

24 HOUR SPECIAL MEETING

AGENDA

MEETING OF THE BOARD OF DIRECTORS

TEMECULA INTERNATIONAL ACADEMY

Date: January 29, 2019
Time: 6:00pm-8:00pm
Location: 31530 La Serena Way, Temecula, CA 92591

This agenda was posted 24 hrs prior to the meeting.

There is no teleconference location

Website: temeculainternational.org

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS

Temecula International Academy ("School") welcomes your participation at the meetings of the School's Board of Directors ("Board"). The purpose of a public meeting of the Board is to conduct the affairs of the School in public. Your participation assures us of continuing community interest in our School. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. Agendas are available to all audience members at the door to the meeting.
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communications." "Oral Communications" is set aside for members of the audience to raise issues that are not specifically on the agenda. However, due to public meeting laws, the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested agenda item.
3. You may also complete a "Request to Speak" form to address the Board on Agenda items. With regard to such agenda items, you may specify that agenda item on your "Request to Speak" form and you will be given an opportunity to speak for up to five (5) minutes when the Board discusses that item.
4. When addressing the Board, speakers are requested to state their name and address from the podium and adhere to the time limits set forth.
5. Any public records relating to an agenda item for an open session of the Board which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at 31530 La Serena Way, Temecula, CA 92591 or at meeting location.

In compliance with the Americans with Disabilities Act (ADA) and upon request, Temecula International Academy ("School") may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order participate in Board meetings are invited to contact TIA Office (951) 816-5506. Please contact the office as early as possible to provide time for the School to arrange for such reasonable auxiliary aids and/or services.

I. PRELIMINARY

- A. **CALL TO ORDER**
- B. **ROLL CALL & ESTABLISHMENT OF QUORUM**
- C. **PLEDGE OF ALLEGIANCE**
- D. **APPROVAL OF AGENDA**
- E. **APPROVAL OF MINUTES**

December 12, 2019

II. COMMUNICATIONS

- A. **TIA AWARDS/ RECOGNITION**-none
- B. **FALCON STUDENT UPDATES** -none
- C. **INTRODUCTIONS**- none
- D. **ORAL COMMUNICATIONS** 6:10 PM

ORAL COMMUNICATIONS: Non-agenda items: no individual presentation shall be for more than three (3) minutes and the total time for this purpose shall not exceed fifteen (15) minutes. Ordinarily, Board members will not respond to presentations and no action can be taken due to California's public meeting laws. However, the Board may give direction to staff following a presentation

III. CONSENT ITEMS

All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member or a member of the public to be removed from the Consent Agenda for discussion, there will be limited or no discussion of these items prior to the Board votes on them. The President recommends approval of all items on the consent agenda.

A. none

IV. COMMITTEE REPORTS

A. **COMMITTEE UPDATES** - none

**V. BUDGET/FINANCIAL REVIEW for INFORMATION, DISCUSSION and or ACTION -
ICON - John Arndt**

VI. PRINCIPAL'S ADMINISTRATIVE REPORT

- A. Enrollment/Staffing
- B. Student Assessments/Outcomes
- C. TIA Community - Students/Families/Outreach
- D. Reporting deadlines - RCOE, CDE, CALPADS, CBEDS
- E. Site Coordinators Update

**VII. CONFERENCES/CURRICULUM PURCHASE/CAPITAL INVESTMENTS
for INFORMATION, DISCUSSION and/or ACTION**

- A. California Association for the Gifted - Palm Springs
- B. Language Arts Supplemental Curriculum

VIII. OPERATIONAL ITEMS SCHEDULED FOR DISCUSSION and/or ACTION

- A. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION** - Approval
VTD Contract Auditing services, preliminary audit date.
- B. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION** - Approval
Revised TIA PCSGP Loan agreement with Mr. Sangyoon Han
- C. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION** - SB 1871
Lunch Program
- D. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION** - SARC
School Accountability Report Card final submission
- E. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION** - Approval
Teacher, BTSA Training and Induction

- F. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION** - The Learning Collective External Review October 24, 2018 Board BENCHMARK 2
1) Board Composition 2) Board Self Evaluation - Board Selection Committee /Evaluation Tools

IX. RECESS TO EXECUTIVE (CLOSED) SESSION

With respect to every item of business to be discussed in closed session pursuant to Sections 54956.8: The Board shall publicly report any action taken in closed session and the vote or abstention on that action of every member present.

