



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Audit Committee
January 18, 2022 @ 10:00 a.m.

2125 Kern Street, Suite 207
Fresno, California

This will be a hybrid meeting with participation available in person and 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 meeting will be held via Zoom.

Use the information below to join this meeting:

<https://us02web.zoom.us/j/83488933637?pwd=U2NhRmJkTm1KNWtmZGprdytOVU9jUT09>

Meeting ID: 834 8893 3637

Passcode: 758545

Or join by phone: 669-900-6833

**The public may participate in the meeting
as otherwise permitted under the Brown Act**

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.	Resolution to Allow for Electronic Board Meetings Pursuant to AB361 and Making Requisite Findings of State of Emergency Due to COVID-19	Konczal	Yes	Adopt	2
2.	Approval of the February 10, 2021, Meeting Minutes	Beierschmitt	Yes	Approve	6
3.	Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2021	Beierschmitt	Yes	Recommend to Accept	9

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:	January 18, 2022
ACTION:	ADOPT

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

TO: Audit Committee

FROM: Blake Konczal, Executive Director

SUBJECT: Resolution to Allow for Electronic Board Meetings Pursuant to AB361 and Making Requisite Findings of State of Emergency Due to COVID-19

RECOMMENDATION:

Adopt resolution authorizing the agency to allow the Fresno Area Workforce Investment Corporation Audit Committee (Audit Committee) to participate via teleconference so long as such actions comply with newly adopted AB 361.

REASON FOR RECOMMENDATION:

Governor Newsom's Executive Order No. N-29-20, which allows some or all Directors/Committee Members to participate in a public meeting via teleconference (phone or video) expired as of September 30, 2021.

On September 15, 2021, AB 361 was passed which includes the following:

Through December 31, 2023, AB 361 allows local agencies to continue to use COVID-19-era teleconferencing notice and meeting procedures as long as one (1) of the following specific types of emergency exists:

- A. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- B. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- C. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

The FRWDB must make specific findings every 30 days during the emergency when telephonic or virtual meetings are required. The Governor, through Order N-12-21, has extended the order declaring a State of Emergency due to the impacts of COVID-19 until the end of the year, so these findings must be made every 30 days beginning on October 1, 2021:

- A. The legislative body has reconsidered the circumstances of the state of emergency.
- B. Any of the following circumstances exist:
 - (i) The state of emergency continues to directly impact the ability of the members to meet safely in person; or

- (ii) State or local officials continue to impose or recommend measures to promote social distancing.

The new law also prohibits local agencies from requiring public comments to be submitted prior to the meeting without *also* allowing real-time comment opportunities during the meeting. In addition, the new law allows third-party internet websites to collect names and other information from the public in order to participate in the meeting, but local agencies themselves are still prohibited from requiring the such information to participate. Finally, if there is an internet or telephonic service disruption that prevents the agency from broadcasting the meeting, the agency may take no action until the broadcast is restored. Normal posting timelines for agendas still apply, as well as the roll-call vote requirement.

Attached is a resolution authorizing meeting by teleconference. This resolution shall apply to FAWIC Audit Committee meetings from January 18 through February 18, 2022.

ATTACHMENT:

A Resolution of the Members of the Audit Committee

Agenda Item #1 2022 JAN 18

A RESOLUTION OF THE MEMBERS OF THE AUDIT COMMITTEE OF THE FRESNO AREA WORKFORCE INVESTMENT CORPORATION ("FAWIC") ACKNOWLEDGING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY N-12-21 ISSUED ON AUGUST 16, 2021 AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE AUDIT COMMITTEE OF THE FAWIC FOR THE PERIOD FROM JANUARY 18, 2022, TO FEBRUARY 18, 2022, PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Audit Committee of the FAWIC (the "Committee") is committed to preserving and nurturing public access and participation in meetings of the Committee; and

