



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Audit Committee
February 10, 2021 @ 2:00 p.m.
via Zoom

Per Executive Order N-29-20, which allows local and state legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, this regularly scheduled meeting will be held via conference call and can be accessed as follows:

Use the information below to join this meeting:

Join Zoom Meeting

<https://us02web.zoom.us/j/89188979469?pwd=TVVvSW92T0RQeldvdWVoNnFtUDV4QT09>

or Call In: 1-669-900-6833

Meeting ID: 891 8897 9469

Password: 312902

The public may participate in the meeting as otherwise permitted under the Brown Act by calling into the number above.

ROLL CALL

AGENDA CHANGES: REMOVAL OF ITEMS OR EMERGENCY ADDITIONS

ABSTENTIONS/DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

CHAIR/STAFF REPORT

PUBLIC COMMENTS

Item	Description	Presenter	Enclosure	Action	Page #
1.	Approval of the January 15, 2020, Meeting Minutes	Beierschmitt	Yes	Approve	2
2.	Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2020	Beierschmitt	Yes	Recommend to Accept	5

ACCOMMODATIONS FOR PERSONS WITH DISABILITIES

Disabled individuals and individuals who are limited English proficient 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 or who are limited English proficient by making meeting materials available in alternative formats. Requests for assistance should be made at least three (3) working days in advance of the meeting.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	1
MEETING DATE:	February 10, 2021
ACTION:	APPROVE

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

TO: Audit Committee

FROM: Cheryl Beierschmitt, Deputy Director of Fiscal Services

SUBJECT: Approval of January 15, 2020, Meeting Minutes

RECOMMENDATION:

Approve the minutes of the January 15, 2020, Audit Committee meeting.

ATTACHMENT:

January 15, 2020, Meeting Minutes



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Audit Committee
January 15, 2020

SUMMARY MINUTES

The meeting was called to order at 2:00 p.m.

ROLL CALL: PRESENT – Paul Bauer, Scott Miller and Robert Wiebe

ABSENT – Sam Norman

AGENDA CHANGES: None

ABSTENTIONS/RECUSALS/
DISCLOSURES OF
POTENTIAL CONFLICTS OF
INTEREST: None

BOARD CHAIR/
STAFF COMMENTS: None

PUBLIC COMMENTS: None

Item	Description/Action Taken
1.	<p><u>Approval of the January 31, 2019, Meeting Minutes</u></p> <p>Cheryl Beierschmitt, Deputy Director of Fiscal Services, Fresno Regional Workforce Development Board (FRWDB) presented the January 31, 2019, meeting minutes for correction and/or approval.</p> <p>BAUER/MILLER – APPROVED THE JANUARY 31, 2019, MEETING MINUTES (UNANIMOUS).</p>
2.	<p><u>Acceptance of Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2019</u></p> <p>Ms. Beierschmitt presented the Fresno Area Workforce Investment Corporation (FAWIC) Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2019. Ms. Beierschmitt stated that an organization receiving more than \$750,000 in federal funds a year are required to have a single audit annually. Ms. Beierschmitt added that the audit was conducted in November 2019 by Moore Grider and Company.</p> <p>Oscar Espinoza, Certified Public Accountant, Moore Grider and Company, gave an overview of the reports and added that duplicate items were cleaned up on the report. Mr. Espinoza distributed a handout to the Audit Committee that showed the statement of activities for years that ended in June 30, 2017, and 2016 for comparison to the current fiscal year.</p>

Item	Description/Action Taken
	<p>Mr. Wiebe asked why there was an increase in equipment purchases and Ms. Beierschmitt explained that it was due to the addition of new computers mainly for the youth program.</p> <p>Mr. Espinoza stated that there were no issues or findings on the reports and he thanked Ms. Beierschmitt, and the FAWIC fiscal staff for their cooperation during the audit process.</p> <p>Mr. Wiebe requested the Audit Committee's acceptance of the financial statements and supplemental data.</p> <p>BAUER/MILLER – RECOMMENDED THAT THE FRESNO AREA WORKFORCE INVESTMENT CORPORATION ACCEPT THE FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA FOR FISCAL YEAR ENDING JUNE 30, 2019 (UNANIMOUS).</p>