- A. STUDENT DISCIPLINARY ACTIONS**-none
- B. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE/COMPLAINT** -none
- C. PUBLIC EMPLOYEE EMPLOYMENT/APPOINTMENT**-none
- D. CONFERENCE WITH LEGAL COUNSEL**-none
- E. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PROCESS**-none

**REPORT OF ACTION(S) TAKEN IN CLOSED SESSION
RECONVENE OPEN SESSION**

IX. CONCLUSION OF THE MEETING

A. ITEMS TO FUTURE AGENDA

- a. Facilities updates
- b. Board education Brown Act/COI/Form 700s
- c. 2nd INTERIM BUDGET APPROVAL prior March 15, 2019
- d. Establish Budget meeting scheduled prior May 15, 2019

B. BOARD COMMENTS

C. NEXT MEETING:

- a. Wed. February 20, 2019

X. ADJOURNMENT



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

January 7, 2019

Nadia Hajsaid, Chief Financial Officer
Temecula International Academy
43460 Ridge Park Drive, Suite 200
Temecula, CA 92590

Dear Ms. Hajsaid,

We are pleased to confirm our understanding of the services we are to provide for Temecula International Academy Charter No. 1873 for the year ended June 30, 2019.

We will audit the financial statements (the "Financial Statements") of Temecula International Academy, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses (if applicable), and cash flows for the year ended June 30, 2019, and the related notes to the Financial Statements. Also, the following supplementary information accompanying the Financial Statements will be subjected to the auditing procedures applied in our 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, in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the Financial Statements as a whole:

- 1) Schedule of Expenditures of Federal Awards ("SEFA"), if applicable
- 2) Schedule of Average Daily Attendance
- 3) Schedule of Instructional Time
- 4) Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

We will also prepare the organization's Federal and State information returns for the June 30 year-end.

Audit Objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles ("GAAP") and the applicable *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations; and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the Financial Statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the Financial Statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 United States *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"),

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that: (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance; and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Temecula International Academy. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinions are other than unmodified, we will discuss the reasons with management in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the Financial Statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the Financial Statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements. We will plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement, whether from: (1) errors; (2) fraudulent financial reporting; (3) misappropriation of assets; or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with United States generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the Financial Statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the Financial Statements; SEFA; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the Financial Statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the Financial Statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the Financial Statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under the American Institute of Certified Public Accountants ("AICPA") professional standards and *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatement, we will perform tests of Temecula International Academy's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Organization's major programs. The purpose of these procedures will be to express an opinion on Temecula International Academy's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will prepare the Charter's federal and state information returns for the June 30 year end based on information provided by you. We will assist in preparing the Financial Statements, SEFA, and related notes of the Organization in conformity with United States generally accepted accounting principles and the Uniform Guidance based on information provided by you. We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable profession standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

Annual Tax Return Preparation

We will prepare the Exempt Organization Tax Form 990 and the corresponding State Returns – Form 199 from information you furnish to us and we may process them with an outside computer service. We will not audit or otherwise verify the data you submit, although, we may ask you to clarify some of the information.

It is your responsibility, to provide us with all the information required for preparing complete and accurate returns including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance neither of doubtful deductions or inadequately supported documentation nor for resulting taxes, penalties, and interest.

You should retain all the documents, canceled checks, and other data that form the basis of the returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

We must receive all audit and tax information to prepare your return (as detailed above) no later than October 20. If, for some unforeseen reason, your data is not complete at that time, please submit whatever is ready. Be aware that if you submit your data later, it may be necessary to apply for an extension to file these returns. Ultimately, you may be subjected to late penalties on your June 30 year-end returns because of this delay.

We are responsible for preparing only the returns listed above. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate agreement. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examinations, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. Fees and services will be communicated in a separate engagement letter.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations that have been promulgated. When possible, we will resolve questions involving application of tax rules in your favor, if there is reasonable justification for doing so. If the Internal Revenue Service (IRS) should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for such additional penalties, interest, or assessments. Additional services will be subject to arrangements made in writing at the time requested.