WHEREAS, all meetings of the Committee are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Committee conduct its business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within FAWIC's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist, specifically, by the Governor's Order N-12-21, the Governor has extended the order declaring a State of Emergency due to the impacts of COVID-19; and

WHEREAS, the County of Fresno has recommended continued social distancing to combat the imminent risk to the public health and safety due to COVID-19; and

WHEREAS, the Committee as a legislative body of FAWIC would normally be covered under any resolution adopted by the Board of Directors of FAWIC; however, the Committee meets prior to the next meeting of the FAWIC Board of Directors;

WHEREAS, the Committee does hereby find that such conditions have caused, and will continue to cause, conditions of peril to the safety of persons within Fresno County that are likely to be beyond the control of agency services, personnel, equipment, and facilities, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Committee does hereby find that the legislative bodies of the District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, FAWIC shall ensure that the public has the opportunity to participate live in all electronic meetings of the Committee during all public comment periods.

NOW, THEREFORE, THE AUDIT COMMITTEE OF FAWIC DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Acknowledgment of Local Emergency. The Committee hereby acknowledges that a local emergency now exists throughout Fresno County, and full in-person meetings could cause an imminent risk to the Committee members, staff and public.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Committee hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of August 16, 2021.

Section 4. Remote Teleconference Meetings. The agency staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect on January 18, 2022, and stay in effect at such time the FAWIC Board of Directors or the Committee adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Audit Committee this 18th day of January, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	2
MEETING DATE:	January 18, 2022
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 February 10, 2021, Meeting Minutes

RECOMMENDATION:

Approve the minutes of the February 10, 2021, Audit Committee meeting.

ATTACHMENT:

February 10, 2021, Meeting Minutes



FRESNO AREA WORKFORCE INVESTMENT CORPORATION

Audit Committee
February 10, 2021

SUMMARY MINUTES

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

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

ABSENT – None

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 15, 2020, Meeting Minutes</u></p> <p>Cheryl Beierschmitt, Deputy Director of Fiscal Services, Fresno Regional Workforce Development Board (FRWDB) presented the January 15, 2020, meeting minutes for correction and/or approval.</p> <p>NORMAN/MILLER – APPROVED THE JANUARY 15, 2020, MEETING MINUTES (UNANIMOUS).</p>
2.	<p><u>Acceptance of Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2020</u></p> <p>Ms. Beierschmitt presented the Fresno Area Workforce Investment Corporation (FAWIC) Financial Statements and Supplemental Data for Fiscal Year Ending June 30, 2020. Ms. Beierschmitt stated that an organization receiving more than \$750,000 in federal funds a year are required to have a single audit annually. The FAWIC audit was conducted in November 2020 by Moore Grider and Company.</p> <p>Oscar Espinoza, Certified Public Accountant, Moore Grider and Company, reviewed the Financial Statements and Supplementary Information (audit report) with the Committee and briefly spoke to each Statement in the report. Mr. Espinoza stated that Moore Grider issued an unmodified opinion and that FAWIC was classified as a low risk auditee.</p>

Item	Description/Action Taken
	<p>Mr. Norman asked about the significant difference in operating lease payments between fiscal years ending 2021 and 2022. Mr. Espinoza explained that the current lease for office space at Manchester Center is ending in August 2021, so only two (2) months of committed lease expenses for that location is reflected in the 2022 figure, as at the time of the report, a new lease had not yet been signed. To provide clarification, a note will be added to explain this difference.</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, 2020, AS AMENDED WITH NOTE TO PROVIDE CLARIFICATION REGARDING LEASE PAYMENTS (UNANIMOUS).</p>

The meeting was adjourned at 2:33 p.m.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

AGENDA ITEM:	3
MEETING DATE:	January 18, 2022
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, 2021

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, 2021.

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, 2021. The financial statements include comparative balances for fiscal year ending June 30, 2020. There were no findings or recommendations in the report (please see pages 25 and 26 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, 2021, and 2020



Moore Grider & Company LLP
Certified Public Accountants

AUDIT COMMITTEE LETTER

*A Partnership Including
 Accountancy Corporations*

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

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

Richard L. Holland, C.P.A.

