



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Special Board of Directors Meeting
January 29, 2020 @ 1:00 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.	April 17, 2019, Meeting Minutes	Konczal	Yes	Approve	3
2.	Items Referred by the Fresno Regional Workforce Development Board or Its Committees	Konczal	Yes	Information	6
3.	Specific Resolution of Signatory Authorization for Fresno Area Workforce Investment Corporation for Funding from the Forest Health Grant Program as Provided through California Climate Investments	Konczal	Yes	Approve	7
4.	General Updated Resolution of Signatory Authorization for Fresno Area Workforce Investment Corporation	Konczal	Yes	Approve	9
5.	Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2018	Beierschmitt	Yes	Accept	11
6.	Referral of Agenda Items to the Fresno Regional Workforce Development Board and/or Its Committees	Bauer	Yes	Direct	41
7.	Information Sharing	All	No	Discussion	--
8.	April 15, 2020, Agenda Items	Konczal	No	Discussion	--
9.	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
ATTENDANCE REPORT 2019**

	Canceled		Canceled	Canceled
	1/16/2019	4/17/2019	7/17/2019	10/16/2019
Bauer	XX	A	XX	XX
Hensley	XX	P	XX	XX
Miller	XX	P	XX	XX
Montalbano	XX	P	XX	XX
Quintero	XX	P	XX	XX
Riojas	XX	P	XX	XX
Soria	XX	P	XX	--
Zabrycki	XX	A	XX	XX

P = Present
A = Absent
-- = Not a Member at Time of Meeting

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	1
MEETING DATE:	January 29, 2020
ACTION:	APPROVE

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

TO: Board of Directors
FROM: Blake Konczal, Chief Executive Officer
SUBJECT: April 17, 2019, Meeting Minutes

RECOMMENDATION:

Approve the minutes of the April 17, 2019, Fresno Area Workforce Investment Corporation Board of Directors meeting.

ATTACHMENT:

April 17, 2019, Board of Directors Meeting Minutes



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Board of Directors
April 17, 2019

SUMMARY MINUTES

The meeting was called to order at 4:30 p.m.

ROLL CALL: PRESENT - Jeff Hensley, Scott Miller, Dennis Montalbano, Sal Quintero, Chuck Riojas, Esmeralda Soria, and Legal Counsel Ken Price

ABSENT - Paul Bauer and Lydia Zabrycki

AGENDA CHANGES: None

ABSTENTIONS: None

BOARD CHAIR/
STAFF COMMENTS: None

PUBLIC COMMENTS: None

Item Description/Action Taken

1. **April 18, 2018, Meeting Minutes**

Blake Konczal, Chief Executive Officer, Fresno Area Workforce Investment Corporation (FAWIC) presented the April 18, 2018, meeting minutes for approval.

RIOJAS/MONTALBANO – APPROVED THE MINUTES OF THE APRIL 18, 2018, 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. **Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2018**

Cheryl Beierschmitt, Deputy Director Fiscal Services, FAWIC, presented the Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2018, (audit report) which was prepared by Moore Grider and Company. On January 31, 2019, the FAWIC Audit Committee met to review the audit report and recommended it for the FAWIC Board's acceptance. Ms. Beierschmitt noted that there were no findings or recommendations in the audit report and that the FAWIC received an unqualified opinion and qualified as a low risk auditee.

MILLER/MONTALBANO – ACCEPTED THE FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA FOR FISCAL YEAR ENDING JUNE 30, 2018. (UNANIMOUS)

4. **Fresno Area Workforce Investment Corporation Personnel Manual Revisions**

Mr. Konczal presented for the Board's approval, the updated FAWIC Personnel Manual. Mr. Konczal provided an overview of the substantive policy changes, which were outlined in the agenda item. One of those changes was to Policy 107, Salary History, which was modified in response to AB2282. Director Soria asked for details on AB2282 and Legal Counsel Price indicated that he could look that up and send the information to her.

SORIA/MONTALBANO – APPROVED THE FRESNO AREA WORKFORCE INVESTMENT CORPORATION PERSONNEL MANUAL REVISIONS. (UNANIMOUS)

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

None.

