



## FRESNO AREA WORKFORCE INVESTMENT CORPORATION

**Board of Directors Meeting  
January 17, 2018 @ 4:00 p.m.**

**Fresno Regional Workforce Development Board  
2125 Kern Street, #207  
Fresno, CA 93721**

**REMINDER: PLEASE TURN OFF CELL PHONES OR PUT ON VIBRATE**

ROLL CALL

AGENDA CHANGES: REMOVAL OF ITEMS OR EMERGENCY ADDITIONS

ABSTENTIONS/RECUSALS/DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

BOARD CHAIR/STAFF COMMENTS

PUBLIC COMMENTS

Item	Description	Presented By	Enclosure	Action	Page #
1.	August 9, 2017, Special Meeting Minutes	Konczal	Yes	Approve	3
2.	Items Referred by the Fresno Regional Workforce Development Board or Its Committees	Konczal	Yes	Information	6
3.	Single Audit Services Contract Award	Beierschmitt	Yes	Approve	7
4.	Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2017	Beierschmitt	Yes	Accept	9
5.	Referral of Agenda Items to the Fresno Regional Workforce Development Board and/or Its Committees	Bauer	Yes	Direct	37
6.	Information Sharing	All	No	Discussion	--
7.	April 18, 2018, Agenda Items	Konczal	No	Discussion	--
8.	Meeting Feedback	Konczal	No	Information	--

### ACCOMMODATIONS FOR PERSONS WITH DISABILITIES

Disabled individuals who need special assistance to attend or participate in this meeting may request assistance by contacting the Fresno Regional Workforce Development Board, at 2125 Kern Street, Suite 208, Fresno, California, or by calling (559) 490-7100. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials available in alternative formats. Requests for assistance should be made at least two (2) working days in advance of the meeting.

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION  
BOARD OF DIRECTORS  
2017 ATTENDANCE REPORT**

	<b>Canceled</b>		<b>Canceled</b>	<b>Special</b>	<b>Canceled</b>
	<b>1/18/2017</b>	<b>4/19/2017</b>	<b>7/19/2017</b>	<b>8/9/2017</b>	<b>10/18/2017</b>
Baines	XX	A	XX	A	XX
Bauer	XX	P	XX	P	XX
Borgeas	XX	P	XX	A	XX
Montalbano	XX	P	XX	P	XX
Olson	XX	--	--	--	--
Riojas	XX	P	XX	P	XX
Zabrycki	XX	A	XX	P	XX

A = Absent

P = Present

-- = Not a Committee member at time of meeting

\* = Special Meeting

# FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	1
MEETING DATE:	January 17, 2018
ACTION:	APPROVE

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**TO:** Board of Directors  
**FROM:** Blake Konczal, Chief Executive Officer  
**SUBJECT:** August 9, 2017, Special Meeting Minutes

**RECOMMENDATION:**

Approve the minutes of the August 9, 2017, special Fresno Area Workforce Investment Corporation Board of Directors meeting.

**ATTACHMENT:**

August 9, 2017, Special Board of Directors Meeting Minutes



# FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Board of Directors  
August 9, 2017  
Special Meeting

## SUMMARY MINUTES

The meeting was called to order at 3:27 p.m.

ROLL CALL: PRESENT – Paul Bauer, Dennis Montalbano, Chuck Riojas, Lydia Zabrycki and Legal Counsel Doug Jensen

ABSENT – Oliver Baines and Andreas Borgeas

AGENDA CHANGES: None

ABSTENTIONS: None

BOARD CHAIR/  
STAFF COMMENTS: Blake Konczal, Chief Executive Officer, Fresno Area Workforce Investment Corporation (FAWIC), requested that item #3 be presented first.

PUBLIC COMMENTS: None

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Item	Description/Action Taken
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**3. Fresno Area Workforce Investment Corporation Personnel Manual Revisions**

Mr. Konczal presented for the board's approval, the FAWIC Personnel Manual revisions. He explained that FAWIC's Human Resources (HR) Deputy Director, Christine Nutting, along with legal staff at Baker, Manock & Jensen, and an outside HR Consultant firm, have reviewed the document and made recommended changes. Those changes were outlined in the agenda item.

**ZABRYCKI/RIOJAS – APPROVED THE FAWIC PERSONNEL MANUAL REVISIONS. (UNANIMOUS)**

**1. Approval of April 19, 2017, Meeting Minutes**

Mr. Konczal presented the April 19, 2017, meeting minutes for approval.

**MONTALBANO/RIOJAS – APPROVED THE MINUTES OF THE APRIL 19, 2017, MEETING. (UNANIMOUS)**

**2. Items Referred by the Fresno Regional Workforce Development Board or Its Committees**

There were no items referred by the Fresno Regional Workforce Development Board or its Committees.