Tom Collins, C.P.A.
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Abel M. Cabello, E.A.

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Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Shaina M. Miracle, C.P.A.

Kirsten Years, C.P.A.

Franklin Daniel, C.P.A.

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

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

January 18, 2022

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, 2021 and have issued our report thereon dated January 18, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 23, 2021. 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 8, the Organization changed accounting policies in fiscal year 2021 by adopting FASB ASU No. 2018-08, Not-For-Profit Entities (Topic 958) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the accounting changes have been retrospectively applied to prior periods presented as if the policies 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 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 6 to the financial statements. The disclosure identifies that 94% 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. The following adjustment detected as a result of audit procedures has been recorded by management:

	Debit	Credit
To correct posting of deposit received from EDD in June 2021.		
Cash in Bank	\$ 133,000	
Refundable advance		\$ 133,000

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 18, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Moore Krieder & Company LLP

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020

FRESNO AREA WORKFORCE INVESTMENT CORPORATION
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2021 AND 2020

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Moore Grider & Company LLP
Certified Public Accountants

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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, 2021 and 2020, 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, 2021 and 2020, 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 17 and 18, 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 20 is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 18, 2022, 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.

More Kinder & Company LLP

Fresno, California
January 18, 2022

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 441,900	\$ 221,251
Grants receivable	1,235,995	1,691,942
Other receivables	37,025	46,912
Prepaid expenses	<u>122,927</u>	<u>102,682</u>
TOTAL CURRENT ASSETS	1,837,847	2,062,787
DEPOSITS	<u>9,064</u>	<u>9,064</u>
TOTAL ASSETS	<u>1,846,911</u>	<u>2,071,851</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,215,346	1,584,408
Accrued vacation	197,904	186,456
Refundable advance	<u>133,000</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	1,546,250	1,770,864
COMMITMENTS AND CONTINGENCIES (Note 4)	0	0
NET ASSETS		
Without donor restrictions	<u>300,661</u>	<u>300,987</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,846,911</u>	<u>\$ 2,071,851</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
REVENUE AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
Federal revenue:		
Grant income	\$ 15,936,172	\$ 16,625,962
Program income	296,206	369,571
Total federal revenue	<u>16,232,378</u>	<u>16,995,533</u>
Other revenue:		
Grant income - State and City	754,159	210,451
TOTAL REVENUE AND OTHER SUPPORT		
WITHOUT DONOR RESTRICTIONS	<u>16,986,537</u>	<u>17,205,984</u>
EXPENSES		
Program Services:		
Workforce Investment Act (WIOA) Title I programs:		
Adult Funds	6,141,583	6,132,223
Youth Formula	5,521,182	6,830,716
Dislocated Worker Funds	3,718,626	3,435,279
Rapid Response Funds	205,932	319,122
COVID-19 Employment Recovery	36,237	49
Wildfire Temporary Jobs	4,829	0
COVID-19 Impacted Individuals	309,047	26,954
WAF 6.0 and 7.0	49,400	84,648
Slingshot	0	134,757
ETPL Project Merced	0	31,785
Wildfire Workforce Development	4,519	0
Cal Fire	355,968	16,925
Fresno Fire	240,601	0
HRCC	202,963	0
Pathway Home	420	0
Prison to Employment	83,133	112
P2E Merced	0	12,915
Regional Planning Merced	2,692	4,381
STEPS Foundation	0	147,651
TCC	109,405	28,367
Administrative Services	326	281
TOTAL EXPENSES	<u>16,986,863</u>	<u>17,206,165</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(326)	(181)
NET ASSETS WITHOUT DONOR RESTRICTIONS, beginning of year	<u>300,987</u>	<u>301,168</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, end of year	<u>\$ 300,661</u>	<u>\$ 300,987</u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

