

**Audited Financial Statements
and Supplementary Information**



June 30, 2024

Quigley & Miron

JobTrain, Inc.
Audited Financial Statements and Supplementary Information
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Independent Auditor's Report

Board of Directors
JobTrain, Inc.
Menlo Park, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of JobTrain, Inc., a nonprofit organization (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter: Prior Period Restatement

As part of our audit of the June 30, 2024 financial statements, we also audited the adjustments described in Note 2 that were applied to restate the Organization's 2023 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state, and local awards, and the supplementary information required by the California Governor's Office of Emergency Services (Cal OES) and the California Department of Education (CDE) are presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Cal OES, and CDE and is not a required part of the financial statements. Such information 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 report dated December 16, 2024, on our consideration of the Organization's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the 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 the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited JobTrain, Inc.'s June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2023. During the June 30, 2024 audit, it was determined a prior period adjustment was required as described in Note 2 of the financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the restated audited financial statements from which it has been derived.

Campbell, California
December 16, 2024

A handwritten signature in black ink that reads "Zugley & Nixon". The signature is fluid and cursive, with "Zugley" on the top line and "& Nixon" on the bottom line, connected by a diagonal stroke.

JobTrain, Inc.
Statement of Financial Position
June 30, 2024
(with comparative totals for 2023)

	2024	As Restated 2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,212,183	\$ 6,571,749
Investments—Note 4	6,773,249	7,145,387
Government grants receivable	574,093	676,626
Pledges receivable	1,201,748	1,583,800
Prepaid expenses and other assets	50,031	33,094
	Total Current Assets	13,811,304
	13,811,304	16,010,656
Noncurrent Assets		
Fixed assets, net—Note 5	2,372,520	2,268,980
Operating lease right-of-use asset—Note 7	138,564	138,564
	Total Noncurrent Assets	2,511,084
	2,511,084	2,268,980
	Total Assets	\$ 16,322,388
	\$ 16,322,388	\$ 18,279,636
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 329,967	\$ 339,239
Accrued compensation and related liabilities	607,935	561,055
Deferred revenue—Note 6	710,873	3,229,952
Finance lease obligation, current portion—Note 7	56,898	53,592
Operating lease liability, current portion—Note 7	103,564	103,564
Note payable, current portion—Note 8	300,000	300,000
	Total Current Liabilities	1,809,237
	1,809,237	4,483,838
Noncurrent Liabilities—Note 7		
Finance lease obligation, noncurrent portion	56,898	56,898
Operating lease liability, noncurrent portion	49,372	49,372
	Total Noncurrent Liabilities	49,372
	49,372	56,898
	Total Liabilities	1,858,609
	1,858,609	4,540,736
Net Assets—Note 10		
Without donor restrictions	8,498,008	7,940,792
With donor restrictions	5,965,771	5,798,108
	Total Net Assets	14,463,779
	14,463,779	13,738,900
	Total Liabilities and Net Assets	\$ 16,322,388
	\$ 16,322,388	\$ 18,279,636

See notes to financial statements.

JobTrain, Inc.
Statement of Activities
Year Ended June 30, 2024
 (with summarized comparative totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>As Restated 2023 Total</u>
Operating Activities				
Public Support and Revenue				
Contributions				
Government grants	\$ 5,824,864	\$ 1,224,208	\$ 5,824,864	\$ 5,258,314
Foundation/corporate contributions	1,554,252		2,778,460	5,303,938
Individual contributions	814,964		814,964	890,481
In-kind contributions—Note 12	122,670		122,670	99,115
Special events				
Gross revenue	474,848		474,848	659,829
Less cost of direct benefits to donors	(206,488)		(206,488)	(210,679)
Special Events, Net	268,360		268,360	449,150
Total Support	8,585,110	1,224,208	9,809,318	12,000,998
Interest and dividend income	393,659	46,291	439,950	252,970
Contract service income	417,960		417,960	604,401
Miscellaneous income	4,800		4,800	9,485
Total Revenue	816,419	46,291	862,710	866,856
Net assets released from restrictions	1,214,087	(1,214,087)		
Total Public Support and Revenue, and Releases from Restrictions	10,615,616	56,412	10,672,028	12,867,854
Expenses				
Program services	8,801,893		8,801,893	7,857,202
Supporting services				
Management and general	565,546		565,546	717,940
Fund development	796,201		796,201	751,546
Total Expenses	10,163,640		10,163,640	9,326,688
Change in Net Assets from Operating Activities	451,976	56,412	508,388	3,541,166
Nonoperating Activities				
Investment return, net—Note 4	105,240	111,251	216,491	92,313
Total Nonoperating Activities	105,240	111,251	216,491	92,313
Change in Net Assets	557,216	167,663	724,879	3,633,479
Net Assets at Beginning of Year, as Previously Reported	7,940,792	5,798,108	13,738,900	6,804,926
Prior period restatement—Note 2				3,300,495
Net asset at Beginning Year, as Restated				10,105,421
Net Assets at End of Year	\$ 8,498,008	\$ 5,965,771	\$ 14,463,779	\$ 13,738,900

See notes to financial statements.

JobTrain, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024
 (with comparative totals for 2023)

	Program Services			Supporting Services			2024 Totals	2023 Totals
	Child Development Center	Educational & Related Services	Total Program Services	Management and General	Fundraising	Special Events		
Salaries	\$ 317,691	\$ 4,780,113	\$ 5,097,804	\$ 114,889	\$ 454,084		\$ 568,973	\$ 5,666,777
Employee benefits	68,814	989,629	1,058,443	65,806	77,309		143,115	1,201,558
Payroll taxes	26,778	404,004	430,782	9,949	38,181		48,130	478,912
Total Personnel Expenses	413,283	6,173,746	6,587,029	190,644	569,574		760,218	7,347,247
Advertising		23,803	23,803		10,600		10,600	34,403
Client expenses	24,685	55,959	80,644	541	31		572	81,216
Client training	14,599	623,299	637,898	11,000			11,000	648,898
Cost of direct benefits to donors						206,488	206,488	206,488
Depreciation	9,928	62,821	72,749	9,114	10,918		20,032	92,781
Equipment rental and maintenance	5,858	325,075	330,933	8,528	6,142		14,670	345,603
Insurance	6,994	83,191	90,185	7,917	6,982		14,899	105,084
Interest expense	503	3,676	4,179	8,506	595		9,101	13,280
Miscellaneous expenses	611	18,177	18,788	43,364	3,911		47,275	66,063
Occupancy	2,934	125,880	128,814	2,651	3,256		5,907	134,721
Postage and mailing expense		62	62	113	95		208	270
Professional services					54,384		54,384	54,384
Staff training and travel	2,451	50,207	52,658	25,459	1,792		27,251	79,909
Supplies and services	110,401	398,469	508,870	184,714	90,948		275,662	784,532
Taxes, licenses and fees	2,602	60,446	63,048	49,033	8,801		57,834	120,882
Utilities	26,090	176,143	202,233	23,962	28,172		52,134	254,367
Total Expenses by Function	620,939	8,180,954	8,801,893	565,546	796,201	206,488	1,568,235	10,370,128
Less expenses included with revenues on the statement of activities								9,537,367
Less cost of direct benefits to donors						(206,488)	(206,488)	(206,488)
Total Expenses	\$ 620,939	\$ 8,180,954	\$ 8,801,893	\$ 565,546	\$ 796,201	\$ 1,361,747	\$ 10,163,640	\$ 9,326,688

See notes to financial statements.