As your CPA, we collect information provided by you from your tax information, worksheets, documents, and will developed as part of this engagement. We are required to keep all information about our engagement confidential, so we will not disclose any information about you unless we have your approval or are required/permitted by law. This applies even if you are no longer a client. As your CPA, we are committed to the safekeeping of your confidential information and we maintain physical, electronic, and procedural safeguards to protect your information. Federal law has extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. The privilege applies only to non-criminal tax matters that are before the IRS or brought by or against the United States Government in a Federal court. The communications must be made in connection with tax advice. Communications solely concerning the preparation of a tax return will not be privileged.

In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

It is our firm's policy to retain copies of your tax returns for seven years, after which they will be destroyed. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven year period Vavrinek, Trine, Day & Co., LLP shall be free to destroy our records related to this engagement.

Management Responsibilities

Management is responsible for: (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the Financial Statements, SEFA, and all accompanying information in conformity with United States generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the Financial Statements; (2) access to personnel, accounts, books, records, supporting documents, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the Financial Statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving: (1) management; (2) employees who have significant roles in internal control; and (3) others where the fraud could have a material effect on the Financial Statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review a week prior to the report date.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the SEFA (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the SEFA in any document that contains and indicates that we reported on the SEFA. You also agree to include the audited financial statements with any presentation of the SEFA that includes our report thereon OR make the audited financial statements readily available to intended users of the SEFA no later than the date the SEFA is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that: (1) you are responsible for presentation of the SEFA in accordance with Uniform Guidance; (2) that you believe the SEFA, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the SEFA.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with United States generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on the Organization's website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the tax services, financial statements, SEFA, and related notes, and any other nonattest services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with preparation of the Financial Statements, the SEFA, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the Financial Statements, the SEFA, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication; you agree to provide us with written, advance authority to make that disclosure.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, SEFA, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

The audit shall be completed and the audit report shall be delivered in accordance with time requirements as specified in the *Standards and Procedures for Audits of California Office*, unless delayed by circumstances beyond the control of the Auditors. Fifteen (15) copies of the audit report may be rendered to the Organization, in addition to the copies required to be filed with the applicable governmental units; however, management is responsible for distribution of the reports and the Financial Statements. Copies in excess of the contract amount may be billed for an additional fee. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Vavrinek, Trine, Day & Co, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the California Department of Education or its designee, a federal agency providing direct or indirect funding, or the United States Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Vavrinek, Trine, Day & Co, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the California Department of Education.

Matthew S. Miller is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately April 1 and to complete your information returns and issue our report no later than December 15.

To ensure that Vavrinek, Trine, Day & Co, LLP's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

We estimate that our fees for the audit and other services other than the preparation of the information returns will be \$8,000 for the audit and \$1,200 for the information returns for the year ended June 30, 2019. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. No additional expenses are estimated at this time. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Additional audit fees may be assessed if additional auditing services are provided for: (1) any changes in reporting format and/or audit requirements as stated in the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California State Controller's Office or Governmental Accounting Standards Board, (2) any changes in the number of funds or accounts maintained by the Organization during the period under this contract; and (3) additional audit procedures required due to the lack of preparation for the audit on the part of the Organization. These fees shall be in addition to the above maximum fee for audit services.

Temecula International Academy shall pay the auditor in two installments throughout the year as the work progresses for the not to exceed amount. The first installment will be in September and will represent up to 90% of the total contract. The final installment will represent the 10% withheld amount pursuant to *Education Code* Section 14505 and will be presented for payment upon certification by the Controller that the audit report conforms to the reporting provisions of the Audit Guide. All billings for additional audit fees or services will be billed as these services are provided. In accordance with *Education Code* Section 14505 (b), Temecula International Academy shall withhold fifty percent (50%) of the audit fee for any subsequent year of multi-year contract if the prior year's audit report was not certified as conforming to reporting provisions of the Audit Guide. This contract shall be null and void if a firm or individual is declared ineligible pursuant to subdivision (c) of Section 41020.5. The withheld amount shall not be payable unless payment is ordered by the State Board of Accountancy or the audit report for that subsequent year is certified by the controller as conforming to reporting provisions of the Audit Guide.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 peer review accompanies this letter.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to litigation. The costs of any mediation proceedings shall be shared equally by all parties. The Organization and Auditors both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

Annual Report - Form and Content, Delivery

The form and content of the annual audit shall be in conformity, to the extent practicable, with such form and content as may be prescribed by the State of California under Section 41020 of the *Education Code*, Audits of State of Local Governments, issued by the United States Office of Management and Budget, as issued pursuant to the Single Audit Act Amendments of 1996 and Title 2 United States *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Non-Licensee Owners

Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It is not anticipated that any of the non-licensee owners will be performing audit services for Temecula International Academy.

