

**Audited Financial Statements  
and Supplementary Information**



**June 30, 2023**

**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, 2023, 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, 2023, 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.

#### *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 14, 2023, 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.

#### **Other Matters**

The financial statements of the Organization for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on December 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



**JobTrain, Inc.**  
**Statement of Financial Position**  
**June 30, 2023**  
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,571,749	\$ 6,152,635
Investments—Note 3	7,145,387	5,347,678
Government grants receivable	676,626	762,231
Pledges receivable	333,800	308,000
Prepaid expenses and other assets	33,094	30,332
<b>Total Current Assets</b>	<b>14,760,656</b>	<b>12,600,876</b>
<b>Noncurrent Assets</b>		
Fixed assets—Note 4	2,268,980	2,288,976
<b>Total Noncurrent Assets</b>	<b>2,268,980</b>	<b>2,288,976</b>
<b>Total Assets</b>	<b><u>\$ 17,029,636</u></b>	<b><u>\$ 14,889,852</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 339,239	\$ 163,592
Accrued compensation and related liabilities	561,055	557,385
Deferred revenue—Note 5	7,044,901	6,902,980
Finance lease obligation, current portion—Note 6	53,592	50,479
Note payable, current portion—Note 7	300,000	
<b>Total Current Liabilities</b>	<b>8,298,787</b>	<b>7,674,436</b>
<b>Noncurrent Liabilities</b>		
Finance lease obligation, noncurrent portion—Note 6	56,898	110,490
Note payable, noncurrent portion—Note 7		300,000
<b>Total Noncurrent Liabilities</b>	<b>56,898</b>	<b>410,490</b>
<b>Total Liabilities</b>	<b>8,355,685</b>	<b>8,084,926</b>
<b>Net Assets—Note 8</b>		
Without donor restrictions	6,654,120	5,113,321
With donor restrictions	2,019,831	1,691,605
<b>Total Net Assets</b>	<b>8,673,951</b>	<b>6,804,926</b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 17,029,636</u></b>	<b><u>\$ 14,889,852</u></b>

See notes to financial statements.

JobTrain, Inc.  
Statement of Activities  
Year Ended June 30, 2023  
(with summarized comparative totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>Operating Activities</b>				
<b>Public Support and Revenue</b>				
Contributions				
Government grants	\$ 5,258,314	\$	\$ 5,258,314	\$ 3,816,510
Foundation/corporate contributions	2,321,199	1,218,285	3,539,484	2,988,945
Individual contributions	890,481		890,481	987,624
In-kind contributions—Note 10	99,115		99,115	34,680
Special events				
Gross revenue	659,829		659,829	470,070
Less cost of direct benefits to donors	(210,679)		(210,679)	(114,555)
<b>Special Events, Net</b>	<b>449,150</b>		<b>449,150</b>	<b>355,515</b>
<b>Total Support</b>	<b>9,018,259</b>	<b>1,218,285</b>	<b>10,236,544</b>	<b>8,183,274</b>
Interest and dividend income	208,756	44,214	252,970	18,230
Contract service income	604,401		604,401	789,523
Miscellaneous income	9,485		9,485	199,478
<b>Total Revenue</b>	<b>822,642</b>	<b>44,214</b>	<b>866,856</b>	<b>1,007,231</b>
Net assets released from restrictions	993,821	(993,821)		
<b>Total Public Support and Revenue, and Releases from Restrictions</b>	<b>10,834,722</b>	<b>268,678</b>	<b>11,103,400</b>	<b>9,190,505</b>
<b>Expenses</b>				
Program services	7,857,202		7,857,202	6,976,847
Supporting services				
Management and general	717,940		717,940	482,673
Fund development	751,546		751,546	846,720
<b>Total Expenses</b>	<b>9,326,688</b>		<b>9,326,688</b>	<b>8,306,240</b>
<b>Change in Net Assets from Operating Activities</b>	<b>1,508,034</b>	<b>268,678</b>	<b>1,776,712</b>	<b>884,265</b>
<b>Nonoperating Activities</b>				
Investment return, net—Note 3	32,765	59,548	92,313	(206,745)
<b>Total Nonoperating Activities</b>	<b>32,765</b>	<b>59,548</b>	<b>92,313</b>	<b>(206,745)</b>
<b>Change in Net Assets</b>	<b>1,540,799</b>	<b>328,226</b>	<b>1,869,025</b>	<b>677,520</b>
Net Assets at Beginning of Year	5,113,321	1,691,605	6,804,926	6,127,406
<b>Net Assets at End of Year</b>	<b>\$ 6,654,120</b>	<b>\$ 2,019,831</b>	<b>\$ 8,673,951</b>	<b>\$ 6,804,926</b>

See notes to financial statements.