JobTrain, Inc.
Statement of Cash Flows
Year Ended June 30, 2024
 (with comparative totals for 2023)

	2024	As Restated 2023
Cash Flows from Operating Activities		
Change in net assets	\$ 724,879	\$ 3,633,479
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	92,781	126,433
Non cash lease expense	14,372	
Forgiveness of note payable	(300,000)	
Realized and unrealized gains on investments	(216,491)	(92,313)
Changes in operating assets and liabilities:		
Government grants receivable	102,533	85,605
Pledges receivable	382,052	(1,275,800)
Prepaid expenses and other assets	(16,937)	(2,762)
Accounts payable	(9,272)	175,647
Accrued compensation and related liabilities	46,880	3,670
Deferred revenue	<u>(2,519,079)</u>	<u>(372,533)</u>
Net Cash Provided by (Used in) Operating Activities	(1,698,282)	2,281,426
Cash Flows from Investing Activities		
Purchases of investments	(13,686,559)	(12,332,987)
Proceeds from sale of investments	14,275,188	10,627,591
Purchases of fixed assets	<u>(196,321)</u>	<u>(106,437)</u>
Net Cash Provided by (Used in) Investing Activities	392,308	(1,811,833)
Cash Flows from Financing Activities		
Payments on finance lease	<u>(53,592)</u>	<u>(50,479)</u>
Net Cash Used in Financing Activities	<u>(53,592)</u>	<u>(50,479)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(1,359,566)</u>	419,114
Cash and Cash Equivalents at Beginning of Year	<u>6,571,749</u>	6,152,635
Cash and Cash Equivalents at End of Year	<u>\$ 5,212,183</u>	<u>\$ 6,571,749</u>
Supplementary Disclosures		
Income taxes paid	<u>\$</u>	<u>\$</u>
Interest paid	<u>\$ 13,280</u>	<u>\$ 8,285</u>

See notes to financial statements.

JobTrain, Inc.
Notes to Financial Statements
June 30, 2024
(with comparative totals for 2023)

Note 1—Organization and Summary of Significant Accounting Policies

Organization—JobTrain, Inc. (the Organization) provides job-training services primarily in San Mateo and Santa Clara Counties for adults and educational programs for the care of children outside of their homes. The Organization is both publicly and privately funded, receiving programs and contracts from federal and state agencies, and funds from both private donations and nonsubsidized fees. The purpose of the Organization is to provide economic opportunity to under-privileged persons through both life skills and vocational training. The Organization is an educational resource established to conduct job training and placement for the purpose of assisting people to attain skills and techniques which will enable them to improve their economic conditions.

The Organization's program services include the following:

Educational and Related Services—This includes job training and placement services programs for adults and youth. These programs offer everything from full-time vocational training to afterschool classes, summer internships, General Education Development (GED) preparation, English as a Second Language (ESL), and lifetime job placement for trainees.

Child Development Centers—This program offers care and education for preschoolers at the Organization's state-licensed Child Development Centers. The Organization's highly experienced staff uses High/Scope and Montessori techniques to nurture and stimulate the children's development.

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts of the Organization. The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of the Organization's community, housing, and advocacy support programs and services for women, children, and families; and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Income Taxes—The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), from California income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered '*more likely than not*' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2024 or 2023. Generally, the Organization's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Recently Adopted Accounting Standards—In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, which requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This standard replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The new guidance affects organizations that hold financial assets and net investments in leases that are not accounted for at fair value with changes in fair value reported in net income, including loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The Organization adopted ASU No. 2016-13 on a retrospective basis for the year ended June 30, 2024 with no resulting impact on the financial statement presentation.

Cash and Cash Equivalents—For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

Investments—Investments in securities are initially recorded at cost on the trade date, if purchased, or at fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income and realized and unrealized gains and losses, net of investment management fees, are reported as unrestricted income unless use of the earnings is restricted by the donor. Interest and dividends earned on investments is recognized when received and reported as interest and dividend income under public support and revenue in the statement of activities. Gains and losses on investments are recognized as changes in their fair market values occur in the period reported and are reported on the statement of activities under the investment return, net caption.

Government Grants Receivable—Government grants receivable represents unconditional grants from government agencies not collected as of June 30, 2024 and 2023. The Organization has determined that no allowance for potential losses due to uncollectable government grants receivable was necessary at June 30, 2024 and 2023 as all such receivables are considered to be fully collectible.

Pledges Receivable—Pledges receivable represents unconditional promises to give from corporations, foundations and individuals as of June 30, 2024 and 2023. The carrying amounts for pledges receivable reported in the statement of financial position approximate fair values, as all amounts are expected to be received or paid within one year, and management has determined that no allowance for potential losses due to uncollectible pledges receivable was necessary at June 30, 2024 and 2023 as all such receivables are considered to be fully collectible.

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Property and Equipment—Property and equipment are stated at cost or estimated fair market value at date of gift, and depreciated using the straight-line method over the estimated useful lives of five to twenty-five years. Amounts over \$5,000 are capitalized when such amounts are determined to benefit future periods. Leasehold improvements are amortized using the straight-line method over the lesser of the assets' estimated useful lives or the term of the applicable lease.

The California Department of Education (CDE) retains a reversionary interest in certain assets purchased with CDE funds. Title to such assets vests with the Organization only for the period of time during which the Organization has a contract with the CDE.

Concentrations of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables.

The Organization places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held in investment accounts at securities brokerage firms are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. While the Organization is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf, the Organization's management has assessed the credit risk associated with its cash deposits and investments at June 30, 2024 and 2023 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments.

Receivables consist of balances due from individuals, local foundations, corporations and government agencies. The credit risk in receivables from government agencies is mitigated by the fact that the Organization has had long standing relationships with the government agencies with no collectability issues. The credit risk in pledges receivable is mitigated by the fact that generally the pledges are made by local donors and are evaluated by the Organization based on the knowledge of the donors. It is the Organization's opinion that it is not exposed to any significant credit risks from government grants or pledges receivable.

Contributions—Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contracts with Customers—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time the customer obtains control of a contracted goods or service. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Government Grants—The Organization receives government grants that are based on expenses incurred or a fixed rate once services are performed. The grants become unconditional and recognized as contributions when the corresponding service has been provided according to the agreement and expenses incurred, subject to the grant limit, if any. Under fixed rate grants, the Organization agrees to provide certain services in specified quantities at a prescribed rate per unit of service provided. Certain grants have provisions for annual settlements to provide for recovery of costs for service capacity required to be provided, but not utilized, and for repayment of amounts billed in excess of contract limits. Estimated settlements are accrued by the Organization as a grant receivable or grant payable for contracts for which cost reports have not been finalized.

