

CIVICORPS

Financial Statements

**and Additional Information for the
Civicorps Corpmember Academy**

For the year ended June 30, 2019

with

Reports of Independent Auditors

CIVICORPS
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Report of Independent Auditors

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, 2019, and the related statements of activities and changes in net assets, functional expenses 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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Report on Summarized Comparative Information

We have previously audited the financial statements of Civicorps for the year ended June 30, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 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. 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 30, 2019 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.

WMB2

WMB2, LLP
October 30, 2019

CIVICORPS
Statement of Financial Position
As of June 30, 2019
with comparative totals as of June 30, 2018

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 403,741	\$ 300,056
Accounts receivable	1,220,721	1,198,228
Prepaid expenses	108,996	166,895
Total current assets	1,733,458	1,665,179
Property and equipment, at cost		
Land	1,337,795	1,337,795
Building and improvements	591,209	591,209
Leasehold improvements	58,006	58,006
Equipment and furniture	252,143	252,143
Vehicles	1,493,657	1,444,198
	3,732,810	3,683,351
Accumulated depreciation	(1,299,637)	(1,268,205)
Property and equipment, net	2,433,173	2,415,146
Deposits and other assets	34,386	35,084
Total assets	<u>\$ 4,201,017</u>	<u>\$ 4,115,409</u>

Liabilities and Net Assets		
Current liabilities		
Bank line of credit	\$ -	\$ -
Accounts payable	85,338	115,473
Accrued liabilities	404,193	445,668
Deferred revenues	-	36,430
Note payable due within one year	17,203	16,243
Total current liabilities	506,734	613,814
Note payable	50,100	67,429
Deferred rent	59,328	50,094
Total liabilities	616,162	731,337
Net assets		
With donor restrictions	270,203	91,167
Without donor restrictions	3,314,652	3,292,905
Total net assets	3,584,855	3,384,072
Total liabilities and net assets	<u>\$ 4,201,017</u>	<u>\$ 4,115,409</u>

See accompanying notes

CIVICORPS
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2019
with comparative totals for the year ended June 30, 2018

	Without donor restrictions	With donor restriction	Totals 2019	2018
Revenues				
Contract revenues	\$ 4,309,407	\$ -	\$ 4,309,407	\$ 4,218,477
Charter school revenues	767,696	-	767,696	734,690
Government grants	2,805,915	-	2,805,915	2,515,277
Grants and donations from foundations and individuals	403,959	413,700	817,659	788,394
Other income	12,498	-	12,498	11,379
Net assets released from restrictions	234,664	(234,664)	-	-
Total revenues	8,534,139	179,036	8,713,175	8,268,217
Expenses				
Program	6,529,748	-	6,529,748	6,634,306
General and administrative	1,570,611	-	1,570,611	1,129,018
Fundraising and development	412,033	-	412,033	265,107
Total expenses	8,512,392	-	8,512,392	8,028,431
Change in net assets	21,747	179,036	200,783	239,786
Net assets, beginning of year	3,292,905	91,167	3,384,072	3,144,286
Net assets, end of year	<u>\$ 3,314,652</u>	<u>\$ 270,203</u>	<u>\$ 3,584,855</u>	<u>\$ 3,384,072</u>

See accompanying notes

CIVICORPS
Statement of Functional Expenses
For the year ended June 30, 2019
with comparative totals for the year ended June 30, 2018

	2019				2018
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>Total</u>	<u>Total</u>
Expenses					
Salaries, wages and benefits					
Staff	\$ 2,636,881	\$ 899,941	\$ 329,146	\$ 3,865,968	\$ 4,057,339
Corpsmembers	1,923,552	-	-	1,923,552	1,679,478
Total salaries, wages and benefits	4,560,433	899,941	329,146	5,789,520	5,736,817
Non-personnel related costs					
Communications	53,243	29,202	735	83,180	74,947
Corpsmember enrichment and support	164,968	-	-	164,968	160,019
Conferences, training and travel	60,140	15,191	1,750	77,081	101,568
Dues and subscriptions	18,436	26,634	4,045	49,115	38,126
Fleet	500,271	-	-	500,271	446,185
Insurance	9,972	17,325	-	27,297	25,681
Occupancy	329,839	230,880	50	560,769	446,577
Postage and shipping	6,791	1,215	1,715	9,721	9,367
Office, printing and publications	57,243	6,578	12,187	76,008	73,220
Professional services	216,934	310,116	60,126	587,176	376,829
Supplies	316,966	17,235	2,279	336,480	293,319
Taxes, permits and fees	21,321	2,248	-	23,569	25,241
Depreciation	209,363	7,964	-	217,327	213,955
Interest expense	3,828	6,082	-	9,910	6,580
Total non-personnel related costs	1,969,315	670,670	82,887	2,722,872	2,291,614
Total expenses	\$ 6,529,748	\$ 1,570,611	\$ 412,033	\$ 8,512,392	\$ 8,028,431

See accompanying notes.

