

**CIVICORPS**

Financial Statements  
and Additional Information for the  
Civicorps Corpmember Academy

For the year ended June 30, 2017

with

Reports of Independent Auditors

# CIVICORPS

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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, 2017, 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, 2017, 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.

**Report on Summarized Comparative  
tie Information**

We have previously audited the financial statements of Civicorps for the year ended June 30, 2016, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 24, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which the information was derived.

**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 November 14, 2017 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.

*Wilson Markle Stuckey Hardesty & Bott*

Wilson Markle Stuckey Hardesty & Bott, LLP  
November 14, 2017

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, 2017  
with comparative totals as of June 30, 2016

|                                  | <u>2017</u>         | <u>2016</u>         |
|----------------------------------|---------------------|---------------------|
| Assets                           |                     |                     |
| Current assets                   |                     |                     |
| Cash and cash equivalents        | \$ 190,569          | \$ 34,769           |
| Accounts receivable              | 1,202,959           | 1,242,251           |
| Prepaid expenses                 | <u>81,934</u>       | <u>69,738</u>       |
| Total current assets             | 1,475,462           | 1,346,758           |
| Property and equipment, at cost  |                     |                     |
| Land                             | 1,337,795           | 1,337,795           |
| Building and improvements        | 591,209             | 591,209             |
| Leasehold improvements           | 67,021              | 67,021              |
| Equipment and furniture          | 403,397             | 403,397             |
| Vehicles                         | <u>1,131,153</u>    | <u>1,020,615</u>    |
|                                  | 3,530,575           | 3,420,037           |
| Accumulated depreciation         | <u>(1,309,346)</u>  | <u>(1,145,261)</u>  |
| Property and equipment, net      | 2,221,229           | 2,274,776           |
| Deposits and other assets        | <u>23,633</u>       | <u>34,239</u>       |
| Total assets                     | <u>\$ 3,720,324</u> | <u>\$ 3,655,773</u> |
| Liabilities and Net Assets       |                     |                     |
| Current liabilities              |                     |                     |
| Accounts payable                 | \$ 119,998          | \$ 152,231          |
| Accrued liabilities              | 394,150             | 183,577             |
| Deferred revenues                | 42,662              | 8,088               |
| Bank line of credit              | <u>-</u>            | <u>250,000</u>      |
| Total current liabilities        | 556,810             | 593,896             |
| Deferred rent                    | <u>19,228</u>       | <u>24,721</u>       |
| Total liabilities                | 576,038             | 618,617             |
| Net assets                       |                     |                     |
| Unrestricted                     | 3,123,640           | 2,937,156           |
| Temporarily restricted           | <u>20,646</u>       | <u>100,000</u>      |
| Total net assets                 | <u>3,144,286</u>    | <u>3,037,156</u>    |
| Total liabilities and net assets | <u>\$ 3,720,324</u> | <u>\$ 3,655,773</u> |

See accompanying notes

**CIVICORPS**  
Statement of Activities and Changes in Net Assets  
For the year ended June 30, 2017  
with comparative totals for the year ended June 30, 2016