See Accompanying Notes to Financial Statements

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	WIOA Title I Adult Funds	WIOA Title I Youth Formula	WIOA Title I DW Funds	WIOA Title I Rapid Response	COVID-19 Employment Recovery	Pathway Home	Wildfire Temporary Jobs
Advertising	\$ 287,605	\$ 52,344	\$ 179,238	\$ 1,929	\$ 0	\$ 0	\$ 0
Communications	65,098	18,460	40,207	4,310	0	0	0
Insurance	22,354	12,218	13,677	363	0	0	0
Maintenance	121,144	42,344	75,113	3,086	0	0	0
Memberships	13,583	14,121	8,191	0	0	0	0
Miscellaneous	20,918	15,777	13,991	95	0	0	0
Office expenses	25,284	9,783	15,548	14,268	0	0	0
Professional services	93,044	51,427	59,465	2,363	0	0	0
Property purchases	34,559	12,082	25,941	5,582	0	0	0
Rent and leases	446,483	132,777	275,159	18,846	0	0	0
Salaries and benefits	943,586	1,055,724	569,044	129,411	9,324	419	4,829
Service providers	3,999,694	4,080,239	2,401,066	24,224	26,913	0	0
Staff development	5,712	5,939	3,445	0	0	0	0
Travel	1,087	1,131	656	8	0	0	0
Utilities	61,431	16,815	37,885	1,450	0	0	0
TOTAL EXPENSES	\$ 6,141,583	\$ 5,521,182	\$ 3,718,626	\$ 205,932	\$ 36,237	\$ 420	\$ 4,829

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

See Accompanying Notes to Financial Statements

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	COVID-19 Impacted Individuals	WAF 6.0 & 7.0	HRCC	Prison to Employment	Wildfire Workforce Development	Regional Planning Merced	TCC
Advertising	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Communications	66,205	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0	0
Memberships	0	0	0	0	0	0	0
Miscellaneous	0	0	0	780	0	0	0
Office expenses	0	417	0	0	0	0	0
Professional services	12,500	0	7,079	152	0	0	400
Property purchases	226,342	0	0	0	0	0	0
Rent and leases	0	0	0	0	0	0	0
Salaries and benefits	0	0	49,950	74,326	4,519	2,692	10,189
Service providers	4,000	48,714	145,933	7,798	0	0	98,816
Staff development	0	0	0	0	0	0	0
Travel	0	270	0	77	0	0	0
Utilities	0	0	0	0	0	0	0
TOTAL EXPENSES	\$ 309,047	\$ 49,400	\$ 202,963	\$ 83,133	\$ 4,519	\$ 2,692	\$ 109,405

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Cal FIRE	Fresno FIRE	Administrative Services	Total
Advertising	\$ 0	\$ 0	\$ 0	\$ 521,116
Communications	0	0	0	194,280
Insurance	0	0	0	48,612
Maintenance	0	523	0	242,210
Memberships	0	0	0	35,895
Miscellaneous	0	1,759	207	53,527
Office expenses	0	353	0	65,653
Professional services	78	1,995	0	228,503
Property purchases	0	0	0	304,506
Rent and leases	0	0	0	873,265
Salaries and benefits	53,240	72,234	0	2,979,487
Service providers	302,650	163,715	119	11,303,881
Staff development	0	0	0	15,096
Travel	0	22	0	3,251
Utilities	0	0	0	117,581
TOTAL EXPENSES	\$ 355,968	\$ 240,601	\$ 326	\$ 16,986,863

