

CIVICORPS

Financial Statements

And Additional Information for the
Civicorps Corpsmember Academy

For the year ended June 30, 2016

with

Reports of Independent Auditors

CIVICORPS

Table of Contents

Financial Statements

Report of Independent Auditors	1
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 11

Other Additional Information for the Civicorps Corpmember Academy

Statement of Financial Position	12
Statement of Activities and Changes in Net Assets	13
Statement of Cash Flows	14
Organization	15
Schedule of Average Daily Attendance	16
Schedule of Instructional Time	17
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Report of Independent Auditors on State Compliance	19
Schedule of Findings and Questioned Costs	20
Status of Prior Year Audit Findings	21

Board of Directors
Civicorps

Report on the Financial Statements

We have audited the accompanying financial statements of Civicorps, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets and cash flows 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; 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.

Auditor's 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Civicorps as of June 30, 2015, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying other additional information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the 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 our report dated October 24, 2016, on our consideration of Civicorps' 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 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 Civicorps' internal control over financial reporting and compliance.

**Report on Summarized Comparative
Information**

We have previously audited the financial statements of Civicorps for the year ended June 30, 2015, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 1, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which the information was derived.

Wilson Markle Stuckey Hardesty & Bott

Wilson Markle Stuckey Hardesty & Bott, LLP
October 24, 2016

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH
SHIRLEY CHEN-BLUM

CIVICORPS
Statement of Financial Position
As of June 30, 2016
with comparative totals as of June 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 34,769	\$ 15,704
Accounts receivable	1,242,251	1,092,455
Prepaid expenses	<u>69,738</u>	<u>54,974</u>
Total current assets	1,346,758	1,163,133
Property and equipment, at cost		
Land	1,337,795	1,337,795
Building and improvements	591,209	437,503
Leasehold improvements	67,021	70,314
Equipment and furniture	403,397	456,829
Vehicles	<u>1,020,615</u>	<u>793,322</u>
	3,420,037	3,095,763
Accumulated depreciation	<u>(1,145,261)</u>	<u>(1,110,165)</u>
Property and equipment, net	2,274,776	1,985,598
Deposits and other assets	<u>34,239</u>	<u>45,256</u>
Total assets	<u>\$ 3,655,773</u>	<u>\$ 3,193,987</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 152,231	\$ 59,857
Accrued liabilities	183,577	246,697
Deferred revenues	8,088	-
Bank line of credit	<u>250,000</u>	<u>255,000</u>
Total current liabilities	593,896	561,554
Deferred rent	<u>24,721</u>	<u>139,983</u>
Total liabilities	618,617	701,537
Net assets		
Unrestricted	2,937,156	2,342,450
Temporarily restricted	<u>100,000</u>	<u>150,000</u>
Total net assets	<u>3,037,156</u>	<u>2,492,450</u>
Total liabilities and net assets	<u>\$ 3,655,773</u>	<u>\$ 3,193,987</u>

See accompanying notes

CIVICORPS
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2016
with comparative totals for the year ended June 30, 2015