Item	Description/Action Taken
	<p>Mr. Konczal took the opportunity to share that based on performance data, the Fresno Regional Workforce Development Board (FRWDB) does a really good job serving its clients. In an effort to put a face to those performance numbers, the FRWDB has resurrected its quarterly and annual awards for adult and youth clients and adult and youth employers and will be producing videos to showcase different training sectors. Mr. Konczal introduced John Lorange, Manufacturing Recruitment Specialist, FAWIC, who presented a video highlighting a few clients, a training provider and employer who were brought together through the SlingShot manufacturing grant.</p> <p>Mr. Konczal indicated that this video will also be shown to the full FRWDB. He also noted that there is currently a construction training cohort taking place and that a similar video will be produced to highlight some of the men and women taking part in that training.</p>
4.	<p data-bbox="240 705 1450 768"><b><u>Referral of Agenda Items to the Fresno Regional Workforce Development Board and/or Its Committees</u></b></p> <p data-bbox="240 806 315 831">None.</p>
5.	<p data-bbox="240 869 516 894"><b><u>Information Sharing</u></b></p> <p data-bbox="240 936 1450 999">Mr. Konczal shared that he and Director Riojas will be presenting on Fresno's construction training model at the Michigan State Workforce conference in September.</p>
6.	<p data-bbox="240 1037 678 1062"><b><u>October 18, 2017, Agenda Items</u></b></p> <p data-bbox="240 1100 315 1125">None.</p>
7.	<p data-bbox="240 1163 493 1188"><b><u>Meeting Feedback</u></b></p> <p data-bbox="240 1226 315 1251">None.</p>

The meeting was adjourned at 3:43 p.m.

# FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	2
MEETING DATE:	January 17, 2018
ACTION:	INFORMATION

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**TO:** Board of Directors  
**FROM:** Blake Konczal, Chief Executive Officer  
**SUBJECT:** Items Referred by the Fresno Regional Workforce Development Board or Its Committees

**INFORMATION:**

The purpose of this item is to transmit summaries and/or allow discussion of agenda items that have been referred to the Fresno Area Workforce Investment Corporation (FAWIC) Board by the Fresno Regional Workforce Development Board or its committees.

**ATTACHMENT:**

There were no items referred to the FAWIC Board.

# FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	3
MEETING DATE:	January 17, 2018
ACTION:	APPROVE

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**TO:** Fresno Area Workforce Investment Corporation  
**FROM:** Audit Committee  
**SUBJECT:** Single Audit Services Contract Award

## **RECOMMENDATION:**

Approve the award of the audit services contract to Moore Grider & Company, Certified Public Accountants, for single audit services for the Fresno Area Workforce Investment Corporation (FAWIC), for a cost of \$30,900.

This item will be submitted to the Audit Committee on January 17, 2018, and the results of the Audit Committee meeting will be reported at the FAWIC's January 17, 2018, Board of Directors meeting.

## **REASON FOR RECOMMENDATION:**

The Single Audit Act and 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), requires that an organization receiving more than \$750,000 in federal funds a year have a single audit annually. The audit must be completed within nine (9) months of the fiscal year end.

On October 17, 2017, a Request for Quotes (RFQ) was released to solicit bids for a Certified Public Accountant firm to conduct the annual single audit for the FAWIC. Quotes were due on November 16, 2017. The FAWIC received five (5) quotes by the submission due date. All five (5) quotes met all the minimum requirements of the RFQ and the RFQ was deemed a competitive procurement.

The rating panel met on November 28, 2017, to review and rate the quotes based on the rating criteria in the RFQ. Based on the final scores, Moore, Grider & Company has been recommended for contract award.

The final scores, by bidder, have been compiled for your review on the attached rating summary. A detailed rating sheet is available upon request.

## **FISCAL IMPACT:**

Funds have been included in the FAWIC budget for the audit.

## **ATTACHMENT:**

FAWIC Audit Services Request for Quotes – PY 2017-2018 Rating Summary

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION  
AUDIT SERVICES REQUEST FOR QUOTES - PY 2017-2018  
RATING SUMMARY**

Name of Bidder: Moore Grider & Company  
Quote No.: 758328

	Points Possible	Total Points
Technical Evaluation	40.0	38.7
Cost of Audit	60.0	56.0
	<b>100.0</b>	<b>94.7</b>

Name of Bidder: Price Paige & Company  
Quote No.: 758330

	Points Possible	Total Points
Technical Evaluation	40.0	32.7
Cost of Audit	60.0	53.7
	<b>100.0</b>	<b>86.3</b>

Name of Bidder: Brown Armstrong Accountancy Corp  
Quote No.: 758331

	Points Possible	Total Points
Technical Evaluation	40.0	26.8
Cost of Audit	60.0	44.7
	<b>100.0</b>	<b>71.5</b>

Name of Bidder: R. J. Ricciardi, Inc.  
Quote No.: 758332

	Points Possible	Total Points
Technical Evaluation	40.0	33.3
Cost of Audit	60.0	35.3
	<b>100.0</b>	<b>68.7</b>

Name of Bidder: Harshwal & Co., LLP  
Quote No.: 758333

	Points Possible	Total Points
Technical Evaluation	40.0	29.0
Cost of Audit	60.0	48.3
	<b>100.0</b>	<b>77.3</b>

Note: Total Points maybe off by 0.1 due to computer rounding.



# FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	4
MEETING DATE:	January 17, 2018
ACTION:	ACCEPT

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**TO:** Fresno Area Workforce Investment Corporation  
**FROM:** Audit Committee  
**SUBJECT:** Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2017

**RECOMMENDATION:**

Accept the financial statements and supplemental data for the fiscal year ending June 30, 2017.

This item will be submitted to the Audit Committee on January 17, 2018, and the results of the Audit Committee meeting will be reported at the Fresno Area Workforce Investment Corporation's (FAWIC's) January 17, 2018, Board of Directors meeting.

**REASON FOR RECOMMENDATION:**

The Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, require that an organization receiving more than \$750,000 in federal funds a year have a single audit annually. The audit must be completed within nine (9) months of the fiscal year end. The Joint Powers Agreement requires that the audit be completed within 120 days of the fiscal year end.

Attached are the financial statements and supplemental data for the fiscal year ending June 30, 2017. The financial statements include comparative balances for fiscal year ending June 30, 2016. There were no findings or recommendations in the report (please see pages 35 and 36). FAWIC received an unqualified opinion and qualified as a low risk auditee.

**ATTACHMENTS:**

ATTACHMENT I: Audit Committee Letter  
ATTACHMENT II: Fresno Area Workforce Investment Corporation Financial Statements and Supplemental Data Years Ended June 30, 2017, and 2016



## AUDIT COMMITTEE LETTER

## Moore Grider &amp; Company

Certified Public Accountants

*A Partnership Including  
Accountancy Corporations  
and a Partnership*

Richard L. Holland, C.P.A.

Thomas L. Bell, C.P.A.  
Accountancy Corporation

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A., C.F.E.  
Accountancy CorporationPamela J. Gallimore, C.P.A.  
Accountancy CorporationKarl L. Noyes, C.P.A.  
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Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.  
1923-2016Robert E. Grider, C.P.A.  
Retired

January 4, 2018

The Audit Committee  
Fresno Area Workforce Investment Corporation  
Fresno, California

We have audited the financial statements of the Fresno Area Workforce Investment Corporation for the year ended June 30, 2017, and have issued our report thereon dated January 4, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 15, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Fresno Area Workforce Investment Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2017. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used for the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the collectability of grants receivable and other receivables is based upon analysis of outstanding accounts.
- Future lease commitments is based upon lease terms of various equipment, warehouse and office space.

- The allocation of expenses by function is based upon management’s estimate of expenses incurred for program and supporting purposes.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- Concentration of grant revenue disclosed in Note 4 to the financial statements. The disclosure identifies that 96% of the Organization’s funding was from the U.S. Department of Labor under various Workforce Innovation and Opportunity Act grants.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Adjustments*

Professional standards require us to accumulate all adjustments identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such adjustments. The following adjustments detected as a result of the audit procedures have been recorded and approved by upper management.

	<b>Debit</b>	<b>Credit</b>
<b>Miscellaneous expense</b>	\$ 47,157	
<b>Prepaid expenses</b>		\$ 47,157
<b>To correct balance of prepaid expenses</b>		
<b>Accounts payable</b>	58,026	
<b>Miscellaneous expense</b>		58,026
<b>To correct balance of accounts payable</b>		
<b>Miscellaneous expense</b>	18,752	
<b>Prepaid expenses (credit card charges)</b>		18,752
<b>To write-off prepaid expenses (credit card charges)</b>		
<b>Uncollected receivable (bad debt)</b>	16,171	
<b>Other receivable</b>		16,171
<b>To write-off County of Fresno- HSS Receivable</b>		

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be

The Audit Committee  
Fresno Area Workforce Investment Corporation  
January 4, 2018  
Page 3

significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 4, 2018.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the audit committee, board of directors and management of the Fresno Area Workforce Investment Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

*Moore Gilder & Company*

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

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Moore Grider & Company  
Certified Public Accountants

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Retired

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Fresno Area Workforce Investment Corporation  
Fresno, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of Fresno Area Workforce Investment Corporation, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fresno Area Workforce Investment Corporation as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. On pages 13 and 14, the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information on page 16 is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information and the schedule of expenditures of federal awards 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 January 4, 2018, on our consideration of Fresno Area Workforce Investment Corporation's internal control over financial reporting and on 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 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 Fresno Area Workforce Investment Corporation's internal control over financial reporting and compliance.

