



GOLDEN SIERRA JOB TRAINING AGENCY

**Independent Auditors' Report, Basic Financial
Statements, Required Supplementary Information and
Single Audit Report and Schedules**

For the Fiscal Year Ended June 30, 2024

Focused
on YOU



GOLDEN SIERRA JOB TRAINING AGENCY
For the Fiscal Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Golden Sierra Job Training Agency (the Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Agency, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 opinions.

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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

Auditors' 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 auditors' report that includes our opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Agency'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 Agency'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedule of expenditures of federal awards (supplementary information), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Agency's 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 Agency's internal control over financial reporting and compliance.

LSL, LLP

Sacramento, California
February 26, 2025

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The following discussion and analysis of the Golden Sierra Job Training Agency's (the Agency) financial performance provides an overview of financial activities for the fiscal year ending June 30, 2024. This information is presented in conjunction with the audited financial statements and the accompanying notes that follow this section.

Financial Highlights

The Agency was awarded \$140,000 in National Dislocated Worker Grants (NDWG) funds for the Comprehensive and Accessible Reemployment through Equitable Employment Recovery (CAREER) grant in fiscal year 2020-2021. The Agency budgeted to begin expending these funds in fiscal year 2021-2022; however, \$101,441 was reappropriated to spend in fiscal year 2022-2023, and \$21,367 was reappropriated for expenditure in fiscal year 2023-2024. The CAREER funding supports and enhances comprehensive employment services, and the digitalization of services to unemployed jobseekers as well as the data systems necessary to connect the unemployed to reemployment.

The Agency was awarded \$200,000 in National Dislocated Worker Funding via the Quality Jobs, Equity, Strategy, and Training (QUEST) Disaster Recovery National Dislocated Worker initiative in fiscal year 2023-2024. These funds enhance the workforce system's ongoing efforts to empower America's unemployed and underemployed workers through worker and business engagement, elevate equity, and connect jobseekers with high-quality jobs.

The Agency was awarded \$464,276 of Workforce Innovation and Opportunity Act (WIOA Title IV) funding from the California Department of Rehabilitation through the Foundation for California Community Colleges in fiscal year 2023-2024. The Student Training and Employment Program (STEP) facilitates job preparation training, including job exploration, workplace readiness skills training, and work-based learning experiences for students with disabilities.

California Workforce Services Directive 18-10 requires Local Boards to spend at least 30 percent of their adult and dislocated worker formula funds on training services. Per SB 734, Local Boards are allowed the use of leveraged funds to receive a credit of up to 10 percent toward meeting their training expenditure requirement. The Agency met this state-imposed requirement by spending \$398,016 on training activities and collecting \$215,684 in leverage exceeding this requirement by \$28,980.

Program Year Funding and Training Expenditures	
	Amount
1. Adult and Dislocated Worker Formula Fund Allocations	\$1,949,066
2. Training Expenditure Requirement	584,720
3. Formula Fund Training Expenditures	398,016
4a. Leveraged Resources used for Training	215,684
4b. Leveraged Resources used for Supportive Services	-
5. Total amount spent on Training and Supportive Services	613,700

- The Agency's General Fund reported a fund balance of \$263,921, which is a decrease of \$4,632 from the prior year.

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

- Presented in the Agency's financial statements are two long-term liabilities. They are accrued compensated absences in the amount of \$90,617 and net pension liability of \$5,444,631 as of June 30, 2024. The net pension liability will continue to be a focus of attention for the Agency as actuarial assumptions are being routinely reviewed by the pension administrator. The Agency has been making Additional Discretionary Payments (ADP) in order to reduce the pension liability when funding allows. For the fiscal year ended 2023-2024, the Agency's ADP payment totaled \$150,000 in order to assist in mitigating pension liability. In addition, the Agency has set up a California Employer's Pension Prefunding Trust (CEPPT) and will make payments when funding allows.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The statement of activities presents information showing how the Agency's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. earned but unused vacation leave).

The government-wide financial statements report on the function of the Agency that is principally supported by operating grants and contributions. The Agency's primary function is the development and implementation of public and private employers' job training programs.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund

The Agency maintains one major governmental fund, the General Fund, for its governmental fund financial statements.

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The General Fund is used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Agency's near-term financing requirements.

Because the focus of the General Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near-term financial decisions. Both the General Fund balance sheet and statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the General Fund and governmental activities. The General Fund financial statements can be found on pages 15 and 16 of this report.

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17 through 31 of this report.

Government-Wide Financial Analysis

The net position of the Agency's governmental activities may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities and deferred inflows exceeded assets and deferred outflows by \$3,721,086, which represented a decrease of \$178,582 in net deficit at the close of fiscal year ended June 30, 2024. The following table presents the statement of net position as of June 30, 2024 and 2023:

Statement of Net Position
June 30, 2024 and 2023

	2024	2023	Dollar Change	Percentage Change
Current assets	\$ 516,585	\$ 406,351	\$ 110,234	27%
Capital assets, net	31,030	24,347	6,683	27%
Net OPEB asset	90,309	-	90,309	N/A
Total assets	<u>637,924</u>	<u>430,698</u>	<u>207,226</u>	48%
Deferred outflows of resources	<u>2,513,731</u>	<u>2,847,062</u>	<u>(333,331)</u>	-12%
Current liabilities	277,816	163,280	114,536	70%
Long-term compensated absences	90,617	93,402	(2,785)	-3%
Net pension liability	5,444,631	5,474,177	(29,546)	-1%
Net OPEB liability	-	267,992	(267,992)	-100%
Total liabilities	<u>5,813,064</u>	<u>5,998,851</u>	<u>(185,787)</u>	-3%
Deferred inflows of resources	<u>1,059,677</u>	<u>1,178,577</u>	<u>(118,900)</u>	-10%
Net position (deficit)				
Net investment in capital assets	15,946	9,243	6,703	73%
Restricted for net OPEB asset	90,309	-	90,309	N/A
Unrestricted	<u>(3,827,341)</u>	<u>(3,908,911)</u>	<u>81,570</u>	2%
Total net deficit	<u><u>\$(3,721,086)</u></u>	<u><u>\$(3,899,668)</u></u>	<u><u>\$ 178,582</u></u>	5%