In-Kind Contributions—The Organization records the value of donated materials and services at their fair value at the date of donation. In-kind services are recorded only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Special Events—The Organization conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of benefits received by the participants at the event. The Organization values such benefits at the actual cost. Special event income is recognized when such income is received.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Allocable costs are allocated to departments by full time employee (FTE) count ratio for each department. The allocation is updated every quarter, based on the ratio for that quarter. Allocable costs are generally overhead expenses: utilities, insurance, some office supplies, space related costs, communications costs, equipment rentals, etc. that are common to all programs. Costs that benefit various programs/grants in a department are further allocated to the various programs/grants using the direct salary costs for and/or client enrollment for the program/grant.

Charging of costs will be determined on the basis of whether that expense is a direct cost or indirect (allocable) cost. Direct cost expenses will be charged directly to the grant or project and specific cost category. Once that determination is made the expense will be coded and recorded in the accounting system. Charging of allocable costs must be determined on whether the expense benefits multiple grants or projects. Once the determination is made on which program(s) received the benefit, then the expense will be coded accordingly and recorded in the accounting system.

Advertising—Advertising costs are expensed as incurred and amounted to \$34,403 and \$23,883 for the years ended June 30, 2024 and 2023.

Legacies and Bequests—Legacies and bequests may be received by the Organization under various wills and trust agreements. The amounts are recorded upon legal validation.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Comparative Totals for 2023—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Reclassifications—Certain amounts in 2023 have been reclassified to conform with the 2024 financial statement presentation.

Reconciliation of CDE and GAAP Expense Reporting—The supplementary *Statement of Activities* and basic financial statements present financial data in conformity with GAAP. The other supplementary financial data presented in the audit, including data in the *Schedule of Expenditures by State Categories*, present expenditures according to CDE reporting requirements. However, reporting differences arise because CDE contract funds must be expended during the contract period (usually one year). For example, program amounts that are capitalized and depreciated over multiple years under GAAP are expensed in the contract period under CDE requirements. To address such reporting differences, the audit report includes a *Reconciliation of CDE and GAAP Expense Reporting*.

Note 2—Prior Period Restatement

It was determined during the year ended June 30, 2024, that certain contributions were misinterpreted to be conditional, when in fact, they were unconditional. As a result, the financial statements for the year ended June 30, 2023 have been restated to correct the error in interpretation, resulting in the following changes by financial statement caption:

	<u>June 30, 2023, as Previously Stated</u>	<u>Corrections of Error</u>	<u>June 30, 2023, as Restated</u>
Statement of Financial Position			
Pledges receivable	\$ 333,800	\$ 1,250,000	\$ 1,583,800
Deferred revenue	7,044,901	(3,814,949)	3,229,952
Net assets			
Without donor restrictions	6,654,120	1,286,672	7,940,792
With donor restrictions	2,019,831	3,778,277	5,798,108
Total Net Assets	<u>\$ 8,673,951</u>	<u>\$ 5,064,949</u>	<u>\$ 13,738,900</u>
Statement of Activities			
Foundation/corporate contributions	\$ 3,539,484	\$ 1,764,454	\$ 5,303,938
Net assets, at beginning of the year			
Without donor restrictions	5,113,321	1,799,192	6,912,513
With donor restrictions	1,691,605	1,501,303	3,192,908
Total Net Assets, at beginning of the year	<u>\$ 6,804,926</u>	<u>\$ 3,300,495</u>	<u>\$ 10,105,421</u>

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 3—Availability and Liquidity

The Organization's goal is generally to maintain financial assets to meet at least 90 days of general operating expenses. The following represents the availability and liquidity of the Organization's financial assets at June 30, 2024 and 2023 to cover operating expenses for the next fiscal year:

	2024	2023
Cash and cash equivalents	\$ 5,212,183	\$ 6,571,749
Investments	6,773,249	7,145,387
Government grants receivable	574,093	676,626
Pledges receivable	1,201,748	1,583,800
Total Financial Assets	<u>\$ 13,761,273</u>	<u>\$ 15,977,562</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions for time or purpose	(5,514,023)	(5,464,308)
Net assets without donor restrictions board designated	(338,614)	(227,583)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 7,908,636</u>	<u>\$ 10,285,671</u>

Note 4—Investments and Fair Value Measurements

Investments are carried at fair value, as based on quoted market prices for these instruments. Donated investments are recorded at the estimated fair value at the donation date. Unrealized gains and losses are reported on the statement of activities. Marketable securities consist of the following at June 30, 2024 and 2023:

	2024	2023
Fixed income funds	\$ 5,216,717	\$ 5,816,180
Bond funds	638,118	469,324
Equity funds	849,881	795,876
Exchange traded funds	68,533	64,007
Totals	<u>\$ 6,773,249</u>	<u>\$ 7,145,387</u>

Investment activity for the years ended June 30, 2024 and 2023 consists of the following:

	2024	2023
Unrealized gains on investments	\$ 216,491	\$ 92,313
Investment Returns, Net	<u>216,491</u>	<u>92,313</u>
Interest and dividend income	439,950	252,970
Total Return on Investment	<u>\$ 656,441</u>	<u>\$ 345,283</u>

In determining the fair value of assets and liabilities, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 4—Investments and Fair Value Measurements—Continued

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

The Organization may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. The Organization had no assets or liabilities classified at NAV as a practical expedient during the years ended June 30, 2024 and 2023.

The Organization's investments consist of fixed income funds, bond funds, equity funds and exchange traded funds, all which are valued at the closing price reported on the active market in which the funds are traded.

Assets and liabilities measured at fair value on a recurring basis at June 30, 2024 consist of the following:

	Fair Value	Level 1	Level 2	Level 3
Fixed income funds	\$ 5,216,717	\$ 5,216,717	\$	\$
Bond funds	638,118	638,118		
Equity funds	849,881	849,881		
Exchange traded funds	68,533	68,533		
Totals	\$ 6,773,249	\$ 6,773,249	\$	\$

Assets and liabilities measured at fair value on a recurring basis at June 30, 2023 consist of the following:

	Fair Value	Level 1	Level 2	Level 3
Fixed income funds	\$ 5,816,180	\$ 5,816,180	\$	\$
Bond funds	469,324	469,324		
Equity funds	795,876	795,876		
Exchange traded funds	64,007	64,007		
Totals	\$ 7,145,387	\$ 7,145,387	\$	\$

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 5—Fixed Assets, Net

Fixed assets at June 30, 2024 and 2023 consist of the following:

	2024	2023
Land	\$ 993,669	\$ 993,669
Building and building improvements	5,689,668	5,493,347
Furniture and equipment	935,642	935,642
Leasehold improvements	60,000	60,000
	Total Fixed Assets	7,678,979
	Less accumulated depreciation	(5,306,459)
	Fixed Assets, Net	\$ 2,372,520
	\$ 2,268,980	

Depreciation expense was \$92,781 and \$126,433 for the years ended June 30, 2024 and 2023, respectively.

