



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Board of Directors Meeting
April 19, 2017 @ 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.	Approval of the July 20, 2016, Meeting Minutes	Konczal	Yes	Approve	3
2.	Items Referred by the Fresno Regional Workforce Development Board or Its Committees	Konczal	Yes	Information	6
3.	Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2016	Konczal	Yes	Accept	7
4.	Referral of Agenda Items to the Fresno Regional Workforce Development Board and/or Its Committees	Bauer	Yes	Direct	34
5.	Information Sharing	All	No	Discussion	--
6.	July 19, 2017, Agenda Items	Konczal	No	Discussion	--
7.	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**

Canceled

	1/18/2017	4/19/2017	7/19/2017	10/18/2017
Baines	XX			
Bauer	XX			
Borgeas	XX			
Montalbano	XX			
Olson	XX			
Riojas	XX			
Zabrycki	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:	April 19, 2017
ACTION:	APPROVE

2125 Kern Street, Suite 208 • Fresno, CA 93721 • (559) 490-7100 • Fax (559) 490-7199 • www.workforce-connection.com

TO: Board of Directors
FROM: Blake Konczal, Chief Executive Officer
SUBJECT: Approval of the July 20, 2016, Meeting Minutes

RECOMMENDATION:

Approve the minutes of the July 20, 2016, meeting.

ATTACHMENT:

July 20, 2016, Board of Directors Meeting Minutes



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Board of Directors
July 20, 2016

SUMMARY MINUTES

The meeting was called to order at 4:02 p.m.

ROLL CALL: PRESENT – Oliver Baines, Paul Bauer, Dennis Montalbano, Chuck Riojas, and Legal Counsel Ken Price

ABSENT – Andreas Borgeas, Aric Olson, and Lydia Zabrycki

AGENDA CHANGES: None

ABSTENTIONS: None

BOARD CHAIR/
STAFF COMMENTS: None

PUBLIC COMMENTS: None

Item	Description/Action Taken
------	--------------------------

1. **Approval of January 20, 2016, Meeting Minutes**

Blake Konczal, Chief Executive Officer, Fresno Area Workforce Investment Corporation (FAWIC), presented the January 20, 2016, meeting minutes for approval.

RIOJAS/MONTALBANO – APPROVED THE MINUTES OF THE JANUARY 20, 2016, 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.

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 strives to ensure that the personnel manual is compliant with all local, state and federal rules. 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.

Item	Description/Action Taken
	<p>Mr. Konczal asked Ms. Nutting if there were any particular policy changes she wanted to bring to the board's attention. She stated that the State Mandated Paid Sick Leave law had been updated slightly, so the FAWIC's policy has been revised. She informed the board that most of the changes were updating language in the policies to make them compliant with current laws, and also providing clarification in areas that might have been confusing to staff.</p>
	<p>MONTALBANO/RIOJAS – APPROVED THE FRESNO AREA WORKFORCE INVESTMENT CORPORATION PERSONNEL MANUAL REVISIONS. (UNANIMOUS)</p>
4.	<p><u>Referral of Agenda Items to the Fresno Regional Workforce Development Board and/or Its Committees</u></p>
	<p>There were no items referred to the Fresno Regional Workforce Development Board and/or its committees.</p>
5.	<p><u>Information Sharing</u></p>
	<p>None.</p>
6.	<p><u>October 19, 2016, Agenda Items</u></p>
	<p>None.</p>
7.	<p><u>Meeting Feedback</u></p>
	<p>None.</p>

The meeting was adjourned at 4:08 p.m.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	2
MEETING DATE:	April 19, 2017
ACTION:	INFORMATION

2125 Kern Street, Suite 208 • Fresno, CA 93721 • (559) 490-7100 • Fax (559) 490-7199 • www.workforce-connection.com

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:	April 19, 2017
ACTION:	ACCEPT

2125 Kern Street, Suite 208 • Fresno, CA 93721 • (559) 490-7100 • Fax (559) 490-7199 • www.workforce-connection.com

TO: Fresno Area Workforce Investment Corporation
FROM: Audit Committee
SUBJECT: Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2016

RECOMMENDATION:

Accept the financial statements and supplemental data for the fiscal year ending June 30, 2016.