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The increase in current assets of \$110,234 or 27% is mainly due to the increase in due from other governments resulting from timing of funding receipts offset by the decrease in cash and investments held at the County Treasury. The increase in net capital assets of \$6,683 or 27% is mainly due to additions of new lease and Subscription-Based Information Technology Arrangement (SBITA) assets in fiscal year ended 2024, offset by current year depreciation.

The Net OPEB asset increased by \$90,309, net OPEB liability decreased by \$267,992, deferred outflows of resources related to OPEB decreased by \$148,372, and deferred inflows of resources related to OPEB increased by \$178,490, which was mainly due to actuarial changes in assumptions, the discount rate assumption changed from 5.50% to 5.79%, the healthcare trend rates and mortality tables were updated, and favorable asset returns, which resulted in higher than expected investment returns.

The increase in current liabilities of \$114,536 or 70% was mainly due to the increase in accounts payable and due to County of Placer. The increase in accounts payable was due to the timing of invoices pertaining to the 2024 fiscal year for blanket purchase orders, service agreements, purchase orders, and other miscellaneous items from sub-recipients being accrued as of June 30, 2024, and the increase in due to County of Placer was because the Agency had a negative cash and investments position in the County Treasurer's investment pool as of June 30, 2024.

The decreases in net pension liability of \$29,546, in deferred outflows relating to pension of \$184,959, and in deferred inflows relating to pension of \$297,390, were mainly due to higher than expected investment returns.

The following table presents the statement of activities for the fiscal years ended June 30, 2024 and 2023:

Statement of Activities
For the Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Revenues:				
Program revenues:				
Operating grants and contributions	\$ 4,577,142	\$ 4,523,184	\$ 53,958	1%
General revenues:				
Rental income	-	3,696	(3,696)	-100%
Investment income (loss)	6,770	(6,823)	13,593	-199%
Miscellaneous	26	-	26	N/A
Total revenues	<u>4,583,938</u>	<u>4,520,057</u>	<u>63,881</u>	
Expenses:				
Program expenses - job training	<u>4,405,356</u>	<u>3,054,190</u>	<u>1,351,166</u>	44%
Change in net position	178,582	1,465,867	(1,287,285)	88%
Net deficit, beginning of year	<u>(3,899,668)</u>	<u>(5,365,535)</u>	<u>1,465,867</u>	27%
Net deficit, end of year	<u><u>\$(3,721,086)</u></u>	<u><u>\$(3,899,668)</u></u>	<u><u>\$ 178,582</u></u>	5%

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The Agency's sole sources of revenues are federally-funded governmental grants and state funded grants categorized in the above presentation as operating grants and contributions. Revenue represents reimbursable services provided by the Agency resulting in a direct relationship between expenses and revenue at the operating fund level. There are no adjustments to revenues at the government-wide presentation for the Agency.

Fund Financial Analysis

The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's General Fund is discussed below.

General Fund

The focus of the Agency's General Fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, fund balance may serve as a useful measure of the Agency's net resources available for spending for program purposes at the end of the year. As of June 30, 2024, the Agency's General Fund reported an ending fund balance of \$263,921.

Revenues by Source
General Fund
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Federal	\$ 3,506,596	\$ 3,589,703	\$ (83,107)	-2%
State	1,070,546	933,481	137,065	15%
Rental income	-	3,696	(3,696)	-100%
Miscellaneous	26	-	26	N/A
Investment income (loss)	6,770	(6,823)	13,593	199%
Total revenues	<u>\$ 4,583,938</u>	<u>\$ 4,520,057</u>	<u>\$ 63,881</u>	

Federal revenue decreased by \$83,107 or 2% mainly due to a decrease in allocated Workforce Innovation Opportunity Act (WIOA), Rapid Response, and Layoff Aversion Fundings. State revenue increased by \$137,065 or 15% mainly due to receiving additional awards from state-funded sources. Rental income decreased by \$3,696 or 100%, which is due to the termination of a sub-lease agreement during the fiscal year. The increase in investment income of \$13,593 was mainly due to a strong investment market performance.

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Expenditures by Function
General Fund
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current - Education:				
Salaries and employee benefits	\$ 2,414,705	\$ 2,500,807	\$ (86,102)	-3%
Training and support services	1,812,351	1,627,490	184,861	11%
Services and supplies	243,880	284,178	(40,298)	-14%
Debt service:				
Principal	102,415	90,464	11,951	13%
Interest and fiscal charges	1,719	102	1,617	1585%
Capital outlay	115,895	-	115,895	N/A
Total expenditures	<u>\$ 4,690,965</u>	<u>\$ 4,503,041</u>	<u>\$ 187,924</u>	

During the fiscal year ended June 30, 2024, salaries and benefits decreased by \$86,102 mainly due to planned retirements. Training and support services increased by \$184,861 mainly due to increased non-federal awards to support these efforts, and services and supplies decreased by \$40,298, mainly due to a reduction in County charges to the Agency. The increase in capital outlay of \$115,895 was mainly due to the recording of lease and SBITA assets, which was offset by the increase in lease and SBITA proceeds of \$102,395.