The meeting was adjourned at 2:16 p.m.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	2
MEETING DATE:	February 10, 2021
ACTION:	RECOMMEND TO ACCEPT

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

TO: Audit Committee

FROM: Cheryl Beierschmitt, Deputy Director of Fiscal Services

SUBJECT: Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2020

RECOMMENDATION:

Recommend that the Fresno Area Workforce Investment Corporation (FAWIC) Board of Directors accept the financial statements and supplemental data for the fiscal year ending June 30, 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, 2020. The financial statements include comparative balances for fiscal year ending June 30, 2019. 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. Once the Audit Committee has accepted the reports, the final reports will be forwarded to the FAWIC Board of Directors and the Fresno Regional Workforce Development Board.

ATTACHMENTS:

ATTACHMENT I: Audit Committee Letter

ATTACHMENT II: Fresno Area Workforce Investment Corporation Financial Statements and Supplemental Data Years Ended June 30, 2020, and 2019



AUDIT COMMITTEE LETTER

Moore Grider & Company LLP

Certified Public Accountants

*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., 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

Ginger A. Lozano, C.P.A.

Abel M. Cabello, E.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.

Shaina M. Miracle, C.P.A.

Kara J. Nickel, C.P.A.

Kirsten Years, C.P.A.

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

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

February 10, 2021

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, 2020 and have issued our report thereon dated February 10, 2021. 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 September 16, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Fresno Area Workforce Investment Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2020. 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 to develop 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 are based upon lease terms of various equipment, warehouse and office space.

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

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

- Concentration of grant revenue disclosed in Note 5 to the financial statements. The disclosure identifies that 99% 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 Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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 28, 2021.

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, 2020 AND 2019



Moore Grider & Company LLP
Certified Public Accountants

*A Partnership Including
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fresno Area Workforce Investment Corporation
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of Fresno Area Workforce Investment Corporation, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, combining statements of activities, 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, 2020 and 2019, 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 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 February 10, 2021, 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.

Monic Khider & Company

Fresno, California
February 10, 2021

FRESNO AREA WORKFORCE INVESTMENT CORPORATION
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fresno Area Workforce Investment Corporation
Fresno, California

