PARENTS IN PARTNERSHIP DBA
VALLEY INTERNATIONAL PREPARATORY HIGH SCHOOL
CHARTER SCHOOL NUMBER: #1926

FINANCIAL STATEMENTS AND 
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019
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INDEPENDENT AUDITORS’ REPORT

Board of Directors
Parents in Partnership DBA Valley International Preparatory High School
Los Angeles, California

Report on the Financial Statements
We have audited the accompanying financial statements of Parents in Partnership DBA Valley International Preparatory High School (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2019, 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 auditors’ 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.
Board of Directors
Parents in Partnership DBA Valley International Preparatory High School

**Opinion**

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the School as of June 30, 2019, 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 the School’s financial statements as a whole. The accompanying supplementary schedules 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 December 6, 2019 on our consideration of the School’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 solely 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 effectiveness of 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 the School’s internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

Glendora, California
December 6, 2019
PARENTS IN PARTNERSHIP DBA
VALLEY INTERNATIONAL PREPARATORY HIGH SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

<table>
<thead>
<tr>
<th>CURRENT ASSETS</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>93,033</td>
</tr>
<tr>
<td>Accounts Receivable - Federal and State</td>
<td>320,489</td>
</tr>
<tr>
<td>Accounts Receivable - Other</td>
<td>11,372</td>
</tr>
<tr>
<td>Prepaid Expenses and Other Assets</td>
<td>9,817</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>434,711</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>434,711</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>60,459</td>
</tr>
<tr>
<td>Notes Payable, Current Portion</td>
<td>62,502</td>
</tr>
<tr>
<td>Factored Receivables Liability</td>
<td>131,951</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>254,912</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LONG-TERM LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes Payable</td>
<td>187,498</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td><strong>187,498</strong></td>
</tr>
</tbody>
</table>

NET ASSETS

<table>
<thead>
<tr>
<th>Without Donor Restriction</th>
<th>(7,699)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>(7,699)</strong></td>
</tr>
</tbody>
</table>

| Total Liabilities and Net Assets | $ 434,711 |

See accompanying Notes to Financial Statements.
PARENTS IN PARTNERSHIP DBA
VALLEY INTERNATIONAL PREPARATORY HIGH SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

REVENUES, WITHOUT DONOR RESTRICTION

State Revenue:
State Aid $ 1,415,079
Other State Revenue 167,961

Federal Revenue:
Grants and Entitlements 94,074

Local Revenue:
In-Lieu Property Tax Revenue 500,461
Contributions 125,921
Investment Income 25
Other Revenue 13,472
Total Revenues 2,316,993

EXPENSES

Program Services 2,118,476
Management and General 207,178
Total Expenses 2,325,654

CHANGE IN NET ASSETS

(8,661)

Net Assets Without Donor Restriction, Beginning of Year 962

NET ASSETS WITHOUT DONOR RESTRICTION, END OF YEAR $ (7,699)

See accompanying Notes to Financial Statements.
PARENTS IN PARTNERSHIP DBA
VALLEY INTERNATIONAL PREPARATORY HIGH SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES
Change in Net Assets
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:
Change in Operating Assets:
   Accounts Receivable - Federal and State (320,489)
   Accounts Receivable - Other (11,372)
   Prepaid Expenses and Other Assets (9,817)
Change in Operating Liabilities:
   Accounts Payable and Accrued Liabilities 60,459
Net Cash Used by Operating Activities (289,880)

CASH FLOWS FROM FINANCING ACTIVITIES
Proceeds from Factored Receivables 131,951
Proceeds from Debt 250,000
Net Cash Provided by Financing Activities 381,951

NET CHANGE IN CASH AND CASH EQUIVALENTS 92,071

Cash and Cash Equivalents, Beginning of Year 962

CASH AND CASH EQUIVALENTS, END OF YEAR $ 93,033

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION
Cash Paid for Interest $ 6,951