Note 6—Deferred Revenue

Deferred revenue at June 30, 2024 and 2023 consists of the following:

	2024	2023
Economic Mobility for All *	\$ 594,407	\$ 3,229,952
Child development program contracts	116,466	
	Totals	\$ 710,873
	\$ 3,229,952	

*The Organization received an advance in the amount of \$5,000,000 from the California Workforce Development Board (a State agency) in May 2022 for the purposes of the Economic Mobility for All initiative. Through this project, the Organization will expand their existing services to reach more people across the Bay Area and create new and innovative programs to assist their graduates on their path to economic mobility. As of June 30, 2024, \$2,635,545 has been earned. The balance of \$594,407 is expected to be earned during the year ended June 30, 2025.

Note 7—Finance and Operating Lease Obligation

On June 30, 2020, the Organization entered into a finance lease agreement with PNC Equipment Finance for office equipment that expires in June 2025. The lease requires monthly payments of \$4,897, and bears interest at approximately 6% per annum.

On September 1, 2017, the Organization entered into a 10-year lease agreement to lease facility space, expiring August 2027. The lease requires monthly payments of \$3,235, and will increase by 3% per year.

Additionally, the Organization entered into a lease agreement for a dish machine under a two-year term in February 2024. The lease includes monthly payments of \$155, expiring in 2026.

The Organization recognized an operating right-of-use asset totaling \$138,564, and operating lease liability totaling \$152,936, and a finance lease obligation totaling \$56,898 at June 30, 2024.

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 7—Finance and Operating Lease Obligation—Continued

Future minimum annual rental commitments by year for these operating leases at June 30, 2024 are as follows:

Year Ending June 30,	
2025	\$ 49,372
2026	50,177
2027	50,405
2028	<u>8,442</u>
	Gross Rental Payments <u>158,396</u>
Less effect of discounting	<u>(5,460)</u>
	Operating Lease Liability <u><u>\$ 152,936</u></u>

Finance and operating lease expenses during the year ended June 30, 2024 totaled \$126,619, and are included in occupancy and equipment and rental on the statement of functional expenses.

Note 8—Note Payable

In December 1993, the Organization obtained a secured note payable with San Mateo County in the amount of \$300,000, with no interest, payable in full (plus 10% of the realized appreciation of property) in February 2024 or upon sale of the property. The note is collateralized by the building located at 1200 O'Brien Drive, Menlo Park. A condition of the loan is that the Organization must provide space in their facility to a specified third party, free of rent. In lieu of interest, the Organization will pay to San Mateo County 10% of the realized appreciation of the property upon disposition. On September 1, 2015, the note was amended to state that upon maturity of the note, the entirety of the loan shall be forgiven provided that the Organization has continuously met all conditions of the agreement. The note payable was forgiven during the year ended June 30, 2024.

Note 9—Capital Campaign

The Capital Campaign Fund was started during the fiscal year ended June 30, 2020 to raise funds for a new building project. The Organization is planning to construct an East Palo Alto Center that would expand services delivered and develop a new Innovation Center, Employer Partnership Center and Replication Hub for Regional Expansion.

Capital Campaign assets consist of the following at June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 2,979,662	\$ 2,628,277
Pledges receivable	<u>750,000</u>	<u>1,250,000</u>
Total Capital Campaign Assets	<u>\$ 3,729,662</u>	<u>\$ 3,878,277</u>

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 9—Capital Campaign—Continued

Following is a schedule of Capital Campaign activity for the years ended June 30, 2024 and 2023, respectively:

		Net Assets Subject to Restrictions	Board Designated Net Assets Without Restrictions	Total
	Balance at June 30, 2022	\$ 1,501,303	\$ 100,000	\$ 1,601,303
Contributions Expenditures		2,362,661 (85,687)		2,362,661 (85,687)
	Balance at June 30, 2023	\$ 3,778,277	\$ 100,000	\$ 3,878,277
Contributions Expenditures		15,714 (164,329)		15,714 (164,329)
	Balance at June 30, 2024	<u>\$ 3,629,662</u>	<u>\$ 100,000</u>	<u>\$ 3,729,662</u>

Note 10—Net Assets

Net assets without donor restrictions as of June 30, 2024 and 2023 are as follows:

	2024	2023
Net assets without donor restrictions—undesignated	\$ 8,159,394	\$ 7,713,209
Net assets without donor restrictions—board designated	238,614	227,583
Net assets without donor restrictions—board designated, Capital Campaign	100,000	
Total Net Assets Without Donor Restrictions	<u>\$ 8,498,008</u>	<u>\$ 7,940,792</u>

Net assets without donor restrictions are designated by the Board for a Facility Fund. As of June 30, 2024 and 2023, board designated net assets without donor restrictions are as follows:

	2024	2023
Cash and cash equivalents—Charles Schwab	\$ 49,693	\$ 11,997
Investments—Charles Schwab	188,921	215,586
Totals	<u>\$ 238,614</u>	<u>\$ 227,583</u>

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 10—Net Assets—Continued

Net assets with donor restrictions for the years ended June 30, 2024 and 2023 consist of the following:

	2024	2023
Subject to expenditure for specified purpose:		
Capital Campaign	\$ 2,879,662	\$ 2,528,277
21st Century Sustainability Fund	1,598,585	1,482,820
21st Century Initiative Fund	213,776	203,211
Career Training Program	72,000	
Subject to time restrictions:		
Pledges receivable Capital Campaign	750,000	1,250,000
Pledges receivable	451,748	333,800
	Total Net Assets With Donor Restrictions	\$ 5,965,771
	\$ 5,798,108	

Net assets released from donor restrictions for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Satisfaction of purpose restrictions:		
IT Career Training Programs.	\$ 345,640	\$ 145,000
EPA Career Center	295,106	245,484
Capital Campaign	164,329	85,687
Youth Services	34,000	44,000
21st Century Sustainability Fund	31,212	89,337
Supportive services	10,000	
Capacity Building		50,000
Construction Build Class		150,000
MP residents		10,000
Project Build		40,000
Training		10,000
Winter Wonderland		5,000
Satisfaction of passage of time:		
Pledges receivable	333,800	205,000
	Total Net Assets Released from Donor Restrictions	\$ 1,214,087
	\$ 1,079,508	

Note 11—Concentrations and Contingencies

The Organization, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Organization's insurance policy or are immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Organization.

JobTrain, Inc.
Notes to Financial Statements—Continued

Note 12—In-Kind Contributions

During the years ended June 30, 2024 and 2023, donated materials and services totaling \$122,670 and \$99,115 respectively, were received by the Organization and recorded in the statement of activities under the in-kind contributions caption, and in the respective expense captions in the statement of functional expenses listed below:

	2024	2023
Professional services	\$ 121,320	\$ 96,334
Supplies	1,350	2,781
Totals	\$ 122,670	\$ 99,115

Donated materials and services are used by the Organization for its program activities, general operations, fundraising activities. Contributed outside services comprise various professional services including landscaping, air conditioning maintenance services, and software services which would be normally paid for by the Organization. Contributed services are valued and reported at the invoiced amount provided by services providers and compared to similar services. The Organization values donated materials on the basis of estimates of wholesale values that would be received for purchasing similar products. In-kind contributions were received without donor-imposed restrictions.

