

CIVICORPS

FINANCIAL STATEMENTS

**AND ADDITIONAL INFORMATION FOR THE
CIVICORPS CORPSMEMBER ACADEMY**

FOR THE YEAR ENDED JUNE 30, 2013

with

REPORTS OF INDEPENDENT AUDITORS

CIVICORPS

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Report of Independent Auditors

Board of Directors
Civicorps

We have audited the accompanying financial statements of Civicorps Schools, dba Civicorps, which comprise the statement of financial position as of June 30, 2013, 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. The prior year summarized comparative information has been derived from Civicorps' June 30, 2012 financial statements and, in our report dated September 28, 2012, we expressed an unqualified opinion on those 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. 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, 2013, 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.


Wilson Markle Stuckey Hardesty & Bott
Larkspur, CA
October 21, 2013

CIVICORPS
Statement of Financial Position
As of June 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 117,834	\$ 115,930
Accounts receivable	935,099	1,237,544
Prepaid expenses	<u>53,913</u>	<u>89,520</u>
Total current assets	1,106,846	1,442,994
Property and equipment, at cost		
Land	1,337,795	1,337,795
Building	319,370	-
Leasehold improvements	238,136	285,437
Equipment and furniture	2,083,034	2,042,023
Vehicles	<u>1,906,270</u>	<u>1,799,742</u>
	5,884,605	5,464,997
Accumulated depreciation	<u>(3,032,824)</u>	<u>(2,708,793)</u>
Property and equipment, net	2,851,781	2,756,204
Deposits and other assets	<u>51,763</u>	<u>60,597</u>
Total assets	<u>\$ 4,010,390</u>	<u>\$ 4,259,795</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 263,203	\$ 178,212
Accrued liabilities	343,673	436,291
Deferred contract revenues	113,235	79,341
Line of credit, due within one year	<u>120,000</u>	<u>90,000</u>
Total current liabilities	840,111	783,844
Deferred rent	177,392	181,864
Net assets		
Unrestricted	2,992,887	3,294,087
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>2,992,887</u>	<u>3,294,087</u>
Total liabilities and net assets	<u>\$ 4,010,390</u>	<u>\$ 4,259,795</u>

See accompanying notes

CIVICORPS
Statement of Activities and Changes in Net Assets
Years ended June 30, 2013 and 2012

	Unrestricted	Temporarily restricted	Totals	
			2013	2012
Revenues				
Grants and contracts revenues	\$ 3,411,133	\$ -	\$ 3,411,133	\$ 4,767,050
Charter school revenues	657,036	117,301	774,337	837,633
Foundation grants and donations	1,662,918	-	1,662,918	1,846,766
Gala event, net of direct expenses of \$26,268	44,947	-	44,947	-
Other income	4,443	-	4,443	7,092
Net assets released from restrictions	117,301	(117,301)	-	-
Total revenues	5,897,778	-	5,897,778	7,458,541
Expenses				
Salaries, wages and benefits				
Staff	2,648,860	-	2,648,860	2,485,550
Corpsmembers	1,519,519	-	1,519,519	1,759,655
Total salaries, wages and benefits	4,168,379	-	4,168,379	4,245,205
Non-personnel related costs				
Communications	48,472	-	48,472	61,673
Conference, training and travel	49,126	-	49,126	43,924
Dues and Subscriptions	39,967	-	39,967	35,610
Fleet	262,836	-	262,836	286,925
Insurance	61,297	-	61,297	74,501
Miscellaneous	-	-	-	40,000
Occupancy	764,518	-	764,518	724,187
Postage and shipping	2,944	-	2,944	4,062
Printing and publications	28,488	-	28,488	33,266
Professional services	156,870	-	156,870	188,984
Supplies	214,832	-	214,832	204,889
Taxes, permits and fees	27,452	-	27,452	18,260
Depreciation	359,032	-	359,032	323,752
Interest expense	14,765	-	14,765	14,043
Total non-personnel related costs	2,030,599	-	2,030,599	2,054,076
Total expenses	6,198,978	-	6,198,978	6,299,281
Change in net assets from continuing operations	(301,200)	-	(301,200)	1,159,260
Discontinued operations				
Loss from operations	-	-	-	(239,963)
Loss on disposal	-	-	-	(597,299)
Total loss on discontinued operations	-	-	-	(837,262)
Change in net assets	(301,200)	-	(301,200)	321,998
Net assets, beginning of year	3,294,087	-	3,294,087	2,972,089
Net assets, end of year	\$ 2,992,887	\$ -	\$ 2,992,887	\$ 3,294,087