See accompanying Notes to Financial Statements.
## Statement of Functional Expenses

Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Program Services</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$1,354,062</td>
<td>61,278</td>
<td>$1,415,340</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>119,359</td>
<td>5,179</td>
<td>124,538</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>115,190</td>
<td>5,015</td>
<td>120,205</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>-</td>
<td>9,878</td>
<td>9,878</td>
</tr>
<tr>
<td>Accounting Fees</td>
<td>18,075</td>
<td>45,742</td>
<td>63,817</td>
</tr>
<tr>
<td>Other Fees for Service</td>
<td>181,456</td>
<td>250</td>
<td>181,706</td>
</tr>
<tr>
<td>Advertising and Promotion</td>
<td>5,871</td>
<td>200</td>
<td>6,071</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>26,407</td>
<td>9,132</td>
<td>35,539</td>
</tr>
<tr>
<td>Information Technology</td>
<td>56,772</td>
<td>-</td>
<td>56,772</td>
</tr>
<tr>
<td>Occupancy</td>
<td>146,627</td>
<td>16,292</td>
<td>162,919</td>
</tr>
<tr>
<td>Travel</td>
<td>541</td>
<td>-</td>
<td>541</td>
</tr>
<tr>
<td>Conferences</td>
<td>19,757</td>
<td>4,539</td>
<td>24,296</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>30,183</td>
<td>30,183</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>74,359</td>
<td>19,490</td>
<td>93,849</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,118,476</strong></td>
<td><strong>$207,178</strong></td>
<td><strong>$2,325,654</strong></td>
</tr>
</tbody>
</table>

See accompanying Notes to Financial Statements.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
Parents in Partnership DBA Valley International Preparatory High School (the School) is a California nonprofit public benefit corporation and is organized to manage and operate a public charter school.

The School is funded principally through the state of California public education monies received through the California Department of Education and the Los Angeles Unified School District (the District).

The District has granted the charter through June 30, 2023. The charter may be revoked by the District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

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

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

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.

Functional Allocation of Expenses
Costs of providing the School’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.

Cash and Cash Equivalents
The School 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.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Accounts Receivable
Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2019. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

Revenue Recognition
Amounts received from the California Department of Education are recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions
All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. 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 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.

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 the School 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.

Income Taxes
The School 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. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files and exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Change in Accounting Principle
On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

Evaluation of Subsequent Events
The School has evaluated subsequent events through December 6, 2019, the date these financial statements were available to be issued.
NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of $424,894.

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

NOTE 3 CONCENTRATION OF CREDIT RISK

The School maintains its cash in bank deposit accounts at various institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, cash in these accounts exceeds the insured amounts. The School 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 4 OPERATING LEASES

In July 2018, the School signed a facility use agreement with Los Angeles unified School District (LAUSD) for use of property located at 10027 Lurline Ave, Chatsworth, CA 91311. The agreement commenced in July 2018 and carries a term of 1 year. The agreement does not require the School to pay a lease amount of the use of the property, but instead the School pays a Pro Rata Share Charge for the maintenance of the facility and other services. This Pro rata Share Charge is negotiated annually and therefore cannot be determined for future years. The Pro Rata Share Charge paid to LAUSD for the school year ended June 30, 2019 was $162,206.

NOTE 5 CONTINGENCIES

The School 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.

NOTE 6 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. salaries and wages, employee benefits, payroll taxes, office expenses, and other expenses, which are allocated on the basis of estimates of time and effort and occupancy which is allocated based on estimates of facility usage.
NOTE 7  LONG-TERM DEBT

The school received a revolving loan from the California School Finance Authority in the amount of $250,000. The loan has a term of four years and carries an interest rate of 2.26%.

