

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

**Independent Auditors' Report
and Financial Statements
For the Year Ended
June 30, 2014**

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CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

TABLE OF CONTENTS

June 30, 2014

Independent Auditors' Report..... 1

Statement of Financial Position 3

Statement of Activities..... 4

Statement of Cash Flows 5

Statement of Functional Expenses 6

Notes to the Financial Statements..... 7

Local Education Agency Organization Structure 11

Schedule of Instructional Time..... 13

Schedule of Average Daily Attendance..... 14

Reconciliation of Annual Financial Report with Audited Financial Statements..... 15

Notes to the Supplementary Information..... 16

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 17

Independent Auditors' Report on State Compliance 19

Schedule of Findings and Questioned Costs..... 21

Status of Prior Year Findings and Questioned Costs..... 22

INDEPENDENT AUDITORS' REPORT

Board of Directors
Conservatory of Vocal & Instrumental Art
Oakland, CA

Report on the Financial Statements

We have audited the accompanying financial statements of Conservatory of Vocal & Instrumental Arts (COVA), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Board of Directors
Conservatory of Vocal & Instrumental Art

Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of COVA as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on COVA's financial statements as a whole. The accompanying supplementary schedules on pages 13-15 are presented for purposes of additional analysis and are not a required part of the basic 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 of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 21, 2014 on our consideration of COVA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COVA's internal control over financial reporting and compliance.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
November 21, 2014

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

STATEMENT OF FINANCIAL POSITION

June 30, 2014

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 686,185
Accounts receivable - federal and state	357,577
Accounts receivable - other	108,233
Prepaid expenses and other assets	<u>12,034</u>
Total current assets	<u>1,164,029</u>
Total assets	<u><u>\$ 1,164,029</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ <u>301,098</u>
Total current liabilities	<u>301,098</u>

NET ASSETS:

Unrestricted	<u>862,931</u>
Total net assets	<u>862,931</u>
Total liabilities and net assets	<u><u>\$ 1,164,029</u></u>

The accompanying notes are an integral part of these financial statements.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014**

REVENUES:

State revenue:	
State aid	\$ 1,068,143
Other state revenue	43,029
Federal revenue:	
Grants and entitlements	90,723
Local revenue:	
In-lieu property tax revenue	392,816
Contributions	17,185
Other revenue	74,178
Total revenues	<u>1,686,074</u>

EXPENSES:

Program services	1,609,618
Management and general	144,691
Total expenses	<u>1,754,309</u>
Change in unrestricted net assets	(68,235)
Beginning unrestricted net assets	<u>931,166</u>
Ending unrestricted net assets	<u><u>\$ 862,931</u></u>

The accompanying notes are an integral part of these financial statements.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014**

CASH FLOWS from OPERATING ACTIVITIES:

Change in net assets	\$ (68,235)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Change in operating assets:	
Accounts receivable - federal and state	73,241
Accounts receivable - other	(29,058)
Prepaid expenses and other assets	166
Change in operating liabilities:	
Accounts payable and accrued liabilities	<u>3,401</u>
Net cash from operating activities	<u>(20,485)</u>
Net change in cash and cash equivalents	(20,485)
Cash and cash equivalents at the beginning of the year	<u>706,670</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 686,185</u></u>

The accompanying notes are an integral part of these financial statements.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2014

	Program	Management	Total
	Services	and General	Expenses
Salaries and wages	\$ 704,645	\$ 88,400	\$ 793,045
Pension expense	39,730	4,911	44,641
Other employee benefits	19,247	2,379	21,626
Payroll taxes	34,807	4,302	39,109
Management fees	113,494	-	113,494
Legal expenses	-	1,820	1,820
Accounting expenses	-	11,269	11,269
Instructional Materials	120,741	-	120,741
Other fees for services	360,549	-	360,549
Advertising and promotion expenses	-	215	215
Office expenses	7,314	15,078	22,392
Printing and postage expenses	-	-	-
Information technology expenses	-	-	-
Occupancy expenses	197,818	-	197,818
Travel expenses	2,586	-	2,586
Conference and meeting expenses	6,440	-	6,440
Interest expense	-	-	-
Depreciation expense	-	-	-
Insurance expense	-	10,569	10,569
Other expenses	2,247	5,748	7,995
	<u>\$ 1,609,618</u>	<u>\$ 144,691</u>	<u>\$ 1,754,309</u>

The accompanying notes are an integral part of these financial statements.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Conservatory of Vocal and Instrumental Arts (COVA) is a nonprofit public benefit corporation incorporated on September 23, 2004, under the laws of the state of California. COVA is organized under the Nonprofit Public Corporation Law for charitable purposes. The objectives of the corporation shall be: to provide information and educational instruction to students, teachers, and others in the community, to provide access to music and technology education. COVA is operating under a charter granted by the Oakland Unified School District, which expires June 30, 2017.