*Moore Gilder & Company*

Fresno, California  
January 4, 2018



**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**STATEMENTS OF FINANCIAL POSITION**

**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 408,090	\$ 328,275
Grants receivable	980,819	1,155,710
Other receivables	44,568	36,311
Prepaid expenses	<u>166,655</u>	<u>167,466</u>
<b>TOTAL CURRENT ASSETS</b>	1,600,132	1,687,762
<b>DEPOSITS</b>	<u>9,064</u>	<u>9,064</u>
<b>TOTAL ASSETS</b>	<u><b>1,609,196</b></u>	<u><b>1,696,826</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	1,182,465	1,242,779
Accrued vacation	<u>156,282</u>	<u>157,303</u>
<b>TOTAL CURRENT LIABILITIES</b>	1,338,747	1,400,082
<b>COMMITMENTS AND CONTINGENCIES (Note 3)</b>	0	0
<b>NET ASSETS</b>		
Unrestricted	<u>270,449</u>	<u>296,744</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 1,609,196</b></u>	<u><b>\$ 1,696,826</b></u>

See Accompanying Notes to Financial Statements

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
<b>UNRESTRICTED REVENUE AND OTHER SUPPORT</b>		
Federal revenue:		
Grant income	\$ 14,506,276	\$ 13,707,329
Program income	<u>148,639</u>	<u>129,417</u>
<b>Total federal revenue</b>	14,654,915	13,836,746
Other revenue:		
Grant income - State	541,624	485,991
Program income	0	0
Other income	<u>0</u>	<u>28,427</u>
<b>TOTAL UNRESTRICTED REVENUE         AND OTHER SUPPORT</b>	<u>15,196,539</u>	<u>14,351,164</u>
<b>EXPENSES</b>		
Program Services:		
Workforce Investment Act (WIOA) Title I programs:		
Adult Funds	5,245,819	5,342,008
Youth Formula	4,437,075	4,194,359
Dislocated Worker Funds	3,621,871	2,979,980
Rapid Response Funds	391,119	584,477
Job Driven National Emergency Grant	20,144	355,076
15% Special Project VEAP	128,813	45,140
25% Special Project VEAP	31,356	73,725
Disability Employment Accelerator	134,031	108,301
15% Slingshot	627,796	69,333
RICO III	112,964	64,666
Proposition 39 Pre-Apprenticeship	428,662	421,325
USDA - Valley Grow	0	75,936
EPA- Brownsfield	16,890	8,411
Supporting Services	<u>26,294</u>	<u>663</u>
<b>TOTAL EXPENSES</b>	<u>15,222,834</u>	<u>14,323,400</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	(26,295)	27,764
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	<u>296,744</u>	<u>268,980</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<u>\$ 270,449</u>	<u>\$ 296,744</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	WIOA Title I Adult Funds	WIOA Title I Youth Formula	WIOA Title I DW Funds	WIOA Title I Rapid Response	Job Driven National Emergency Grant	15% Special Project VEAP	25% Special Project VEAP
Advertising	\$ 62,434	\$ 7,693	\$ 46,156	\$ 1,103	\$ 0	\$ 0	\$ 0
Communications	48,389	19,495	29,734	9,021	0	45	34
Insurance	18,263	11,505	11,988	656	0	9	7
Maintenance	122,969	30,397	79,693	6,622	0	58	41
Memberships	11,978	4,487	11,390	444	0	99	68
Miscellaneous	33,780	41,350	25,465	1,426	0	149	(30)
Office expenses	16,974	5,573	12,176	3,276	0	24	17
Professional services	88,741	54,451	61,965	3,528	0	0	0
Property purchases	47,994	26,051	29,538	2,834	0	18	13
Rent and leases	420,646	82,460	277,443	51,245	0	548	392
Salaries and benefits	883,501	602,881	741,970	122,780	0	1,759	3,245
Service providers	3,394,403	3,528,398	2,229,769	178,362	20,144	125,980	27,459
Staff development	18,001	8,835	13,805	2,240	0	4	3
Travel	5,446	3,323	4,108	2,398	0	76	75
Utilities	72,300	10,176	46,671	5,184	0	44	32