JobTrain, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2023  
(with comparative totals for 2022)

	Program Services			Supporting Services			2023 Totals	2022 Totals	
	Child Development Center	Educational & Related Services	Total Program Services	Management and General	Fund- raising	Special Events			Total Supporting Services
Salaries	\$ 326,559	\$ 4,367,222	\$ 4,693,781	\$ 112,824	\$ 473,866		\$ 586,690	\$ 5,280,471	\$ 5,047,475
Employee benefits	86,137	818,222	904,359	48,390	66,789		115,179	1,019,538	1,017,132
Payroll taxes	22,592	359,404	381,996	9,897	38,893		48,790	430,786	417,399
<b>Total Personnel Expenses</b>	<b>435,288</b>	<b>5,544,848</b>	<b>5,980,136</b>	<b>171,111</b>	<b>579,548</b>		<b>750,659</b>	<b>6,730,795</b>	<b>6,482,006</b>
Advertising	27	557	584	36	23,263		23,299	23,883	49,201
Client expenses	14,862	120,387	135,249					135,249	118,425
Client training	2,601	533,571	536,172	10,629	1,905		12,534	548,706	408,291
Cost of direct benefits to donors						210,679	210,679	210,679	114,555
Depreciation	13,901	84,367	98,268	13,676	14,489		28,165	126,433	129,455
Equipment rental and maintenance	7,324	231,494	238,818	5,092	4,825		9,917	248,735	134,763
Insurance	5,229	64,957	70,186	5,632	5,469		11,101	81,287	68,677
Interest expense		6,723	6,723	937	625		1,562	8,285	11,218
Miscellaneous expenses	1,209	11,740	12,949	78,549	1,940		80,489	93,438	40,423
Occupancy	2,711	117,869	120,580	2,545	2,831		5,376	125,956	122,952
Postage and mailing expense	694	8,209	8,903	1,650	1,490		3,140	12,043	3,687
Professional services				44,005			44,005	44,005	66,889
Staff training and travel	1,430	31,118	32,548	29,680	265		29,945	62,493	26,862
Supplies and services	43,332	338,792	382,124	269,929	81,085		351,014	733,138	372,296
Taxes, licenses and fees	924	31,734	32,658	58,782	6,629		65,411	98,069	48,361
Utilities	28,244	173,060	201,304	25,687	27,182		52,869	254,173	222,734
<b>Total Expenses by Function</b>	<b>557,776</b>	<b>7,299,426</b>	<b>7,857,202</b>	<b>717,940</b>	<b>751,546</b>	<b>210,679</b>	<b>1,680,165</b>	<b>9,537,367</b>	<b>8,420,795</b>
Less expenses included with revenues on the statement of activities									
Less cost of direct benefits to donors						(210,679)	(210,679)	(210,679)	(114,555)
<b>Total Expenses</b>	<b>\$ 557,776</b>	<b>\$ 7,299,426</b>	<b>\$ 7,857,202</b>	<b>\$ 717,940</b>	<b>\$ 751,546</b>	<b>\$</b>	<b>\$ 1,469,486</b>	<b>\$ 9,326,688</b>	<b>\$ 8,306,240</b>

See notes to financial statements.

**JobTrain, Inc.**  
**Statement of Cash Flows**  
**Year Ended June 30, 2023**  
**(with comparative totals for 2022)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,869,025	\$ 677,520
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	126,433	129,455
Realized and unrealized (gains) losses on investments	(92,313)	206,745
Changes in operating assets and liabilities:		
Government grants receivable	85,605	(308,989)
Pledges receivable	(25,800)	67,850
Prepaid expenses and other assets	(2,762)	(5,055)
Accounts payable	175,647	(40,291)
Accrued compensation and related liabilities	3,670	103,176
Deferred revenue	141,921	5,894,406
	<u>2,281,426</u>	<u>6,724,817</u>
<b>Net Cash Provided by Operating Activities</b>	<b>2,281,426</b>	<b>6,724,817</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(1,705,396)	(4,632,527)
Proceeds from sale of investments		741,911
Purchases of fixed assets	(106,437)	(100,234)
	<u>(1,811,833)</u>	<u>(3,990,850)</u>
<b>Net Cash Used in Investing Activities</b>	<b>(1,811,833)</b>	<b>(3,990,850)</b>
<b>Cash Flows from Financing Activities</b>		
Payments on finance lease	(50,479)	(47,547)
	<u>(50,479)</u>	<u>(47,547)</u>
<b>Net Cash Used in Financing Activities</b>	<b>(50,479)</b>	<b>(47,547)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>419,114</b>	<b>2,686,420</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>6,152,635</u>	<u>3,466,215</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 6,571,749</u></u>	<u><u>\$ 6,152,635</u></u>
<b>Supplementary Disclosures</b>		
Income taxes paid	<u>\$</u>	<u>\$</u>
Interest paid	<u>\$ 8,285</u>	<u>\$ 11,218</u>

See notes to financial statements.



**JobTrain, Inc.**  
**Notes to Financial Statements**  
**June 30, 2023**  
**(with comparative totals for 2022)**

**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, 2023 or 2022. 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

Leases—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02 (ASU 2016-02), *Leases (Topic 842)*. This standard is applicable to leases with terms exceeding 12 months and requires lessees to recognize the assets and related liabilities that arise from leases in the statement of financial position. Additionally, in July 2018, FASB issued ASU 2018-11 *Leases (Topic 842)—Targeted Improvements*, which, among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative effect adjustment to the opening balance of net assets without donor restrictions in the period of adoption. The Organization adopted ASU 2016-02 and its related amendments on a retrospective basis as of July 1, 2022, which had no financial impact.

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. Additional disclosures are required regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. The Organization has adopted ASU No. 2020-07 for the year ended June 30, 2023 on a retrospective basis, which resulted in no change to revenue previously reported and no effect on revenue reported for the year ended June 30, 2022.

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.