The loan repayment schedule by year is as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 62,502</td>
</tr>
<tr>
<td>2021</td>
<td>62,502</td>
</tr>
<tr>
<td>2022</td>
<td>62,502</td>
</tr>
<tr>
<td>2023</td>
<td>62,494</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 250,000</strong></td>
</tr>
</tbody>
</table>

NOTE 8  FACTORED RECEIVABLE LIABILITY

The school has entered into a factoring agreement with Charter Asset Management. The amount factored governmental accounts receivable was $125,000 and the school pays a fixed administrative fee and a discount fee of 5 percent. The amount outstanding at June 30, 2019 was $131,951.

NOTE 9  RELATED PARTY

Friends of Parents in Partnership is a California nonprofit public benefit corporation and is recognized as an organization exempt from federal income tax under 501 (c)(3). The public charitable purposes of the Corporation are to direct attention and effort toward providing funding to support the educational purposes of Valley International Preparatory High School. As of June 30, 2019 the school had received $30,000 in contributions from Friends of Parents in Partnership.

NOTE 10  CONTINGENT LIABILITY

In September 2019, LAUSD issued the School a penalty of $283,019 regarding alleged over-allocation of facilities under Prop 39 for the 2018-19 year. The School made a 1% good faith payment, and is in communications with LAUSD with the goal of having the penalty dismissed. This has occurred outside of dispute resolution and no litigation has been entered. Management believes the amount of obligation cannot be estimated as of the date of this report.

NOTE 11  SUBSEQUENT EVENT

The school entered into a factoring agreement with Charter Asset Management in July 2019 and August 2019. The total amount factored governmental receivables was $250,000. The school pays a fixed administrative fee and a discount fee of 5 percent.
The School began serving students in August 2018 and is sponsored by the Los Angeles Unified School District (the District).

Charter school number authorized by the State: 1926

The Board of Directors and the Administrators as of the year ended June 30, 2019 were as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Office</th>
<th>Term End (Length)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alison Martin</td>
<td>Board Chair</td>
<td>June 30, 2021 (3 years)</td>
</tr>
<tr>
<td>Andrea Slad</td>
<td>Secretary</td>
<td>June 30, 2020 (2 years)</td>
</tr>
<tr>
<td>Greg Lannan</td>
<td>Treasurer</td>
<td>June 30, 2020 (2 years)</td>
</tr>
<tr>
<td>Vanessa MacAdam</td>
<td>Member</td>
<td>June 30, 2019 (1 year)</td>
</tr>
<tr>
<td>Robert Burke</td>
<td>Member</td>
<td>June 30, 2019 (1 year)</td>
</tr>
</tbody>
</table>

**ADMINISTRATORS**

Anne Cochran  Executive Director
Robert Moore  Finance/ Business Manager
Michael Horne  Principal

See accompanying Independent Auditors’ Report and the Notes to Supplementary Information.
## Schedule of Instructional Time

### Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Grade</th>
<th>Instructional Minutes</th>
<th>Traditional Calendar Days</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 9</td>
<td>64,800</td>
<td>68,616</td>
<td>186 In Compliance</td>
</tr>
<tr>
<td>Grade 10</td>
<td>64,800</td>
<td>68,616</td>
<td>186 In Compliance</td>
</tr>
<tr>
<td>Grade 11</td>
<td>64,800</td>
<td>68,616</td>
<td>186 In Compliance</td>
</tr>
<tr>
<td>Grade 12</td>
<td>64,800</td>
<td>68,616</td>
<td>186 In Compliance</td>
</tr>
</tbody>
</table>

See accompanying Independent Auditors’ Report and the Notes to Supplementary Information.
## PARENTS IN PARTNERSHIP DBA

VALLEY INTERNATIONAL PREPARATORY HIGH SCHOOL

SCHEDULE OF AVERAGE DAILY ATTENDANCE

YEAR ENDED JUNE 30, 2019

See accompanying Independent Auditors’ Report and the Notes to Supplementary Information.
There were no differences between the Annual Financial Report and the Audited Financial Statements.
PURPOSE OF SCHEDULES

NOTE 1  SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by School and whether School complied with the provisions of the Education Code.