<b>TOTAL EXPENSES</b>	<b>\$ 5,245,819</b>	<b>\$ 4,437,075</b>	<b>\$ 3,621,871</b>	<b>\$ 391,119</b>	<b>\$ 20,144</b>	<b>\$ 128,813</b>	<b>\$ 31,356</b>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Disability Employment Accelerator DEA	Title I 15% Slingshot, Gov Discretionary	RICO III	Prop 39 Pre- Apprenticeship	EPA Brownsfield	Supportive Services	Total
Advertising	\$ 10	\$ 2,336	\$ 3,314	\$ 0	\$ 0	\$ 0	\$ 123,046
Bad debt	0	0	0	0	0	16,171	\$ 16,171
Communications	182	560	76	0	0	0	107,536
Insurance	261	130	0	0	0	0	42,819
Maintenance	395	1,356	66	0	0	585	242,182
Memberships	492	1,144	0	0	0	0	30,102
Miscellaneous	395	2,335	1,584	0	77	9,193	115,724
Office expenses	175	535	111	0	4	0	38,865
Professional services	1,524	2,362	0	46,787	0	0	259,358
Property purchases	314	358	0	0	0	0	107,120
Rent and leases	2,939	8,150	1,710	0	0	0	845,533
Salaries and benefits	31,155	63,810	10,530	30,989	6,298	0	2,498,918
Service providers	94,170	532,614	95,380	350,252	9,523	345	10,586,799
Staff development	1,727	10,063	0	236	922	0	55,836
Travel	61	1,315	27	398	66	0	17,293
Utilities	231	728	166	0	0	0	135,532
<b>TOTAL EXPENSES</b>	<b>\$ 134,031</b>	<b>\$ 627,796</b>	<b>\$ 112,964</b>	<b>\$ 428,662</b>	<b>\$ 16,890</b>	<b>\$ 26,294</b>	<b>\$ 15,222,834</b>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	WIA/WIOA Title I Adult Funds	WIA/WIOA Title I Youth Formula	WIA/WIOA Title I DW Funds	WIA/WIOA Title I Rapid Response	Job Driven National Emergency Grant	15% Special Project VEAP	25% Special Project VEAP	Disability Employment Accelerator
Advertising	\$ 12,216	\$ 6,214	\$ 9,793	\$ 4,852	\$ 0	\$ 0	0	\$ 0
Communications	32,058	18,493	18,864	2,683	134	0	1	0
Insurance	19,423	11,553	11,076	741	422	0	6	0
Maintenance	112,257	30,097	59,056	5,017	783	0	8	0
Memberships	12,528	5,167	8,328	1,315	310	0	0	0
Miscellaneous	36,080	26,924	14,210	5,241	370	406	662	0
Office expenses	23,186	4,704	12,482	2,913	146	0	0	0
Professional services	103,934	53,210	50,260	7,978	2,633	0	41	0
Property purchases	42,461	13,093	25,522	10,556	190	0	2	0
Rent and leases	432,531	93,025	228,324	43,904	2,865	0	20	0
Salaries and benefits	908,097	611,101	586,491	143,473	21,943	0	281	0
Service providers	3,521,764	3,295,715	1,911,634	346,318	324,930	44,636	72,605	108,296
Staff development	14,016	9,883	7,513	3,135	133	0	0	0
Travel	5,493	3,026	3,665	1,795	21	98	98	5
Utilities	65,964	12,154	32,762	4,556	196	0	1	0
<b>TOTAL EXPENSES</b>	<b>\$ 5,342,008</b>	<b>\$ 4,194,359</b>	<b>\$ 2,979,980</b>	<b>\$ 584,477</b>	<b>\$ 355,076</b>	<b>\$ 45,140</b>	<b>73,725</b>	<b>\$ 108,301</b>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	Title I 15% Slingshot, Gov Discretionary	RICO III	Prop 39 Pre- Apprenticeship	USDA-Valley Grow	EPA Brownsfield	Supportive Services	Total
Advertising	\$ 10,705	\$ 0	\$ 0	150	\$ 45	\$ 0	\$ 43,975
Communications	4	10	0	62	5	0	72,314
Insurance	0	0	0	52	0	0	43,273
Maintenance	0	18	0	250	0	547	208,033
Memberships	0	0	0	0	0	0	27,648
Miscellaneous	0	0	4,948	2,522	0	69	91,432
Office expenses	0	9	421	1,199	0	0	45,060
Professional services	0	0	0	62	0	0	218,118
Property purchases	0	0	0	53	0	0	91,877
Rent and leases	0	212	0	1,703	0	0	802,584
Salaries and benefits	0	1,016	18,432	30,036	5,146	47	2,326,063
Service providers	58,286	63,282	394,535	39,326	1,509	0	10,182,836
Staff development	259	0	2,532	146	1,706	0	39,323
Travel	79	104	457	242	0	0	15,083
Utilities	0	15	0	133	0	0	115,781
<b>TOTAL EXPENSES</b>	<b>\$ 69,333</b>	<b>\$ 64,666</b>	<b>\$ 421,325</b>	<b>\$ 75,936</b>	<b>\$ 8,411</b>	<b>\$ 663</b>	<b>\$ 14,323,400</b>