Analysis of General Fund Budget

As presented on page 33, the schedule of revenues, expenditures and changes in general fund balance budget and actual, denotes significant variances from the final budget to actual amounts. The annual budget is adopted on a modified accrual basis including encumbrances to reflect estimated revenues and expenditures. The difference between final budget and actual amounts for the fiscal year ended June 30, 2024, is explained by grant funding being awarded for multiple fiscal terms. Full grant awards are reflected in the budget with the remaining unspent variance reappropriated to the future fiscal years.

Capital Assets

Golden Sierra's net investment in capital assets as of June 30, 2024, was \$15,946. This net investment in capital assets represents depreciable building and improvements, equipment, and lease and SBITA assets for the Agency, net of accumulated depreciation and related lease liability. The change in capital assets during the current year is primarily due to the additions of lease and SBITA assets, offset by depreciation and amortization expense. Refer to Note 2 to the basic financial statements for capital asset details.

Long-Term Liabilities

Long-term liabilities including current balances relate to lease liability, compensated absences, and net pension liability, which totaled \$15,084, \$100,685 and \$5,444,631, respectively, as of June 30, 2024. Refer to Notes 3 and 4 to the basic financial statements, respectively, for details.

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Economic Factors and Next Year's Budget and Rates

The following factors were considered while preparing the Agency's budget for fiscal year 2025:

- Re-budget prior year-end balance of \$1,001,799 of WIOA allocated funding for active contracts and earmarked funding for direct training, participant services, operations, and administration from fiscal year end June 30, 2024. An additional of \$50,188 will be re-budgeted from Rapid Response and Layoff Aversion as the required spend date was extended. Furthermore, \$2,200,292 from non-allocation sources will be re-budgeted in fiscal year 2025.
- Provide sufficient resources to meet State and Federally mandated requirements:
 - *State Required:* 20% of Adult and Dislocated Worker funding from the Workforce Innovation and Opportunity Act (WIOA) will support Direct Training with a planned assumption of 10% leverage in order to meet the full requirement of 30% with a 20/10 ratio as allowable by Workforce Services Directive 18-10.
 - *Federally Required:* 20% of Youth funding is earmarked to meet the Youth Work Based Learning (WBL) requirement as outlined in the WIOA Title I award. Maintain a *Comprehensive One-Stop Center* in the *Local Area*, and a *One-Stop Operator* while strategically utilizing financial resources to meet obligations of the JPA and leading and participating in the continued development of both the local and regional *Workforce Systems*.
 - *Allowable:* WIOA allows 100% of the Dislocated Worker funding award to be transferred to the Adult funding stream. For fiscal year 2024-2025, the Agency will budget a 25% transfer of these funds in order to ease access for those seeking assistance, as documentation for the Adult funding is less onerous, and all Dislocated Workers will also qualify for Adult funds. Up to 100% is allowable by law. Traditionally, the Agency has transferred between 70% and 80%. For the Final Budget, the Agency will reduce this amount as there are fewer National Dislocated Worker Awards to support the Dislocated Worker efforts in fiscal year 2024-2025.
- The Agency continues to act as the regional administrator for several state funded opportunities on behalf of the Capital Region Planning Unit (Cap RPU). This includes the Regional Equity and Recovery Partnerships grant (RERP) which was awarded in the amount of \$1,500,000 and \$990,438 will be re-budgeted for fiscal year 2024-2025. These funds will be used to support existing Regional Plan Implementation efforts and will support and invest in partnerships attempting to achieve economic growth, economic equity, shared prosperity, and a clean environment. The strategies include, but are not limited to, interventions that:
 - Improve job quality and job access, including for women and people from underserved and underrepresented populations.
 - Meet the skill and profitability needs of employers.
 - Meet the economic, social, and environmental needs of the community.

GOLDEN SIERRA JOB TRAINING AGENCY
Management's Discussion and Analysis
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- In addition to RERP, the Agency was awarded \$1,165,665 in state Prison to Employment funds (P2E 2.0) on behalf of the Cap RPU in fiscal year 2023-2024, a total of \$601,018 of P2E 2.0 funds will be re-budgeted for use in fiscal year 2024-2025. These funds will be used to support individuals who have been impacted by the justice system.
- The Agency was awarded \$464,276 of Workforce Innovation and Opportunity Act (WIOA Title IV) funding from the California Department of Rehabilitation through the Foundation for California Community Colleges in fiscal year 2022-2023, a total of \$365,781 will be re-budgeted for use in the fiscal year 2024-2025.
- The Agency will be budgeting to provide all services to El Dorado County outside of the South Lake Tahoe region along with the Placer County part of the Consortium.
- The Agency is maintaining the strategy of utilizing 10% allowable administrative funding and 20% program funding in the second year of the award periods.
- The Agency budgeted \$140,000 to support a pension ADP.
- The Agency anticipated an increase in salaries and benefits related to the collective bargaining process.
- The Agency anticipated one staff retirement.
- The Agency will continue to apply for funding opportunities from federal and state sources as they present themselves.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Golden Sierra Job Training Agency, Attention: Jason Buckingham, Executive Director, at 115 Ascot Drive, Suite 140, Roseville, California 95661.