**JobTrain, Inc.**

**Notes to Financial Statements—Continued**

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

Government Grants Receivable—Government grants receivable represents unconditional grants from government agencies not collected as of June 30, 2023 and 2022. The Organization has determined that no allowance for potential losses due to uncollectable government grants receivable was necessary at June 30, 2023 and 2022 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, 2023 and 2022. 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, 2023 and 2022 as all such receivables are considered to be fully collectible.

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, 2023 and 2022 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments. However, due to the current risk and uncertainties affecting financial institutions (see Note 12), the potential related impact cannot be reasonably estimated at this time.

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.

**JobTrain, Inc.**

**Notes to Financial Statements—Continued**

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

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.

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.

**JobTrain, Inc.**

**Notes to Financial Statements—Continued**

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

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 \$23,883 and \$49,201 for the years ended June 30, 2023 and 2022.

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.

Comparative Totals for 2022—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, 2022, from which the summarized information was derived.

Reclassifications—Certain amounts in 2022 have been reclassified to conform with the 2023 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*.

**JobTrain, Inc.****Notes to Financial Statements—Continued****Note 2—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, 2023 and 2022 to cover operating expenses for the next fiscal year:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 6,530,826	\$ 6,152,635
Investments	5,500,279	5,347,678
Government grants receivable	676,626	762,231
Pledges receivable	333,800	308,000
	<u>\$ 13,041,531</u>	<u>\$ 12,570,544</u>
<b>Total Financial Assets</b>		
Less amounts not available to be used within one year:		
Net assets with donor restrictions for time or purpose	(1,686,031)	(1,383,605)
Net assets without donor restrictions board designated	(227,583)	(220,129)
	<u>\$ 11,127,917</u>	<u>\$ 10,966,810</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>		

**Note 3—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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Fixed income funds	\$ 5,816,180	\$ 4,049,244
Bond funds	469,324	459,014
Equity funds	795,876	782,292
Exchange traded funds	64,007	57,128
	<u>\$ 7,145,387</u>	<u>\$ 5,347,678</u>
<b>Totals</b>		

Investment activity for the years ended June 30, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Unrealized gains (losses) on investments	\$ 92,313	\$ (208,590)
Realized gains on investments		1,845
	<u>92,313</u>	<u>(206,745)</u>
<b>Investment Returns, Net</b>		
Interest and dividend income	252,970	18,230
	<u>\$ 345,283</u>	<u>\$ (188,515)</u>
<b>Total Return on Investment</b>		

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 3—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, 2023 and 2022.

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, 2023 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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		
<b>Totals</b>	<b><u>\$ 7,145,387</u></b>	<b><u>\$ 7,145,387</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>

Assets and liabilities measured at fair value on a recurring basis at June 30, 2022 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income funds	\$ 4,049,244	\$ 4,049,244	\$	\$
Bond funds	459,014	459,014		
Equity funds	782,292	782,292		
Exchange traded funds	57,128	57,128		
<b>Totals</b>	<b><u>\$ 5,347,678</u></b>	<b><u>\$ 5,347,678</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 4—Fixed Assets, Net**

Fixed assets at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 993,669	\$ 993,669
Building and building improvements	5,493,347	5,393,901
Furniture and equipment	935,642	928,651
Leasehold improvements	60,000	60,000
	<u>7,482,658</u>	<u>7,376,221</u>
<b>Total Fixed Assets</b>		
Less accumulated depreciation	(5,213,678)	(5,087,245)
	<u>\$ 2,268,980</u>	<u>\$ 2,288,976</u>
<b>Net</b>		

Depreciation expense was \$126,433 and \$129,455 for the years ended June 30, 2023 and 2022, respectively.

**Note 5—Deferred Revenue**

Deferred revenue at June 30, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Capital Campaign *	\$ 3,349,949	\$ 1,488,574
Economic Mobility for All **	3,229,952	4,744,406
Other projects	465,000	670,000
	<u>\$ 7,044,901</u>	<u>\$ 6,902,980</u>
<b>Totals</b>		

\*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.

\*\*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, 2023, \$1,770,048 has been earned. The balance of \$3,229,952 is expected to be earned during the year ended June 30, 2024.

**Note 6—Finance 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. As of June 30, 2023, the office equipment has a cost of \$253,300 and related accumulated amortization of \$151,890. The lease requires monthly payments of \$4,897, and bears interest at approximately 6% per annum.



**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 6—Finance Lease Obligation—Continued**

At June 30, 2023, the present value of the future minimum annual obligations under the agreement is as follows:

<u>Year Ending June 30,</u>	
2024	\$ 53,592
2025	<u>56,898</u>
<b>Total</b>	<b><u>\$ 110,490</u></b>

Total interest paid on the finance lease obligation was \$8,285 and \$11,218 for the years ended June 30, 2023 and 2022, respectively.