We appreciate the opportunity to be of service to Temecula International Academy and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,



Matthew S. Miller
of Vavrinek, Trine, Day & Co, LLP

MSM/dr

RESPONSE:

This letter correctly sets forth the understanding of Temecula International Academy Charter No. 1873.

Signature

Title

Date

Report on the Firm's System of Quality Control

June 13, 2018

To the Partners of
Vavrinek, Trine, Day & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the single audit act; audits of employee benefit plans, and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2017 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vavrinek, Trine, Day & Co., LLP has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Watson Coon Ryan, LLC". The script is cursive and fluid.

Watson Coon Ryan, LLC

MINUTES

MEETING OF THE BOARD OF DIRECTORS TEMECULA INTERNATIONAL ACADEMY

I. PRELIMINARY

The directors named by the incorporator of the corporation, constituting the Board of Directors of this corporation, held their meeting at the time, on the day, and at the place set forth as follows:

Date: December 12, 2018

Time: 6:30pm-8:00pm

Place: 31530 La Serena Way, Temecula CA 92591, MPR

A. **CALL TO ORDER** TIME: 6:36 PM

B. **ROLL CALL & ESTABLISHMENT OF QUORUM**

BOARD MEMBER	PRESENT	ABSENT
Nadia Hajsaid (NH)	X	
July Hill-Wilkinson, Ed.D (JHW)	X	
Jeff McKendricks (JM)		X
Debra Zickafoose, MD (DZ)	X	
Mitchell Jones	X	
Gina Wickwire, Principal (GW) <i>non voting</i>	X	

C. **PLEDGE OF ALLEGIANCE**

D. **APPROVAL OF AGENDA** - Change order of item V and VI and change item V to action agenda. The need for first interim budget approval came to our attention after the agenda was posted - per Brown Act section 54956.5

Motion to approve: JHW

Second: NH

Motion Passes 4-0

E. **APPROVAL OF MINUTES**

a. November 7, 2018

Motion to approve: JHW

Second: NH

Motion Passes 4-0

II. COMMUNICATIONS

A. **INTRODUCTION** - Mrs. Mitchell Jones - Board of Directors

B. **TIA AWARDS/ RECOGNITION**

Falcon Families and Staff

Temecula Electric Light Parade Float

C. **FALCON STUDENT UPDATES 6:50 PM-6:55 PM**

D. **ORAL COMMUNICATIONS 6:50 PM**

ORAL COMMUNICATIONS: Non-agenda items: no individual presentation shall be for more than three (3) minutes and the total time for this purpose shall not exceed fifteen (15) minutes. Ordinarily, Board members will not respond to presentations and no action can be taken due to California's public meeting laws. However, the Board may give direction to staff following a presentation

Student speaker - 6th grade.

III. CONSENT ITEMS

All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member or a member of the public to be removed from the Consent Agenda for discussion, there will be limited or no discussion of these items prior to the Board votes on them. The President recommends approval of all items on the consent agenda.

A. Employee Contract Approval -

Motion to approve: JHW

Second: NH

Motion Passes 4-0

IV. COMMITTEE REPORTS

A. **COMMITTEE UPDATES** - none

V. PRINCIPAL'S ADMINISTRATIVE REPORT

A. Enrollment/Staffing - Principal shared current numbers Enrollment is up from last month after some adjustments. Would like to target middle school enrollment in January. Some spots open in other grade levels. Would like to add 8 hours per week for specific ELD instruction. Looking to include induction for teachers. RCOE program has been researched.

B. Student Assessments/Outcomes - Principal shared scores in comparison to district and county scores. TIA did well in our first year. She and the teachers are starting to set goals based on the data. ELA is a strong area of emphasis at this point.

C. TIA Community - Students/Families/Outreach - Talking to middle school leadership about different activities for community outreach.

D. Reporting deadlines - RCOE, CDE, CALPADS, CBEDS - all deadlines met. We now have access to the new "epicenter" at RCOE which is a program that has all our documents and information.