Note 13—Retirement Plan

The Organization has a defined contribution plan under Section 403(b) of the Internal Revenue Code, (the Plan) for all employees with 1,000 hours of service during a full year. The Organization contributes up to 4% of gross salaries for all eligible employees, as defined, on a monthly basis. Pension expense related to the Plan was \$118,135 and \$101,930 for the years ended June 30, 2024 and 2023, respectively.

Note 14—Related Party Activity

The Organization used the service of a company at which a board member is a key employee, to perform air conditioning repairs during the years ended June 30, 2024 and 2023 which totalled \$12,500 and \$27,947, respectively. The transaction was considered to be at arm's length.

Note 15—Subsequent Events

Management evaluated all activities of the Organization through December 16, 2024, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

JobTrain, Inc.
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2024

Federal Department/ Federal Program Title/ Pass-Through Agency	Federal Assistance Listing Number	Grantor's Number	Contract Period	Federal Award	State Award	Total Contract Award	Federal Program Expenditures	State Program Expenditures	Subrecipients
Department of Agriculture									
Child and Adult Care Food Program									
Passed-through:									
California Department of Education	10.558	41-663-3A	10/1/22-9/30/23	\$ 2,435	\$ 2,435	\$ 2,435	\$ 2,435	\$ 2,435	\$ 2,435
	10.558	41-663-3A	10/1/23-9/30/24	6,128	6,128	6,128	6,128	6,128	6,128
						Total Assistance Listing No. 10.558		8,563	
<u>SNAP Cluster</u>									
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program									
Passed-through:									
County of Santa Clara CalFresh Employment & Training (CFET) Program	10.561	SSA-JT-CFET-FFY22/23	10/1/22-9/30/23	250,000	250,000	250,000	61,245	61,245	
	10.561	SSA-JT-CFET-FFY23/24	10/1/23-9/30/24	250,000	250,000	250,000	196,789	196,789	
						Total SNAP Cluster Assistance Listing Nos. 10.551 and 10.561		258,034	
						Total Department of Agriculture		266,597	
Department of Treasury									
COVID-19—Coronavirus State and Local Fiscal Recovery Funds									
Passed-through:									
County of San Mateo North Fair Oaks Economic Advancement Center	21.027	079419	2/1/23-9/30/24	680,883	680,883	680,883	345,938	345,938	
						Total Assistance Listing No. 21.027		345,938	
						Total Department of Treasury		345,938	
Department of Housing and Urban Development									
<u>CDBG—Entitlement Grants Cluster</u>									
Community Development Block Grants/Entitlement Grants									
Passed-through:									
County of San Mateo Housing and Community Services—CDBG Loan	14.218	N/A	2/14/94-2/14/24	300,000	300,000	300,000	300,000	300,000	
						Total CDBG—Entitlement Grants Cluster Assistance Listing Nos. 14.218 and 14.225		300,000	
						Total Department of Housing and Urban Development		300,000	

JobTrain, Inc.
Schedule of Expenditures of Federal and State Awards—Continued
Year Ended June 30, 2024

* This amount is the outstanding loan balance at June 30, 2023, representing the remaining services to be provided under the note payable agreement.

The loan is being forgiven over a thirty-year time period starting February 1994, based on services rendered under the grant agreement.

See accompanying notes to schedule of expenditures of federal awards.

JobTrain, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note A—Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note B—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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the schedule represent adjustments or credits made in the normal course of operations to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note C—Indirect Cost Rate

The Organization elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance on certain contracts.

Note D—Loans with Continuing Compliance Requirements

As of June 30, 2024, outstanding federally-funded program loans with a continuing compliance requirement are as follows:

Federal Assistance Listing Number	Grantor's Number	Federal Program	Outstanding Loans	Loans with Continuing Compliance Requirements
14.218	N/A	CDBG—Entitlement Grants Cluster	\$	\$ 300,000

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Combining Statement of Activities

Year Ended June 30, 2024

	CSPP 3523	Non-CDE Programs	Total
Operating Activities			
Public Support and Revenue			
Contributions			
Government grants	\$ 606,575	\$ 5,209,726	\$ 5,816,301
Childcare and development programs	8,563		8,563
Foundation/corporate contributions		2,778,460	2,778,460
Individual contributions		814,964	814,964
In-kind contributions—Note 10		122,670	122,670
Special events			
Gross revenue		474,848	474,848
Less cost of direct benefits to donors		(206,488)	(206,488)
Special Events, Net		268,360	268,360
Total Support	615,138	9,194,180	9,809,318
Interest income			
Interest income		439,950	439,950
Miscellaneous income		4,800	4,800
Total Revenue		444,750	444,750
Total Public Support, Revenue, and Releases from Restrictions			
	615,138	9,638,930	10,254,068
Expenses			
Salaries	317,691	5,349,086	5,666,777
Employee benefits	26,778	1,174,780	1,201,558
Payroll taxes	68,814	410,098	478,912
Total Payroll-Related Expense	413,283	6,933,964	7,347,247

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Combining Statement of Activities—Continued

Year Ended June 30, 2024

	CSPP 3523	Non-CDE Programs	Total
Expenses—cont'd			
Advertising	\$ 34,403	\$ 34,403	\$ 34,403
Client expenses	24,685	56,531	81,216
Client training	14,599	634,299	648,898
Depreciation	9,928	82,853	92,781
Equipment rental and maintenance	5,858	339,745	345,603
Insurance	6,994	98,090	105,084
Interest expense	503	12,777	13,280
Miscellaneous expenses	611	65,452	66,063
Occupancy	2,934	131,787	134,721
Postage and mailing expense		270	270
Professional services		54,384	54,384
Staff training and travel	2,451	77,458	79,909
Supplies and services	110,401	674,131	784,532
Taxes, licenses and fees	2,602	118,280	120,882
Utilities	26,090	228,277	254,367
Total Expenses	620,939	9,542,701	10,163,640
Change in Net Assets from Operating Activities	(5,801)	96,229	90,428
Nonoperating Activities			
Investment returns, net		216,491	216,491
Change in Net Assets from Nonoperating Activities		216,491	216,491
Change in Net Assets	\$ (5,801)	\$ 312,720	\$ 306,919

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.**Supplementary Information Required by California Department of Education (CDE)****Schedule of Expenditures by State Categories****Year Ended June 30, 2024**

Expenditures	CSPP 3523	Total
1000 Certificated salaries	\$ 317,691	\$ 317,691
2000 Classified salaries		
3000 Employee benefits	95,592	95,592
4000 Books and supplies	8,833	8,833
5000 Services and other operating expenses	188,895	188,895
Depreciation on assets purchased with public funds	9,928	9,928
	Total Expenses Claimed for Reimbursement (b)	620,939
Total supplemental expenses		
	Total Expenditures	<u>\$ 620,939</u>

(a) A written indirect cost allocation plan for the current fiscal year, approved by the Board of Directors, is on file in the file in the main accounting office of Job Train.