**Note 7—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.

**Note 8—Net Assets**

Net assets without donor restrictions as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions - undesignated	\$ 6,426,537	\$ 4,893,192
Net assets without donor restrictions - board designated	<u>227,583</u>	<u>220,129</u>
<b>Total Net Assets Without Donor Restrictions</b>	<b><u>\$ 6,654,120</u></b>	<b><u>\$ 5,113,321</u></b>

Net assets without donor restrictions are designated by the Board for a Facility Fund. As of June 30, 2023 and 2022, board designated net assets without donor restrictions are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents - Charles Schwab	\$ 11,997	\$ 1,220
Investments - Charles Schwab	<u>215,586</u>	<u>218,909</u>
<b>Totals</b>	<b><u>\$ 227,583</u></b>	<b><u>\$ 220,129</u></b>

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 8—Net Assets—Continued**

Net assets with donor restrictions for the years ended June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
21st Century Sustainability Fund	\$ 1,482,820	\$ 1,475,136
21st Century Initiative Fund	203,211	196,469
Project Build		15,000
Subject to time restrictions:		
Pledges receivable	333,800	5,000
<b>Total Net Assets With Donor Restrictions</b>	<b><u>\$ 2,019,831</u></b>	<b><u>\$ 1,691,605</u></b>

Net assets released from donor restrictions for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions:		
EPA Career Center	\$ 245,484	\$ 45,000
Construction Build Class	150,000	
IT Career Training Programs.	145,000	100,000
21st Century Sustainability Fund	89,337	78,970
Capacity Building	50,000	
Youth Services.	44,000	62,000
Project Build	40,000	227,000
MP residents	10,000	
Training	10,000	255,000
Winter Wonderland	5,000	
Digital Literacy		30,000
Employment services		100,000
Supportive services		10,000
Operations		1,484,945
Satisfaction of passage of time:		
Pledges receivable	205,000	200,000
<b>Total Net Assets Released from Donor Restrictions</b>	<b><u>\$ 993,821</u></b>	<b><u>\$ 2,592,915</u></b>

**Note 9—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 10—In-Kind Contributions**

During the years ended June 30, 2023 and 2022, donated materials and services totaling \$99,115 and \$34,680 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:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 96,334	\$ 22,988
Supplies	2,781	11,692
<b>Totals</b>	<b><u>\$ 99,115</u></b>	<b><u>\$ 34,680</u></b>

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. 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 11—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 \$101,930 and \$94,785 for the years ended June 30, 2023 and 2022, respectively.

**Note 12—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 year ended June 30, 2023 which totalled \$27,947. The transaction was considered to be at arm's length.

**Note 13—Risks and Uncertainties**

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As disclosed in Note 1, at times, the Organization maintains cash and cash equivalents and investment balances in excess of federally-insured limits. Given the uncertainty of the situation, the potential related financial impact cannot be reasonably estimated at this time.

**Note 14—Subsequent Events**

Management evaluated all activities of the Organization through December 14, 2023, 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, 2023

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
<b>Department of Agriculture</b>								
Child and Adult Care Food Program Passed-through: California Department of Education	10.558	41-663-3A	10/1/22-9/30/23	\$ 8,058	\$	\$ 8,058	\$ 8,058	\$
<b>Total Assistance Listing No. 10.558</b>							<b>8,058</b>	
<b>SNAP Cluster</b>								
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-FFY21/22	10/1/21-9/30/22	250,000		250,000	53,326	
	10.561	SSA-JT-CFET-FFY22/23	10/1/22-9/30/23	250,000		250,000	188,755	
<b>Total SNAP Cluster Assistance Listing Nos. 10.551 and 10.561</b>							<b>242,081</b>	
<b>Total Department of Agriculture</b>							<b>250,139</b>	
<b>Department of Treasury</b>								
COVID-19—Coronavirus State and Local Fiscal Recovery Funds Passed-through: County of of San Mateo North Fair Oaks Economic Advancement Center	21.027	079419	2/1/23-9/30/24	680,883		680,883	80,051	
<b>Total Assistance Listing No. 21.027</b>							<b>80,051</b>	
<b>Total Department of Treasury</b>							<b>80,051</b>	

JobTrain, Inc.  
Schedule of Expenditures of Federal and State Awards—Continued  
Year Ended June 30, 2023

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
<b>Department of Housing and Urban Development</b>								
<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		2/14/94-2/14/24	\$ 300,000	\$	\$ 300,000	\$ 300,000*	\$
<b>Total CDBG—Entitlement Grants Cluster Assistance Listing Nos. 14.218 and 14.225</b>							<b>300,000</b>	
<b>Total Department of Housing and Urban Development</b>							<b>300,000</b>	
<b>Department of Labor</b>								
<u>Workforce Innovation and Opportunity Act (WIOA) Cluster</u>								
WIOA Youth Activities								
Passed-through:								
City of Sunnyvale								
Youth Workforce Development Services								
	17.259	001-301-23	7/1/22-6/30/23	378,000		378,000	333,501	
<b>Total WIOA Cluster Assistance Listing Nos. 17.258, 17.259, and 17.278</b>							<b>333,501</b>	
Community Project Funding/ Congressionally Directed Spending								
Passed-through:								
City of South San Francisco								
Workforce Development Support Services								
	17.289	23A60CP000051-01-00	5/1/23-5/31/25	500,000		500,000	38,788	
<b>Total Assistance Listing No. 17.289</b>							<b>38,788</b>	
<b>Total Department of Labor</b>							<b>372,289</b>	

JobTrain, Inc.  
Schedule of Expenditures of Federal and State Awards—Continued  
Year Ended June 30, 2023

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
<b>Department of Health and Human Services</b>								
NIEHS Hazardous Waste Worker Health and Safety Training								
Passed-through:								
Center to Protect Workers Rights	93.142	2110-24-01	6/1/23-5/31/24	\$ 171,890	\$	\$ 171,890	\$ 15,779	\$
	93.142	2110-25-01	6/1/22-5/31/23	171,890		171,890	156,736	
<b>Total Assistance Listing No. 93.142</b>							<b>172,515</b>	
<u>CCDF Cluster</u>								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund								
Passed-through:								
California Department of Education								
General Child Care & Development Programs	93.596	CSPP2512	7/1/22-6/30/23	160,220	443,366	603,586	160,220	377,343
<b>Total CCDF Cluster Assistance Listing Nos. 93.489, 93.575, and 93.596</b>							<b>160,220</b>	
<b>Total Department of Health and Human Services</b>							<b>332,735</b>	
<b>Total Federal and State Awards</b>							<b>\$ 1,335,214</b>	<b>\$ 377,343</b>