The Audit Committee approved this recommendation on February 9, 2017.

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, 2016. The financial statements include comparative balances for fiscal year ending June 30, 2015. There were no findings or recommendations in the report. The Fresno Area Workforce Investment Corporation 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, 2016, and 2015



Moore Grider & Company
 Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

*A Partnership Including
 Accountancy Corporations*

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.,
 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.

Rena R. Avedikian, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

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

Nicholas Medeiros, C.P.A.

Oscar Espinoza, C.P.A.

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

Stalin Hernandez, C.P.A.

Abel M. Cabello, F.A.

L. Jerome Moore, C.P.A.
 Retired

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

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, 2016 and 2015, 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, 2016 and 2015, 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 December 27, 2016, 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
December 27, 2016

FRESNO AREA WORKFORCE INVESTMENT CORPORATION
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEARS ENDED JUNE 30, 2016 AND 2015

FRESNO AREA WORKFORCE INVESTMENT CORPORATION
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEARS ENDED JUNE 30, 2016 AND 2015

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 8
Statements of Cash Flows	9
NOTES TO FINANCIAL STATEMENTS	10 - 12
SUPPLEMENTAL DATA	
Schedule of Expenditures of Federal Awards	13 - 14
Notes to Schedule of Expenditures of Federal Awards	15
Comparison of Expenses	16
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 <u>GOVERNMENT AUDITING STANDARDS</u>	17 - 18
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	19 - 20
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	21
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	22



Moore Grider & Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

A Partnership Including
Accountancy Corporations

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.,
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.

Rena R. Avedikian, C.P.A.
Kelli D. Steele, C.P.A.
Julie B. Fillmore, C.P.A.

Carric M. Wiebe, C.P.A., C.F.E.
Nicholas Medeiros, C.P.A.

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

Stalin Hernandez, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.
Retired

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

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, 2016 and 2015, 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, 2016 and 2015, 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 December 27, 2016, 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 Greider & Company

Fresno, California
December 27, 2016

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 328,275	\$ 292,262
Grants receivable	1,155,710	1,115,809
Other receivables	36,311	63,715
Prepaid expenses	<u>167,466</u>	<u>145,483</u>
TOTAL CURRENT ASSETS	1,687,762	1,617,269
DEPOSITS	<u>9,064</u>	<u>17,220</u>
TOTAL ASSETS	<u>1,696,826</u>	<u>1,634,489</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,242,779	1,219,975
Accrued vacation	<u>157,303</u>	<u>145,534</u>
TOTAL CURRENT LIABILITIES	1,400,082	1,365,509
COMMITMENTS AND CONTINGENCIES (Note 3)	0	0
NET ASSETS		
Unrestricted	<u>296,744</u>	<u>268,980</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,696,826</u>	<u>\$ 1,634,489</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
UNRESTRICTED REVENUE AND OTHER SUPPORT		
Federal revenue:		
Grant income	\$ 13,707,329	\$ 14,268,533
Program income	129,417	353,945
Total federal revenue	<u>13,836,746</u>	<u>14,622,478</u>
Other revenue:		
Grant income - State	485,991	53,587
Program income	0	14
Other income	28,427	228,720
TOTAL UNRESTRICTED REVENUE AND OTHER SUPPORT	<u>14,351,164</u>	<u>14,904,799</u>
EXPENSES		
Program Services:		
Workforce Investment Act (WIA) Title I programs:		
Adult Funds	5,342,008	3,894,359
Youth Formula	4,194,359	4,394,878
Dislocated Worker Funds	2,979,980	4,655,670
Rapid Response Funds	584,477	1,156,748
Job Driven National Emergency Grant	355,076	168,376
15% Special Project VEAP	45,140	105,701
25% Special Project VEAP	73,725	0
Disability Employment Accelerator	108,301	0
15% Slingshot	69,333	0
15% WAF	0	150,000
RICO III	64,666	0
Proposition 39 Pre-Apprenticeship	421,325	53,587
USDA - Valley Grow	75,936	96,746
EPA- Brownsfield	8,411	0
Supporting Services	663	485,215
TOTAL EXPENSES	<u>14,323,400</u>	<u>15,161,280</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	27,764	(256,481)
UNRESTRICTED NET ASSETS, beginning of year	<u>268,980</u>	<u>525,461</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 296,744</u>	<u>\$ 268,980</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	WIA Title I Adult Funds	WIA Title I Youth Formula	WIA Title I DW Funds	WIA 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
TOTAL EXPENSES	\$ 5,342,008	\$ 4,194,359	\$ 2,979,980	\$ 584,477	\$ 355,076	\$ 45,140	\$ 73,725	\$ 108,301