Report on the Financial Statements

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Moore Gilder & Company

Fresno, California
February 10, 2021

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 221,251	\$ 264,321
Grants receivable	1,691,942	1,685,931
Other receivables	46,912	21,933
Prepaid expenses	<u>102,682</u>	<u>139,044</u>
TOTAL CURRENT ASSETS	2,062,787	2,111,229
DEPOSITS	<u>9,064</u>	<u>9,064</u>
TOTAL ASSETS	<u>2,071,851</u>	<u>2,120,293</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,584,408	1,659,487
Accrued vacation	<u>186,456</u>	<u>159,638</u>
TOTAL CURRENT LIABILITIES	1,770,864	1,819,125
COMMITMENTS AND CONTINGENCIES (Note 4)	0	0
NET ASSETS		
Without donor restrictions	<u>300,987</u>	<u>301,168</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,071,851</u>	<u>\$ 2,120,293</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
REVENUE AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
Federal revenue:		
Grant income	\$ 16,625,962	\$ 14,558,944
Program income	<u>369,571</u>	<u>136,604</u>
Total federal revenue	<u>16,995,533</u>	<u>14,695,548</u>
Other revenue:		
Grant income - State and City	<u>210,451</u>	<u>277,948</u>
TOTAL REVENUE AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>17,205,984</u>	<u>14,973,496</u>
EXPENSES		
Program Services:		
Workforce Investment Act (WIOA) Title I programs:		
Adult Funds	6,132,223	5,125,893
Youth Formula	6,830,716	5,697,205
Dislocated Worker Funds	3,435,279	2,955,434
Rapid Response Funds	319,122	420,313
Collaborative for Effective Services English Language	0	117,775
COVID-19 Employment Recovery	49	0
ETPL Project Merced	31,785	78,215
WAF 6.0 and 7.0	84,648	199,233
Slingshot	134,757	81,214
CalJobs VOS Enhancement Touch Screen	0	5,309
COVID-19 Impacted Individuals	26,954	0
EPA-Brownfields	0	14,957
Prison to Employment	112	0
P2E Merced	12,915	0
Regional Planning Merced	4,381	0
STEPS Foundation	147,651	23,148
Proposition 39 Pre-Apprenticeship	0	250,829
Administrative Services	<u>45,573</u>	<u>1,406</u>
TOTAL EXPENSES	<u>17,206,165</u>	<u>14,970,931</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(181)	2,565
NET ASSETS WITHOUT DONOR RESTRICTIONS, beginning of year	<u>301,168</u>	<u>298,603</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, end of year	<u><u>\$ 300,987</u></u>	<u><u>\$ 301,168</u></u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	WIOA Title I Adult Funds	WIOA Title I Youth Formula	WIOA Title I DW Funds	WIOA Title I Rapid Response	COVID-19 Employment Recovery	Title I Slingshot	ETPL Project Merced
Advertising	\$ 89,771	\$ 149,170	\$ 53,842	\$ 7,553	\$ 0	\$ 0	\$ 0
Communications	36,789	54,232	21,656	3,870	0	0	0
Insurance	15,817	23,315	9,311	252	0	0	0
Maintenance	68,648	101,233	40,411	1,967	0	0	0
Memberships	11,495	16,945	6,767	0	0	0	0
Miscellaneous	26,699	30,159	13,344	1,026	0	0	0
Office expenses	17,087	26,126	10,059	8,878	49	257	0
Professional services	82,246	121,226	48,366	15,257	0	0	20,785
Property purchases	29,861	72,044	18,355	12,822	0	0	0
Rent and leases	275,561	406,210	162,214	19,056	0	0	0
Salaries and benefits	815,580	1,224,706	480,106	238,698	0	16,293	11,000
Service providers	4,598,564	4,510,209	2,530,480	1,964	0	116,968	0
Staff development	18,679	28,149	13,628	4,615	0	0	0
Travel	5,445	8,056	3,205	1,622	0	1,238	0
Utilities	39,980	58,935	23,535	1,545	0	0	0
TOTAL EXPENSES	<u>\$ 6,132,223</u>	<u>\$ 6,830,716</u>	<u>\$ 3,435,279</u>	<u>\$ 319,122</u>	<u>\$ 49</u>	<u>\$ 134,757</u>	<u>\$ 31,785</u>

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	COVID-19 Impacted Individuals	WAF 6.0 & 7.0	STEPS Foundation	Prison to Employment	P2E Merced	Regional Planning Merced	Administrative Services	Total
Advertising	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,336
Communications	0	0	0	0	0	0	0	116,547
Insurance	0	0	0	0	0	0	0	48,695
Maintenance	0	0	0	0	0	0	151	212,410
Memberships	0	0	0	0	0	0	0	35,207
Miscellaneous	0	60	0	0	0	0	130	71,418
Office expenses	162	0	4	0	0	0	0	62,622
Professional services	12,500	0	0	0	0	0	1,475	301,855
Property purchases	2,792	0	0	0	0	0	0	135,874
Rent and leases	0	0	0	0	0	0	0	863,041
Salaries and benefits	0	15,218	58,275	0	12,908	4,189	3,870	2,880,843
Service providers	11,500	68,729	86,534	0	0	0	39,941	11,964,889
Staff development	0	532	1,190	0	0	0	0	66,793
Travel	0	110	1,647	112	7	192	6	21,640
Utilities	0	0	0	0	0	0	0	123,995
TOTAL EXPENSES	\$ 26,954	\$ 84,648	\$ 147,651	\$ 112	\$ 12,915	\$ 4,381	\$ 45,573	\$ 17,206,165

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	Collaborative for Effective Services English Language	Title 1 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 Brownfields	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