Basic Financial Statements

GOLDEN SIERRA JOB TRAINING AGENCY
Statement of Net Position
June 30, 2024

Assets

Due from other governments	\$ 509,167
Prepaid items	7,418
Net OPEB asset	90,309
Capital assets:	
Building and equipment	5,058
Leases and SBITAs	25,972
Capital asset, net	<u>31,030</u>
Total assets	<u>637,924</u>

Deferred Outflows of Resources

Deferred outflows related to pension	2,301,131
Deferred outflows related to OPEB	<u>212,600</u>
Total deferred outflows of resources	<u>2,513,731</u>

Liabilities

Accounts payable	155,407
Salaries and wages payable	57,253
Due to County of Placer	39,260
Unearned revenue	744
Lease liability due within one year	15,084
Compensated absences due within one year	10,068
Noncurrent liabilities:	
Compensated absences	90,617
Net pension liability	<u>5,444,631</u>
Total liabilities	<u>5,813,064</u>

Deferred Inflows of Resources

Deferred inflows related to pension	802,764
Deferred inflows related to OPEB	<u>256,913</u>
Total deferred inflows of resources	<u>1,059,677</u>

Net Position (Deficit)

Net investment in capital assets	15,946
Restricted for net OPEB asset	90,309
Unrestricted	<u>(3,827,341)</u>
Total net deficit	<u><u>\$ (3,721,086)</u></u>

The notes to the financial statements are an integral part of this statement.

GOLDEN SIERRA JOB TRAINING AGENCY
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
<u>Governmental Activities</u>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Job training	\$ 4,405,356	\$ 4,577,142	\$ 171,786
	General revenues:		
	Investment income (loss)		6,770
	Miscellaneous		26
	Change in net position		178,582
	Net deficit, beginning of year		(3,899,668)
	Net deficit, end of year		\$ (3,721,086)

The notes to the financial statements are an integral part of this statement.

GOLDEN SIERRA JOB TRAINING AGENCY

Balance Sheet

June 30, 2024

Assets

Due from other governments	\$ 509,167
Prepaid items	7,418
Total assets	<u>\$ 516,585</u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ 155,407
Salaries and wages payable	57,253
Due to County of Placer	39,260
Unearned revenue	744
Total liabilities	<u>252,664</u>

Fund balance:

Nonspendable for prepaid items	7,418
Unassigned	256,503
Total fund balance	<u>263,921</u>
Total liabilities and fund balances	<u>\$ 516,585</u>

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balance	\$ 263,921
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the general fund.	31,030
Net OPEB asset reported in governmental activities are not current financial resources and, therefore, are not reported in the general fund.	90,309
Deferred outflows of resources related to pensions	2,301,131
Deferred outflows of resources related to OPEB	212,600
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the general fund:	
Lease liability	(15,084)
Compensated absences	(100,685)
Net pension liability	(5,444,631)
Deferred inflows of resources related to pensions	(802,764)
Deferred inflows of resources related to OPEB	(256,913)
Net position of governmental activities	<u>\$ (3,721,086)</u>

The notes to the financial statements are an integral part of this statement.

GOLDEN SIERRA JOB TRAINING AGENCY
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2024

Revenues

Intergovernmental:	
Federal	\$ 3,506,596
State	1,070,546
Investment income (loss)	6,770
Miscellaneous	26
Total revenues	<u>4,583,938</u>

Expenditures

Current:	
Education:	
Salaries and employee benefits	2,414,705
Training and support services	1,812,351
Services and supplies	243,880
Debt service:	
Principal	102,415
Interest and fiscal charges	1,719
Capital outlay	115,895
Total expenditures	<u>4,690,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,027)</u>

Other financing sources (uses)

Lease and SBITA proceeds	<u>102,395</u>
Total other financing sources (uses)	<u>102,395</u>

Changes in fund balance	(4,632)
Fund balance, beginning of year	268,553
Fund balance, end of year	<u><u>\$ 263,921</u></u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance to the Statement of Activities**

Changes in fund balance from above	\$ (4,632)
The general fund records capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital outlay	115,895
Depreciation and amortization expense	(109,212)
Amortization and expense of deferred outflows on pensions and OPEB	(333,331)
Amortization and expense of deferred inflows on pensions and OPEB	118,900
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the general fund:	
Change in lease liability	20
Change in compensated absences	3,095
Change in net pension liability	29,546
Change in net OPEB liability	358,301
Change in net position	<u><u>\$ 178,582</u></u>

The notes to the financial statements are an integral part of this statement.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

The Golden Sierra Job Training Agency (Agency) was formed by a Joint Powers Agreement among the following counties: Alpine, El Dorado, and Placer. The purpose of the Agency is the development and implementation of workforce development programs including business related services under which local employment needs and goals are determined and training and employment programs are planned, developed, and administered. The Agency is funded through various grants provided by the federal and state government. The Agency's Governing Body is made up of one representative from each County's governing Board of Supervisors.

Accounting Policies

The Agency accounts for its financial transactions in accordance with the policies and procedures of the County of Placer (County). The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Government-Wide and Fund Financial Statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all the Agency's activities. The Agency is only engaged in governmental activities and is supported primarily by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Agency's program revenues include operating grants and contributions that are restricted to meeting the operational or capital requirements of its education function. Rental, investment earnings, and miscellaneous revenues not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the Agency's governmental fund. The General Fund is the general operating fund of the Agency and is used to account for all the Agency's financial resources.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current accounting period. Revenues are considered to be available if they are collected within 180 days of the end of the current fiscal year. Expenditures are generally recognized when the related fund liability is incurred (when goods are received or services rendered). However, expenditures related to compensated absences and debt service (i.e., lease liability) are recorded only when payment is due.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

Cash and Investments

The Agency maintains cash in the Placer County Treasury where it is pooled with other County funds, special districts and joint power authorities. The County Treasurer's investment pool is subject to oversight by the Treasurer's Review Panel.

The County's pooled investments are stated at fair value. The value of the Agency's pool shares that may be withdrawn is determined on an amortized cost basis, which approximates the fair value of the Agency's position in the pool. The County's Annual Comprehensive Financial Report (ACFR), containing information relating to the County's pooled investments by risk category, can be obtained from the County Auditor-Controller's Office.