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
TOTAL EXPENSES	\$ 69,333	\$ 64,666	\$ 421,325	\$ 75,936	\$ 8,411	\$ 663	\$ 14,323,400

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

	WIA Title I Adult Funds	WIA Title I Youth Formula	WIA Title I DW Funds	WIA Title I Rapid Response Funds	Job Driven National Emergency Grant	15% Special Project VEAP
Advertising	\$ 45,604	\$ 11,890	\$ 43,163	\$ 8,837	3	\$ 0
Communications	31,182	18,917	37,069	4,657	177	52
Insurance	13,684	11,336	16,228	1,285	231	0
Maintenance	56,082	33,057	101,456	12,680	194	0
Memberships	10,829	5,108	9,117	1,782	144	0
Miscellaneous	30,459	38,378	23,569	23,444	197	2,592
Office expenses	21,885	7,967	24,292	6,220	114	1,477
Professional services	52,019	37,342	48,162	63,314	1,116	9,838
Property purchases	61,465	17,260	73,734	11,426	30	9,882
Rent and leases	241,164	124,295	538,403	57,203	1,232	0
Salaries and benefits	792,529	583,809	691,231	242,606	14,884	6,115
Service providers	2,482,588	3,472,864	2,936,640	712,926	149,904	75,741
Staff development	13,847	11,569	11,918	2,854	39	0
Enterprise zone distribution	0	0	0	0	0	0
Travel	4,382	2,760	3,602	2,332	14	4
Utilities	36,640	18,326	97,086	5,182	97	0
TOTAL EXPENSES	\$ 3,894,359	\$ 4,394,878	\$ 4,655,670	\$ 1,156,748	\$ 168,376	\$ 105,701

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

	Title I 15% WAF	Prop 39 Pre- Apprenticeship	USDA-Valley Grow	Total Program Services	Supporting Services	Total
Advertising	\$ 109	\$ 0	\$ 3	\$ 109,609	\$ 0	\$ 109,609
Communications	237	183	1,086	93,560	91	93,651
Insurance	26	0	330	43,120	15	43,135
Maintenance	147	0	848	204,464	1,958	206,422
Memberships	308	0	1,825	29,113	0	29,113
Miscellaneous	239	0	3,752	122,630	154,287	276,917
Office expenses	141	0	979	63,075	201	63,276
Professional services	65,978	0	3,626	281,395	36,752	318,147
Property purchases	33	0	324	174,154	1,084	175,238
Rent and leases	1,418	0	6,658	970,373	814	971,187
Salaries and benefits	16,077	25,201	60,121	2,432,573	10,662	2,443,235
Service providers	65,125	27,603	15,911	9,939,302	0	9,939,302
Staff development	31	324	58	40,640	369	41,009
Enterprise zone distribution	0	0	0	0	278,802	278,802
Travel	10	276	665	14,045	110	14,155
Utilities	121	0	560	158,012	70	158,082
TOTAL EXPENSES	\$ 150,000	\$ 53,587	\$ 96,746	\$ 14,676,065	\$ 485,215	\$ 15,161,280