6. **Information Sharing**

None.

7. **July 17, 2019, Agenda Items**

None.

The meeting was adjourned at 4:44 p.m.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	2
MEETING DATE:	January 29, 2020
ACTION:	INFORMATION

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

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 29, 2020
ACTION:	APPROVE

2125 Kern Street, Suite 208 • Fresno, CA 93721 • (559) 490-7101 • Fax (559) 490-7199 • www.frwdb.net

TO: Fresno Area Workforce Investment Corporation
FROM: Blake Konczal, Chief Executive Officer
SUBJECT: Specific Resolution of Signatory Authorization for Fresno Area Workforce Investment Corporation for Funding from the Forest Health Grant Program as Provided through California Climate Investments

RECOMMENDATION:

Approve a Resolution to appoint the Chief Executive Officer of the Fresno Area Workforce Investment Corporation (FAWIC) to execute all documents pertaining to the Forest Health Grant Program application.

REASON FOR RECOMMENDATION:

The California Department of Forestry and Fire Protection (CalFire) is requiring the attached Resolution form be executed by FAWIC in order to issue a grant agreement to the Fresno Regional Workforce Development Board related to the Forest Health Grant Program as provided through California Climate Investments.

ATTACHMENT:

Resolution of the Fresno Area Workforce Investment Corporation

Resolution No.: _____

RESOLUTION OF THE **FRESNO AREA WORKFORCE INVESTMENT CORPORATION OF THE CITY AND COUNTY OF FRESNO, CALIFORNIA**, FOR FUNDING FROM THE FOREST HEALTH GRANT PROGRAM AS PROVIDED THROUGH CALIFORNIA CLIMATE INVESTMENTS.

WHEREAS, the Governor of the State of California in cooperation with the California State Legislature has enacted State of California Greenhouse Gas Reduction Funding, which provides funds to the State of California and its political subdivisions for California Climate Investments, including forest health programs; and

WHEREAS, the State Department of Forestry and Fire Protection has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by local agencies, non-profit organizations, and others under the program, and

WHEREAS, said procedures established by the State Department of Forestry and Fire Protection require the applicant to certify by resolution the approval of application before submission of said application to the State; and

WHEREAS, the applicant will enter into an agreement with the State of California to carry out a forest health project;

NOW, THEREFORE, BE IT RESOLVED that the FRESNO AREA WORKFORCE INVESTMENT CORPORATION:

1. Approved the filing of an application for “California Climate Investments” Forest Health grant program funds; and
2. Certifies that said applicant has or will have sufficient funds to operate and maintain the project; and,
3. Certifies that funds under the jurisdiction of the Fresno Area Workforce Investment Corporation are available to begin the project.
4. Certifies that said applicant will expend grant funds prior to **March 31, 2024**.
5. Appoints **Chief Executive Officer**, or a designee, as agent of the **Fresno Area Workforce Investment Corporation** to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.

Approved and adopted the 29th day of January, 2020. I, the undersigned, hereby certify that the foregoing Resolution, number _____ was duly adopted by the following roll call vote:

Fresno Area Workforce Investment Corporation

Ayes: _____ Noes: _____ Absent: _____ (Clerk) Notarized Seal:

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	4
MEETING DATE:	January 29, 2020
ACTION:	APPROVE

2125 Kern Street, Suite 208 • Fresno, CA 93721 • (559) 490-7101 • Fax (559) 490-7199 • www.frwdb.net

TO: Fresno Area Workforce Investment Corporation
FROM: Blake Konczal, Chief Executive Officer
SUBJECT: Updated Resolution of Signatory Authorization for Fresno Area Workforce Investment Corporation

RECOMMENDATION:

Authorize the Chief Executive Officer (CEO) of the Fresno Area Workforce Investment Corporation (FAWIC) to submit proposals, contracts and agreements for, and by virtue of his/her signature, bind FAWIC to contractual agreements.

REASON FOR RECOMMENDATION:

Due to the continuing signatory requirements of the agency, it is necessary to update the resolution that grants this authority to the CEO of the FAWIC. Copies of the signed resolution are often required to accompany documents such as grant applications and subgrant agreements submitted to the State of California Employment Development Department. The current Resolution for Signatory Authorization was approved by the FAWIC on May 9, 2002.