	Unrestricted	Temporarily restricted	Totals	
			2016	2015
Revenues				
Contract revenues	\$ 3,512,201	\$ -	\$ 3,512,201	\$ 3,491,292
Charter school revenues	867,214	-	867,214	693,323
Government grants	2,251,378	-	2,251,378	2,111,089
Grants and donations from foundations and individuals	361,714	402,000	763,714	556,763
Other income	8,002	-	8,002	350
Net assets released from restrictions	452,000	(452,000)	-	-
Total revenues	7,452,509	(50,000)	7,402,509	6,852,817
Expenses				
Salaries, wages and benefits				
Staff	3,143,992	-	3,143,992	2,900,685
Corpsmembers	1,634,465	-	1,634,465	1,634,887
Total salaries, wages and benefits	4,778,457	-	4,778,457	4,535,572
Non-personnel related costs				
Communications	66,798	-	66,798	53,653
Conferences, training and travel	71,007	-	71,007	75,413
Dues and subscriptions	55,079	-	55,079	32,432
Fleet	368,145	-	368,145	345,194
Insurance	32,364	-	32,364	52,174
Occupancy	554,042	-	554,042	645,684
Postage and shipping	7,026	-	7,026	2,290
Office, printing and publications	127,247	-	127,247	70,438
Professional services	312,658	-	312,658	208,659
Supplies	314,976	-	314,976	285,569
Taxes, permits and fees	12,158	-	12,158	8,381
Depreciation	139,606	-	139,606	264,829
Interest expense	18,240	-	18,240	23,487
Total non-personnel related costs	2,079,346	-	2,079,346	2,068,203
Total expenses	6,857,803	-	6,857,803	6,603,775
Change in net assets before discontinued operations	594,706	(50,000)	544,706	249,042
Loss on disposal of equipment used in discontinued operations	-	-	-	(466,792)
Change in net assets	594,706	(50,000)	544,706	(217,750)
Net assets, beginning of year	2,342,450	150,000	2,492,450	2,710,200
Net assets, end of year	\$ 2,937,156	\$ 100,000	\$ 3,037,156	\$ 2,492,450

See accompanying notes

CIVICORPS
Statement of Cash Flows
For the year ended June 30, 2016
with comparative totals for the year ended June 30, 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 544,706	\$ (217,750)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	139,606	264,829
Loss on sales and disposals of equipment	-	466,792
Changes in operating assets and liabilities:		
Accounts receivable	(149,796)	(269,856)
Prepaid expenses	(14,764)	6,926
Accounts payable	92,374	(40,692)
Accrued liabilities	(63,120)	14,613
Deferred contract revenues	8,088	-
Deferred rent	<u>(115,262)</u>	<u>(20,914)</u>
Net cash provided by operating activities	441,832	203,948
Cash flows from investing activities		
Additions to building and leasehold improvements	(153,705)	-
Purchases of vehicles and equipment	(275,079)	(71,034)
Decrease in deposits and other assets	<u>11,017</u>	<u>6,507</u>
Net cash used by investing activities	(417,767)	(64,527)
Cash flows from financing activities:		
Repayment of bank line of credit, net	(5,000)	(245,000)
Payments of accrued liability due after one year	<u>-</u>	<u>(27,500)</u>
Net cash used by financing activities	<u>(5,000)</u>	<u>(272,500)</u>
Increase (decrease) in cash and cash equivalents	19,065	(133,079)
Cash and cash equivalents, beginning of year	<u>15,704</u>	<u>148,783</u>
Cash and cash equivalents, end of year	<u>\$ 34,769</u>	<u>\$ 15,704</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 18,240</u>	<u>\$ 23,487</u>

See accompanying notes

CIVICORPS
Notes to Financial Statements
June 30, 2016

Note 1 - Organization and nature of activities

Civicorps, a California nonprofit public benefit corporation and local conservation corps, provides youth aged 18-26 in Oakland's East Bay with a premier high school, job training and college preparation experience. Its students are disadvantaged youth who have previously dropped out of school and face multiple barriers to success.

In August 2015, Civicorps amended its articles of incorporation to change its name from Civicorps Schools.

Founded in 1983, Civicorps was one of the first local conservation corps in the country providing meaningful outdoor work experiences to youth in the East Bay's parks and natural areas. Within a number of years of its founding, it became clear that one of the most critical needs was the lack of real educational opportunities for youth that had dropped out of school without a high school diploma. After years of preparation, in 1995, Civicorps was granted a charter by the Oakland Unified School District to open the only high school specifically for youth aged 18-26. In recognition of the quality of the academic preparation and teaching, Civicorps Academy was granted accreditation by the Western Association of Schools and Colleges (WASC) in 2012, making it the only accredited high school program for 18-26 year olds in the East Bay.