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (181)	\$ 2,565
Adjustments to reconcile increase (decrease) in net assets to net cash provided from (used by) operating activities		
Changes in:		
Grants receivable	(6,011)	(328,371)
Other receivables	(24,979)	(3,085)
Prepaid expenses	36,362	(7,846)
Accounts payable and accrued expenses	(75,079)	368,291
Accrued vacation	<u>26,818</u>	<u>5,943</u>
 NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES	 (43,070)	 37,497
 CASH FLOWS FROM INVESTING ACTIVITIES	 0	 0
 CASH FLOWS FROM FINANCING ACTIVITIES	 <u>0</u>	 <u>0</u>
 NET INCREASE (DECREASE) IN CASH	 (43,070)	 37,497
 CASH, beginning of year	 <u>264,321</u>	 <u>226,824</u>
 CASH, end of year	 <u><u>\$ 221,251</u></u>	 <u><u>\$ 264,321</u></u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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 organization, 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, 2020 and 2019, 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, 2020 and 2019 totaled \$186,456 and \$159,638, 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, 2020 and 2019, 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, 2020 AND 2019

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. 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 \$300,336 and \$154,954 for the years ended June 30, 2020 and 2019, 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 statements of financial position, comprise the following:

	2020	2019
Cash	\$ 221,251	\$ 264,321
Accounts receivable	1,691,942	1,685,931
Other receivables	46,912	21,933
Prepaid expenses	<u>102,682</u>	<u>139,044</u>
Total Financial Assets	<u>\$ 2,062,787</u>	<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, 2020 and 2019 were \$138,462 and \$130,744, respectively.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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 November 2025. Future minimum lease payments are as follows:

Year Ending June 30,	
2021	\$ 854,085
2022	349,524
2023	253,568
2024	259,277
2025	270,358
2026	<u>108,810</u>
Total	<u>\$ 2,095,622</u>

Lease expense totaled \$863,041 and \$850,954 for the years ended June 30, 2020 and 2019, 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, 2020, and 2019, the organization's uninsured cash balances totaled \$231,685 and \$221,185, respectively.

Grant Revenue

During the years ended June 30, 2020 and 2019, approximately 99% and 98%, respectively, of the organization's support was from the U.S. Department of Labor under various Workforce Innovation and Opportunity Act grants.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 6: FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function for the year ended June 30, 2020 are as follow:

	Program	Administration	Fundraising	Totals
Advertising	\$ 297,873	\$ 2,463	\$ 0	\$ 300,336
Communications	116,519	28	0	116,547
Insurance	26,282	22,413	0	48,695
Maintenance	194,503	17,907	0	212,410
Memberships	35,046	161	0	35,207
Miscellaneous	70,509	909	0	71,418
Office expenses	61,208	1,414	0	62,622
Professional services	198,310	103,545	0	301,855
Property purchases	135,511	363	0	135,874
Rent and leases	863,041	0	0	863,041
Salaries and benefits	1,915,340	901,485	64,018	2,880,843
Service providers	11,684,539	280,350	0	11,964,889
Staff development	63,564	3,229	0	66,793
Travel	16,308	5,332	0	21,640
Utilities	123,995	0	0	123,995
TOTAL EXPENSES	\$ 15,802,548	\$ 1,339,599	\$ 64,018	\$ 17,206,165

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	\$ 13,583,123	\$ 1,355,948	\$ 31,860	\$ 14,970,931

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 6: FUNCTIONAL CLASSIFICATION OF EXPENSES (Continued)

The accompanying statements of activities report 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 service providers.

NOTE 7: RISKS AND UNCERTAINTIES

The organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the organization's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the organization's granting agencies and revenue. At this time there is no financial impact to estimate.

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 10, 2021 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2020 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, 2020**