ATTACHMENT:

Resolution for Signatory Authorization

**RESOLUTION OF THE
FRESNO AREA WORKFORCE INVESTMENT CORPORATION**

IN THE MATTER OF SIGNATORY AUTHORIZATION FOR THE FRESNO AREA WORKFORCE INVESTMENT CORPORATION JANUARY 29, 2020, UNTIL FURTHER NOTICE

WHEREAS, The Fresno Area Workforce Investment Corporation Desires To Grant Authorization To The Chief Executive Officer To Submit Proposals, Contracts And Agreements For, And By Virtue Of His/Her Signature Bind, The Fresno Area Workforce Investment Corporation To Contractual Agreements For The Period January 29, 2020, Until Further Notice.

NOW THEREFORE, Be It Resolved, The Fresno Area Workforce Investment Corporation Is Granting Authorization To The Chief Executive Officer To Sign And Submit Proposals, Contracts And Agreements, On Behalf Of The Fresno Area Workforce Investment Corporation, And By Virtue Of His/Her Signature, Bind The Fresno Area Workforce Investment Corporation To Contractual Agreements For The Period January 29, 2020, Until Further Notice.

Note: Should circumstances require a change in the above, a new signatory authorization shall be completed and forwarded to the appropriate agency.

Executed by: _____
Chair, Fresno Area Workforce Investment Corporation

Date: _____

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	5
MEETING DATE:	January 29, 2020
ACTION:	ACCEPT

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

TO: Fresno Area Workforce Investment Corporation
FROM: Audit Committee
SUBJECT: Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2019

RECOMMENDATION:

Accept the financial statements and supplemental data for the fiscal year ending June 30, 2019.

The Fresno Area Workforce Investment Corporation (FAWIC) Audit Committee approved this recommendation on January 15, 2020.

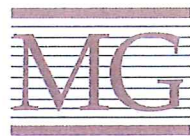
REASON FOR RECOMMENDATION:

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, 2019. The financial statements include comparative balances for fiscal year ending June 30, 2018. There were no findings or recommendations in the report (please see pages 23 and 24 of Attachment II). FAWIC received an unmodified 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, 2019, and 2018



AUDIT COMMITTEE LETTER

Moore Grider & Company
Certified Public Accountants

*A Partnership Including
 Accountancy Corporations
 and a Partnership*

January 6, 2020

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.
 Accountancy Corporation

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

Cory J. Bell, C.P.A.

Aaron C. Studt, C.P.A.

Kendall K. Wheeler, C.P.A.

Tom Collins, C.P.A.
 Accountancy Corporation

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

Lozano, Lozano & Company
 Accountancy Partnership with partners:

Phil A. Lozano, C.P.A.

Ginger A. Lozano, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

Oscar Espinoza, C.P.A.

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Ahsan Syed, C.P.A.

Gabriela Macias, C.P.A.

Abel M. Cabello, E.A.

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

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

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, 2019 and have issued our report thereon dated January 6, 2020. 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 July 2, 2019. 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. As described in Note 9, the Organization changed accounting policies in 2019 by adopting FASB Accounting Standards Update (ASU) No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. 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:

- Liquidity and availability of financial assets disclosed in Note 2 to the financial statements. The disclosure identifies the amount of financial assets that are available to meet general expenditures over the next 12 months.
- Concentration of grant revenue disclosed in Note 5 to the financial statements. The disclosure identifies that 98% 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. There were no corrected or uncorrected adjustments as result of the audit.

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 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 6, 2020.

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.

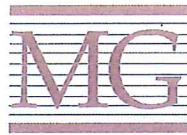
This information is intended solely for the use of the audit committee, board of directors and management of the Fresno Area Workforce Investment Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2019 AND 2018

FRESNO AREA WORKFORCE INVESTMENT CORPORATION
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2019 AND 2018

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Moore Grider & Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

A Partnership Including
Accountancy Corporations
and a Partnership

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Abel M. Cabello, E.A.