\* This amount is the outstanding loan balance at June 30, 2022, 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, 2023**

**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, 2023. 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, 2023, 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		CDBG – Entitlement Grants Cluster	\$ 300,000	\$ 300,000

JobTrain, Inc.  
Supplementary Information Required by California Department of Education (CDE)  
Statement of Activities  
Year Ended June 30, 2023

	<u>CSPP 2512</u>	<u>Non-CDE Programs</u>	<u>Total</u>
<b>Operating Activities</b>			
<b>Public Support and Revenue</b>			
Contributions			
Government grants	\$ 11,640	\$ 4,709,111	\$ 4,720,751
Childcare and development programs	537,563		537,563
Foundation/corporate contributions		3,539,484	3,539,484
Individual contributions		890,481	890,481
In-kind contributions—Note 10	8,573	90,542	99,115
Special events			
Gross revenue		659,829	659,829
Less cost of direct benefits to donors		(210,679)	(210,679)
		<u>449,150</u>	<u>449,150</u>
<b>Special Events, Net</b>		<u>449,150</u>	<u>449,150</u>
<b>Total Support</b>	<u>557,776</u>	<u>9,678,768</u>	<u>10,236,544</u>
Interest income		252,970	252,970
Miscellaneous income		9,485	9,485
		<u>262,455</u>	<u>262,455</u>
<b>Total Revenue</b>		<u>262,455</u>	<u>262,455</u>
<b>Total Public Support, Revenue, and Releases from Restrictions</b>	<b>557,776</b>	<b>9,941,223</b>	<b>10,498,999</b>
<b>Expenses</b>			
Salaries	326,559	4,953,912	5,280,471
Employee benefits	22,592	996,946	1,019,538
Payroll taxes	86,137	344,649	430,786
		<u>6,295,507</u>	<u>6,730,795</u>
<b>Total Payroll-Related Expense</b>	<b>435,288</b>	<b>6,295,507</b>	<b>6,730,795</b>



JobTrain, Inc.  
Supplementary Information Required by California Department of Education (CDE)  
Statement of Activities— *Continued*  
Year Ended June 30, 2023

	CSPP 2512	Non-CDE Programs	Total
<b>Expenses— <i>cont'd</i></b>			
Advertising	\$ 27	\$ 23,856	\$ 23,883
Client expenses	14,862	120,387	135,249
Client training	2,601	546,105	548,706
Depreciation	13,901	112,532	126,433
Equipment rental and maintenance	7,324	241,411	248,735
Insurance	5,229	76,058	81,287
Interest expense		8,285	8,285
Miscellaneous expenses	1,209	92,229	93,438
Occupancy	2,711	123,245	125,956
Postage and mailing expense	694	11,349	12,043
Professional services		44,005	44,005
Staff training and travel	1,430	61,063	62,493
Supplies and services	43,332	689,806	733,138
Taxes, licenses and fees	924	97,145	98,069
Utilities	28,244	225,929	254,173
<b>Total Expenses</b>	<b>557,776</b>	<b>8,768,912</b>	<b>9,326,688</b>
<b>Change in Net Assets from Operating Activities</b>		<b>1,172,311</b>	<b>1,172,311</b>
<b>Nonoperating Activities</b>			
Investment returns, net		92,313	92,313
<b>Change in Net Assets from Nonoperating Activities</b>		<b>92,313</b>	<b>92,313</b>
<b>Change in Net Assets</b>	<b>\$</b>	<b>\$ 1,264,624</b>	<b>\$ 1,264,624</b>

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, 2023**

Expenditures	CSPP 2512	Total
1000 Certificated salaries	\$ 326,559	\$ 326,559
2000 Classified salaries		
3000 Employee benefits	108,728	108,728
4000 Books and supplies	43,332	43,332
5000 Services and other operating expenses	65,256	65,256
Depreciation on assets purchased with public funds	13,901	13,901
	<b>Total Expenses Claimed for Reimbursement (b)</b>	<b>557,776</b>
Total supplemental expenses	<b>557,776</b>	<b>557,776</b>
	<b>Total Expenditures</b>	<b>\$ 557,776</b>

(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, 2023**

<b>Expenses</b>	<b>CSPP 2512</b>	<b>Total</b>
Schedule of Expenditures by State Categories (CDE)	\$ 557,776	\$ 557,776
Adjustments to reconcile differences in reporting:		
None		
<b>Subtotal</b>		
<b>Combining Statement of Activities (GAAP)</b>	<b>\$ 557,776</b>	<b>\$ 557,776</b>

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, 2023

Reimbursable Equipment Expenditures	CSPP 2512	Total
<u>Unit Cost Under \$7,500 Per Purchase</u>		
None	\$	\$
<b>Subtotal</b>		
<u>Unit Cost Over \$7,500 per Purchase With Prior Written Approval</u>		
None	\$	\$
<b>Subtotal</b>		
<u>Unit Cost Over \$7,500 per Purchase Without Prior Written Approval</u>		
None	\$	\$
<b>Subtotal</b>		
<b>Total Expenditures</b>	<b>\$</b>	<b>\$</b>