See Accompanying Notes to Financial Statements

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (26,295)	\$ 27,764
Adjustments to reconcile increase in net assets to net cash provided from operating activities		
Changes in:		
Grants receivable	174,891	(39,901)
Other receivables	(8,257)	27,404
Prepaid expenses	811	(21,983)
Deposits	0	8,156
Accounts payable and accrued expenses	(60,314)	22,804
Accrued vacation	<u>(1,021)</u>	<u>11,769</u>
<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>79,815</b>	<b>36,013</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u><b>0</b></u>	<u><b>0</b></u>
<b>NET INCREASE IN CASH</b>	<b>79,815</b>	<b>36,013</b>
<b>CASH, beginning of year</b>	<u><b>328,275</b></u>	<u><b>292,262</b></u>
<b>CASH, end of year</b>	<u><u><b>\$ 408,090</b></u></u>	<u><u><b>\$ 328,275</b></u></u>

See Accompanying Notes to Financial Statements

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fresno Area Workforce Investment Corporation (FAWIC), a California nonprofit corporation, is an administrator of federal pass-through funds for various governmental programs. The Corporation, in turn, contracts with various service providers to provide training and services to eligible program participants in the Fresno City and County Service Delivery Area. Programs administered by the organization include the Workforce Investment and Opportunity Act (WIOA) and other employment-related training programs.

The following is a summary of the significant accounting policies of the organization:

**Method of accounting** – The financial statements are prepared using the accrual basis of accounting, in which support and revenue are recognized when earned or due and expenses are recognized when incurred.

**Basis of presentation** – The organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Grants and other receivables** – Grants and other receivables are stated at the amounts management expects to collect from outstanding balances. At June 30, 2017 and 2016, the organization considers all amounts to be fully collectible; therefore, no allowance for doubtful accounts is reflected.

**Capitalization of assets** – Assets purchased with grant funds are not depreciated but expensed when purchased, as required by the funding agencies.

**Accrued vacation** – The organization has accrued a liability for vacation pay which has been earned but not taken by employees. Accrued vacation at June 30, 2017 and 2016 totaled \$156,282 and \$157,303, respectively.

**Income taxes** – FAWIC is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Franchise Tax Code. Thus, no provision for income taxes is included in the accompanying financial statements.

Tax returns are filed in U.S. federal and state of California jurisdictions. Tax returns remain subject to examination by the U.S. federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination. Interest and penalties on tax assessments are classified as an expense when incurred. For the years ended June 30, 2017 and 2016, interest and penalties totaled \$0.

**Accounting estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Expense allocations** – The costs of providing various programs have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Expenses are charged to programs and supporting services on the basis of program costs. Administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization. Accordingly, administrative costs have been allocated among the programs and supporting services benefited.

**Advertising costs** – Advertising costs are expensed as incurred and totaled \$123,046 and \$43,975 for the years ended June 30, 2017 and 2016, respectively.

**NOTE 2: RETIREMENT PLAN**

The organization participates in a single-employer 403(b), Tax Sheltered Savings Plan with Capital Bank and Trust. Monthly contributions by the organization are 7% of gross salaries with all contributions being 100% vested.

Amounts charged to salaries and benefits expense and contributed to the plan for the years ended June 30, 2017 and 2016 were \$123,142 and \$118,454, respectively.

**NOTE 3: COMMITMENTS AND CONTINGENCIES**

**Grants**

Revenue received under grant agreements is subject to audit and retroactive adjustment by third-party payers. There are no pending audits or proposed adjustments, and no provision for estimated retroactive adjustments has been provided.

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See next page for continuation of notes.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 3: COMMITMENTS AND CONTINGENCIES (Continued)

**Operating Leases**

The organization leases various equipment, warehouse and office space under noncancellable operating leases that end at various dates through October 2021. Future minimum lease payments are as follows:

<b>Year Ending June 30,</b>	
2018	\$ 821,536
2019	730,075
2020	735,794
2021	631,298
2022	<u>102,682</u>
<b>Total</b>	<b><u>\$ 3,021,385</u></b>

Lease expense totaled \$845,533 and \$802,584 for the years ended June 30, 2017 and 2016, respectively.

NOTE 4: CONCENTRATIONS

**Credit Risk**

The organization maintains its cash accounts with one bank located in Fresno, California. The Federal Deposit Insurance Corporation (FDIC) insures total cash balances up to \$250,000 per bank. At June 30, 2017 and 2016, the organization's uninsured cash balances totaled \$410,716 and \$410,778, respectively.

**Grant Revenue**

During both the years ended June 30, 2017 and 2016, approximately 96% of the organization's support was from the U.S. Department of Labor under various Workforce Investment Act grants.

NOTE 5: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 4, 2018 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2017 that would require adjustment to, or disclosure in the financial statements.