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

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, 2019 and 2018, 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, 2019 and 2018, 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

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. On pages 15 and 16, 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 18 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 18, 2019, 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, in 2019, the Organization adopted Accounting Standard Update (ASU) No. 2016-14, *Not-for-Profit Entities (topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Moore Gilder & Company

Fresno, California
December 18, 2019

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018 (Restated)
ASSETS		
CURRENT ASSETS		
Cash	\$ 264,321	\$ 226,824
Grants receivable	1,685,931	1,357,560
Other receivables	21,933	18,848
Prepaid expenses	<u>139,044</u>	<u>131,198</u>
TOTAL CURRENT ASSETS	2,111,229	1,734,430
DEPOSITS	<u>9,064</u>	<u>9,064</u>
TOTAL ASSETS	<u>2,120,293</u>	<u>1,743,494</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,659,487	1,291,196
Accrued vacation	<u>159,638</u>	<u>153,695</u>
TOTAL CURRENT LIABILITIES	1,819,125	1,444,891
COMMITMENTS AND CONTINGENCIES (Note 4)	0	0
NET ASSETS		
Without donor restrictions	<u>301,168</u>	<u>298,603</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,120,293</u>	<u>\$ 1,743,494</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018 (Restated)
REVENUE AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
Federal revenue:		
Grant income	\$ 14,558,944	\$ 14,346,512
Program income	<u>136,604</u>	<u>139,477</u>
Total federal revenue	14,695,548	14,485,989
Other revenue:		
Grant income - State	<u>277,948</u>	<u>304,449</u>
TOTAL REVENUE AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>14,973,496</u>	<u>14,790,438</u>
EXPENSES		
Program Services:		
Workforce Investment Act (WIOA) Title I programs:		
Adult Funds	5,125,893	5,364,879
Youth Formula	5,697,205	4,475,552
Dislocated Worker Funds	2,955,434	3,470,765
Rapid Response Funds	420,313	188,741
Collaborative for Effective Services English Language	117,775	67,647
Regional Training Coordinator	0	10,000
ETPL Project Merced	78,215	0
Implementation and Innovation	0	27,143
WAF 6.0 and 7.0	199,233	56,162
WAF 3.0 New Accelerator	0	56,192
Slingshot	81,214	299,268
Slingshot Statewide Capacity Building	0	309,906
CalJobs VOS Enhancement Touch Screen	5,309	7,691
EPA- Brownfields	14,957	152,043
STEPS Foundation	23,148	0
Proposition 39 Pre-Apprenticeship	250,829	303,913
Administrative Services	<u>1,406</u>	<u>19,342</u>
TOTAL EXPENSES	<u>14,970,931</u>	<u>14,809,244</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,565</u>	<u>(18,806)</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS , beginning of year	298,603	270,449
Prior period adjustment (Note 7)	0	46,960
NET ASSETS WITHOUT DONOR RESTRICTIONS , beginning of year as restated	<u>298,603</u>	<u>317,409</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS , end of year	<u>\$ 301,168</u>	<u>\$ 298,603</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	WIOA Title I Adult Funds	WIOA Title I Youth Formula	WIOA Title I DW Funds	WIOA Title I Rapid Response	Collabrative for Effective Services English Language	Title I Slingshot	ETPL Project Merced
Advertising	\$ 48,174	\$ 66,179	\$ 27,986	\$ 12,615	\$ 0	\$ 0	\$ 0
Communications	29,100	38,631	16,794	9,227	0	0	0
Insurance	16,563	21,985	9,559	487	0	0	0
Maintenance	72,897	95,500	42,014	4,100	0	0	0
Memberships	11,876	15,763	6,854	0	0	0	0
Miscellaneous	27,785	37,098	15,316	1,686	0	0	0
Office expenses	12,947	17,195	7,473	1,517	13	0	0
Professional services	58,008	75,374	32,708	383	0	0	78,215
Property purchases	56,013	114,539	32,283	7,563	0	0	0
Rent and leases	259,582	344,551	149,808	97,013	0	0	0
Salaries and benefits	802,157	1,064,727	462,935	185,897	45,313	48,761	0
Service providers	3,666,007	3,716,574	2,114,317	80,255	63,218	31,105	0
Staff development	19,937	29,553	11,506	5,472	8,558	778	0
Travel	6,323	8,402	3,649	1,066	673	570	0
Utilities	38,524	51,134	22,232	13,032	0	0	0
TOTAL EXPENSES	\$ 5,125,893	\$ 5,697,205	\$ 2,955,434	\$ 420,313	\$ 117,775	\$ 81,214	\$ 78,215