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, 2023**

<u>Reimbursable Expenditures for Renovations and Repairs</u>	<u>CSPP 2512</u>	<u>Total</u>
<u>Unit Cost Under \$10,000 Per Item</u>		
None	\$ _____	\$ _____
<b>Subtotal</b>		
<u>Unit Cost Over \$10,000 per Purchase With Prior Written Approval</u>		
None	\$ _____	\$ _____
<b>Subtotal</b>		
<u>Unit Cost Over \$10,000 per Purchase Without Prior Written Approval</u>		
None	\$ _____	\$ _____
<b>Subtotal</b>		
<b>Total Expenditures</b>	<b>\$ _____</b>	<b>\$ _____</b>

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, 2023**

<b>Reimbursable Administrative Costs</b>	<b>CSPP 2512</b>	<b>Total</b>
Salaries	\$ 24,582	\$ 24,582
Employee benefits	8,185	8,185
Books and supplies	3,262	3,262
Services and other operating expenses	4,912	4,912
<b>Total Expenditures</b>	<b>\$ 40,941</b>	<b>\$ 40,941</b>

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, 2023**

Reimbursable Start-Up Expenses	CSPP 2512	Total
1000 Certificated salaries	\$	\$
2000 Classified salaries		
3000 Employee benefits		
4000 Books and supplies		
5000 Services and other operating expenses		
<b>Subtotal</b>		
6100/6200 Other approved capital outlay		
<b>Total Expenditures</b>	<b>\$</b>	<b>\$</b>

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, 2023**

<u>Expenditures</u>	<u>CSPP 2512</u>	<u>Total</u>
1000 Certificated salaries	\$	\$
2000 Classified salaries		
3000 Employee benefits		
4000 Books and supplies		
5000 Services and other operating expenses		
	<u>Subtotal</u>	
6100/6200 Other approved capital outlays		
4000 New equipment		
4000 Replacement equipment		
<b>Total Claimed Budget Impasse Credit Expenses</b>	<b>\$</b>	<b>\$</b>

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, 2023

**Fixed Percentage Method**

Federal Meal Compensation	Meals			Food Service Rates	Revenue Recognized	Audit Adjustments	Earned Reimburse- ment
	Reported	Adjusted	Allowed				
<b><u>Breakfast</u></b>							
Free	844	-	844	\$ 2.21	\$ 1,865	\$ -	\$ 1,865
Reduced	96	-	96	1.91	183	-	183
Base	459	-	459	0.45	207	-	207
<b>Total</b>	<b>1,399</b>	<b>-</b>	<b>1,399</b>		<b>2,255</b>	<b>-</b>	<b>2,255</b>
<b><u>Lunch</u></b>							
Free	844	-	844	4.03	3,401	-	3,401
Reduced	98	-	98	3.63	356	-	356
Base	458	-	458	0.47	215	-	215
<b>Total</b>	<b>1,400</b>	<b>-</b>	<b>1,400</b>		<b>3,972</b>	<b>-</b>	<b>3,972</b>
<b><u>Supplements</u></b>							
Free	770	-	770	1.18	909	-	909
Reduced	83	-	83	0.64	53	-	53
Base	410	-	410	0.19	78	-	78
<b>Total</b>	<b>1,263</b>	<b>-</b>	<b>1,263</b>		<b>1,040</b>	<b>-</b>	<b>1,040</b>
<b>Total Federal Meal Reimbursement</b>					<b>7,267</b>	<b>-</b>	<b>7,267</b>
Cash-in-Lieu	<u>1,400</u>	<u>-</u>	<u>1,400</u>	0.30	<u>420</u>	<u>-</u>	<u>420</u>
State Meal Reimbursement	<u>1,882</u>	<u>-</u>	<u>1,882</u>	0.20	<u>372</u>	<u>-</u>	<u>372</u>
<b>Total Federal and State Reimbursement</b>					<b><u>\$ 8,059</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,059</u></b>
<b>Total Program Reimbursement Overpaid - Refund Due to the State</b>						<b><u>\$ -</u></b>	

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, 2023**

	<u>Allowed</u>	<u>Paid</u>	<u>Variance</u>
Federal Fund Reimbursement Variance (Overpaid)	\$ 7,267	\$ 7,267	\$
Cash-In-Lieu Reimbursement	420	420	
State Meal Reimbursement	372	372	
<b>Total Program Reimbursement (State and Federal)</b>			<b><u>\$</u></b>

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, 2023**

Reimbursement per Examination	\$ 8,059
Less: Program Reimbursements Claimed and Recorded	<u>8,059</u>
<b>Amount Due From Agency</b>	<b>\$ <u><u>          </u></u></b>

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, 2022 Through December 31, 2022

**Fixed Percentage Method**

	<u>July 2022</u>			<u>August 2022</u>			<u>September 2022</u>		
	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>
<b><u>Breakfast</u></b>									
Free	\$ 64	\$	\$ 64	\$ 65	\$	\$ 65	\$ 86	\$	\$ 86
Reduced									
Base	13		13	33		33	35		35
<b>Subtotal</b>	<b>77</b>		<b>77</b>	<b>98</b>		<b>98</b>	<b>121</b>		<b>121</b>
<b><u>Lunch</u></b>									
Free	64		64	67		67	86		86
Reduced									
Base	13		13	34		34	35		35
<b>Subtotal</b>	<b>77</b>		<b>77</b>	<b>101</b>		<b>101</b>	<b>121</b>		<b>121</b>
<b><u>Supplements</u></b>									
Free	61		61	57		57	86		86
Reduced									
Base	12		12	29		29	35		35
<b>Subtotal</b>	<b>73</b>		<b>73</b>	<b>86</b>		<b>86</b>	<b>121</b>		<b>121</b>