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 27,764	\$ (256,481)
Adjustments to reconcile increase (decrease) in net assets to net cash provided from (used by) operating activities		
Changes in:		
Grants receivable	(39,901)	(234,445)
Other receivables	27,404	29,295
Prepaid expenses	(21,983)	8,149
Deposits	8,156	9,911
Accounts payable and accrued expenses	22,804	(21,703)
Accrued vacation	<u>11,769</u>	<u>3,188</u>
 NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES	 36,013	 (462,086)
 CASH FLOWS FROM INVESTING ACTIVITIES	 0	 0
 CASH FLOWS FROM FINANCING ACTIVITIES	 <u>0</u>	 <u>0</u>
 NET INCREASE (DECREASE) IN CASH	 36,013	 (462,086)
 CASH, beginning of year	 <u>292,262</u>	 <u>754,348</u>
 CASH, end of year	 <u><u>\$ 328,275</u></u>	 <u><u>\$ 292,262</u></u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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 Act (WIA) 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, 2016 and 2015, 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, 2016 and 2015 totaled \$157,303 and \$145,534, 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, 2016 and 2015, interest and penalties totaled \$0.

Generally accepted accounting principles provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state tax returns are more likely than not to be sustained upon examination.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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

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.

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 \$43,975 and \$109,609 for the years ended June 30, 2016 and 2015, 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, 2016 and 2015 were \$118,454 and \$120,940, 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.

This page space left blank intentionally.
See next page for continuation of notes.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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 November 2020. Future minimum lease payments are as follows:

Year Ending June 30,	
2017	\$ 590,249
2018	606,196
2019	509,839
2020	523,626
2021	<u>537,414</u>
Total	<u>\$ 2,767,324</u>

Lease expense totaled \$802,584 and \$971,187 for the years ended June 30, 2016 and 2015, 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, 2016 and 2015, the organization's uninsured cash balances totaled \$410,778 and \$364,858, respectively.

Grant Revenue

During the years ended June 30, 2016 and 2015, approximately 96% and 98%, respectively, 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 December 27, 2016 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2016 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, 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</i>				
Workforce Investment Act (WIA)				
Title I Adult Formula 2	17.258	K594758	\$ 943,685	\$ 700,039
Title I Adult Formula	17.258	K698359	347,699	260,827
Title I Adult Formula 2	17.258	K698359	3,510,624	2,283,275
Title I Adult Round 2 Transfer from DW	17.258	K698359	540,000	277,623
Title I 15% Slingshot, Gov Discretionary	17.258	K594758	69,333	58,286
Title I 15% VEAP SFP 14/15, Gov Discretionary	17.258	K594758	45,140	44,636
Title I Disability Employment Accelerator (DEA)	17.258	K594758	108,301	108,296
Subtotal - Title I WIA Adult Programs			<u>5,564,782</u>	<u>3,732,982</u>
Title I Youth Formula	17.259	K594758	538,777	524,023
Title I Youth Formula	17.259	K698359	3,655,582	2,771,692
Subtotal - Title I WIA Youth Programs			<u>4,194,359</u>	<u>3,295,715</u>
Title I Dislocated Worker 2	17.278	K594758	1,441,628	1,043,889
Title I Dislocated Worker 2	17.278	K698359	781,273	537,120
Title I Dislocated Worker Adult Rnd 2	17.278	K698359	757,079	330,625
Subtotal - Title I WIA Dislocated Worker Programs			<u>2,979,980</u>	<u>1,911,634</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>				
Title I Rapid Response 2	17.278	K594758	\$ 48,238	\$ 2,555
Title I Rapid Response 1	17.278	K698359	42,025	0
Title I Rapid Response 2	17.278	K698359	131,404	12,518
Title I Rapid Response 25% CVIEP	17.278	K594758	265,143	262,971
Title I Rapid Response 25% CVIEP	17.278	K491015	76,413	68,274
Title I VEAP 25% SFP 14/15	17.278	K594758	73,725	72,605
Title I RR Layoff Aversion	17.278	K594758	10,326	0
Title I RR Layoff Aversion 2	17.278	K594758	10,928	0
Subtotal - Title I Rapid Response Programs			658,202	418,923
<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	355,076	324,930
			355,076	324,930
<u>U.S. Department of Agriculture</u>				
USDA - Valley Grow	10.443	11732505	75,936	39,326
			75,936	39,326
<u>U.S. Environmental Protection Industry</u>				
Brownfields Grant, EWD & JT	66.815	99T30101	8,411	1,509
			8,411	1,509
Total Expenditures of Federal Awards			\$ 13,836,746	\$ 9,725,019