Prepaid Items

Payments made for services that will benefit future accounting periods are recorded as prepaid items. Prepaid items, as reported in the governmental funds balance sheet, are offset by a nonspendable fund balance account to indicate such amounts are not in spendable form. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Due from Other Governments

These amounts represent receivables from the Federal and State agencies.

Capital Assets

Capital assets used in the Agency's operations are accounted for in the statement of activities. Purchased capital assets are stated at cost. Donated capital assets are valued at their acquisition value on the date of donation. The Agency follows the County's capitalization threshold of \$5,000 for equipment and \$100,000 for buildings and improvements purchases. Depreciation on capital assets is based on the straight-line method. The estimated useful life for equipment is 2 to 25 years, and for buildings and improvements is 10 to 50 years.

The Agency engages in lease agreements to meet operational needs or to serve the general public. The Agency's lease contract relates to office space and information technology software. For short-term leases with a maximum possible term of 12 months or less at commencement, the Agency recognizes periodic revenue or expense based on the provisions of the lease contract. For all other contracts where the Agency is the lessee, the Agency recognizes intangible lease and subscription assets and the corresponding lease and subscription liabilities based on the present value of future lease payments over the contracted term of the lease. Lease and subscription assets are reported with capital assets, and lease and subscription liabilities are reported as long-term debt in the statement of net position. The lease and subscription assets are amortized over the term of the lease, as the Agency is not expected to lease assets beyond the underlying asset's useful life.

The Agency uses the County of Placer's estimated incremental borrowing rate as the discount rate for leases unless the rate the lessor charges is known. The County's incremental borrowing rate is an approximation of the rate the County would have to pay on a bond issuance or a lease-lease back arrangement such as a Certificate of Participation. If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease, the present value is remeasured and corresponding adjustments made. For lease contracts that include increases to rent payments related to the consumer price index (CPI),

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

or similar indices, the available index increase is included in the present value at the commencement of the lease or upon remeasurement. Payments based on future performance are not included in the measurement of the lease liability but recognized as expense in the period performed. Residual value guarantees and exercise options are included in the measurement if they are reasonably certain to be paid or exercised.

Due to County of Placer

As of June 30, 2024, the Agency had a negative cash and investment position at the County Treasurer's investment pool, which was reported as a payable to the County of Placer's General Fund.

Deferred Outflows/Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements represent a consumption of net assets that applies to future periods and so will not be recognized as an expense/expenditure until then, and an acquisition of net assets that applies to future periods and so will not be recognized as revenue until that time. The Agency records deferred outflows of resources and deferred inflows of resources related to pensions and OPEB.

Pensions

For purposes of measuring the net pension liability, deferred outflow/inflows of resources related to pensions, and pensions expense, information about the fiduciary net position of the Agency's cost-sharing multiple-employer defined benefit pension plan participating in the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability/(asset), deferred outflows/inflows of resources related to OPEB, and OPEB expense/(credit), information about the fiduciary net position of the Agency's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities in the statement of net position. All regular employees of the Agency earn vacation hours each pay period at the rates based upon the years of continuous service and the bargaining unit to which the employee belongs.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

The compensated absences liability is calculated based on the number of vacation hours, management leave, holiday credit, and floating holiday hours accrued multiplied by the employee's hourly rate of pay including estimated employer-related taxes. Employees with less than ten years of service may accrue up to a maximum of 240 hours of unused vacation and for employees with ten or more years of service the cap is 360 hours. Regular employees are given credit for eight hours sick leave each month of employment with no limits on the number of hours that may be accumulated. Upon termination, employees are entitled to one-half of all sick leave accumulated over 192 hours to a maximum of \$2,000. Upon retirement, employees are entitled to retirement credits from CalPERS for unused sick leave based on a specified formula.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. In the governmental fund financial statements, long-term debt proceeds are reported as other financing sources. Principal and interest are reported as expenditures in the period in which the related payments are made.

Net Position

The government-wide financial statements utilize a net position presentation. Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Agency's net position is categorized as net investment in capital assets and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including leased assets, into one component of net position. Accumulated depreciation/amortization of these assets reduces the balance in this category. Debt incurred and outstanding to construct and/or acquire capital assets, net of unspent proceeds, also reduces the balance in this category.
- *Unrestricted* – This category represents net position of the Agency, not restricted for any project or other purpose.

Fund Balance

In the fund financial statements, the governmental fund reports fund balance as nonspendable and unassigned based primarily on the extent to which the Agency is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Unassigned fund balance* – Amounts that constitute the residual balances that have no restrictions placed on them.

The Governing Body establishes, modifies and rescinds the use of fund balance by the passage of a resolution. This is done through the adoption of the budget and budget revisions.

GOLDEN SIERRA JOB TRAINING AGENCY

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Current Governmental Accounting Standards Board (GASB) Pronouncement

The Agency adopted the following GASB pronouncements in the fiscal year ended June 30, 2024:

The GASB issued Statement No. 100, Accounting Changes and Error Corrections, in June 2022. This Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice.

The GASB issued Statement No. 101, Compensated Absences, in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences and by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Agency early implemented this statement as of and for the fiscal year ended June 30, 2024. With the implementation of this statement, the Agency disclosed the net change in compensated absences liability.