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, 2023 Through June 30, 2023

**Fixed Percentage Method**

	October 2022			November 2022			December 2022		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<b><u>Breakfast</u></b>									
Free	\$ 83	\$	\$ 83	\$ 81	\$	\$ 81	\$ 64	\$	\$ 64
Reduced									
Base	33		33	32		32	26		26
<b>Subtotal</b>	<b>116</b>		<b>116</b>	<b>113</b>		<b>113</b>	<b>90</b>		<b>90</b>
<b><u>Lunch</u></b>									
Free	81		81	80		80	64		64
Reduced									
Base	33		33	32		32	25		25
<b>Subtotal</b>	<b>114</b>		<b>114</b>	<b>112</b>		<b>112</b>	<b>89</b>		<b>89</b>
<b><u>Supplements</u></b>									
Free	81		81	79		79	64		64
Reduced									
Base	32		32	31		31	25		25
<b>Subtotal</b>	<b>113</b>		<b>113</b>	<b>110</b>		<b>110</b>	<b>89</b>		<b>89</b>

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, 2023 Through June 30,2023

**Fixed Percentage Method**

	January 2023			February 2023			March 2023		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<b><u>Breakfast</u></b>									
Free	\$ 54	\$	\$ 54	\$ 54	\$	\$ 54	\$ 75	\$	\$ 75
Reduced	13		13	13		13	19		19
Base	40		40	40		40	56		56
<b>Subtotal</b>	<b>107</b>		<b>107</b>	<b>107</b>		<b>107</b>	<b>150</b>		<b>150</b>
<b><u>Lunch</u></b>									
Free	54		54	54		54	75		75
Reduced	14		14	14		14	19		19
Base	40		40	40		40	55		55
<b>Subtotal</b>	<b>108</b>		<b>108</b>	<b>108</b>		<b>108</b>	<b>149</b>		<b>149</b>
<b><u>Supplements</u></b>									
Free	53		53	46		46	67		67
Reduced	13		13	12		12	17		17
Base	39		39	34		34	49		49
<b>Subtotal</b>	<b>105</b>		<b>105</b>	<b>92</b>		<b>92</b>	<b>133</b>		<b>133</b>

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, 2023 Through June 30,2023

**Fixed Percentage Method**

	<u>April 2023</u>			<u>May 2023</u>			<u>June 2023</u>		
	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>
<b><u>Breakfast</u></b>									
Free	61		61	79		79	78		78
Reduced	15		15	20		20	16		16
Base	46		46	59		59	46		46
<b>Subtotal</b>	<b>122</b>		<b>122</b>	<b>158</b>		<b>158</b>	<b>140</b>		<b>140</b>
<b><u>Lunch</u></b>									
Free	62		62	78		78	79		79
Reduced	15		15	20		20	16		16
Base	46		46	58		58	47		47
<b>Subtotal</b>	<b>123</b>		<b>123</b>	<b>156</b>		<b>156</b>	<b>142</b>		<b>142</b>
<b><u>Supplements</u></b>									
Free	51		51	68		68	57		57
Reduced	13		13	17		17	11		11
Base	38		38	51		51	35		35
<b>Subtotal</b>	<b>102</b>		<b>102</b>	<b>136</b>		<b>136</b>	<b>103</b>		<b>103</b>

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, 2022 to June 30, 2023**

**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>
<b><u>Eligibility Total</u></b>												
Reported	6	9	7	7	7	7	8	8	8	8	8	9
Adjusted												
Allowed	6	9	7	7	7	7	8	8	8	8	8	9
<b>Free</b>												
Reported	5	6	5	5	5	5	4	4	4	4	4	5
Adjusted												
Allowed	5	6	5	5	5	5	4	4	4	4	4	5
<b>Reduced</b>												
Reported							1	1	1	1	1	1
Adjusted												
Allowed							1	1	1	1	1	1
<b>Base</b>												
Reported	1	3	2	2	2	2	3	3	3	3	3	3
Adjusted												
Allowed	1	3	2	2	2	2	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, 2023**

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, 2023.
- 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, 2023.
- 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, 2023.

Contractor Name: JobTrain, Inc

Contract Number: CSPP2512

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

Fiscal Year Ended: June 30, 2023

Vendor Code: M3220

**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	1,776	0	1,776	2,248.6000
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	1,775	0	1,775	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	242		242	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	8,397	(339)	8,058
County Maintenance of Effort (EC Section 8260)			0
Other: QRIS Local Block Grant		3,582	3,582
Other: In-Kind Donation		8,573	8,573
<b>TOTAL RESTRICTED INCOME</b>	<b>8,397</b>	<b>11,816</b>	<b>20,213</b>