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 1 Slingshot	ETPL Project Merced	TCC	Cal FIRE
Advertising	\$ 89,771	\$ 149,170	\$ 53,842	\$ 7,553	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Communications	36,789	54,232	21,656	3,870	0	0	0	0	0
Insurance	15,817	23,315	9,311	252	0	0	0	0	0
Maintenance	68,648	101,233	40,411	1,967	0	0	0	0	0
Memberships	11,495	16,945	6,767	0	0	0	0	0	0
Miscellaneous	26,699	30,159	13,344	1,026	0	0	0	0	0
Office expenses	17,087	26,126	10,059	8,878	49	257	0	0	0
Professional services	82,246	121,226	48,366	15,257	0	0	20,785	0	1,475
Property purchases	29,861	72,044	18,355	12,822	0	0	0	0	0
Rent and leases	275,561	406,210	162,214	19,056	0	0	0	0	0
Salaries and benefits	815,580	1,224,706	480,106	238,698	0	16,293	11,000	3,870	0
Service providers	4,598,564	4,510,209	2,530,480	1,964	0	116,968	0	24,491	15,450
Staff development	18,679	28,149	13,628	4,615	0	0	0	0	0
Travel	5,445	8,056	3,205	1,622	0	1,238	0	6	0
Utilities	39,980	58,935	23,535	1,545	0	0	0	0	0
TOTAL EXPENSES	\$ 6,132,223	\$ 6,830,716	\$ 3,435,279	\$ 319,122	\$ 49	\$ 134,757	\$ 31,785	\$ 28,367	\$ 16,925

See Accompanying Notes to Financial Statements

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	0	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	0	2,880,843
Service providers	11,500	68,729	86,534	0	0	0	0	11,964,889
Staff development	0	532	1,190	0	0	0	0	66,793
Travel	0	110	1,647	112	7	192	0	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	\$ 281	\$ 17,206,165

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (326)	\$ (181)
Adjustments to reconcile decrease in net assets to net cash provided from (used by) operating activities		
Changes in:		
Grants receivable	455,947	(6,011)
Other receivables	9,887	(24,979)
Prepaid expenses	(20,245)	36,362
Accounts payable and accrued expenses	(369,062)	(75,079)
Accrued vacation	11,448	26,818
Refundable advance	<u>133,000</u>	<u>0</u>
NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES	220,649	(43,070)
CASH FLOWS FROM INVESTING ACTIVITIES	0	0
CASH FLOWS FROM FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH	220,649	(43,070)
CASH, beginning of year	<u>221,251</u>	<u>264,321</u>
CASH, end of year	<u><u>\$ 441,900</u></u>	<u><u>\$ 221,251</u></u>

See Accompanying Notes to Financial Statements

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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, 2021 and 2020, 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, 2021 and 2020 totaled \$197,904 and \$186,456, respectively.

Refundable advance – FAWIC is the recipient of grants that require expenditure for specified activities before FAWIC is reimbursed by the grantor for the costs incurred. Documentation showing actual costs expended is included when submitting a monthly or quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as refundable advance.

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, 2021 and 2020, interest and penalties totaled \$0.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

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

Expense allocations – The costs of providing various programs have been summarized on a functional basis in the statements of activities. 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 \$521,116 and \$300,336 for the years ended June 30, 2021 and 2020, respectively.

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassification had no impact on the previously-reported decrease in net assets or cash flow information.

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:

	2021	2020
Cash	\$ 441,900	\$ 221,251
Grants receivable	1,235,995	1,691,942
Other receivables	37,025	46,912
Prepaid expenses	<u>122,927</u>	<u>102,682</u>
Total Financial Assets	<u><u>\$ 1,837,847</u></u>	<u><u>\$ 2,062,787</u></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.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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, 2021 and 2020 were \$146,072 and \$138,462, respectively.

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 February 2032. Future minimum lease payments are as follows:

Year Ending June 30,	
2022	\$ 1,185,018
2023	1,465,750
2024	1,494,934
2025	1,316,963
2026	<u>1,231,560</u>
Total	<u>\$ 6,694,225</u>

Lease expense totaled \$873,265 and \$863,041 for the years ended June 30, 2021 and 2020, respectively.