Civicorps runs two distinct social enterprises with triple bottom line goals—profitability, social benefit and environmental impact. The Recycling Program and Environmental Job Training Program provide pathways to careers in transportation, recycling, horticulture, warehouse logistics and wildland firefighting.

The three main programs within the Civicorp organization include:

Civicorps Academy

As described above, the Civicorps Academy is a charter school within the Oakland Unified School District and it is accredited through the WASC. More importantly, it is a high school that serves an underprivileged population that might not have many other options for educational opportunities within their local communities. The Academy provides an environment that links recovery, community improvement, and intense individualized instruction with an emphasis on Math, English, Science, and Social Studies.

CIVICORPS
Notes to Financial Statements
June 30, 2016

Note 1 - Organization and nature of activities (continued)

Job Training Program

The Job Training Program provides students with the opportunity to gain work experience and job skills in relevant industries. Students work towards their high school diplomas and at the same time gain experience in natural and urban resource work.

Recycling Training Program

The Civicorps Recycling Training Program collects recyclables and other waste products from small businesses, commercial enterprises and institutions in the East Bay. Through these services, Civicorps provides valuable job training for drivers leading to well-paying jobs.

Note 2 - Summary of significant accounting policies

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related obligation is incurred.

Revenues

Certain support for the activities of Civicorps may be directed by grantors to specific periods, types of services or geographical areas. Donations restricted by the grantor for particular purposes are deemed to be earned and reported as revenue when Civicorps has incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet earned are reported as temporarily restricted net assets in accordance with the accounting principles generally accepted in the United States.

Cash and cash equivalents

Cash consists of amounts on deposit with a commercial bank, in both interest bearing and non-interest bearing accounts, all available on demand.

CIVICORPS
Notes to Financial Statements
June 30, 2016

Note 2 - Summary of significant accounting policies (continued)

Allowance for uncollectible accounts receivable

Civicorps uses the allowance method to account for uncollectible accounts receivable. Under this method, Civicorps reviews all receivables for any problems with collection. If Civicorps feels that there may be a problem with collections, an allowance is provided for the receivable. When attempts to collect a specific receivable are unsuccessful, the account is considered uncollectible and is written off against the allowance. At June 30, 2016, Civicorps concluded that an allowance for doubtful accounts was not necessary.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated productive lives of the assets of 5 to 10 years for machinery and equipment. Leasehold improvements are amortized over the shorter of the assets' useful life or the remaining length of the lease. Civicorps generally expenses outlays of under \$1,000 in the period incurred.

Income taxes

The Internal Revenue Service (IRS) and State of California Franchise Tax Board approved Civicorps as exempt from federal income tax under the Internal Revenue Code (IRC) and from California bank and corporation taxes under the California Revenue and Taxation Code. In addition, the IRS approved Civicorps to receive contributions that qualify for the charitable contribution deduction under the IRC and as a publicly supported organization as described in the IRC. Accordingly, donors are entitled to the maximum charitable contribution deduction allowed by law. Management of Civicorps concluded that no activities of Civicorps jeopardized its exemption from income taxes, its classification as a "public charity" or subjected Civicorps to taxes on unrelated business income. Consequently, Civicorps did not provide for any income taxes.

Civicorps follows accounting principles generally accepted in the United States relating to the accounting for uncertainty in income taxes. Adoption of these provisions did not have any impact on Civicorps' liability for unrecognized tax liabilities. Management believes that Civicorps has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Tax years ended June 30, 2013 to 2016 are open for examination by the IRS and years ended June 30, 2012 to 2016 by the State of California Franchise Tax Board.

CIVICORPS
Notes to Financial Statements
June 30, 2016

Note 2 - Summary of significant accounting policies (continued)

Prior year totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Fair value measurements

Civicorps uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs consist of unobservable inputs that reflect internal judgments and have the lowest priority. Civicorps uses appropriate valuation techniques based on the available inputs to measure the fair value of its recorded transactions. When available, Civicorps measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Civicorps only uses Level 3 inputs when Level 1 or Level 2 inputs are not available.