(b) Any food expenses have been allocated to the appropriate contacts.

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contract listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Reconciliation of CDE and GAAP Expense Reporting

Year Ended June 30, 2024

Expenses	CSPP 3523	Total
Schedule of Expenditures by State Categories (CDE)	\$ 620,939	\$ 620,939
Adjustments to reconcile differences in reporting:		
None		
	Subtotal	
Combining Statement of Activities (GAAP)	<u>\$ 620,939</u>	<u>\$ 620,939</u>

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reimbursable Equipment Expenditures

Year Ended June 30, 2024

Reimbursable Equipment Expenditures	CSPP 3523	Total
<u>Unit Cost Under \$7,500 Per Purchase</u>		
None	\$ _____	\$ _____
	Subtotal	
<u>Unit Cost Over \$7,500 per Purchase With Prior Written Approval</u>		
None	\$ _____	\$ _____
	Subtotal	
<u>Unit Cost Over \$7,500 per Purchase Without Prior Written Approval</u>		
None	\$ _____	\$ _____
	Subtotal	
	Total Expenditures	
	\$	\$

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reimbursable Expenditures for Renovations and Repairs

Year Ended June 30, 2024

Reimbursable Expenditures for Renovations and Repairs	CSPP 3523	Total
<u>Unit Cost Under \$10,000 Per Item</u>		
None	\$ _____	\$ _____
	Subtotal	
<u>Unit Cost Over \$10,000 per Purchase With Prior Written Approval</u>		
None	\$ _____	\$ _____
	Subtotal	
<u>Unit Cost Over \$10,000 per Purchase Without Prior Written Approval</u>		
None	\$ _____	\$ _____
	Subtotal	
	Total Expenditures	\$ _____

Note: The Organization's capitalization threshold is \$1,000 or more.

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.
Supplementary Information Required by California Department of Education (CDE)
Schedule of Reimbursable Administrative Costs
Year Ended June 30, 2024

Reimbursable Administrative Costs	CSPP 3523	Total
Salaries	\$ 19,021	\$ 19,021
Employee benefits	5,723	5,723
Books and supplies	529	529
Services and other operating expenses	11,310	11,310
Total Expenditures	\$ 36,583	\$ 36,583

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reimbursable Start-Up Expenses

Year Ended June 30, 2024

Reimbursable Start-Up Expenses	CSPP 3523	Total
1000 Certificated salaries	\$	\$
2000 Classified salaries		
3000 Employee benefits		
4000 Books and supplies		
5000 Services and other operating expenses		
	Subtotal	
6100/6200 Other approved capital outlay		
	Total Expenditures	\$

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.
Supplementary Information Required by California Department of Education (CDE)
Schedule of Claimed Budget Impasse Credit Expenses
Year Ended June 30, 2024

Expenditures	CSPP 3523	Total
1000 Certificated salaries	\$	\$
2000 Classified salaries		
3000 Employee benefits		
4000 Books and supplies		
5000 Services and other operating expenses		
	Subtotal	
6100/6200 Other approved capital outlays		
4000 New equipment		
4000 Replacement equipment		
	Total Claimed Budget Impasse Credit Expenses	\$
	_____	_____

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted and Allowed Meals and Earned Reimbursement

Agreement No: 41-1663-3A

Year Ended June 30, 2024

Fixed Percentage Method

Federal Meal Compensation	Meals			Food Services Rates	Revenue Recognized	Audit Adjustments	Earned Reimbursement
	Reported	Adjusted	Allowed				
Breakfast							
Free	\$ 696	\$ -	\$ 696	\$ 2.28	\$ 1,587	\$ -	\$ 1,587
Reduced	313	-	313	1.98	620	-	620
Base	<u>546</u>	<u>-</u>	<u>546</u>	0.38	<u>207</u>	<u>-</u>	<u>207</u>
Total	1,555	-	1,555		2,414	-	2,414
Lunch							
Free	712	-	712	4.25	3,026	-	3,026
Reduced	321	-	321	3.85	1,236	-	1,236
Base	<u>555</u>	<u>-</u>	<u>555</u>	0.40	<u>222</u>	<u>-</u>	<u>222</u>
Total	1,588	-	1,588		4,484	-	4,484
Supplements							
Free	509	-	509	1.17	596	-	596
Reduced	216	-	216	0.58	125	-	125
Base	<u>391</u>	<u>-</u>	<u>391</u>	0.10	<u>39</u>	<u>-</u>	<u>39</u>
Total	1,116	-	1,116		760	-	760
Total Federal Meal Reimbursement							
Cash-in-Lieu	<u>\$ 1,588</u>	<u>\$ -</u>	<u>\$ 1,588</u>	0.30	<u>468</u>	<u>-</u>	<u>468</u>
State Meal Reimbursement	<u>\$ 2,042</u>	<u>\$ -</u>	<u>\$ 2,042</u>	0.21	<u>436</u>	<u>-</u>	<u>436</u>
Total Federal and State Reimbursement					\$ 8,563	\$ -	\$ 8,563
Total Program Reimbursement							
Overpaid - Refund Due to the State						\$ -	

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.
Supplementary Information Required by California Department of Education (CDE)
Summary of Claim
Agreement No. 41-1663-3A
Year Ended June 30, 2024

	Allowed	Paid	Variance
Federal Fund Reimbursement Variance (Overpaid)	\$ 7,658	\$ 7,658	\$
Cash-In-Lieu Reimbursement	468	468	
State Meal Reimbursement	436	436	
Total Program Reimbursement (State and Federal)			\$

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.
Supplementary Information Required by California Department of Education (CDE)
Statement of Claim
Agreement No. 41-1663-3A
Year Ended June 30, 2024

Reimbursement per Examination	\$ 8,563
Less: Program Reimbursements Claimed and Recorded	<u>8,563</u>
	Amount Due From Agency <u>\$</u>

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted and Allowed Meals and Earned Reimbursement

Agreement No: 41-1663-3A

For The Period From July 1, 2023 Through December 31, 2023

Fixed Percentage Method

	July 2023			August 2023			September 2023		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
Breakfast									
Free	\$ 84	\$ 84	\$ 84	\$ 82	\$ 82	\$ 82	\$ 62	\$ 62	\$ 62
Reduced	17	17	17	16	16	16	15	15	15
Base	51	51	51	50	50	50	46	46	46
Subtotal	152		152	148		148	123		123
Lunch									
Free	89		89	84		84	62		62
Reduced	18		18	17		17	15		15
Base	54		54	50		50	46		46
Subtotal	161		161	151		151	123		123
Supplements									
Free	67		67	72		72	56		56
Reduced	13		13	14		14	14		14
Base	41		41	43		43	42		42
Subtotal	121		121	129		129	112		112