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

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, 2016. 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 OMB Circular A-122, *Costs Principles for Non-profit Organizations*, or 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 WIA Cluster includes the following CFDA numbers:

17.258
17.259
17.278

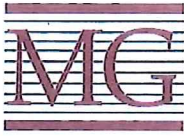
Federal expenditures for the WIA Cluster totaled \$13,397,323.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMPARISON OF EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016		2015	
	Amount	% of Total	Amount	% of Total
Advertising	\$ 43,975	0.31%	\$ 109,609	0.72%
Communications	72,314	0.50%	93,651	0.62%
Insurance	43,273	0.30%	43,135	0.28%
Maintenance	208,033	1.45%	206,422	1.36%
Memberships	27,648	0.19%	29,113	0.19%
Miscellaneous	91,432	0.64%	276,917	1.83%
Office expenses	45,060	0.31%	63,276	0.42%
Professional services	218,118	1.52%	318,147	2.10%
Property purchases	91,877	0.64%	175,238	1.16%
Rent and leases	802,584	5.60%	971,187	6.41%
Salaries and benefits	2,326,063	16.24%	2,443,235	16.11%
Service providers	10,182,836	71.09%	9,939,302	65.56%
Staff development	39,323	0.27%	41,009	0.27%
Enterprise zone distribution	0	0.00%	278,802	1.84%
Travel	15,083	0.11%	14,155	0.09%
Utilities	115,781	0.81%	158,082	1.04%
Total	\$ 14,323,400	100.00%	\$ 15,161,280	100.00%



Moore Grider & Company
Certified Public Accountants

**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**

*A Partnership Including
Accountancy Corporations*

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.,
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.

Rena R. Avedikian, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

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

Nicholas Medeiros, C.P.A.

Oscar Espinoza, C.P.A.

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

Stalin Hernandez, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.
Retired

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

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, 2016, 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 December 27, 2016.

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

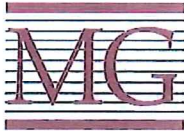
As part of obtaining reasonable assurance about whether Fresno Area Workforce Investment Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 Gilder & Company

Fresno, California
December 27, 2016



Moore Grider & Company
Certified Public Accountants

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

A Partnership Including
Accountancy Corporations

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.,
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.

Rena R. Avedikian, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

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

Nicholas Medeiros, C.P.A.

Oscar Espinoza, C.P.A.

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

Stalin Hernandez, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.
Retired

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

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, 2016. 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, 2016.

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 Grier & Company

Fresno, California
December 27, 2016

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

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	WIA Title I Adult Formula
17.259	WIA Title I Youth Formula
17.278	WIA Title I Dislocated Worker
17.278	WIA 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, 2016

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	4
MEETING DATE:	April 19, 2017
ACTION:	DIRECT

2125 Kern Street, Suite 208 • Fresno, CA 93721 • (559) 490-7100 • Fax (559) 490-7199 • www.workforce-connection.com

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.).