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	CalJobs VOS	WAF 6.0 & 7.0	STEPS (Foundation)	Prop 39 Pre- Apprenticeship	EPA Brownsfield	Administrative Services	Total
Advertising	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 154,954
Communications	0	183	0	0	0	0	93,935
Insurance	0	0	0	0	0	0	48,594
Maintenance	0	0	0	0	0	259	214,770
Memberships	0	0	0	0	0	0	34,493
Miscellaneous	0	0	0	0	0	787	82,672
Office expenses	188	0	330	0	0	0	39,663
Professional services	0	0	0	0	0	0	244,688
Property purchases	5,121	0	0	0	0	0	215,519
Rent and leases	0	0	0	0	0	0	850,954
Salaries and benefits	0	26,801	11,475	22,698	1,605	0	2,672,369
Service providers	0	171,042	11,250	227,639	13,352	360	10,095,119
Staff development	0	1,202	0	268	0	0	77,274
Travel	0	5	93	224	0	0	21,005
Utilities	0	0	0	0	0	0	124,922
TOTAL EXPENSES	\$ 5,309	\$ 199,233	\$ 23,148	\$ 250,829	\$ 14,957	\$ 1,406	\$ 14,970,931

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	WIOA Title I Adult Funds	WIOA Title I Youth Formula	WIOA Title I DW Funds	WIOA Title I Rapid Response	Collabrative for Effective Services English Language	Title I Slingshot	Title I Slingshot Capacity Building	WAF 3.0 New Accelerator
Advertising	\$ 90,449	\$ 7,650	\$ 55,423	\$ 3,053	\$ 457	\$ 105	\$ 44	\$ 23
Communications	45,744	16,991	27,918	3,946	227	0	18	9
Insurance	21,970	12,839	13,735	250	0	0	6	126
Maintenance	122,122	32,410	78,059	2,470	0	0	41	0
Memberships	14,400	5,823	13,488	641	0	0	60	49
Miscellaneous	38,726	30,914	23,204	1,738	90	9	245	0
Office expenses	22,939	5,024	15,052	963	327	0	25	3
Professional services	157,461	35,959	82,122	313	0	0	29	0
Property purchases	40,173	11,418	25,015	138	0	0	9	0
Rent and leases	452,683	67,938	290,152	18,598	6,317	0	312	0
Salaries and benefits	1,087,202	641,682	844,190	124,327	43,812	0	3,262	0
Service providers	3,159,984	3,581,617	1,929,579	28,321	13,377	297,909	305,574	55,982
Staff development	27,867	12,394	21,356	1,014	1,562	1,245	148	0
Travel	10,664	4,521	6,073	1,204	657	0	96	0
Utilities	72,495	8,372	45,399	1,765	821	0	37	0
TOTAL EXPENSES	\$ 5,364,879	\$ 4,475,552	\$ 3,470,765	\$ 188,741	\$ 67,647	\$ 299,268	\$ 309,906	\$ 56,192