Management of Civicorps estimates that the aggregate net fair value of reported financial amounts (including receivables, payables and accrued expenses) approximates their carrying value, as such financial instruments are short-term in nature or bear interest at current market rates.

CIVICORPS
Notes to Financial Statements
June 30, 2016

Note 3 - Bank line of credit

Civicorps has an agreement with a commercial bank to provide a line of credit not to exceed \$750,000. Of the available amount, \$250,000 was outstanding as of June 30, 2016. Borrowings are secured by accounts receivable and all other assets of Civicorps. Interest on amounts borrowed is due monthly at 1.5% above the bank's prime rate (3.50% prime rate at June 30, 2016). The line of credit matures on December 4, 2016 and can be extended annually at the discretion of the bank.

Note 4 - Temporarily Restricted Net Assets

During the year ended June 30, 2016, Civicorps received certain donations that were restricted due to time. These temporarily restricted net assets reconcile at June 30, 2016, as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Time restricted				
Thomas J. Long Foundation	\$ 150,000	\$ 120,000	\$ 170,000	\$ 100,000
Y&H Soda Foundation	-	20,000	20,000	-
Program restricted - Capital outlay				
REDF	-	100,000	100,000	-
Program restricted - Education				
Beneficial State Bank	-	20,000	20,000	-
Joseph & Vera Long Foundation	-	49,000	49,000	-
San Francisco Foundation	-	50,000	50,000	-
Altamont Education Advisory Board	-	18,000	18,000	-
Kaiser Foundation Hospitals	-	25,000	25,000	-
Totals	<u>\$ 150,000</u>	<u>\$ 402,000</u>	<u>\$ 452,000</u>	<u>\$ 100,000</u>

Note 5 - Retirement plan

Civicorps offers eligible employees a retirement plan pursuant to Section 403(b) of the Internal Revenue Code. Under this plan, Civicorps may match a portion of an employee's contribution. Civicorps began to match the first 2% of employee contributions to the plan beginning on January 1, 2016 for a total of \$14,637.

CIVICORPS
Notes to Financial Statements
June 30, 2016

Note 6 - Commitments

Rental expense for office and program facilities for the year ended June 30, 2016 was \$365,094. Future minimum payments under non-cancelable operating leases for the years ending June 30 are as follows:

2017	\$ 250,908
2018	258,432
2019	266,184
2020	274,170
2021	139,110
Total	<u>\$1,188,804</u>

Deferred rent of \$24,721 in the accompanying statement of financial position results from the excess of rent expense recorded on a straight-line basis over the lease term above the amount of the monthly payments due during the earlier periods of the lease term.

Note 7 - Concentrations, risks and uncertainties

At various times during the year ended June 30, 2016, cash balances at individual banks exceeded federal insurance limits.

Civicorps has received support that is subject to audit or review by the grantor agencies. Management believes that Civicorps has complied with all aspects of the grant provisions and that disallowed costs, if any, would be insignificant to the financial position of Civicorps.

Civicorps receives significant funding pursuant to cost reimbursement grants with the State of California. For the year ended June 30, 2016 these grants represented approximately 24% of Civicorps' total revenues.

Contract revenues in the accompanying statement of activities and changes in net assets are earned under fee for service contracts principally with local governmental agencies in the San Francisco Bay Area. For the year ended

CIVICORPS
Notes to Financial Statements
June 30, 2016

Note 7 - Concentrations, risks and uncertainties (continued)

June 30, 2016 these contracts represented approximately 47% of Civicorps' total revenues.

A decrease, if any, in future funding from the State of California or from contractual services could have a significant impact on Civicorps programs.