Note 2 – Capital Assets

The changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

	Balance			Balance
	July 1, 2023	Additions	Retirements	June 30, 2024
Depreciable capital assets:				
Building and improvements	\$ 63,737	\$ -	\$ -	\$ 63,737
Furniture and equipment	27,044	-	-	27,044
Subscription assets	-	26,620	-	26,620
Lease asset - office space	194,385	89,275	-	283,660
Less accumulated depreciation and amortization:				
Building and improvements	(63,736)	-	-	(63,736)
Furniture and equipment	(17,651)	(4,336)	-	(21,987)
Subscription assets	-	(15,528)	-	(15,528)
Lease asset - office space	(179,432)	(89,348)	-	(268,780)
Total capital assets, net	<u>\$ 24,347</u>	<u>\$ 6,683</u>	<u>\$ -</u>	<u>\$ 31,030</u>

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 3 – Long-Term Liabilities

Changes in long-term liabilities for the fiscal year ended June 30, 2024, are presented below:

	Balance			Balance	Due Within
	July 1, 2023	Additions	Retirements	June 30, 2024	One Year
Lease liability	\$ 15,104	\$ 89,275	\$ (89,295)	\$ 15,084	\$ 15,084
SBITA liability	-	13,120	(13,120)	-	-
Compensated absences	103,780	-	(3,095) *	100,685	10,068
Total	\$ 118,884	\$ 102,395	\$ (105,510)	\$ 115,769	\$ 25,152

(*) The change in the compensated absences liability is presented as a net change.

The following table presents the lease liability principal and interest requirements to maturity:

Fiscal Year		
Ending June 30	Principal	Interest
2025	\$ 15,084	\$ 21

Note 4 – Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by CalPERS. The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pool. The Agency sponsors two rate plans within the miscellaneous risk pool (Classic and PEPRA rate plans). Benefit provisions under the Plan are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information, and can be found on CalPERS' website.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to Plan members and their beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment and the retirement formula of 2.5 percent at 55 for existing Miscellaneous Classic members and 2.0 percent at 62 for Miscellaneous PEPRA members. The cost-of-living adjustments for each plan are applied as specified by California Public Employees' Retirement Law (PERL).

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 4 – Pension Plan (Continued)

The benefits in effect as of June 30, 2024, are summarized as follows:

	Miscellaneous Classic Rate Plan	Miscellaneous PEPRA Rate Plan
	Hired on or before December 31, 2012	Hired on or after January 1, 2013
Hire Date		
Benefit formula	2.5% at 55	2.0% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52-67
Monthly benefits, as a % of eligible compensation	1.43% - 2.50%	1.0% - 2.0%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total Plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous and Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pools' costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employees under the Miscellaneous Classic and PEPRA rate plans are required to contribute 7.96% and 7.75% of their annual pay, respectively. The Agency's contractually required contribution rates for the fiscal year ended June 30, 2024, for the Miscellaneous Classic and PEPRA rate plans were 14.06% and 7.68% of covered payroll, respectively, plus a payment to the Agency's unfunded accrued liability (UAL). For the fiscal year ended June 30, 2024, the Agency made \$686,938 in contributions.

At June 30, 2024, the Agency reported \$5,444,631 for its proportionate share of the net pension liability. The net pension liability of the Plan was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers in the Miscellaneous risk pool, actuarially determined. As of June 30, 2024, the Agency's proportion was 0.1089%, which was a decrease of 0.0081% from the Agency's proportion as of June 30, 2023.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 4 – Pension Plan (Continued)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2024, the Agency recognized pension credit of \$141,977. As of June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 278,141	\$ 43,146
Changes of assumptions	328,717	-
Net differences between projected and actual investment earnings	881,535	-
Change in employer's proportion	-	753,752
Differences between employer's contributions and proportionate share of contributions	125,800	5,866
Pension contributions made subsequent to measurement date	686,938	-
Total	<u>\$ 2,301,131</u>	<u>\$ 802,764</u>

The amount of \$686,938 reported as the Agency's deferred outflows of resources related to pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized over five years for the net differences between projected and actual investment earnings and over the expected average remaining service lifetime (EARSL) of employees for the remaining items as follows:

Fiscal Year Ending June 30,	Amount
2025	\$ 76,178
2026	72,199
2027	637,756
2028	25,296
Total	<u>\$ 811,429</u>

The EARSL for CalPERS' Public Agency Cost-Sharing Plan, Miscellaneous Risk Pool, for the measurement period ended June 30, 2023, was 3.8 years.

Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation, rolled forward to June 30, 2023, was determined using the following actuarial methods and assumptions:

GOLDEN SIERRA JOB TRAINING AGENCY

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

Note 4 – Pension Plan (Continued)

	<u>Miscellaneous</u>
Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry age normal cost method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	3.00%
Projected salary increase	Varies by entry age and service
Mortality rate table ¹	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

¹ The Mortality Table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 ^{1,2}</u>
Global equity - cap-weighted	30.0%	4.54%
Global equity - non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

¹ An expected inflation of 2.3% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 4 – Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability for CalPERS' Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability, calculated using the discount rate of 6.90%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current discount rate:

	1% Decrease	Current	1% Increase
	5.90%	Discount Rate	7.90%
	_____	_____	_____
Net Pension Liability	\$ 8,124,020	\$ 5,444,631	\$ 3,239,264

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 5 – Other Postemployment Benefits

Plan Description

The Agency provides healthcare and dental insurance to its active and retired annuitants. Healthcare benefits are administered by CalPERS and is governed by *The Public Employees' Medical & Hospital Care Act (PEMCHA)*. The dollar amount contributed by the Agency is negotiated within the employee Memorandum of Understanding and approved by the Agency's Governing Body. Dental insurance is purchased via an agreement with Placer County Personnel and the Agency pays 100 percent of the premium for employees or retired annuitant. The post-retirement healthcare benefits are paid for based on the selection of coverage and status in the plan as a Non-Medicare or Medicare eligible participant. The Agency contributes to the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan, administered by CalPERS. CalPERS publishes their ACFR that includes financial statements and required supplementary information. Copies of CalPERS' annual financial report may be obtained from their Executive Office, 400 Q Street, P.O. Box 942701, Sacramento, California 94229.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 5 – Other Postemployment Benefits (Continued)

Employees Covered

At June 30, 2024, the following employees were covered by the benefit terms for each plan:

Retirees and beneficiaries receiving benefits	31
Active plan members	<u>16</u>
Total	<u><u>47</u></u>

Contributions

The Agency's Governing Body annually approves the funding of the actuarially determined contributions for the OPEB Trust during the budget approval process. The Agency did not contribute to the OPEB plan for the fiscal year ended June 30, 2024.