E. Site Coordinators Update - Trainings are going well. Going to an upcoming GALAXY workshop and will debrief. Several new enrollments last week.

VI. BUDGET/FINANCIAL REVIEW for INFORMATION and DISCUSSION - ICON,

John Arndt - Ms. Luna filled in for Mr. Arndt for tonight's presentation. She highlighted some numbers on the budget. Adjustment to ADA, LCFF Funding related to ADA, additional money to PSGP Grant, Some adjustments to state funds, no fluctuation in local budget. Adjustment to certificated to classified and aide additions to staff budget. Addition of copier budget, which prompted questions about purchase vs. lease. Currently in a positive budget in spite of lower than expected enrollment. CALSTRS is projected to climb along with books and supplies to accommodate the addition of students. Cash flow complications are expected for new and growing charter schools due to the LCFF funding process. TIA uses a loan to cover costs at this point, and needs to continue to carefully consider expenditures.

Action Item - approve 2018-2019 first interim budget.

Motion to approve: NH

Second: JHW

Motion Passes 4-0

VII. CONFERENCES/CURRICULUM PURCHASE/CAPITAL INVESTMENTS FOR INFORMATION, DISCUSSION and/or ACTION

A. None

VIII. OPERATIONAL ITEMS SCHEDULED FOR DISCUSSION and/or ACTION

- A. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION - RCOE**
Certification of Signatures for 2019 (*must go with copy of the agenda). Column 1 - President, clerk, board members; Column 2, John Arndt, Nadia Hajsaid, Gina Wickwire; Column 3, John Arndt, Gina Wickwire, Debra Zickafoose, Nadia Hajsaid

Motion to approve: NH

Second: MJ

Motion Passes 4-0

- B. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION -**
Annual Audit Updates, Management Rep Letter. TIA had a clean audit, no issues.

- C. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION - EL**
DORADO SELPA Audit Download - Due Date December 17, 2018. Question from the board on accountability of TIA or ICON. ICON will submit.

- D. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION - Board**
of Directors Annual Brown Act and Conflict of Interest Training. Good practice to hold at least once a year. Good information for board members both in house and at the conference. It was agreed that we will continue seeking and attending training.

Motion - new board members attend Brown act training and all board members have annual conflict of interest training.

Motion to approve: JHW

Second: NH

Motion Passes 4-0

- E. FOR CONSIDERATION: INFORMATION, DISCUSSION, and/or ACTION** - submission of 700 form to Board of Supervisors- leaving office Ed Resnick, assuming office Mitchell Jones

IX. RECESS TO EXECUTIVE (CLOSED) SESSION 6:40PM

With respect to every item of business to be discussed in closed session pursuant to Sections 54956.8: The Board shall publicly report any action taken in closed session and the vote or abstention on that action of every member present.

- A. STUDENT DISCIPLINARY ACTIONS**-none
- B. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE/COMPLAINT** -none
- C. PUBLIC EMPLOYEE EMPLOYMENT/APPOINTMENT**-none
- D. CONFERENCE WITH LEGAL COUNSEL**-none
- E. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PROCESS**-one

**REPORT OF ACTION(S) TAKEN IN CLOSED SESSION
RECONVENE OPEN SESSION**

X. CONCLUSION OF THE MEETING

A. ITEMS TO FUTURE AGENDA

- a. PCSGP External Review -Curriculum and Governance Workshop
- b. Facility Survey and Updates
- c. Interim Budget

B. BOARD COMMENTS

C. NEXT MEETING:

- a. February 20, 2019

XI. ADJOURNMENT 8:47 PM

Motion to approve: JHW

Second: NH

Motion Passes 4-0

CERTIFICATE OF SECRETARY

I certify that I am the duly elected Secretary of Temecula International Academy, a California nonprofit public benefit corporation; that these minutes, consisting of **four (4) pages** are the minutes of the meeting of the Board of Directors held on December 12, 2018.

July-Hill Wilkinson, Secretary

PROMISSORY NOTE

\$200,000

Date: January 11, 2019

For value received, the undersigned TEMECULA INTERNATIONAL ACADEMY (the "Borrower"), at 31530 La Serena Way, Temecula CA 92591, promises to pay to the order of SANGYOON HAN. (the "Lender"), at 3576 TORREY VIEW CT. SAN DIEGO CA 92130 (or at such other place as the Lender may designate in writing), the sum of \$200,000.00 with interest from January 11, 2019, on the unpaid principal at the rate of 7% per annum.