Note 8 - Discontinued operations

In March 2015, Civicorps decided to change the focus of its recycling program from one of collection, processing and sale of recyclable materials to that of collection and disposal of electronic and certain other waste. Following the decision to discontinue the processing of cans, bottles and other recyclables, Civicorps sold for a nominal amount its conveyor, baling and other processing equipment. The loss on the sale in the accompanying statement of activities and changes in net assets for the year ended June 30, 2015 represents the cost of the equipment, net of accumulated depreciation, in excess of the sale proceeds.

Note 9 - Subsequent events

Civicorps evaluated subsequent events for recognition and disclosure through October 24, 2016, the date which these financial statements were available to be issued. Management concluded that no other material subsequent events have occurred since June 30, 2016 that required recognition or disclosure in such financial statements.

Other Additional Information

CIVICORPS
Civicorps Corpsmember Academy
Statement of Financial Position
As of June 30, 2016
with comparative totals as of June 30, 2015

	Assets	
	2016	2015
Current assets		
Cash and cash equivalents	\$ 6,261	\$ 30,290
Accounts receivable	152,479	106,797
Total current assets	158,740	137,087
Property and equipment, at cost		
Leasehold improvements	35,001	35,001
Accumulated depreciation	(35,001)	(35,001)
Property and equipment, net	-	-
Total assets	\$ 158,740	\$ 137,087
	Liabilities and Net Assets	
Current liabilities		
Accrued liabilities	\$ 7,585	\$ -
Total current liabilities	7,585	-
Net assets		
Unrestricted	151,155	137,087
Temporarily restricted	-	-
Total net assets	151,155	137,087
Total liabilities and net assets	\$ 158,740	\$ 137,087

CIVICORPS
Civicorps Corpsmember Academy
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2016
with comparative totals for the year ended June 30, 2015

	Unrestricted	Temporarily restricted	Totals 2016	Totals 2015
Revenues				
State of California				
General purpose entitlement	\$ 488,017		\$ 488,017	\$ 505,828
Other revenues	273,599	65,918	339,517	78,653
Alameda County				
Transfers in lieu of property taxes	152,680		152,680	108,842
Grants and donations	1,101,617		1,101,617	904,927
Net assets released from restrictions	65,918	(65,918)	-	-
Total revenues	2,081,831	-	2,081,831	1,598,250
Expenses				
Salaries, wages and benefits				
Certificated	707,984	-	707,984	565,153
Supervisory, administrative and other	504,034	-	504,034	400,373
Total salaries, wages and benefits	1,212,018	-	1,212,018	965,526
Books and supplies	84,576	-	84,576	39,017
Services and outside consultants	72,950	-	72,950	33,048
Other operating expenses	698,219	-	698,219	547,722
Total expenses	2,067,763	-	2,067,763	1,585,313
Change in net assets	14,068	-	14,068	12,937
Net assets, beginning of year	137,087	-	137,087	124,150
Net assets, end of year	\$ 151,155	\$ -	\$ 151,155	\$ 137,087

CIVICORPS
Civicorps Corpsmember Academy
Statement of Cash Flows
For the year ended June 30, 2016
with comparative totals for the year ended June 30, 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 14,068	\$ 12,937
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Changes in current assets and liabilities		
Accounts receivable	(45,682)	(23,980)
Prepaid expenses and other current assets		
Accounts payable and accrued liabilities	<u>7,585</u>	<u>(5,302)</u>
Net cash used by operating activities	<u>(24,029)</u>	<u>(16,345)</u>
Net decrease in cash and cash equivalents	(24,029)	(16,345)
Cash and cash equivalents, beginning of year	<u>30,290</u>	<u>46,635</u>
Cash and cash equivalents, end of year	<u>\$ 6,261</u>	<u>\$ 30,290</u>

CIVICORPS
Civicorps Corpmember Academy
Organization
June 30, 2016

The Civicorps Corpmember Academy started its operations on August 27, 2007 after the approval of the charter by the State Board of Education in July 2007. In January 2007, Oakland Unified School District approved Civicorps Academy's charter. The Civicorps Corpmember Academy provides instruction services to Grades 9 through 12.