CIVICORPS
Statement of Cash Flows
For the year ended June 30, 2019
with comparative totals for the year ended June 30, 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 200,783	\$ 239,786
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	217,327	213,955
Changes in operating assets and liabilities:		
Accounts receivable	(22,493)	4,731
Prepaid expenses	57,899	(84,961)
Accounts payable	(30,135)	(4,525)
Accrued liabilities	(41,475)	51,518
Deferred contract revenues	(36,429)	(6,231)
Deferred rent	9,234	30,866
	<u>354,711</u>	<u>445,139</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of vehicles and equipment	(235,355)	(407,873)
Change in deposits and other assets	698	(11,451)
	<u>(234,657)</u>	<u>(419,324)</u>
Net cash used by investing activities		
Cash flows from financing activities:		
Advances on bank line of credit	200,000	-
Repayment of bank line of credit	(200,000)	-
Addition to note payable	-	89,165
Repayments on note payable	(16,369)	(5,493)
	<u>(16,369)</u>	<u>83,672</u>
Net cash provided (used) by financing activities		
Increase in cash and cash equivalents	103,685	109,487
Cash and cash equivalents, beginning of year	<u>300,056</u>	<u>190,569</u>
Cash and cash equivalents, end of year	<u>\$ 403,741</u>	<u>\$ 300,056</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 9,910</u>	<u>\$ 6,580</u>

See accompanying notes

CIVICORPS
Notes to Financial Statements
June 30, 2019

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.

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

CIVICORPS
Notes to Financial Statements
June 30, 2019

Note 1 - Organization and nature of activities (continued)

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 CalRecycle.

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.

New pronouncements

Effective January 1, 2018, Civicorps adopted FASB ASU 2016-14 *Presentation of Financial Statements of Not for Profit Entities*. The new pronouncement changed the presentation of certain information in the financial statements and footnote disclosures.

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 net assets with donor restrictions in the accompanying statement of financial position.

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.

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

CIVICORPS
Notes to Financial Statements
June 30, 2019

Note 2 - Summary of significant accounting policies (continued)

Allowance for uncollectible accounts receivable (continued)

receivable are unsuccessful, the account is considered uncollectible and is written off against the allowance. At June 30, 2019, 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, 2017, 2018 and 2019 are open for examination by the IRS and years ended June 30, 2016, 2017, 2018 and 2019 by the State of California Franchise Tax Board.

CIVICORPS
Notes to Financial Statements
June 30, 2019

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, 2018, 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, 2019

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, 2019. Borrowings are secured by accounts receivable and all other assets of Civicorps. Interest on amounts borrowed is due monthly at 1.50% above the bank's prime rate. The line of credit matures on December 2, 2019 and can be extended annually at the discretion of the bank.

Note 4 - Note payable to bank

The note payable to bank is due in monthly installments of \$1,683, including interest at 4.95%, through February 2023. The note is secured by the same assets securing the bank line of credit. Future maturities for the years ending June 30 are as follows:

2020	\$	17,203
2021		18,017
2022		20,591
2023		<u>11,492</u>
Total	\$	<u>67,303</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 3% of employee contributions to the plan beginning on January 1, 2017. Civicorps increased the match to 4% effective January 1, 2018, retrospectively. The Civicorps match for the year ended June 30, 2019 totaled \$70,506.