Net OPEB Liability(Asset)

The Agency's net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2023.

Actuarial assumptions

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial assumptions:	
Discount rate	5.79%
Inflation	2.30%
Salary increases	2.80%
Actuarial cost method	Entry Age Normal Level Percentage of Pay
Mortality rates	CalPERS 2021 experience study ¹
Healthcare cost trend rate	7.40% (pre-Medicare) and 4.20% (Medicare) for fiscal year 2024, gradually decreasing over several decades to an ultimate rate of 4.14% in fiscal year 2076 and later years.
Dental cost trend rate	4.00%

¹ Mortality rates were based on assumptions for Public Agency Miscellaneous members published in the November 2021 CalPERS Experience Study. These tables include generational mortality improvement using 80% of scale MP-2020.

Changes of Assumption

The discount rate increased from 5.50% for the measurement period June 30, 2022 to 5.79% for the measurement period June 30, 2023. The healthcare cost trend rate for pre-Medicare and Medicare of 5.75% and 5.40%, respectively, for the measurement period June 30, 2022, changed to 7.40% and 4.20%, respectively, for the measurement period June 30, 2023.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 5 – Other Postemployment Benefits (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return is determined using the long-term rates of return developed by the CalPERS Investment Office by the Agency's investment in CalPERS' Strategy 2. The CERBT enables employers to pre-fund liabilities for OPEB. Three diversified policy portfolios (Strategies 1, 2, and 3) are available for employers to select depending on employer preferences for return and risk (volatility) expectations. By comparison, Strategy 1 has the higher long-term expected rate of return and return volatility, Strategy 2 has a moderate long-term expected rate of return and return volatility, and Strategy 3 has the lower long-term expected rate of return and return volatility.

The following table summarizes the assumed asset allocation in the CERBT Strategy 2:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	34.0%	6.80%
Fixed Income	41.0%	3.70%
Real Estate Investment Trust	17.0%	6.00%
Treasury Inflation-Protected Securities	5.0%	2.80%
Commodities	3.0%	3.40%
Total	100.0%	

Discount Rate

GASB 75 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the OPEB Plan set aside to pay benefits, if the Agency makes regular contributions to the OPEB Plan such that the assets are not depleted at any point in the future. If the Plans' actuary determines that contributions are not sufficient to keep the OPEB Plan funded, a blend of the long-term rate of return and the yield or index rate for 20- year, tax-exempt municipal bonds will be used for the periods when the OPEB Plan funds are not sufficient to cover benefit payments. Based on this requirement, and with the approval of the Agency, the discount rate used to measure the total OPEB liability was 5.79% for the fiscal year ended June 30, 2024.

GOLDEN SIERRA JOB TRAINING AGENCY

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Note 5 – Other Postemployment Benefits (Continued)

Changes in the Net OPEB Liability/(Asset)

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2023	<u>\$ 2,230,933</u>	<u>\$ 1,962,941</u>	<u>\$ 267,992</u>
Changes in the year:			
Service cost	52,539	-	52,539
Interest on the total pension liability	121,831	-	121,831
Differences between expected and actual experience	(183,368)	-	(183,368)
Changes of assumptions	(143,659)	-	(143,659)
Contributions			
Employer - Agency's contributions	-	103,469	(103,469)
Employer - implicit subsidy	-	33,272	(33,272)
Net investment income	-	69,936	(69,936)
Benefit payments and refunds	(103,469)	(103,469)	-
Implicit subsidy credit	(33,272)	(33,272)	-
Administrative expense		(967)	967
Other miscellaneous income/(expense)	-	(66)	66
Net changes	<u>(289,398)</u>	<u>68,903</u>	<u>(358,301)</u>
Balance at June 30, 2024	<u><u>\$ 1,941,535</u></u>	<u><u>\$ 2,031,844</u></u>	<u><u>\$ (90,309)</u></u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following table presents the net OPEB liability/(asset) of the Agency, as well as what the Agency's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

	1% Decrease (4.79%)	Discount Rate (5.79%)	1% Increase (6.79%)
Net OPEB Liability (Asset)	\$ 78,643	\$ (90,309)	\$ (238,083)

The following table presents the net OPEB liability/(asset) of the Agency, as well as what the Agency's net OPEB liability/(asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

	1% Decrease (6.40%)	Healthcare Trend Rate (7.40%)	1% Increase (8.40%)
Net OPEB Liability (Asset)	\$ (191,009)	\$ (90,309)	\$ 5,247

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 5 – Other Postemployment Benefits (Continued)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plans' fiduciary net position is available in the separately issued CalPERS financial reports.