NOTE 2  SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of School. 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.

NOTE 3  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
Parents in Partnership DBA Valley International Preparatory High School
Los Angeles, California

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 Parents in Partnership DBA Valley International Preparatory High School (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the School’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’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.
Compliance and Other Matters
As part of obtaining reasonable assurance about whether the School'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.

CliftonLarsonAllen LLP
Glendora, California
December 6, 2019
INDEPENDENT AUDITORS’ REPORT ON STATE COMPLIANCE

Board of Directors
Parents in Partnership DBA Valley International Preparatory High School
Los Angeles, California

We have audited Parents in Partnership DBA Valley International Preparatory High School’s (the School) compliance with the types of compliance requirements described in the 2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel for the year ended June 30, 2019. The School’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.

Auditors’ Responsibility
Our responsibility is to express an opinion on the School’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 2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, 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 the School’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 the School’s compliance.

Compliance Requirements Tested
In connection with the audit referred to above, we selected and tested transactions and records to determine the School’s compliance with the laws and regulations applicable to the following items:

<table>
<thead>
<tr>
<th>Description</th>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Districts, County Offices of Education, and Charter Schools:</td>
<td></td>
</tr>
<tr>
<td>California Clean Energy Jobs Act</td>
<td>Not applicable</td>
</tr>
<tr>
<td>After School Education and Safety Program</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Proper Expenditure of Education Protection Account Funds</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(19)
Board of Directors  
Parents in Partnership DBA Valley International Preparatory High School

<table>
<thead>
<tr>
<th>Description</th>
<th>Procedures Performed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unduplicated Local Control Funding Formula Pupil Counts</td>
<td>Yes</td>
</tr>
<tr>
<td>Local Control and Accountability Plan</td>
<td>Yes</td>
</tr>
<tr>
<td>Independent Study-Course Based</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Charter Schools:</td>
<td></td>
</tr>
<tr>
<td>Attendance</td>
<td>Yes</td>
</tr>
<tr>
<td>Mode of Instruction</td>
<td>Yes</td>
</tr>
<tr>
<td>Nonclassroom-Based Instruction/Independent Study</td>
<td>No¹</td>
</tr>
<tr>
<td>Determination of Funding for Nonclassroom-Based Instruction</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Annual Instruction Minutes – Classroom Based</td>
<td>Yes</td>
</tr>
<tr>
<td>Charter School Facility Grant Program</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

¹ Nonclassroom ADA was under the threshold that required testing.

**Opinion on State Compliance**

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2019.

**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 *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Glendora, California  
December 6, 2019
All audit findings must be identified as one or more of the following categories:

<table>
<thead>
<tr>
<th>Five Digit Code</th>
<th>Finding Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000</td>
<td>Attendance</td>
</tr>
<tr>
<td>20000</td>
<td>Inventory of Equipment</td>
</tr>
<tr>
<td>30000</td>
<td>Internal Control</td>
</tr>
<tr>
<td>40000</td>
<td>State Compliance</td>
</tr>
<tr>
<td>42000</td>
<td>Charter School Facilities Program</td>
</tr>
<tr>
<td>43000</td>
<td>Apprenticeship: Related and Supplemental Instruction</td>
</tr>
<tr>
<td>50000</td>
<td>Federal Compliance</td>
</tr>
<tr>
<td>60000</td>
<td>Miscellaneous</td>
</tr>
<tr>
<td>61000</td>
<td>Classroom Teacher Salaries</td>
</tr>
<tr>
<td>62000</td>
<td>Local Control Accountability Plan</td>
</tr>
<tr>
<td>70000</td>
<td>Instructional Materials</td>
</tr>
<tr>
<td>71000</td>
<td>Teacher Misassignments</td>
</tr>
<tr>
<td>72000</td>
<td>School Accountability Report Card</td>
</tr>
</tbody>
</table>

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards or the 2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.
There were no findings and questioned costs related to the basic financial statements or state awards for the prior year.