Note 6 – Net assets with donor restrictions

During the year ended June 30, 2019, Civicorps received certain donations that were restricted due to time and program. These net assets with donor restrictions reconcile as follows:

CIVICORPS
Notes to Financial Statements
June 30, 2019

Note 6 – Net assets with donor restrictions (continued)

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2019</u>
Time restricted				
Y & H Soda Foundation	\$ 12,500	\$ -	\$ 12,500	\$ -
The San Francisco Foundation	16,667	-	16,667	-
Walter S Johnson Foundation	50,000	-	50,000	-
United Airlines Inc	12,000	-	12,000	-
East Bay Community Foundation	-	35,000	27,667	7,333
Program restricted - Foster Youth				
East Bay Community Foundation	-	25,000	25,000	-
Program restricted - Teamster Apprenticeship Career Pathway				
Morris Stulsaft Foundation	-	25,000	25,000	-
Program restricted - Opportunity Youth Academic and Professional Pathway				
San Francisco Foundation	-	50,000	50,000	-
Program restricted - Capital improvements				
Joseph and Vera Long Foundation	-	115,000	-	115,000
Program restricted - Corpsmember Recruitment and Retention				
Crankstart Foundation	-	163,700	15,830	147,870
Totals	<u>\$ 91,167</u>	<u>\$ 413,700</u>	<u>\$ 234,664</u>	<u>\$ 270,203</u>

Note 7 - Commitments

Rental expense for office and program facilities for the year ended June 30, 2019 was \$336,480. Future minimum payments under non-cancelable operating leases for the years ending June 30 are as follows:

2020	\$ 339,060
2021	343,602
2022	349,968
2023	359,058
2024	<u>181,800</u>
Total	<u>\$ 1,900,734</u>

CIVICORPS
Notes to Financial Statements
June 30, 2019

Note 7 - Commitments (continued)

Deferred rent of \$59,328 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 8 - Concentrations, risks and uncertainties

At various times during the year ended June 30, 2019, 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 contract with the State of California. For the year ended June 30, 2019 these contracts represented approximately 22% of Civicorps' total revenues. A decrease, if any, in future funding from the State of California could have a significant impact on Civicorps programs.

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.

The material that Civicorps collects under its recycling program is transferred to a single and unrelated not for profit local entity. Civicorps funds an intern at no cost to the local entity as an inducement for it to continue to accept the recycling material. A failure of the local entity to continue to accept the recycling material or to otherwise not accept the material without a more substantial inducement could have an adverse financial effect on Civicorps.

During the year ended June 30, 2019, certain of the non-corpsmember staff of Civicorps voted to form a union. Civicorps has recognized the union and has begun contract negotiations. The possible future financial effect of the contract negotiations is uncertain.

CIVICORPS
Notes to Financial Statements
June 30, 2019

Note 9 - Subsequent events

Civicorps evaluated subsequent events for recognition and disclosure through October 30, 2019, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2019 that required recognition or disclosure in such financial statements.

Note 10 - Liquidity and availability of financial assets

The following table reflects Civicorps' financial assets as of the statement of financial position date of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Cash and cash equivalents	\$ 403,741
Accounts receivable	<u>1,220,721</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,624,462</u>

**Additional Information for the
Civicorps Corpsmember Academy**

CIVICORPS
Civicorps Corpsmember Academy
Statement of Financial Position
As of June 30, 2019
with comparable totals as of June 30, 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 108,786	\$ 113,824
Accounts receivable	<u>92,194</u>	<u>67,979</u>
Total current assets	<u>200,980</u>	<u>181,803</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><u>\$ 200,980</u></u>	<u><u>\$ 181,803</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accrued liabilities	\$ -	\$ -
Net assets		
With donor restrictions	-	-
Without donor restrictions	<u>200,980</u>	<u>181,803</u>
Total net assets	<u>200,980</u>	<u>181,803</u>
Total liabilities and net assets	<u><u>\$ 200,980</u></u>	<u><u>\$ 181,803</u></u>

CIVICORPS
Civicorps Corpsmember Academy
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2019
with comparable totals for the year ended June 30, 2018

	Without donor restrictions	With donor restrictions	Totals 2019	2018
Revenues				
State of California				
General purpose entitlement	\$ 383,305	\$ -	\$ 383,305	\$ 429,771
Other state revenues	135,507	70,168	205,675	170,899
Alameda County				
Transfers in lieu of property taxes	135,605	-	135,605	134,020
Federal revenues - No Child Left Behind		43,111	43,111	-
Grants and donations	1,760,253	-	1,760,253	1,806,724
Net assets released from restrictions	113,279	(113,279)	-	-
Total revenues	2,527,949	-	2,527,949	2,541,414
Expenses				
Program	1,833,665	-	1,833,665	1,856,134
General and administrative	675,107	-	675,107	675,107
Fundraising and development	-	-	-	-
Total expenses	2,508,772	-	2,508,772	2,531,241
Change in net assets	19,177	-	19,177	10,173
Net assets, beginning of year	181,803	-	181,803	171,630
Net assets, end of year	\$ 200,980	\$ -	\$ 200,980	\$ 181,803