|  | Unrestricted        | Temporarily<br>restricted | Totals              |                     |
|--|---------------------|---------------------------|---------------------|---------------------|
|  |                     |                           | 2017                | 2016                |
| <b>Revenues</b>  |                     |                           |                     |                     |
| Contract revenues  | \$ 3,881,936        | \$ -                      | \$ 3,881,936        | \$ 3,512,201        |
| Charter school revenues                                  | 893,025             | -                         | 893,025             | 867,214             |
| Government grants  | 2,518,170           | -                         | 2,518,170           | 2,251,378           |
| Grants and donations from foundations<br>and individuals | 443,975             | 102,500                   | 546,475             | 763,714             |
| Other income   | 2,968               | -                         | 2,968               | 8,002               |
| Net assets released from restrictions                    | 181,854             | (181,854)                 | -                   | -                   |
| <b>Total revenues</b>                                    | <b>7,921,928</b>    | <b>(79,354)</b>           | <b>7,842,574</b>    | <b>7,402,509</b>    |
| <b>Expenses</b>  |                     |                           |                     |                     |
| Salaries, wages and benefits                             |                     |                           |                     |                     |
| Staff  | 3,820,829           | -                         | 3,820,829           | 3,143,992           |
| Corpsmembers   | 1,699,610           | -                         | 1,699,610           | 1,634,465           |
| <b>Total salaries, wages and benefits</b>                | <b>5,520,439</b>    | <b>-</b>                  | <b>5,520,439</b>    | <b>4,778,457</b>    |
| Non-personnel related costs                              |                     |                           |                     |                     |
| Communications   | 79,201              | -                         | 79,201              | 66,798              |
| Corpsmember enrichment and support                       | 96,894              | -                         | 96,894              | 3,597               |
| Conferences, training and travel                         | 114,549             | -                         | 114,549             | 67,410              |
| Dues and subscriptions                                   | 75,489              | -                         | 75,489              | 55,079              |
| Fleet  | 443,168             | -                         | 443,168             | 368,145             |
| Insurance  | 22,234              | -                         | 22,234              | 32,364              |
| Occupancy  | 439,737             | -                         | 439,737             | 554,042             |
| Postage and shipping                                     | 8,074               | -                         | 8,074               | 7,026               |
| Office, printing and publications                        | 132,191             | -                         | 132,191             | 127,247             |
| Professional services                                    | 264,001             | -                         | 264,001             | 312,658             |
| Supplies   | 347,279             | -                         | 347,279             | 314,976             |
| Taxes, permits and fees                                  | 17,965              | -                         | 17,965              | 12,158              |
| Depreciation   | 164,084             | -                         | 164,084             | 139,606             |
| Interest expense   | 10,139              | -                         | 10,139              | 18,240              |
| <b>Total non-personnel related costs</b>                 | <b>2,215,005</b>    | <b>-</b>                  | <b>2,215,005</b>    | <b>2,079,346</b>    |
| <b>Total expenses</b>                                    | <b>7,735,444</b>    | <b>-</b>                  | <b>7,735,444</b>    | <b>6,857,803</b>    |
| <b>Change in net assets</b>                              | <b>186,484</b>      | <b>(79,354)</b>           | <b>107,130</b>      | <b>544,706</b>      |
| <b>Net assets, beginning of year</b>                     | <b>2,937,156</b>    | <b>100,000</b>            | <b>3,037,156</b>    | <b>2,492,450</b>    |
| <b>Net assets, end of year</b>                           | <b>\$ 3,123,640</b> | <b>\$ 20,646</b>          | <b>\$ 3,144,286</b> | <b>\$ 3,037,156</b> |

See accompanying notes

**CIVICORPS**  
Statement of Cash Flows  
For the year ended June 30, 2017  
with comparative totals for the year ended June 30, 2016

|   | 2017       | 2016        |
|---|------------|-------------|
| Cash flows from operating activities  |            |             |
| Change in net assets  | \$ 107,130 | \$ 544,706  |
| Adjustments to reconcile change in net assets<br>to net cash provided (used) by operating activities: |            |             |
| Depreciation  | 164,084    | 139,606     |
| Changes in operating assets and liabilities:  |            |             |
| Accounts receivable   | 39,292     | (149,796)   |
| Prepaid expenses  | (12,196)   | (14,764)    |
| Accounts payable  | (32,233)   | 92,374      |
| Accrued liabilities   | 210,573    | (63,120)    |
| Deferred contract revenues  | 34,575     | 8,088       |
| Deferred rent   | (5,493)    | (115,262)   |
|   | 505,732    | 441,832     |
| Net cash provided by operating activities   |            |             |
| Cash flows from investing activities  |            |             |
| Additions to building and leasehold improvements  | -          | (153,705)   |
| Purchases of vehicles and equipment   | (110,538)  | (275,079)   |
| Decrease in deposits and other assets   | 10,606     | 11,017      |
|   | (99,932)   | (417,767)   |
| Net cash used by investing activities   |            |             |
| Cash flows from financing activities:   |            |             |
| Advances on bank line of credit   | 705,000    | 1,680,000   |
| Repayment of bank line of credit  | (955,000)  | (1,685,000) |
|   | (250,000)  | (5,000)     |
| Net cash used by financing activities   |            |             |
| Increase in cash and cash equivalents   | 155,800    | 19,065      |
| Cash and cash equivalents, beginning of year  | 34,769     | 15,704      |
| Cash and cash equivalents, end of year  | \$ 190,569 | \$ 34,769   |
| Supplemental disclosure of cash flow information  |            |             |
| Cash paid for interest  | \$ 10,139  | \$ 18,240   |