See accompanying notes

CIVICORPS
Statement of Cash Flows
Years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ (301,200)	\$ 321,998
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation (including discontinued operations)	359,032	394,331
Loss on disposal of assets (net)	-	777,299
Changes in operating assets and liabilities:		
Accounts receivable	302,445	141,532
Prepaid expenses	35,607	27,459
Accounts payable	84,991	(2,717)
Accrued liabilities	(92,618)	146,383
Deferred contract revenues	33,894	71,686
Deferred rent	(4,472)	(151,731)
Net cash provided by operating activities	<u>417,679</u>	<u>1,726,240</u>
Cash flows from investing activities:		
Purchase of land	-	(1,337,795)
Building and leasehold improvements	(319,370)	-
Purchases of vehicle and equipment	(135,239)	(197,901)
Increase (decrease) in deposits and other assets	8,834	(317)
Net cash used by investing activities	<u>(445,775)</u>	<u>(1,536,013)</u>
Cash flows from financing activities:		
Draws on line of credit	30,000	-
Line of credit principal payments	-	(175,000)
Net cash provided (used) by financing activities	<u>30,000</u>	<u>(175,000)</u>
Net change in cash and cash equivalents	1,904	15,227
Cash and cash equivalents, beginning of year	<u>115,930</u>	<u>100,703</u>
Cash and cash equivalents, end of year	<u>\$ 117,834</u>	<u>\$ 115,930</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 14,765</u>	<u>\$ 14,043</u>

See accompanying notes

CIVICORPS
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of significant accounting policies

Organization and nature of activities

Civicorps Schools, dba Civicorps, a local conservation corps, provides youth aged 18-24 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.

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 18-24. 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 18-24 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 fire fighting.

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.

CIVICORPS
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of significant accounting policies (continued)

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, or within 90 days of demand.

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, 2013, 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
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of significant accounting policies (continued)

Income taxes (continued)

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 2009 to 2012 are open for examination by the IRS and years 2008 to 2012 by the State of California Franchise Tax Board.

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, 2012, 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 investments. 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.

CIVICORPS
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of significant accounting policies (continued)

Fair value measurements (continued)

Civicorps values all contributions at fair value when promised. Civicorps only revalues debt and marketable equity securities at least as often as it presents financial statements. For contributions valued initially at fair value but not revalued, Civicorps treats the initial fair value as cost in subsequent financial statements.

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

Note 2 - Bank line of credit

In March of 2009, Civicorps entered into an agreement with a bank to provide a line of credit not to exceed \$750,000. This agreement is subject to annual renewal by the bank. In February of 2013 this agreement was amended to not to exceed \$500,000 and its term was extended to October 30, 2013. Of the available amount, \$120,000 was outstanding as of June 30, 2013 (2012 - \$90,000). Borrowings are secured by accounts receivable and all other assets of Civicorps. Interest on amounts borrowed is due monthly at 2.75% above the bank's prime rate (3.25% prime rate at June 30, 2013).

Note 3 - Retirement plans

In September 2000, the Civicorps' Board of Directors approved the creation of a Supplemental Executive Retirement Plan under Section 457(f) (the "Plan") of the Internal Revenue Code. Contributions to the Plan of \$22,000 have been accrued annually for years ended June 30, 2001 through 2005. At June 30, 2013, \$87,500 is recorded as an accrued liability in the accompanying statement of financial position, representing the unfunded balance of the Plan (2012 - \$117,700).

CIVICORPS
Notes to Financial Statements
June 30, 2013

Note 3 - Retirement plans (continued)

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. No matching contributions were paid to the plan for the years ended June 30, 2013 or 2012.

Note 4 - Commitments

Rental expense for office and program facilities for the year ended June 30, 2013 was \$582,813 (2012 - \$708,215). Future minimum payments under non-cancelable operating leases for the years ending June 30 are as follows:

2014	\$ 536,710
2015	557,170
2016	428,470
2017	292,960
2018	<u>452,040</u>
Total lease commitments	<u>\$ 2,267,350</u>

Deferred rent of \$177,392 (2012 – \$181,864) 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 5 - Concentrations, risks and uncertainties

At various times during the year ended June 30, 2013, 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
Notes to Financial Statements
June 30, 2013

Note 5 - Concentrations, risks and uncertainties (continued)

Civicorps receives significant funding pursuant to cost reimbursement contracts with the State of California. 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.

As described in the following Note 6, Civicorps has a dispute with the former lessor of its now discontinued elementary school.