Cash and Cash Equivalents – COVA defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting – The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Functional Allocation of Expenses – Costs of providing COVA's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Basis of Presentation – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States as prescribed by the Financial Accounting Standards Board.

Net Asset Classes – COVA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of COVA are defined as:

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying on the general operations of COVA.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. COVA does not currently have any temporarily restricted net assets.
- Permanently restricted: These net assets are permanently restricted by donors and cannot be used by COVA. COVA does not currently have any permanently restricted net assets.

Receivables – Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2014. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property Taxes – Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of COVA is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Compensated Absences – COVA does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2014.

Revenue Recognition – Amounts received from the California Department of Education are recognized as revenue by COVA based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Income Taxes – COVA is a non-profit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. COVA files informational returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Evaluation of Subsequent Events – COVA has evaluated subsequent events through November 21, 2014, the date these financial statements were available to be issued.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2014

NOTE 2: CONCENTRATION OF CREDIT RISK

COVA maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. COVA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 3: EMPLOYEE RETIREMENT

Multi-employer Defined Benefit Pension Plans

Qualified employees are covered under multi-employer defined benefit pension plans maintained by agencies of the State of California.

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature, and (c) if COVA chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. COVA has no plans to withdraw from this multi-employer plan.

State Teachers' Retirement System (STRS)

Plan Description

COVA contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2013, total plan net assets are \$166.3 billion, the total actuarial present value of accumulated plan benefits is \$277 billion, contributions from all employers totaled \$2.3 billion, and the plan is 66.9% funded. COVA did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and COVA is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2014 was 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

NOTE 3: EMPLOYEE RETIREMENT

COVA's contributions to STRS for the past three years are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2012	\$ 43,282	100%
2013	\$ 47,077	100%
2014	\$ 44,641	100%

NOTE 4: CONTINGENCIES

COVA has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

SUPPLEMENTARY INFORMATION

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
For the Year Ended June 30, 2014

The Conservatory of Vocal and Instrumental Arts (COVA) is a California non-profit public benefit corporation and is organized to operate a K-8 Charter School and is sponsored by Oakland Unified School District (the District). The charter was granted on May 2007 by the District.

The District granted the charter through June 30, 2017.

The charter school number is 0864.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (continued)
For the Year Ended June 30, 2014**

The Board of Directors and the Administrator as of the year ended June 30, 2014 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Dr. Sandy Carpenter	President	June 30, 2016
Joseph Solove	Secretary	June 30, 2015
Dr. Valerie Abad	Member	June 30, 2016
Dr. Hollis Pierce	Member	June 30, 2015
Carolynn Jennings	Member	June 30, 2016
Tanya Scott	Member	June 30, 2015

ADMINISTRATOR

Carolynn Jennings Executive Director

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

SCHEDULE OF INSTRUCTIONAL TIME

For the Year Ended June 30, 2014

	Instructional Minutes			Instructional Days	Status
	Requirement	Reduced	Actual		
Kindergarten	36,000	34,971	55,385	175	In compliance
Grade 1	50,400	48,960	65,105	175	In compliance
Grade 2	50,400	48,960	65,105	175	In compliance
Grade 3	50,400	48,960	65,105	175	In compliance
Grade 4	54,000	52,457	69,270	175	In compliance
Grade 5	54,000	52,457	69,270	175	In compliance
Grade 6	54,000	52,457	69,270	175	In compliance
Grade 7	54,000	52,457	69,270	175	In compliance
Grade 8	54,000	52,457	69,270	175	In compliance

See auditors' report and the notes to the supplementary information.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

**SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2014**

	<u>Second Period Report</u>		<u>Annual Report</u>	
	Classroom		Classroom	
	<u>Based</u>	<u>Total</u>	<u>Based</u>	<u>Total</u>
Grades K-3	94.31	94.31	94.47	94.47
Grades 4-6	82.06	82.06	82.47	82.47
Grades 7-8	<u>53.53</u>	<u>53.53</u>	<u>53.26</u>	<u>53.26</u>
ADA Totals	<u><u>229.90</u></u>	<u><u>229.90</u></u>	<u><u>230.20</u></u>	<u><u>230.20</u></u>

See auditors' report and the notes to the supplementary information.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

**RECONCILIATION OF ANNUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2014

June 30, 2014 Annual Financial Report	
Fund Balances (Net Assets)	\$ 858,751
Adjustments and Reclassifications:	
Increasing (Decreasing) the Fund Balance (Net Assets):	
Cash and cash equivalents	9,560
Accounts receivable - federal and state	12,463
Accounts receivable - other	17,736
Prepaid expenses and other assets	(199)
Accounts payable and accrued liabilities	<u>(35,380)</u>
Net Adjustments and Reclassifications	<u>4,180</u>
June 30, 2014 Audited Financial Statement	
Fund Balances (Net Assets)	<u><u>\$ 862,931</u></u>

See auditors' report and the notes to the supplementary information.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

**NOTES TO THE SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by COVA and whether COVA complied with the provisions of Education Code Sections 46200 through 46206.

Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes of COVA. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

Reconciliation of Annual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Conservatory of Vocal & Instrumental Art
Oakland, CA

We have audited, in accordance with the 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, the financial statements of Conservatory of Vocal & Instrumental Arts (COVA), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated November 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered COVA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COVA's internal control. Accordingly, we do not express an opinion on the effectiveness of COVA'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 a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a 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.

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

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether COVA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
November 21, 2014

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
 Conservatory of Vocal & Instrumental Art
 Oakland, CA

We have audited Conservatory of Vocal & Instrumental Art's (COVA) compliance with the types of compliance requirements described in the *2013-2014 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel for the year ended June 30, 2014. COVA's State compliance requirements are identified in the table below.

Management's Responsibility

Management is responsible for the compliance with the State laws and regulations as identified below.

Auditor's Responsibility

Our responsibility is to express an opinion on COVA's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2013-2014 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about COVA'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 State compliance. Our audit does not provide a legal determination of COVA's compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine COVA's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	6	Not applicable
Teacher Certification and Misassignments	3	Not applicable
Kindergarten continuance	3	Not applicable
Independent study	23	Not applicable
Continuation education	10	Not applicable

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Instructional time for School Districts	10	Not applicable
Instructional materials general requirements	8	Not applicable
Ratios of administrative employees to teachers	1	Not applicable
Classroom teacher salaries	1	Not applicable
Early retirement incentive	4	Not applicable
GANN limit calculation	1	Not applicable
School Accountability Report Card	3	Not applicable
Juvenile Court Schools	8	Not applicable
Local Control Funding Formula Certification	1	Yes
California Clean Energy Jobs Act	3	Not applicable
After School Education and Safety Program:		
General requirements	4	Not applicable
After school	5	Not applicable
Before school	6	Not applicable
Education Protection Account Funds	1	Yes
Common Core Implementation Funds	3	Yes
Unduplicated Local Control Funding Formula Pupil Counts	3	Yes
Charter Schools:		
Contemporaneous records of attendance	8	Yes
Mode of Instruction	1	Yes
Nonclassroom-based instructional/independent study	15	Not applicable
Determination of funding for nonclassroom-based instruction	3	Not applicable
Annual instructional minutes – classroom based	4	Yes
Charter School Facility Grant Program	1	Yes

Opinion on State Compliance

In our opinion, COVA complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2014.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2013-2014 Standards and Procedures for Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



VICENTI, LLOYD & STUTZMAN LLP
 Glendora, CA
 November 21, 2014

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

All audit findings must be identified as one or more of the following eleven categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
41000	CalSTRS
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no findings and questioned costs related to the basic financial statements or state awards for June 30, 2014.

CONSERVATORY OF VOCAL & INSTRUMENTAL ARTS

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

There were no findings and questioned costs related to the basic financial statements or state awards for the prior year.