See accompanying notes

**CIVICORPS**  
Notes to Financial Statements  
June 30, 2017

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.

The three main programs within the Civicorps 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.

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

**CIVICORPS**  
Notes to Financial Statements  
June 30, 2017

Note 1 - Organization and nature of activities (continued)

Job Training Program (continued)

urban resource work. Civicorps funds this program through contract fees for work performed.

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. Civicorps funds this program through service fees and a grant from Cal Recycle.

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, 2017

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, 2017, 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 asset 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, 2015 to 2017 are open for examination by the IRS and years ended June 30, 2014 to 2017 by the State of California Franchise Tax Board.

**CIVICORPS**  
Notes to Financial Statements  
June 30, 2017

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, 2016, 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, 2017

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, none was outstanding as of June 30, 2017. 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. The line of credit matures on December 3, 2017 and can be extended annually at the discretion of the bank.

Note 4 - Temporarily restricted net assets

During the year ended June 30, 2017, Civicorps received certain donations that were restricted due to time and program. These temporarily restricted net assets reconcile as follows:

|   | <u>June 30,</u><br><u>2016</u> | <u>Additions</u>  | <u>Releases</u>   | <u>June 30,</u><br><u>2017</u> |
|---|--------------------------------|-------------------|-------------------|--------------------------------|
| Time restricted                           |                                |                   |                   |                                |
| Thomas J. Long Foundation                 | \$ 100,000                     | \$ -              | \$ 100,000        | \$ -                           |
| Program restricted - Capital outlay       |                                |                   |                   |                                |
| StopWaste                                 | -                              | 45,000            | 45,000            | -                              |
| Program restricted - Graduation gowns     |                                |                   |                   |                                |
| Waste Management                          | -                              | 2,500             | 2,500             | -                              |
| Kaiser Permanente                         | -                              | 5,000             | 5,000             | -                              |
| Program restricted - Education/counseling |                                |                   |                   |                                |
| FHL Bank                                  | -                              | 35,000            | 14,354            | 20,646                         |
| Kaiser Permanente                         | -                              | 15,000            | 15,000            | -                              |
| Totals                                    | <u>\$ 100,000</u>              | <u>\$ 102,500</u> | <u>\$ 181,854</u> | <u>\$ 20,646</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. Civicorps increased the match to 3% effective January 1, 2017. The Civicorps match for the year ended June 30, 2017 totaled \$43,309

**CIVICORPS**  
Notes to Financial Statements  
June 30, 2017

Note 6 - Commitments

Rental expense for office and program facilities for the year ended June 30, 2017 was \$244,859. Future minimum payments under non-cancelable operating leases for the years ending June 30 are as follows:

|       |                     |
|-------|---------------------|
| 2018  | \$ 286,386          |
| 2019  | 327,246             |
| 2020  | 339,060             |
| 2021  | 343,602             |
| 2022  | 349,968             |
| 2023  | 359,058             |
| 2024  | 181,800             |
| Total | <u>\$ 2,187,120</u> |

Deferred rent of \$19,228 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, 2017, 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, 2017 these grants represented approximately 23% 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.

**CIVICORPS**  
Notes to Financial Statements  
June 30, 2017

Note 7 - Concentrations, risks and uncertainties (continued)

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

Note 8 - Subsequent events

Civicorps evaluated subsequent events for recognition and disclosure through November 14, 2017, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2017 that required recognition or disclosure in such financial statements.