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See next page for continuation of notes.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 5: FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function for the year ended June 30, 2021 are as follow:

	Program	Administration	Fundraising	Total
Advertising	\$ 518,153	\$ 2,963	\$ 0	\$ 521,116
Communications	194,280	0	0	194,280
Insurance	26,199	22,413	0	48,612
Maintenance	224,263	17,947	0	242,210
Memberships	35,677	218	0	35,895
Miscellaneous	53,527	0	0	53,527
Office expenses	64,570	1,083	0	65,653
Professional services	122,371	106,132	0	228,503
Property purchases	304,261	245	0	304,506
Rent and leases	873,265	0	0	873,265
Salaries and benefits	1,981,283	924,159	74,045	2,979,487
Service providers	11,063,229	240,652	0	11,303,881
Staff development	14,747	349	0	15,096
Travel	1,643	1,608	0	3,251
Utilities	117,581	0	0	117,581
TOTAL EXPENSES	\$ 15,595,049	\$ 1,317,769	\$ 74,045	\$ 16,986,863

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

	Program	Administration	Fundraising	Total
Advertising	\$ 297,873	\$ 2,463	\$ 0	\$ 300,336
Communications	116,519	28	0	116,547
Insurance	26,282	22,413	0	48,695
Maintenance	194,654	17,756	0	212,410
Memberships	35,046	161	0	35,207
Miscellaneous	70,639	779	0	71,418
Office expenses	61,208	1,414	0	62,622
Professional services	239,725	62,130	0	301,855
Property purchases	135,512	362	0	135,874
Rent and leases	863,041	0	0	863,041
Salaries and benefits	1,919,210	897,615	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	16,314	5,326	0	21,640
Utilities	123,995	0	0	123,995
TOTAL EXPENSES	\$ 15,848,121	\$ 1,294,026	\$ 64,018	\$ 17,206,165

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 5: 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 6: 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, 2021 and 2020, the organization's uninsured cash balances totaled \$476,507 and \$231,685, respectively.

Grant Revenue

During the years ended June 30, 2021 and 2020, approximately 94% and 99%, respectively, of the organization's support was from the U.S. Department of Labor under various Workforce Innovation and Opportunity Act grants.

NOTE 7: RISKS AND UNCERTAINTIES

The organization's operations may be affected by the 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. The financial impact cannot be estimated at this time.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 8: ADOPTION OF ACCOUNTING PRINCIPLE

The organization adopted Financial Accounting Standards Board (FASB) ASU 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 was applied on a modified prospective basis to agreements that were not completed at July 1, 2020, or that were entered into after that date.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 18, 2022 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2021 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, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>	<u>Amount to Subrecipients</u>
<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	AA011005	\$ 3,964,812	\$ 3,103,401
Title I Adult Formula Rd 1	17.258	AA011005	1,320,202	66,272
Title I Adult Formula Rd 2	17.258	AA011005	856,568	830,021
Title I WAF 7.0 Accelerator Fund Adult Rd 2	17.258	K9110006	49,401	48,714
Title I High Performing Boards PY 20-21	17.258	AA011005	0	0
Subtotal - Title I WIA Adult Programs			<u>6,190,983</u>	<u>4,048,408</u>
 Title I Youth Formula Rd 1	 17.259	 AA011005	 716,197	 107,406
Title I Youth Formula Rd 1	17.259	AA011005	<u>4,804,985</u>	<u>3,972,834</u>
Subtotal - Title I WIA Youth Programs			<u>5,521,182</u>	<u>4,080,240</u>
 Title I Covid-19 Employment Recovery NDWG	 17.277	 AA011005	 36,237	 26,913
Title I 2020 Sept. Wildfires DR Temp Jobs	17.277	AA011005	4,829	0
Title I 2020 Sept. Wildfires DR Workforce Development	17.277	AA011005	<u>4,519</u>	<u>0</u>
Subtotal - Title I WIA Dislocated Worker Programs			<u>45,585</u>	<u>26,913</u>
 Title I Dislocated Worker Rd 2	 17.278	 AA011005	 1,890,886	 1,469,898
Title I Dislocated Worker Rd 1	17.278	AA011005	898,172	40,480
Title I Dislocated Worker Rd 2	17.278	AA011005	<u>929,569</u>	<u>890,687</u>
Subtotal - Title I WIA Dislocated Worker Programs			<u>3,718,627</u>	<u>2,401,065</u>