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	WAF 6.0 Ex Offender	Title I CalJobs VOS							Total
		Enhancement Touch Screen	Implementation and Innovation	Regional Training Coordinator	Prop 39 Pre Apprenticeship	EPA Brownfields	Administrative Services		
Advertising	\$ 1,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 158,458	
Communications	88	0	0	0	6	21	0	94,968	
Insurance	6	0	0	0	0	0	0	48,932	
Maintenance	56	0	0	0	0	0	313	235,471	
Memberships	70	0	0	0	0	0	0	34,531	
Miscellaneous	64	0	1,160	0	0	16	18,713	114,879	
Office expenses	21	0	0	0	0	5	0	44,359	
Professional services	1	0	2,613	8,324	2,950	0	0	289,772	
Property purchases	15	7,691	0	0	0	0	0	84,459	
Rent and leases	415	0	0	0	0	0	0	836,415	
Salaries and benefits	3,602	0	0	0	0	4,762	0	2,752,839	
Service providers	50,489	0	0	0	297,631	147,082	0	9,867,545	
Staff development	2	0	23,370	1,676	3,097	150	316	94,197	
Travel	28	0	0	0	229	7	0	23,479	
Utilities	51	0	0	0	0	0	0	128,940	
TOTAL EXPENSES	\$ 56,162	\$ 7,691	\$ 27,143	\$ 10,000	\$ 303,913	\$ 152,043	\$ 19,342	\$ 14,809,244	

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 2,565	\$ (18,806)
Adjustments to reconcile increase (decrease) in net assets to net cash provided from (used by) operating activities		
Changes in:		
Grants receivable	(328,371)	(376,741)
Other receivables	(3,085)	25,720
Prepaid expenses	(7,846)	35,457
Accounts payable and accrued expenses	368,291	155,691
Accrued vacation	<u>5,943</u>	<u>(2,587)</u>
 NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES	 37,497	 (181,266)
 CASH FLOWS FROM INVESTING ACTIVITIES	 0	 0
 CASH FLOWS FROM FINANCING ACTIVITIES	 <u>0</u>	 <u>0</u>
 NET INCREASE (DECREASE) IN CASH	 37,497	 (181,266)
 CASH, beginning of year	 <u>226,824</u>	 <u>408,090</u>
 CASH, end of year	 <u>\$ 264,321</u>	 <u>\$ 226,824</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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 two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Grants and other receivables – Grants and other receivables are stated at the amounts management expects to collect from outstanding balances. At June 30, 2019 and 2018, 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, 2019 and 2018 totaled \$159,638 and \$153,695, 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, 2019 and 2018, 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, 2019 AND 2018

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 \$154,954 and \$158,458 for the years ended June 30, 2019 and 2018, respectively.

NOTE 2: **AVAILABILITY AND LIQUIDITY**

Quantitative - Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash	\$ 264,321
Accounts receivable	1,685,931
Other receivables	21,933
Prepaid expenses	<u>139,044</u>
Total Financial Assets	<u>\$ 2,111,229</u>

Qualitative – The Organization maintains financial assets, consisting of cash on hand, accounts receivable and prepaid expenses to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. The Organization's goal is to maintain enough financial assets to meet 30 days of operating expenses given the nature of the reimbursement grants with which it operates.

NOTE 3: **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, 2019 and 2018 were \$130,744 and \$132,670, respectively.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 4: 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.

Operating Leases

The organization leases various equipment, warehouse and office space under noncancellable operating leases that end at various dates through May 2024. Future minimum lease payments are as follows:

Year Ending June 30,

2020	\$ 826,172
2021	723,395
2022	118,674
2023	16,232
2024	<u>15,081</u>
Total	<u>\$ 1,699,554</u>

Lease expense totaled \$850,953 and \$836,169 for the years ended June 30, 2019 and 2018, respectively.

NOTE 5: 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, 2019, and 2018, the organization's uninsured cash balances totaled \$221,185 and \$270,303, respectively.

Grant Revenue

During the years ended June 30, 2019 and 2018, approximately 98% and 99%, respectively, of the organization's support was from the U.S. Department of Labor under various Workforce Investment Act grants.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 6: FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function for the year ended June 30, 2019 are as follow:

	Program	Administration	Fundraising	Totals
Advertising	\$ 149,209	\$ 5,745	\$ 0	\$ 154,954
Communications	93,903	32	0	93,935
Insurance	26,181	22,413	0	48,594
Maintenance	196,628	18,142	0	214,770
Memberships	34,306	187	0	34,493
Miscellaneous	81,150	1,522	0	82,672
Office expenses	38,983	680	0	39,663
Professional services	197,451	47,237	0	244,688
Property purchases	214,902	617	0	215,519
Rent and leases	850,954	0	0	850,954
Salaries and benefits	1,761,486	879,023	31,860	2,672,369
Service providers	9,731,293	363,826	0	10,095,119
Staff development	65,473	11,801	0	77,274
Travel	16,282	4,723	0	21,005
Utilities	124,922	0	0	124,922
TOTAL EXPENSES	<u>\$ 13,583,123</u>	<u>\$ 1,355,948</u>	<u>\$ 31,860</u>	<u>\$14,970,931</u>