Additional Information for the  
Civicorps Corpsmember Academy

**CIVICORPS**  
**Civicorps Corpsmember Academy**  
Statement of Financial Position  
As of June 30, 2017  
with comparative totals as of June 30, 2016

|                                  | Assets     |            |
|----------------------------------|------------|------------|
|                                  | 2017       | 2016       |
| Current assets                   |            |            |
| Cash and cash equivalents        | \$ 86,208  | \$ 6,261   |
| Accounts receivable              | 85,422     | 152,479    |
| Total current assets             | 171,630    | 158,740    |
| Property and equipment, at cost  |            |            |
| Leasehold improvements           | 35,001     | 35,001     |
| Accumulated depreciation         | (35,001)   | (35,001)   |
| Property and equipment, net      | -          | -          |
| Total assets                     | \$ 171,630 | \$ 158,740 |
| Liabilities and Net Assets       |            |            |
| Current liabilities              |            |            |
| Accrued liabilities              | \$ -       | \$ 7,585   |
| Total current liabilities        | -          | 7,585      |
| Net assets                       |            |            |
| Unrestricted                     | 171,630    | 151,155    |
| Temporarily restricted           | -          | -          |
| Total net assets                 | 171,630    | 151,155    |
| Total liabilities and net assets | \$ 171,630 | \$ 158,740 |

**CIVICORPS**  
**Civicorps Corpsmember Academy**  
Statement of Activities and Changes in Net Assets  
For the year ended June 30, 2017  
with comparative totals for the year ended June 30, 2016

|   | Unrestricted      | Temporarily<br>restricted | Totals<br>2017    | Totals<br>2016    |
|---|-------------------|---------------------------|-------------------|-------------------|
| <b>Revenues</b>                           |                   |                           |                   |                   |
| State of California                       |                   |                           |                   |                   |
| General purpose entitlement               | \$ 473,538        | \$ -                      | \$ 473,538        | \$ 488,017        |
| Other revenues                            | 218,591           | 47,794                    | 266,385           | 339,517           |
| Alameda County                            |                   |                           |                   |                   |
| Transfers in lieu of property taxes       | 153,102           | -                         | 153,102           | 152,680           |
| Grants and donations                      | 1,476,489         | -                         | 1,476,489         | 1,101,617         |
| Net assets released from restrictions     | 47,794            | (47,794)                  | -                 | -                 |
| <b>Total revenues</b>                     | <b>2,369,514</b>  | <b>-</b>                  | <b>2,369,514</b>  | <b>2,081,831</b>  |
| <b>Expenses</b>                           |                   |                           |                   |                   |
| Salaries, wages and benefits              |                   |                           |                   |                   |
| Certificated                              | 845,900           | -                         | 845,900           | 707,984           |
| Supervisory, administrative and other     | 767,322           | -                         | 767,322           | 504,034           |
| <b>Total salaries, wages and benefits</b> | <b>1,613,222</b>  | <b>-</b>                  | <b>1,613,222</b>  | <b>1,212,018</b>  |
| Books and supplies                        | 87,990            | -                         | 87,990            | 84,576            |
| Services and outside consultants          | 87,607            | -                         | 87,607            | 72,950            |
| Other operating expenses                  | 560,220           | -                         | 560,220           | 698,219           |
| <b>Total expenses</b>                     | <b>2,349,039</b>  | <b>-</b>                  | <b>2,349,039</b>  | <b>2,067,763</b>  |
| Change in net assets                      | 20,475            | -                         | 20,475            | 14,068            |
| Net assets, beginning of year             | 151,155           | -                         | 151,155           | 137,087           |
| Net assets, end of year                   | <u>\$ 171,630</u> | <u>\$ -</u>               | <u>\$ 171,630</u> | <u>\$ 151,155</u> |