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract Number	Federal Expenditures	Amount to Subrecipients
<i>U.S. Department of Labor</i>				
<i>Passed through from the State of California Employment Development Department</i>				
Workforce Innovation and Opportunity Act (WIOA)				
Title I Adult Formula 2	17.258	K698359	\$ 248,578	\$ 262,189
Title I Adult Formula	17.258	K7102028	581,656	441,956
Title I Adult Formula 2	17.258	K7102028	3,435,585	1,856,485
Title I Adult Round 2 Transfer from DW	17.258	K698359	980,000	833,773
Title I 15% Slingshot, Gov Discretionary	17.258	K594758	334,862	286,322
Title I Slingshot	17.258	K7102028	292,934	246,292
Title I 15% VEAP SFP 14/15, Gov Discretionary	17.258	K594758	128,813	125,980
Title I Disability Employment Accelerator (DEA)	17.258	K594758	40,224	28,517
Title I WAF 3.0 New Accelerator	17.258	K698359	93,807	65,653
Subtotal - Title I WIA Adult Programs			<u>6,136,459</u>	<u>4,147,167</u>
Title I Youth Formula	17.259	K698359	696,430	671,807
Title I Youth Formula	17.259	K7102028	3,740,645	2,856,591
Subtotal - Title I WIA/WIOA Youth Programs			<u>4,437,075</u>	<u>3,528,398</u>
Title I Dislocated Worker 2 Adult Rnd 2	17.278	K698359	1,346,736	1,249,583
Title I Dislocated Worker 2	17.278	K7102028	798,633	636,561
Title I Dislocated Worker Adult Rnd 2	17.278	K7102028	1,476,502	343,625
Subtotal - Title I WIA/WIOA Dislocated Worker Programs			<u>3,621,871</u>	<u>2,229,769</u>

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract Number	Federal Expenditures	Amount to Subrecipients
<u>U.S. Department of Labor</u>				
<i>Passed through from the State of California Employment Development Department (continued)</i>				
Workforce Innovation and Opportunity Act (WIOA) (continued)				
Title I Rapid Response 2	17.278	K7102028	\$ 172,803	\$ 0
Title I Rapid Response 25% CVIEP	17.278	K594758	32,432	0
Title I Rapid Response 25% CVIEP	17.278	K594758	135,674	128,153
Title I VEAP 25% SFP 14/15	17.278	K594758	31,356	27,459
Title I RR Layoff Aversion	17.278	K698359	11,614	11,614
Title I RR Layoff Aversion 2	17.278	K698359	38,595	38,595
Subtotal - Title I Rapid Response Programs			422,475	205,821
Total WIOA Cluster			14,617,880	10,111,155
<u>U.S. Department of Labor</u>				
<i>Passed through from:</i>				
<i>Madera County WIC</i>				
Job Driven National Emergency Grant	17.277	13-01	20,144	20,144
U.S. Environmental Protection Industry			20,144	20,144
Brownfields Grant, EWD & JT	66.815	99T30101	16,890	9,523
			16,890	9,523
Total Expenditures of Federal Awards			\$ 14,654,914	\$ 10,140,822

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Fresno Area Workforce Investment Corporation under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Fresno Area Workforce Investment Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Fresno Area Workforce Investment Corporation.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Fresno Area Workforce Investment Corporation has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: CLUSTERS**

The WIOA Cluster includes the following CFDA numbers:

17.258  
17.259  
17.278

Federal expenditures for the WIOA Cluster totaled \$14,617,880.

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**COMPARISON OF EXPENSES**

**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017		2016	
	Amount	% of Total	Amount	% of Total
Advertising	\$ 123,046	0.81%	\$ 43,975	0.31%
Bad debt	16,171	0.11%	0	0.00%
Communications	107,536	0.71%	72,314	0.50%
Insurance	42,819	0.28%	43,273	0.30%
Maintenance	242,182	1.59%	208,033	1.45%
Memberships	30,102	0.20%	27,648	0.19%
Miscellaneous	115,724	0.76%	91,432	0.64%
Office expenses	38,865	0.26%	45,060	0.31%
Professional services	259,358	1.70%	218,118	1.52%
Property purchases	107,120	0.70%	91,877	0.64%
Rent and leases	845,533	5.55%	802,584	5.60%
Salaries and benefits	2,498,918	16.42%	2,326,063	16.24%
Service providers	10,586,799	69.55%	10,182,836	71.09%
Staff development	55,836	0.37%	39,323	0.27%
Travel	17,293	0.11%	15,083	0.11%
Utilities	<u>135,532</u>	<u>0.89%</u>	<u>115,781</u>	<u>0.81%</u>
<b>Total</b>	<b><u>\$ 15,222,834</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 14,323,400</u></b>	<b><u>100.00%</u></b>



Moore Grider & Company

Certified Public Accountants

A Partnership Including  
Accountancy Corporations  
and a Partnership

Richard L. Holland, C.P.A.