Note 6 – Discontinued operations

In May of 2012, Civicorps' Board of Directors passed a resolution to close Civicorps Elementary School. Civicorps Elementary provided kindergarten through 5th grade instruction and was wholly owned and operated by Civicorps. Civicorps Elementary ceased operations on June 8, 2012 the last day of the 2011-12 academic school year. Accordingly, the results of Civicorps Elementary were presented as discontinued operations in the accompanying financial statements and, as such, have been excluded from continuing operations for all years presented.

On July 23, 2012 Civicorps cancelled its lease with the lessor of the building previously occupied by Civicorps Elementary. Prior to cancelling the lease, Civicorps had identified and presented a suitable subtenant for the abandoned space but the tenant was rejected by the lessor. Civicorps has a dispute with the lessor regarding this decision.

In January 2013, the subtenant originally identified by Civicorps negotiated its own lease for the abandoned space with Civicorps' former lessor. As the space is now occupied, and since Civicorps had found a suitable replacement tenant prior to that, Civicorps does not believe that its former lessor has a right to any unpaid rents relating to the dispute as of June 30, 2013.

CIVICORPS
Notes to Financial Statements
June 30, 2013

Note 6 – Discontinued operations (continued)

Following is selected financial information included in net loss from discontinued operations within the accompanying financial statements.

	June 30, 2013	June 30, 2012
Revenues	\$ -	\$ 1,257,861
Expenses	-	(1,497,824)
Loss on disposal	-	(597,299)
Net loss from discontinued operations	<u>\$ -</u>	<u>\$ (837,262)</u>

Note 7 - Subsequent events

In October of 2013, Civicorps entered into an agreement with a retail bank to provide a line of credit not to exceed \$750,000. The agreement is subject to annual renewal by the bank. Interest on amounts borrowed is due monthly at 1.5% above the bank's prime rate (3.25% as of the date of the agreement).

Civicorps evaluated subsequent events for recognition and disclosure through October 21, 2013, the date which these financial statements were available to be issued. Management concluded that no other material subsequent events have occurred since June 30, 2013 that required recognition or disclosure in such financial statements.

OTHER ADDITIONAL INFORMATION

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH

Report of Independent Auditors

Board of Directors
Civicorps

We have audited the financial statements of Civicorps Schools, dba Civicorps, as of and for the year ended June 30, 2013, and have issued our report thereon dated October 21, 2013. Our audit was made primarily for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information for the Civicorps Corpsmember Academy is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2013, on our consideration of internal control over financial reporting by Civicorps and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audits.

Wilson Markle Stuckey Hardesty & Bott
Wilson Markle Stuckey Hardesty & Bott
October 21, 2013

CIVICORPS
Civicorps Corpmember Academy
Statement of Financial Position
June 30, 2013

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 21,384	\$ 19,629
Accounts receivable	<u>100,738</u>	<u>150,085</u>
Total current assets	<u>122,122</u>	<u>169,714</u>
Property and equipment, at cost		
Leasehold improvements	35,001	35,001
Accumulated depreciation	<u>(35,001)</u>	<u>(35,001)</u>
Property and equipment, net	-	-
Total assets	<u>\$ 122,122</u>	<u>\$ 169,714</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued liabilities	\$ 5,617	\$ 6,066
Amounts due to other programs	<u>-</u>	<u>50,000</u>
Total current liabilities	5,617	56,066
Net assets		
Unrestricted	116,505	113,648
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>116,505</u>	<u>113,648</u>
Total liabilities and net assets	<u>\$ 122,122</u>	<u>\$ 169,714</u>

CIVICORPS
Civicorps Corpmember Academy
Statement of Activities and Changes in Net Assets
Year ended June 30, 2013

	Unrestricted	Temporarily restricted	Totals 2013	Totals 2012
Revenues				
State of California				
General purpose entitlement	\$ 265,314	\$ -	\$ 265,314	\$ 411,384
Categorical Block Grant	34,980	-	34,980	38,592
Other state revenues	220,983	-	220,983	240,604
Alameda County				
Transfers in lieu of property taxes	156,742	87,750	244,492	153,097
Federal revenues - No Child Left Behind	-	-	-	-
Grants and donations	386,430	-	386,430	211,239
Net assets released from restrictions	87,750	(87,750)	-	-
Total revenues	1,152,199	-	1,152,199	1,054,916
Expenses				
Salaries, wages and benefits				
Certificated	500,175	-	500,175	406,011
Supervisory, administrative and other	347,160	-	347,160	351,417
Total salaries, wages and benefits	847,335	-	847,335	757,428
Books and supplies	22,308	-	22,308	32,989
Services and outside consultants	27,324	-	27,324	4,517
Other operating expenses	252,375	-	252,375	241,589
Depreciation	-	-	-	-
Total expenses	1,149,342	-	1,149,342	1,036,523
Change in net assets	2,857	-	2,857	18,393
Net assets, beginning of year	113,648	-	113,648	95,255
Net assets, end of year	\$ 116,505	\$ -	\$ 116,505	\$ 113,648