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted And Allowed Meals And Earned Reimbursement—Continued

Agreement No: 41-1663-3A

For The Period From July 1, 2023 Through December 31, 2023

Fixed Percentage Method

	October 2023			November 2023			December 2023		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
Breakfast									
Free	\$ 71	\$ 71	\$ 71	\$ 55	\$ 55	\$ 55	\$ 41	\$ 41	\$ 41
Reduced	35	35	35	27	27	27	20	20	20
Base	53	53	53	41	41	41	31	31	31
Subtotal	159		159	123		123	92		92
Lunch									
Free	72		72	56		56	44		44
Reduced	36		36	28		28	22		22
Base	54		54	43		43	32		32
Subtotal	162		162	127		127	98		98
Supplements									
Free	61		61	40		40	27		27
Reduced	30		30	20		20	13		13
Base	46		46	30		30	20		20
Subtotal	137		137	90		90	60		60

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted And Allowed Meals And Earned Reimbursement—Continued

Agreement No: 41-1663-3A

For The Period From January 1, 2024 Through June 30,2024

Fixed Percentage Method

	January 2024			February 2024			March 2024		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
Breakfast									
Free	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54	\$ 50	\$ 50	\$ 50
Reduced	27	27	27	27	27	27	33	33	33
Base	41	41	41	41	41	41	49	49	49
Subtotal	122		122	122		122	132		132
Lunch									
Free	56		56	54		54	50		50
Reduced	28		28	27		27	33		33
Base	43		43	41		41	49		49
Subtotal	127		127	122		122	132		132
Supplements									
Free	36		36	33		33	27		27
Reduced	18		18	16		16	18		18
Base	28		28	25		25	27		27
Subtotal	82		82	74		74	72		72

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted And Allowed Meals And Earned Reimbursement—Continued

Agreement No: 41-1663-3A

For The Period From January 1, 2024 Through June 30,2024

Fixed Percentage Method

	April 2024			May 2024			June 2024		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
Breakfast									
Free	\$ 45	\$ 45	\$ 45	\$ 56	\$ 56	\$ 56	\$ 42	\$ 42	\$ 42
Reduced	30	30	30	38	38	38	28	28	28
Base	46	46	46	56	56	56	41	41	41
Subtotal	121		121	150		150	111		111
Lunch									
Free	46		46	57		57	42		42
Reduced	31		31	38		38	28		28
Base	45		45	57		57	41		41
Subtotal	122		122	152		152	111		111
Supplements									
Free	33		33	34		34	23		23
Reduced	22		22	23		23	15		15
Base	34		34	33		33	22		22
Subtotal	89		89	90		90	60		60

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted and Allowed Eligibility

Agreement No: 41-1663-3A

For the Period July 1, 2023 to June 30, 2024

Fixed Percentage Method

	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
<u>Eligibility Total</u>												
Reported	9	9	8	9	9	9	9	9	8	8	8	8
Adjusted												
Allowed	9	9	8	9	9	9	9	9	8	8	8	8
Free												
Reported	5	5	4	4	4	4	4	4	3	3	3	3
Adjusted												
Allowed	5	5	4	4	4	4	4	4	3	3	3	3
Reduced												
Reported	1	1	1	2	2	2	2	2	2	2	2	2
Adjusted												
Allowed	1	1	1	2	2	2	2	2	2	2	2	2
Base												
Reported	3	3	3	3	3	3	3	3	3	3	3	3
Adjusted												
Allowed	3	3	3	3	3	3	3	3	3	3	3	3

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Notes to Child Care and Development Program Supplementary Information

June 30, 2024

In accordance with the applicable requirements from the funding terms and conditions:

- Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. There was no interest expense claimed to a child development contract for the year ended June 30, 2024.
- All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There are no related party rent transactions claimed to a child development contract for the year ended June 30, 2024.
- Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2024.

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

**California Department of Education
Audited Enrollment, Attendance and Fiscal
Report for California State Preschool Program**

Fiscal Year Ended: June 30, 2024

Vendor Code: M322

Section 1 – Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2):

Number of counties where the agency provided services to non-certified children (Form 3):

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4):

Total enrollment and attendance forms to attach: **1**

Section 2 – Days of Enrollment, Attendance and Operation

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	2,801	0	2,801	4,197.6000
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	2,049	0	2,049	N/A
Total Non-Certified Days of Enrollment	0	0	0	0.0000
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	243		243	N/A

Section 3 – Revenue

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	7,999	564	8,563
County Maintenance of Effort (EC Section 8260)			0
American Rescue Plan Act (ARPA)			0
Other:			0
TOTAL RESTRICTED INCOME	7,999	564	8,563

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Preschool Reserve Account			0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children (July – September)	6,431		6,431
Family Fees for Certified Children (October – June)			0
Interest Earned on Apportionment Payments			0
Unrestricted Income: Fees for Non-Certified Children			0
Unrestricted Income: Head Start			0
Other:			0
Other:			0

Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
Direct Payments to Subcontractors: Cost of Care Plus & One-Time Allocations Only			0
1000 Certificated Salaries	317,691		317,691
2000 Classified Salaries			0
3000 Employee Benefits	98,645	(3,053)	95,592
4000 Books and Supplies	10,030	(1,197)	8,833
5000 Services and Other Operating Expenses	171,869	17,026	188,895
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance		9,928	9,928
Start-up Expenses (service level exemption)			0
Indirect Costs (include in Total Administrative Cost)			0
TOTAL REIMBURSABLE EXPENSES	598,235	22,704	620,939

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)? Yes No

Approved Indirect Cost Rate:

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)		36,583	36,583
Total Staff Training Cost (included in Reimbursable Expenses)		2,451	2,451

Section 5 - Supplemental Funding

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding			0
Other:			0
Other:			0
TOTAL SUPPLEMENTAL REVENUE	0	0	0

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
TOTAL SUPPLEMENTAL EXPENSES	0	0	0

Section 6 - Summary

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	2,801	0	2,801
Days of Operation	243	0	243
Days of Attendance (including MHCS)	2,049	0	2,049
Total Certified Adjusted Days of Enrollment	N/A	N/A	4,197.6000
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	7,999	564	8,563
Transfer from Preschool Reserve Account	0	0	0
Family Fees for Certified Children (October - June)	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	598,235	22,704	620,939
Total Administrative Cost	0	36,583	36,583
Total Staff Training Cost	0	2,451	2,451
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Section 7 – Auditor's Assurances

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO): Yes No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO): Yes No

Section 8 – Comments

Include any comments in the comment box. If necessary, attach additional sheets to explain adjustments.