Thomas L. Bell, C.P.A.  
Accountancy Corporation

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A., C.F.E.  
Accountancy Corporation

Pamela J. Gallemore, C.P.A.  
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Karl L. Noyes, C.P.A.  
Accountancy Corporation

Cory J. Bell, C.P.A.

Kendall K. Wheeler, C.P.A.

Tom Collins, C.P.A.  
Accountancy Corporation

Aaron C. Studt, C.P.A.

Carrie M. Wiebe, C.P.A., C.F.E.

Lozano, Lozano & Company  
Accountancy Partnership with partners:

Phil A. Lozano, C.P.A.

Ginger A. Lozano, C.P.A.

Rena R. Avedikian, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

Nicholas Medeiros, C.P.A.

Oscar Espinoza, C.P.A.

Lisa Brown, C.P.A., C.F.E.

Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.  
1923-2016

Robert E. Grider, C.P.A.  
Retired

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Fresno Area Workforce Investment Corporation  
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Fresno Area Workforce Investment Corporation, which comprise the statement of financial position as of June 30, 2017, 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 January 4, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fresno Area Workforce Investment Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fresno Area Workforce Investment Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Fresno Area Workforce Investment Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Fresno Area Workforce Investment Corporation's financial statements are free of 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.

*Moore Grier & Company*

Fresno, California  
January 4, 2018





Moore Grider & Company

Certified Public Accountants

A Partnership Including  
Accountancy Corporations  
and a Partnership

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Thomas L. Bell, C.P.A.  
Accountancy Corporation

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A., C.F.E.  
Accountancy Corporation

Pamela J. Gallemore, C.P.A.  
Accountancy Corporation

Karl L. Noyes, C.P.A.  
Accountancy Corporation

Cory J. Bell, C.P.A.

Kendall K. Wheeler, C.P.A.

Tom Collins, C.P.A.  
Accountancy Corporation

Aaron C. Studt, C.P.A.

Carrie M. Wiebe, C.P.A., C.F.E.

Lozano, Lozano & Company  
Accountancy Partnership with partners:

Phil A. Lozano, C.P.A.

Ginger A. Lozano, C.P.A.

Rena R. Avedikian, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

Nicholas Medeiros, C.P.A.

Oscar Espinoza, C.P.A.

Lisa Brown, C.P.A., C.F.E.

Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.  
1923-2016

Robert E. Grider, C.P.A.  
Retired

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Fresno Area Workforce Investment Corporation  
Fresno, California

**Report on Compliance for Each Major Federal Program**

We have audited Fresno Area Workforce Investment Corporation's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Fresno Area Workforce Investment Corporation's major federal programs for the year ended June 30, 2017. Fresno Area Workforce Investment Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Fresno Area Workforce Investment Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fresno Area Workforce Investment Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Fresno Area Workforce Investment Corporation's compliance.

### Opinion on Each Major Federal Program

In our opinion, Fresno Area Workforce Investment Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### Report on Internal Control Over Compliance

Management of Fresno Area Workforce Investment Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Fresno Area Workforce Investment Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fresno Area Workforce Investment Corporation's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Moore Gilder & Company*

Fresno, California  
January 4, 2018

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2017**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

- Type of auditors' report issued: Unmodified opinion
- Internal control over financial reporting:
  - Material weakness identified: No
  - Significant deficiencies identified: None reported
- Noncompliance material to the financial statements noted: No

**Federal Awards**

- Internal control over major programs:
  - Material weakness identified: No
  - Significant deficiencies identified: None reported
- Type of auditors' report issued on compliance for major programs: Unmodified opinion
- Any audit findings disclosed that are required to be reported in accordance with s CFR section 200.516(a): No
- Major programs:

CFDA Number	Name of Federal Program or Cluster
17.258	WIOA Title I Adult Formula
17.259	WIOA Title I Youth Formula
17.278	WIOA Title I Dislocated Worker
17.278	WIOA Title I Rapid Response
17.277	Job Driven National Emergency Grant

- Dollar threshold used to distinguish Type A and B programs: \$ 750,000
- Fresno Area Workforce Investment Corporation qualified as a low-risk auditee: Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS** None

**SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS** None

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2017**

<b>Section II – Financial Statement Findings</b>	None
<b>Section III – Federal Award Findings and Questioned Costs</b>	None

# FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	5
MEETING DATE:	January 17, 2018
ACTION:	DIRECT

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**TO:** Board of Directors

**FROM:** Paul Bauer, Board Chair

**SUBJECT:** Referral of Agenda Items to the Fresno Regional Workforce Development Board and/or Its Committees

**RECOMMENDATION:**

Discuss and direct staff to refer agenda items from this meeting to the Fresno Regional Workforce Development Board and/or its committees.

**REASON FOR RECOMMENDATION:**

This item is intended to allow your Board to collectively decide which of the items you just discussed should be referred to another committee(s), and the reason they are being referred (information, action, etc.).