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>				
Title I Covid-19 Employment Recovery NDWG	17.277	AA011005	\$ 49	0
Subtotal - WIOA Title I National Emergency			49	0
Workforce Innovation and Opportunity Act (WIOA)				
Title I Adult Formula Rd 2	17.258	K9110006	2,082,339	2,037,905
Title I Adult Formula -transfer DW Rd 2	17.258	K9110006	1,887,000	1,536,874
Title I Adult Formula Rd 1	17.258	AA011005	1,163,802	70,292
Title I Adult Formula Rd 2	17.258	AA011005	999,082	953,493
Title I WAF 6.0 Ex Offender	17.258	K8106174	2,369	2,369
Title I WAF 7.0 Accelerator Fund Adult Rd 2	17.258	K9110006	16,143	16,143
Title I WAF 7.0 Accelerator Fund Adult Rd 1	17.258	K9110006	66,136	36,302
Title I Slingshot-Construction Pre-Apprenticeship Pipeline	17.258	K8106174	134,757	116,969
Subtotal - WIOA Title I Adult Programs			6,351,628	4,770,347
Title I Youth Formula Rd 1	17.259	K9110006	1,382,643	404,206
Title I Youth Formula	17.259	K9110006	16,900	0
Title I Youth Formula Rd 1	17.259	AA011005	5,413,040	4,106,003
Title I Youth Formula	17.259	AA011005	18,133	0
Subtotal - WIOA Title I Youth Programs			6,830,716	4,510,209
Title I Dislocated Worker Rd 1	17.278	K9110006	934,699	932,268
Title I Dislocated Worker Adult Rd 1	17.278	AA011005	897,818	138,932
Title I Dislocated Worker Adult Rd 2	17.278	AA011005	1,602,762	1,459,280
Subtotal - WIOA Title I Dislocated Worker Programs			3,435,279	2,530,480

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract Number	Federal Expenditures	Amount to Subrecipients
<i>U.S. Department of Labor</i>				
<i>Passed through from the State of California Employment Development Department (continued)</i>				
<i>Workforce Innovation and Opportunity Act (WIOA) (continued)</i>				
Title I Rapid Response Layoff Aversion	17.278	AA011005	\$ 11,198	\$ 1,964
Title I Rapid Response Layoff Aversion Rd 2	17.278	AA011005	53,131	0
Title I Rapid Response Rd 1	17.278	AA011005	44,353	0
Title I Rapid Response Rd 2	17.278	AA011005	210,440	0
Title I Covid-19 Impacted Individuals Grant	17.278	AA011005	26,954	11,500
Subtotal - WIOA Title I Rapid Response Programs			<u>346,076</u>	<u>13,464</u>
<i>Passed Through from Merced County</i>				
Regional Career Ladders/ETPL Projects	17.258	2019035	<u>31,785</u>	<u>0</u>
Total WIOA Cluster			<u>16,995,484</u>	<u>11,824,500</u>
Total Expenditures of Federal Awards			<u>\$ 16,995,533</u>	<u>\$ 11,824,500</u>

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Fresno Area Workforce Investment Corporation under programs of the federal government for the year ended June 30, 2020. 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 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 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 \$16,995,484.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMPARISON OF EXPENSES

YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Amount	% of Total	Amount	% of Total
Advertising	\$ 300,336	1.75%	\$ 154,954	1.04%
Communications	116,547	0.68%	93,935	0.63%
Insurance	48,695	0.28%	48,594	0.32%
Maintenance	212,410	1.23%	214,770	1.43%
Memberships	35,207	0.20%	34,493	0.23%
Miscellaneous	71,418	0.42%	82,672	0.55%
Office expenses	62,622	0.36%	39,663	0.26%
Professional services	301,855	1.75%	244,688	1.63%
Property purchases	135,874	0.79%	215,519	1.44%
Rent and leases	863,041	5.02%	850,954	5.68%
Salaries and benefits	2,880,843	16.74%	2,672,369	17.85%
Service providers	11,964,889	69.54%	10,095,119	67.43%
Staff development	66,793	0.39%	77,274	0.52%
Travel	21,640	0.13%	21,005	0.14%
Utilities	123,995	0.72%	124,922	0.83%
Total	\$ 17,206,165	100.00%	\$ 14,970,931	100.00%



Moore Grider & Company LLP

Certified Public Accountants

*A Partnership Including
Accountancy Corporations*

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Accountancy Corporation

Denise S. Hurst, C.P.A.

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Kara J. Nickel, C.P.A.

Kirsten Years, C.P.A.

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

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

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

Board of Directors
Fresno Area Workforce Investment Corporation
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Fresno Area Workforce Investment Corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, combining statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2021.

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) as a basis for designing 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 financial statements. 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 Shider & Company

Fresno, California
February 10, 2021



Moore Grider & Company LLP

Certified Public Accountants

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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, 2020. 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, 2020.

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.

Mone Shider & Company

Fresno, California
February 10, 2021

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

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, 2020

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None