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

California State Preschool Program – Form 1 Certified Children Days of Enrollment and Attendance

Service County: San Mateo

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus	0		0	2.1240	0.0000
Three Years Old Full-time	324		324	1.8000	583.2000
Three Years Old Part-time	0		0	1.0892	0.0000
Four Years and Older Full-time-plus	0		0	1.1800	0.0000
Four Years and Older Full-time	288		288	1.0000	288.0000
Four Years and Older Part-time	0		0	0.6051	0.0000
Exceptional Needs Full-time-plus	0		0	2.8320	0.0000
Exceptional Needs Full-time	583		583	2.4000	1,399.2000
Exceptional Needs Part-time	0		0	1.4522	0.0000
Dual Language Learner Full-time-plus	0		0	1.4160	0.0000
Dual Language Learner Full-time	1,606		1,606	1.2000	1,927.2000
Dual Language Learner Part-time	0		0	0.6051	0.0000

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6051	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.4522	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	2,801	0	2,801	N/A	4,197.6000

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
 DAYS OF ATTENDANCE	2,049		2,049	N/A	N/A

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

California State Preschool Program – Form 2
Certified Children Receiving Mental Health Consultation Services
Days of Enrollment and Attendance

Service County: San Mateo

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus			0	2.2240	0.0000
Three Years Old Full-time			0	1.9000	0.0000
Three Years Old Part-time			0	1.1892	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time			0	1.1000	0.0000
Four Years and Older Part-time			0	0.7051	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time			0	2.5000	0.0000
Exceptional Needs Part-time			0	1.5522	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time			0	1.3000	0.0000
Dual Language Learner Part-time			0	0.7051	0.0000

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7051	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.5522	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES	0	0	0	N/A	0.0000

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAY OF ATTENDANCE			0	N/A	N/A

California State Preschool Program – Form 3

Non-Certified Children Days of Enrollment

Service County: San Mateo

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus			0	2.1240	0.0000
Toddlers (18 up to 36 months) Full-time			0	1.8000	0.0000
Toddlers (18 up to 36 months) Part-time			0	0.9900	0.0000
Three Years Old Full-time-plus			0	2.1240	0.0000
Three Years Old Full-time			0	1.8000	0.0000
Three Years Old Part-time			0	1.0892	0.0000
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time			0	0.6051	0.0000
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time			0	1.4522	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6051	0.0000

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6051	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.4522	0.0000
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	0	0	0	N/A	0.0000

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

California State Preschool Program – Form 4
Non-Certified Children Receiving Mental Health Consultation Services
Days of Enrollment

Service County: San Mateo

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus			0	2.2240	0.0000
Toddlers (18 up to 36 months) Full-time			0	1.9000	0.0000
Toddlers (18 up to 36 months) Part-time			0	1.0900	0.0000
Three Years Old Full-time-plus			0	2.2240	0.0000
Three Years Old Full-time			0	1.9000	0.0000
Three Years Old Part-time			0	1.1892	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time			0	1.1000	0.0000
Four Years and Older Part-time			0	0.7051	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time			0	2.5000	0.0000
Exceptional Needs Part-time			0	1.5522	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time			0	1.3000	0.0000
Dual Language Learner Part-time			0	0.7051	0.0000

Contractor Name: JobTrain, Inc

Contract Number: CSPP3523

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7051	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.5522	0.0000
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES	0	0	0	N/A	0.0000

Certified Public Accountants

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Campbell, California 95008

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**Independent Auditor's 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
JobTrain, Inc.
Menlo Park, California

We have audited 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, the financial statements of JobTrain, Inc. ("the Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 16, 2024.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be a significant deficiency. However, significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JobTrain, Inc.'s financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2024-001.

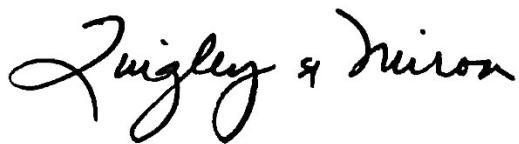
JobTrain, Inc.'s Response to Findings

JobTrain, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. JobTrain, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 report is not suitable for any other purpose.

Campbell, California
December 16, 2024



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Independent Auditor's Report for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Board of Directors
JobTrain, Inc.
Menlo Park, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of JobTrain, Inc. (the Organization) with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal award programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Campbell, California
December 16, 2024

A handwritten signature in black ink that reads "Zugley & Nixon". The signature is fluid and cursive, with a large, stylized 'Z' at the beginning.

JobTrain, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Organization were prepared in accordance with accounting principles generally accepted in the United States of America.
2. A material weakness relating to internal control over financial reporting was identified during the audit.
3. An instance of noncompliance material to the financial statements of the Organization was disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to internal control over major programs were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award program of the Organization expresses an unmodified opinion.
6. An audit finding that is required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* section 200.516(a) is reported on this schedule.
7. The programs tested as major programs were the Department of Housing and Urban Development CDBG—Entitlement Grants Cluster, Assistance Listing Nos. 14.218 and 14.225; the Department of Labor Community Project Funding/Congressionally Directed Spending, Assistance Listing No. 17.289, and Department of Agriculture SNAP Cluster, Assistance Listing Nos. 10.551 and 10.561.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Organization was determined not to be a low-risk auditee.

B. Findings—Financial Statements Audit

See schedule of findings following, detailing finding 2024-001.

C. Findings and Questioned Costs—Major Federal Award Program

None

JobTrain, Inc.
Schedule of Findings and Questioned Costs—Continued
Year Ended June 30, 2024

B. Findings—Financial Statements Audit

Finding 2024-001: Accounting for Contributions and Deferred Revenue

Material Weakness over Financial Reporting

Criteria: Per FASB Topic: 958-605-25-2, Contributions Received, “a contribution made and a corresponding contribution received are generally recognized by both the donor and the donee at the same time, that is, when made or received, respectively, or if conditional when the barrier is overcome.” ASU 2018-08 states that a contribution is a transfer of cash or other assets, including unconditional promises to give, or a reduction, settlement, or cancellation of liabilities; ASU 2018-08 further states that donors may “impose restrictions that are temporary in nature”, for example, stipulating that resources must be used after a specified date.

Condition: The Organization was recording certain contributions as deferred revenue because they were being incorrectly interpreted as being conditional, when, in fact, they were unconditional.

Context: During our testing of contributions, we noted certain contributions were being treated as conditional when they should have been recorded as unconditional.

Cause: The Organization was misinterpreting donations with restrictions as being conditional, therefore, incorrectly recording them as a liability until the restriction was met.

Effect or Potential Effect: The June 30, 2023 financial statements have been restated to correct the error in interpretation, resulting in an increase in beginning net assets of \$3,300,495, and an increase in contributions for the year ended June 30, 2024 of \$1,764,454, resulting in a total increase in net assets of \$5,064,549 at June 30, 2024.

Recommendation: We recommend the Organization stay up to date on GAAP issues related to contributions by taking additional training classes.

Views of responsible officials and planned corrective actions: The Organization agrees with the finding and will implement recommended procedures immediately.

JobTrain, Inc.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Finding 2023-001: Schedule of Federal Awards

Initial Occurrence: Prior audit finding 2023-001 initially occurred during the fiscal year ended June 30, 2023.

Status of Prior Audit Finding: Planned corrective action was completely implemented during the year ended June 30, 2024. The Organization provided additional training to the staff to explain this change and the requirements required to meet the self-declaration requirement