Expenses by function for the year ended June 30, 2018 are as follow:

	Program	Administration	Fundraising	Totals
Advertising	\$ 156,857	\$ 1,601	\$ 0	\$ 158,458
Communications	88,050	6,918	0	94,968
Insurance	24,365	24,567	0	48,932
Maintenance	198,127	37,344	0	235,471
Memberships	34,108	423	0	34,531
Miscellaneous	82,855	32,024	0	114,879
Office expenses	36,926	7,433	0	44,359
Professional services	214,518	75,254	0	289,772
Property purchases	79,005	5,454	0	84,459
Rent and leases	727,275	109,140	0	836,415
Salaries and benefits	1,919,014	823,198	10,627	2,752,839
Service providers	9,623,291	244,254	0	9,867,545
Staff development	75,649	18,548	0	94,197
Travel	18,217	5,262	0	23,479
Utilities	114,949	13,991	0	128,940
TOTAL EXPENSES	<u>\$ 13,393,206</u>	<u>\$ 1,405,411</u>	<u>\$ 10,627</u>	<u>\$14,809,244</u>

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 6: FUNCTIONAL CLASSIFICATION OF EXPENSES (Continued)

The accompanying statement of activities reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable and systematic basis that is consistently applied by management in the preparation of its annual financial statements. The expenses that are allocated include costs for salaries and benefits, which are allocated on the basis of time sheets supporting actual time and effort. Other operational expenses including advertising, communications, insurance, maintenance, memberships, miscellaneous, office expenses, professional services, property purchases, rent and leases, service providers, staff development travel and utilities are allocated on the basis of time and effort and actual costs as reported by services providers.

NOTE 7: PRIOR PERIOD ADJUSTMENT

The Organization updated its accounting software in a prior period. During the transition balances of \$46,960 were duplicated in the accounts payable module. An entry was made to eliminate the duplicate balance in the accounts payable which also increased net assets without donor restrictions. The adjustment has no impact to previously reported cash flow information.

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2019 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2019 that would require adjustment to, or disclosure in the financial statements.

NOTE 9: CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-14, *Not-for-profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has applied the changes retrospectively to all periods presented. The new standard changes the following aspects of the financial statements:

- Unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources (Note 2)
- The financial statements include a disclosure to present expenses by function and nature and disclosures regarding methodologies to allocates costs among program and support functions (Note 6).

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

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 Innovation and Opportunity Act (WIOA)				
Title I Adult Formula 2	17.258	K9110006	\$ 2,368,556	\$ 1,649,651
Title I Adult Formula	17.258	K9110006	837,285	105,845
Title I Adult Formula 2	17.258	K8106174	795,052	785,511
Title I Adult Round 2 Transfer from DW	17.258	K8106174	1,125,000	1,125,000
Title I WAF 6.0 Ex Offender	17.258	K8106174	191,469	167,142
Title I WAF 7.0 Accelerator Fund Adult Rd 2	17.258	K9110006	3,900	3,900
Title I WAF 7.0 Accelerator Fund Adult Rd 1	17.258	K9110006	3,864	0
Title I Slingshot-Construction Pre-Apprenticeship Pipeline	17.258	K8106174	81,214	31,105
Title I CalJobs VOS Enhancement Touch Screen	17.258	K7102028	5,309	0
Subtotal - Title I WIA Adult Programs			5,411,649	3,868,154
Title I Youth Formula Rd 1	17.259	K9110006	4,143,260	3,418,287
Title I Youth Formula	17.259	K8106174	1,553,945	298,287
Subtotal - Title I WIA Youth Programs			5,697,205	3,716,574
Title I Dislocated Worker Rd 1	17.278	K9110006	921,551	217,004
Title I Dislocated Worker Adult Rnd 2	17.278	K9110006	922,819	786,250
Title I Dislocated Worker Adult Rnd 2	17.278	K8106174	1,111,064	1,111,064
Subtotal - Title I WIA Dislocated Worker Programs			2,955,434	2,114,317