I. TERMS OF REPAYMENT

A. Payments

The accrued interest shall be payable in monthly installments of **\$1,166.17**, beginning on January 31, 2019, and continuing until June 30, 2019, (the "Due Date"), at which time the unpaid principal and interest shall be due in full. See appendix A.

B. Application of Payments

All payments on this Note shall be applied first in payment of accrued interest and any remainder in payment of principal.

C. Late Fee

The Borrower promises to pay a late charge of **\$250.00** for each installment that remains unpaid more than 5 days after its Due Date. This late charge shall be paid as liquidated damages in lieu of actual damages, and not as a penalty. Payment of such late charge shall, under no circumstances, be construed to cure any default arising from or relating to such late payment.

D. Acceleration of Debt

If any payment obligation under this Note is not paid when due, the remaining unpaid principal balance and any accrued interest shall become due immediately at the option of the Lender.

II. PREPAYMENT

The Borrower reserves the right to prepay this Note (in whole or in part) prior to the Due Date with **no prepayment penalty**. Any such prepayment shall be applied against the installments of principal due under this note in the inverse order of their maturity and shall be accompanied by payment of accrued interest on the amount prepaid to the date of prepayment.

III. COLLECTION COSTS

If any payment obligation under this Note is not paid when due, the Borrower promises to pay all costs of collection, including reasonable attorney fees, whether or not a lawsuit is commenced as part of the collection process.

IV. DEFAULT

If any of the following events of default occur, this Note and any other obligations of the Borrower to the Lender, shall become due immediately, without demand or notice:

- 1) the failure of the Borrower to pay the principal and any accrued interest when due;
- 2) the liquidation, dissolution, incompetency or death of the Borrower;
- 3) the filing of bankruptcy proceedings involving the Borrower as a debtor;
- 4) the application for the appointment of a receiver for the Borrower;
- 5) the making of a general assignment for the benefit of the Borrower's creditors;
- 6) the insolvency of the Borrower;
- 7) a misrepresentation by the Borrower to the Lender for the purpose of obtaining or extending credit; or

V. SEVERABILITY OF PROVISIONS

If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative.

VI. MISCELLANEOUS

All payments of principal and interest on this Note shall be paid in the legal currency of the United States. The Borrower waives presentment for payment, protest, and notice of protest and demand of this Note.

No delay in enforcing any right of the Lender under this Note, or assignment by Lender of this Note, or failure to accelerate the debt evidenced hereby by reason of default in the payment of a monthly installment or the acceptance of a past-due installment shall be construed as a waiver of the right of Lender to thereafter insist upon strict compliance with the terms of this Note without notice being given to Borrower. All rights of the Lender under this Note are cumulative and may be exercised concurrently or consecutively at the Lender's option.

This Note may not be amended without the written approval of the holder.

VII. GOVERNING LAW

This Note shall be construed in accordance with the laws of the State of California.

VIII. SIGNATURES

This Note shall be signed by the board representative, on behalf of TEMECULA INTERNATIONAL ACADEMY and SANGYOON HAN.

[SIGNATURE PAGE FOLLOWS]

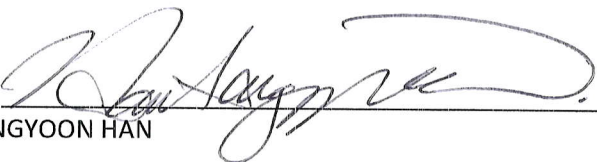
IN WITNESS WHEREOF, this Agreement has been executed and delivered in the manner prescribed by law as of the date first written above.

Signed this 11th January 2019.

Borrower:
TEMECULA INTERNATIONAL ACADEMY

By: _____
TEMECULA INTERNATIONAL ACADEMY

Lender:
SANGYOON HAN

By:  _____
SANGYOON HAN

Appendix A

Date	Interest	Principal
January 31, 2019	\$1,166.67	
February 28, 2019	\$1,166.67	
March 31, 2019	\$1,166.67	
April 30, 2019	\$1,166.67	
May 31, 2019	\$1,166.67	
June 30, 2019	\$1,166.67	\$200,000.00
Total	\$7,000.02	\$200,000.00