CIVICORPS
Civicorps Corpsmember Academy
Statement of Functional Expenses
For the year ended June 30, 2019
with comparative totals for the year ended June 30, 2018

	2019				2018
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>Total</u>	<u>Total</u>
Expenses					
Salaries, wages and benefits	\$ 860,148	\$ 675,107	\$ -	\$ 1,535,255	\$ 1,817,053
Non-personnel related costs					
Books and supplies	72,673	-	-	72,673	39,213
Services and outside consultants	154,785	-	-	154,785	48,861
Other operating expenses	746,059	-	-	746,059	626,114
Total non-personnel related costs	973,517	-	-	973,517	714,188
Total expenses	<u>\$ 1,833,665</u>	<u>\$ 675,107</u>	<u>\$ -</u>	<u>\$ 2,508,772</u>	<u>\$ 2,531,241</u>

CIVICORPS
Civicorps Corpmember Academy
Statement of Cash Flows
For the year ended June 30, 2019
with comparable totals for the year ended June 30, 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 19,177	\$ 10,173
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Changes in current assets and liabilities		
Accounts receivable	<u>(24,215)</u>	<u>17,443</u>
Net cash provided (used) by operating activities	<u>(5,038)</u>	<u>27,616</u>
Net increase (decrease) in cash and cash equivalents	(5,038)	27,616
Cash and cash equivalents, beginning of year	<u>113,824</u>	<u>86,208</u>
Cash and cash equivalents, end of year	<u><u>\$ 108,786</u></u>	<u><u>\$ 113,824</u></u>

CIVICORPS
Civicorps Corpmember Academy
Organization
June 30, 2019

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

<u>Name</u>	<u>Title</u>	<u>Termination Date</u>
Nita Kirby	President	June 2020
Steven Hansen	Vice President	June 2020
Robbie Yohai	Treasurer	June 2021
Joel Rogers	Secretary	June 2021
Amy Slater	Director	June 2021
Eric Premack	Director	June 2021
Rita Isaacs	Director	June 2021
Aja Cooper	Director	June 2020
Gary Lyla	Director	June 2020
Rosanna Peniche	Director	June 2020
Timothy Smallsreed	Director	June 2020

Administration

Interim Head of School - Yvette Arroyo-Agredano
Executive Director - Tessa Nicholas
Chief Financial Officer - Brian Hickey

CIVICORPS
Civicorps Corpmember Academy
Schedule of Average Daily Attendance
For the year ended June 30, 2019

	Second Period Report	Annual Report
Grade 9 through 12	50.98	50.94
Classroom based instruction ADA	50.98	50.94

CIVICORPS
Civicorps Corpsmember Academy
 Schedule of Instructional Time
 For the year ended June 30, 2019

<u>Grade Level</u>	<u>2018-19 Minutes</u>		Number of Days Single-track	Number of Days Multi-track	<u>Status</u>
	<u>Requirement</u>	<u>Actual</u>	<u>Calendar</u>	<u>Calendar</u>	
Grades 9 through 12	64,800	74,100	178	Not Applicable	In compliance



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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*

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 (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2019.

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.

WMB²

WMB2, LLP
Larkspur, California
October 30, 2019



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Report of Independent Auditors on State Compliance

Board of Directors
Civicorps

Report on State Compliance

We have audited Civicorps' compliance with the types of compliance requirements described in *2018-19 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, 2019.

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 *2018-19 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 *2018-19 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 *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*:

Description		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	T	Not Applicable
After /Before School Education and Safety Program	U	Not Applicable
Proper Expenditure of Education Protection Account Funds	V	Yes
Unduplicated Local Control Funding Formula Pupil Counts	W	Yes
Local Control and Accountability Plan	X	Yes
Independent Study - Course Based	Y	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, 2019.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of the compliance requirements referred to above. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*. Accordingly, this communication is not suitable for any other purpose.

WMB2
WMB2 LLP
Larkspur, California
October 30, 2019

CIVICORPS
Civicorps Corpsmember Academy
Schedule of Findings and Questioned Costs
June 30, 2019

No matters were reported.

CIVICORPS
Civicorps Corpsmember Academy
Status of Prior Audit Findings
June 30, 2019

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