FRESNO AREA WORKFORCE INVESTMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

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	K8106174	\$ 35,311	\$ 0
Title I Rapid Response 1	17.278	K9110006	47,726	0
Title I Rapid Response 2	17.278	K9110006	237,117	15,700
Title I RR Layoff Aversion 2	17.278	K8106174	25,503	25,503
Title I RR Layoff Aversion	17.278	K8106174	8,240	8,240
Title I RR Layoff Aversion	17.278	K9110006	13,461	11,646
Title I RR Layoff Aversion 2	17.278	K9110006	52,955	19,166
Subtotal - Title I Rapid Response Programs			<u>420,313</u>	<u>80,255</u>
<i>Passed through from Madera County WIC</i>				
Collabrative for Effective Services English Language	17.258	n/a	117,775	63,218
<i>Passed Through from Merced County</i>				
Regional Career Ladders/ETPL Projects	17.258	2019035	78,215	0
Total WIOA Cluster			14,680,591	9,842,519
<u>U.S. Environmental Protection Industry</u>				
<i>Passed through from:</i>				
Brownfields Grant, EWD & JT	66.815	99T30101	14,957	13,352
Total Expenditures of Federal Awards			<u>\$ 14,695,548</u>	<u>\$ 9,855,870</u>

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

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, 2019. 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 \$14,680,591

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMPARISON OF EXPENSES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Amount	% of Total	Amount	% of Total
Advertising	\$ 154,954	1.04%	\$ 158,458	1.07%
Communications	93,935	0.63%	94,968	0.64%
Insurance	48,594	0.32%	48,932	0.33%
Maintenance	214,770	1.43%	235,471	1.59%
Memberships	34,493	0.23%	34,531	0.23%
Miscellaneous	82,672	0.55%	114,879	0.78%
Office expenses	39,663	0.26%	44,359	0.30%
Professional services	244,688	1.63%	289,772	1.96%
Property purchases	215,519	1.44%	84,459	0.57%
Rent and leases	850,954	5.68%	836,415	5.65%
Salaries and benefits	2,672,369	17.85%	2,752,839	18.59%
Service providers	10,095,119	67.43%	9,867,545	66.63%
Staff development	77,274	0.52%	94,197	0.64%
Travel	21,005	0.14%	23,479	0.16%
Utilities	124,922	0.83%	128,940	0.87%
Total	\$ 14,970,931	100.00%	\$ 14,809,244	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
 and a Partnership*

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Denise S. Hurst, C.P.A.

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Ahsan Syed, C.P.A.

Gabriela Macias, C.P.A.

Abel M. Cabello, E.A.

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

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, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2019.

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

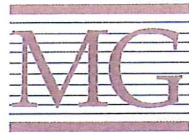
As part of obtaining reasonable assurance about whether Fresno Area Workforce Investment Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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
December 18, 2019



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.
Accountancy Corporation

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

Cory J. Bell, C.P.A.

Aaron C. Studt, C.P.A.

Kendall K. Wheeler, C.P.A.

Tom Collins, C.P.A.
Accountancy Corporation

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

Lozano, Lozano & Company
Accountancy Partnership with partners:

Phil A. Lozano, C.P.A.

Ginger A. Lozano, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, 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.

Ahsan Syed, C.P.A.

Gabriela Macias, C.P.A.

Abel M. Cabello, E.A.

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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, 2019. Fresno Area Workforce Investment Corporation's major federal programs are identified in the summary of auditors' 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, 2019.

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 Shider & Company

Fresno, California
December 18, 2019

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

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 2 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

- 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, 2019

Section II – Financial Statement Findings	None
Section III – Federal Award Findings and Questioned Costs	None

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	6
MEETING DATE:	January 29, 2020
ACTION:	DIRECT

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

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.).