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	12,497		12,497
Interest Earned on Child Development 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		0
1000 Certificated Salaries	318,346	8,213	326,559
2000 Classified Salaries	0		0
3000 Employee Benefits	85,824	22,904	108,728
4000 Books and Supplies	9,881	33,451	43,332
5000 Services and Other Operating Expenses	75,424	(10,168)	65,256
6100/6200 Other Approved Capital Outlay	0		0
6400 New Equipment (program-related)	0		0
6500 Equipment Replacement (program-related)	0		0
Depreciation or Use Allowance	0	13,901	13,901
Start-up Expenses (service level exemption)	0		0
Indirect Costs (include in Total Administrative Cost)	0		0
<b>TOTAL REIMBURSABLE EXPENSES</b>	<b>489,475</b>	<b>68,301</b>	<b>557,776</b>

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)		40,941	40,941
Total Staff Training Cost (included in Reimbursable Expenses)			0

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

**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: ARPA STIPEND	6,000	(6,000)	0
Other:			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>6,000</b>	<b>(6,000)</b>	<b>0</b>

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
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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)	1,776	0	1,776
Days of Operation	242	0	242
Days of Attendance (including MHCS)	1,775	0	1,775
Total Certified Adjusted Days of Enrollment	N/A	N/A	2,248.6000
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	8,397	11,816	20,213
Transfer from Preschool Reserve Account	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	489,475	68,301	557,776
Total Administrative Cost	0	40,941	40,941
Total Staff Training Cost	0	0	0
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.

**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	0		0	1.8000	0.0000
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	127		127	1.0000	127.0000
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	119		119	2.4000	285.6000
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	1,530		1,530	1.2000	1,836.0000
Dual Language Learner Part-time	0		0	0.6051	0.0000



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		0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time	0		0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time	0		0	0.6051	0.0000
Severely Disabled Full-time-plus	0		0	2.8320	0.0000
Severely Disabled Full-time	0		0	2.4000	0.0000
Severely Disabled Part-time	0		0	1.4522	0.0000
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>1,776</b>	<b>0</b>	<b>1,776</b>	N/A	<b>2,248.6000</b>

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
<b>DAYS OF ATTENDANCE</b>	<b>1,775</b>		<b>1,775</b>	N/A	N/A

**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

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
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A	<b>0.0000</b>

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
<b>DAYS OF ATTENDANCE</b>			<b>0</b>	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

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
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A	<b>0.0000</b>

**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

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
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A	<b>0.0000</b>

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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, 2023, 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 14, 2023.

### **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.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Quigley & Miron". The signature is written in a cursive, flowing style.

Campbell, California  
December 14, 2023

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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, 2023. 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, 2023.

#### *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.

*Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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

Board of Directors

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 14, 2023

A handwritten signature in black ink that reads "Zwigley & Miron". The signature is written in a cursive, flowing style.

**JobTrain, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2023**

**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. No material weaknesses or significant deficiencies relating to internal control over financial reporting were identified during the audit.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
4. A material weakness relating to internal control over major programs was identified during the audit.
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 Health and Human Services CCDF Cluster, Assistance Listing Nos. 93.489, 93.575, and 93.596; and the Department of Treasury, COVID-19—Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing No. 21.027.
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**

None

**C. Findings and Questioned Costs—Major Federal Award Program**

See schedule of findings following, detailing finding 2023-001.

**JobTrain, Inc.**  
**Schedule of Findings and Questioned Costs—Continued**  
**Year Ended June 30, 2023**

**C. Findings—Major Federal Award Program**

**Finding 2023-001: Schedule of Federal Awards**

*Material Noncompliance and Material Weakness in Internal Control over Compliance:* Other—Schedule of Expenditure of Federal Awards Preparation

*Criteria:* 2 CFR 200.510 indicates that the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee’s financial statements which must include the total federal awards expended as determined in accordance with 200.502 *Basis for Determining Federal Awards Expended*. Per 2 CFR 200.502, the determination of when a federal award is expended should be based on when the activity related to the federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with federal statutes, regulations, and the terms and conditions of federal awards, such as: expenditure/expense transactions associated with awards. In addition, 2 CFR Part 200.303 requires the program establish and maintain effective internal controls over federal awards that provide reasonable assurance of compliance with federal statutes, regulations, and the terms and conditions of federal awards.

*Condition:* The Organization did not include an existing federally funded loan during the preparation of the SEFA for the year ended June 30, 2023 and prior years.

*Cause:* The Organization was not aware that the federally funded loan should be included in the SEFA.

*Effect or Potential Effect:* Due to the control deficiencies described above, if not for auditor assistance, inaccurate expenditures would have been reported to the Federal government. In addition, these errors could result in improper selections of major program(s) for the single audit.

*Questioned costs:* No questioned costs were identified as a result of this compliance finding.

*Recommendation:* We recommend that the Organization establish formal procedures to ensure federally funded loans are included in the SEFA as expenditures.

*Views of responsible officials and planned corrective actions:* Management acknowledges the omission of the federally loan from the auditee’s prepared SEFA. Management is committed to properly preparing the SEFA, and to address this oversight, management will identify trainings for accounting personnel related to SEFA reporting and for those reviewing the schedule, to ensure its accuracy.

**JobTrain, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2023**

There were no prior year audit findings.

**JobTrain, Inc.**  
**Corrective Active Plan**  
**Year Ended June 30, 2023**

**Finding 2023-001: Schedule of Federal Awards**

*Corrective Action:* Management will provide SEFA-related training to accounting personnel to assure the identification of all federal funding and its proper reporting in the SEFA.

*Name of Contact Person:* Christal Lee

*Proposed Completion Date:* December 10, 2023