**CIVICORPS**  
**Civicorps Corpmember Academy**  
Statement of Cash Flows  
For the year ended June 30, 2017  
with comparative totals for the year ended June 30, 2016

|   | <u>2017</u>             | <u>2016</u>            |
|---|-------------------------|------------------------|
| Cash flows from operating activities  |                         |                        |
| Change in net assets  | \$ 20,475               | \$ 14,068              |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities |                         |                        |
| Changes in current assets and liabilities   |                         |                        |
| Accounts receivable   | 67,057                  | (45,682)               |
| Prepaid expenses and other current assets   |                         |                        |
| Accounts payable and accrued liabilities  | <u>(7,585)</u>          | <u>7,585</u>           |
| Net cash provided (used) by operating activities  | <u>79,947</u>           | <u>(24,029)</u>        |
| Net increase (decrease) in cash and cash equivalents  | 79,947                  | (24,029)               |
| Cash and cash equivalents, beginning of year  | <u>6,261</u>            | <u>30,290</u>          |
| Cash and cash equivalents, end of year  | <u><u>\$ 86,208</u></u> | <u><u>\$ 6,261</u></u> |

**CIVICORPS**  
**Civicorps Corpsmember Academy**  
 Organization  
 June 30, 2017

The Civicorps Corpsmember 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 Corpsmember Academy provides instruction services to Grades 9 through 12.

Governing Board

| <u>Name</u>        | <u>Title</u>      | <u>Termination Date</u> |
|--------------------|-------------------|-------------------------|
| Phillip Dillard    | President<br>Vice | June 2019               |
| Brenda Laribee     | President         | June 2019               |
| Aja Cooper         | Secretary         | June 2018               |
| Robbie Yohai       | Treasurer         | June 2019               |
| Rita Isaacs        | Director          | June 2019               |
| Eric Premack       | Director          | June 2019               |
| Amy Slater         | Director          | June 2019               |
| Timothy Smallsreed | Director          | June 2018               |
| Babette Karsseboom | Director          | June 2018               |
| Steven Hansen      | Director          | June 2018               |
| Nita Kirby         | Director          | June 2018               |
| Gary Lyla          | Director          | June 2018               |
| Rosanna Peniche    | Director          | June 2018               |

Administration

Head of School - Tyfahra Singleton  
 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, 2017

|                                    | Second<br>Period<br>Report | Annual<br>Report |
|------------------------------------|----------------------------|------------------|
| Grade 9 through 12                 | 66.54                      | 66.50            |
| Classroom based<br>instruction ADA | 66.54                      | 66.50            |

**CIVICORPS**  
**Civicorps Corpsmember Academy**  
 Schedule of Instructional Time  
 For the year ended June 30, 2017

| <u>Grade Level</u>  | <u>2016-17 Minutes</u> |               | <u>Number of</u><br><u>Days</u><br><u>Single-track</u><br><u>Calendar</u> | <u>Number of</u><br><u>Days</u><br><u>Multi-track</u><br><u>Calendar</u> | <u>Status</u> |
|---------------------|------------------------|---------------|---|--|---------------|
|                     | <u>Requirement</u>     | <u>Actual</u> |   |  |               |
| Grades 9 through 12 | 64,800                 | 74,270        | 180   | Not Applicable   | In compliance |

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, 2017, 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 November 14, 2017.

#### **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, LLP  
Larkspur, California  
November 14, 2017

Report of Independent Auditors on State Compliance

Board of Directors  
Civicorps

CERTIFIED PUBLIC  
ACCOUNTANTS

DONALD WILSON  
ALAN MARKLE  
CHARLES STUCKEY  
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**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, 2017.

**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 *2016-17 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 *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*:

| Description   | 2016-17 | 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                  |
| Educator Effectiveness                                      | R       | 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, 2017.

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  
November 14, 2017

**CIVICORPS**  
**Civicorps Corpsmember Academy**  
Schedule of Findings and Questioned Costs  
June 30, 2017

No matters were reported.

**CIVICORPS**  
**Civicorps Corpsmember Academy**  
Status of Prior Audit Findings  
June 30, 2017

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