by adopting FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, in the 2022-23 fiscal year. Accordingly, the accounting change has been applied using a modified retrospective method meaning that a cumulative-effect adjustment is made on the initial date of adoption for existing leases. We noted no transactions entered into by the Organization 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. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense and its impact on accumulated depreciation is based on estimated useful lives of the fixed assets previously purchased. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

The disclosure on the operating lease in Note 7 to the financial statements. This is a new disclosure related to implementation of ASU 842 that includes information on the right-of-use asset and related lease liability recorded on the statement of financial position.

The disclosure on subsequent events in Note 15 to the financial statements. State legislation passed in July 2023 allowed for an additional one-year extension of the charter petition term.

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

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Significant Audit Matters (continued)

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. The following material misstatements detected as a result of audit procedures were corrected by management:

Remove property tax expense attributed to the LLC.

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 management representation letter dated February 26, 2024.

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 Organization'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 Organization'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.

This information is intended solely for the use of the Board of Directors and management of Orange County Educational Arts Academy and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Christy White, Inc.
San Diego, California