CIVICORPS
Civicorps Corpmember Academy
Statement of Cash Flows
Year ended June 30, 2013

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ 2,857	\$ 18,393
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	-	-
Changes in current assets and liabilities		
Accounts receivable	49,347	(28,819)
Prepaid expenses and other current assets		
Accounts payable and accrued liabilities	(449)	621
Deferred revenues	-	-
Amounts due other programs	<u>(50,000)</u>	<u>-</u>
Net cash used by operating activities	<u>1,755</u>	<u>(9,805)</u>
Net decrease in cash and cash equivalents	1,755	(9,805)
Cash and cash equivalents, beginning of year	<u>19,629</u>	<u>29,434</u>
Cash and cash equivalents, end of year	<u>\$ 21,384</u>	<u>\$ 19,629</u>

CIVICORPS
Civicorps Corpmember Academy
ORGANIZATION
June 30, 2013

Civicorps Corpmember Academy started its operations on August 27, 2007 after the approval of its 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 the instruction services to Grades 9 through 12.

Governing Board

<u>Name</u>	<u>Title</u>	<u>Termination Date</u>
Rita Isaacs	President	July 2013
Eric Premack	Vice President	July 2014
Craig Bloom	Secretary	July 2013
Robbie Yohai	Treasurer	July 2013
Dennis Huie	Director	July 2013
Brenda Laribee	Director	July 2015
Anne Scheer	Director	July 2014
Amy Slater	Director	July 2013
Bruce Stoffmacher	Director	July 2015
Elmo Wedderburn	Director	July 2013

Administration

Head of School - Tessa Nicholas

Executive Director - Alan Lessik

Chief Financial Officer - Brian Hickey

CIVICORPS
Civicorps Corpsmember Academy
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the year ended June 30, 2012

	<u>Second Period Report</u>	<u>Annual Report</u>
Grade 9 through 12	<u>84.24</u>	<u>83.64</u>
Classroom based instruction ADA	<u><u>84.24</u></u>	<u><u>83.64</u></u>

CIVICORPS
Civicorps Corpsmember Academy
SCHEDULE OF INSTRUCTIONAL TIME
For the year ended June 30, 2013

<u>Grade Level</u>	<u>2012-13 Minutes</u>		<u>Number of</u> <u>Days</u> <u>Single-track</u> <u>Calendar</u>	<u>Number of</u> <u>Days</u> <u>Multi-track</u> <u>Calendar</u>	<u>Status</u>
	<u>Requirement</u>	<u>Actual</u>			
Grades 9 through 12	62,949	74,540	180	Not Applicable	In compliance

**WILSON
MARKLE
STUCKEY
HARDESTY
& BOTT LLP**

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH

INDEPENDENT AUDITOR'S 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
Civicorps

We have audited, in accordance with the 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, the financial statements of Civicorps Schools, dba Civicorps, which comprise the statement of financial position as of June 30, 2013, 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, and have issued our report thereon dated October 21, 2013.

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 the 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 Civicorps' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Civicorps' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Wilson Markle Stuckey Hardesty & Bott
October 21, 2013

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH

Independent Auditor's Report on State Compliance

Board of Directors
Civicorps

We have audited Civicorps Schools', dba Civicorp, compliance with the types of compliance requirements described in Standards and Procedures for Audits of California K-12 Local Education Agencies for fiscal year 2012-13, applicable to the Corpsmember Academy for the year ended June 30, 2013. Compliance with the requirements referred to above is the responsibility of Civicorps' management. Our responsibility is to express an opinion on Civicorps' compliance based on our audit.

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 *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-2013*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred above, which could have a material effect on Civicorps occurred. 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:

Description	for Audits of California K-12	
	Local Educational Agencies 2012-13	Procedures Performed
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom-Based Instruction/Independent Study	15	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	3	Not Applicable
Annual Instructional Minutes-Classroom Based	4	Yes

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, 2013.

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
October 21, 2013

CIVICORPS
Civicorps Corpsmember Academy
Schedule of Findings and Questioned Costs
June 30, 2013

No matters were reported.

CIVICORPS
Civicorps Corpsmember Academy
Status of Prior Year Findings and Questioned Costs
June 30, 2013

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