Governing Board

Name	Title	Termination Date
Phillip Dillard	President	June 2018
Brenda Laribee	Vice President	June 2018
Timothy Smallsreed	Secretary	June 2018
Robbie Yohai	Treasurer	June 2018
Rita Isaacs	Director	June 2018
Eric Premack	Director	June 2018
Amy Slater	Director	June 2018
Bruce Stoffmacher	Director	June 2018
Babette Karsseboom	Director	June 2018

Administration

Head of School - Paul Paradis
Executive Director - Alan Lessik
Deputy Director - Tessa Nicholas
Chief Financial Officer - Brian Hickey

CIVICORPS
Civicorps Corpsmember Academy
Schedule of Average Daily Attendance
For the year ended June 30, 2016

	Second Period Report	Annual Report
Grade 9 through 12	72.85	72.85
Classroom based instruction ADA	72.85	72.85

CIVICORPS
Civicorps Corpsmember Academy
 Schedule of Instructional Time
 For the year ended June 30, 2016

<u>Grade Level</u>	<u>2015-16 Minutes</u>		<u>Number of Days Single-track Calendar</u>	<u>Number of Days Multi-track Calendar</u>	<u>Status</u>
	<u>Requirement</u>	<u>Actual</u>			
Grades 9 through 12	62,949	75,590	180	Not Applicable	In compliance

Report of Independent Auditors 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*

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH
SHIRLEY CHEN-BLUM

Board of Directors
Civicorps

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 Civicorps Schools, dba Civicorps (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Civicorps' 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 Civicorps' internal control. Accordingly, we do not express an opinion on the effectiveness of Civicorps' 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 entity's 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 Civicorps' 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 noncompliance 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson Markle Stuckey Hardesty & Bott

Wilson Markle Stuckey Hardesty & Bott, LLP
Larkspur, California
October 24, 2016

Report of Independent Auditors on State Compliance

Board of Directors
Civicorps

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH
SHIRLEY CHEN-BLUM

Report on State Compliance

We have audited Civicorps Schools, dba Civicorps, compliance with the types of compliance requirements described in *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the Civicorps' state programs identified below for the fiscal year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance as identified in the State's audit guide *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Civicorps' State programs noted below. An audit includes examining, on a test basis, evidence about Civicorps' 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. Our audit does not provide a legal determination of Civicorps' compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine Civicorps' compliance with the laws and regulations applicable to the following items from the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting:

Description	2015-16	Procedures Performed
Attendance	AA	Yes
Mode of Instruction	BB	Yes
Nonclassroom-Based Instruction/Independent Study	CC	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	DD	Not Applicable
Annual Instructional Minutes-Classroom Based	EE	Yes
Charter School Facility Grant Program	FF	Yes
California Clean Energy Jobs Act	S	Not Applicable
After School Education and Safety Program	T	Not Applicable
Proper Expenditure of Education Protection Account Funds	U	Yes
Unduplicated Local Control Funding Formula Pupil Counts	W	Yes
Local Control and Accountability Plan	X	Yes
Independent Study - Course Based	Y	Not Applicable
Immunizations	Z	Not Applicable

Opinion on State Compliance

In our opinion, Civicorps complied, in all material respects, with the compliance requirements referred to above that are applicable to the year ended June 30, 2016.

This report is intended solely for the information and use of the management, the members of the governing board, others within the entity, the State Controller's Office and the California Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Wilson Markle Stuckey Hardesty & Bott

Wilson Markle Stuckey Hardesty & Bott, LLP
October 24, 2016

CIVICORPS
Civicorps Corpsmember Academy
Schedule of Findings and Questioned Costs
June 30, 2016

No matters were reported.

CIVICORPS
Civicorps Corpsmember Academy
Status of Prior Audit Findings
June 30, 2016

There were no material findings and questioned costs in the prior year.