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>	<u>Amount to Subrecipients</u>
<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 Layoff Aversion	17.278	AA011005	\$ 8,278	\$ 5,000
Title I Rapid Response Layoff Aversion Rd 2	17.278	AA011005	16,523	19,224
Title I Rapid Response Rd 1	17.278	AA011005	34,875	0
Title I Rapid Response Rd 2	17.278	AA011005	146,259	0
Title I Covid-19 Impacted Individuals Grant	17.278	AA011005	309,046	4,000
Subtotal - Title I Rapid Response Programs			<u>514,981</u>	<u>28,224</u>
Total WIOA Cluster			15,991,358	10,584,850
<i>Passed Through from Grid Alternatives</i>				
Pathway Home Grant	17.270		<u>419</u>	<u>0</u>
<u>Department of Health and Human Services</u>				
<i>Passed through from:</i>				
Fresno FIRE	93.086	90ZJ0038	<u>240,601</u>	<u>163,715</u>
Total Expenditures of Federal Awards			<u>\$ 16,232,378</u>	<u>\$ 10,748,565</u>

**FRESNO AREA WORKFORCE INVESTMENT CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

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, 2021. 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
17.277
17.278

Federal expenditures for the WIOA Cluster totaled \$15,991,358.

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

COMPARISON OF EXPENSES

YEAR ENDED JUNE 30, 2021

	2021		2020	
	Amount	% of Total	Amount	% of Total
Advertising	\$ 521,116	3.07%	\$ 300,336	1.75%
Communications	194,280	1.14%	116,547	0.68%
Insurance	48,612	0.29%	48,695	0.28%
Maintenance	242,210	1.43%	212,410	1.23%
Memberships	35,895	0.21%	35,207	0.20%
Miscellaneous	53,527	0.32%	71,418	0.42%
Office expenses	65,653	0.39%	62,622	0.36%
Professional services	228,503	1.35%	301,855	1.75%
Property purchases	304,506	1.79%	135,874	0.79%
Rent and leases	873,265	5.14%	863,041	5.02%
Salaries and benefits	2,979,487	17.54%	2,880,843	16.74%
Service providers	11,303,881	66.54%	11,964,889	69.54%
Staff development	15,096	0.09%	66,793	0.39%
Travel	3,251	0.02%	21,640	0.13%
Utilities	117,581	0.69%	123,995	0.72%
Total	\$ 16,986,863	100.00%	\$ 17,206,165	100.00%



Moore Grider & Company LLP

Certified Public Accountants

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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.

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

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

Richard L. Holland, C.P.A.

Tom Collins, C.P.A.
Accountancy Corporation

Ginger A. Lozano, C.P.A.

Abel M. Cabello, E.A.

Kelli D. Steele, C.P.A.

Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Shaina M. Miracle, C.P.A.

Kirsten Years, C.P.A.

Franklin Daniel, 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, 2021, 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 January 18, 2022.

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 Krider & Company LLP

Fresno, California
January 18, 2022



Moore Grider & Company LLP

Certified Public Accountants

A Partnership Including Accountancy Corporations

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

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

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

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

Board of Directors
Fresno Area Workforce Investment Corporation
Fresno, California

Report on Compliance for Each Major Federal Program

We have audited Fresno Area Workforce Investment Corporation's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Fresno Area Workforce Investment Corporation's major federal programs for the year ended June 30, 2021. 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, 2021.

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.

More Kridel & Company LLP

Fresno, California
January 18, 2022

FRESNO AREA WORKFORCE INVESTMENT CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

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
17.277	WIOA Title I Dislocated Worker
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, 2021

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