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the Agency recognized OPEB credit of \$31,439. As of June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 32,928	\$ (102,613)
Differences between expected and actual experience	-	(154,300)
Net differences between projected and actual earnings on OPEB plan investments	179,672	-
Total	\$ 212,600	\$ (256,913)

Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future OPEB expenses, as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ (42,128)
2026	(53,823)
2027	44,182
2028	7,456
Total	\$ (44,313)

Note 6 – Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency reports all of its risk management activities in the General Fund. The Agency purchases commercial insurance through an insurance agent, which obtains the appropriate insurance coverage needed by the Agency from insurance companies.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 – Risk Management (Continued)

The Agency's deductibles and maximum coverage are as follows:

<u>Coverage</u>	<u>Deductible</u>	<u>Maximum per Occurrence</u>
Commercial and professional general liability		
Aggregate	\$ 1,000	\$ 2,000,000
Each occurrence	1,000	2,000,000
Advertising and personal injury	1,000	2,000,000
Workers' compensation	2,500	1,000,000

Settled claims have not exceeded insurance coverage and there have been no significant reductions in insurance coverage in any of the past three years.

Note 7 – Commitments and Contingencies

Federal and State Allowances, Awards, and Grants

The Agency has received federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement would not be material to the Agency's financial position.

Required Supplementary Information

GOLDEN SIERRA JOB TRAINING AGENCY
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Intergovernmental:				
Federal ⁽¹⁾	\$ 7,038,368	\$ 7,824,280	\$ 3,506,596	\$ (4,317,684)
State	-	-	1,070,546	1,070,546
Investment income (loss)	-	-	6,770	6,770
Miscellaneous	-	-	26	26
Total revenues	<u>7,038,368</u>	<u>7,824,280</u>	<u>4,583,938</u>	<u>(3,240,342)</u>
Expenditures:				
Current:				
Education:				
Salaries and employee benefits	2,353,465	2,514,451	2,414,705	99,746
Training and support services	4,319,489	4,828,491	1,812,351	3,016,140
Services and supplies	274,400	370,324	243,880	126,444
Debt Service:				
Principal	91,014	111,014	102,415	8,599
Interest and fiscal charges	-	-	1,719	(1,719)
Capital outlay	-	-	115,895	(115,895)
Total expenditures	<u>7,038,368</u>	<u>7,824,280</u>	<u>4,690,965</u>	<u>3,133,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(107,027)</u>	<u>(107,027)</u>
Other financing sources (uses):				
Lease and SBITA proceeds	<u>-</u>	<u>-</u>	<u>102,395</u>	<u>(102,395)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(4,632)</u>	<u>\$ (209,422)</u>
Fund balance, beginning of year			<u>268,553</u>	
Fund balance, end of year			<u>\$ 263,921</u>	

⁽¹⁾ For budget purposes, the Federal and State revenues are budgeted in total.

GOLDEN SIERRA JOB TRAINING AGENCY
Required Supplementary Information

Schedule of Agency's Proportionate Share of
Net Pension Liability and Related Ratios
Last Ten Fiscal Years

Fiscal Year	Agency's Proportion of the Net Pension Liability	Agency's Proportionate Share of the Net Pension Liability	Agency's Covered Payroll	Agency's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Miscellaneous Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	Measurement Date
2015	0.0629%	\$ 3,908,523	\$ 1,207,175	323.77%	79.82%	6/30/2014
2016	0.0685%	4,699,419	1,149,967	408.66%	78.40%	6/30/2015
2017	0.0613%	5,304,341	1,130,884	469.04%	74.06%	6/30/2016
2018	0.0573%	5,686,790	1,085,378	523.95%	73.31%	6/30/2017
2019	0.0557%	5,369,146	1,013,647	529.69%	75.26%	6/30/2018
2020	0.0533%	5,459,561	1,141,431	478.31%	77.73%	6/30/2019
2021	0.0510%	5,551,793	1,059,353	524.07%	77.71%	6/30/2020
2022	0.1730%	3,284,932	998,864	328.87%	90.49%	6/30/2021
2023	0.1170%	5,474,177	1,078,686	507.49%	78.19%	6/30/2022
2024	0.1089%	5,444,631	1,233,280	441.48%	77.97%	6/30/2023

GOLDEN SIERRA JOB TRAINING AGENCY
Required Supplementary Information

Schedule of Agency's Pension Plan Contributions
Last Ten Fiscal Years

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 393,772	\$ 463,123	\$ (69,351)	\$ 1,149,967	40.27%
2016	481,222	531,222	(50,000)	1,130,884	46.97%
2017	530,751	580,751	(50,000)	1,085,378	53.51%
2018	473,608	573,608	(100,000)	1,013,647	56.59%
2019	434,079	547,440	(113,361)	1,141,431	47.96%
2020	459,437	609,437	(150,000)	1,059,353	57.53%
2021	487,638	787,638	(300,000)	998,864	68.82%
2022	401,862	701,862	(300,000)	1,078,686	65.07%
2023	439,233	720,233	(281,000)	1,233,280	58.40%
2024	536,938	686,938	(150,000)	1,210,113	56.77%

GOLDEN SIERRA JOB TRAINING AGENCY
Required Supplementary Information

Schedule of Agency's Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years ⁽¹⁾

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 52,539	\$ 47,072	\$ 47,743	\$ 42,992	\$ 81,475	\$ 79,102	\$ 77,000
Interest	121,831	128,611	131,780	131,160	152,607	145,776	140,000
Differences between expected and actual experience	(183,368)	(69,969)	10,065	(32,980)	(17,128)	-	-
Changes of assumptions	(143,659)	98,782	(95,333)	-	(420,586)	-	-
Benefit payments	(103,469)	(138,004)	(154,571)	(118,861)	(111,800)	(115,000)	(111,000)
Implicit subsidy credit	(33,272)	-	-	-	-	-	-
Net change in total OPEB liability	(289,398)	66,492	(60,316)	22,311	(315,432)	109,878	106,000
Total OPEB liability - beginning	2,230,933	2,164,441	2,224,757	2,202,446	2,517,878	2,408,000	2,302,000
Total OPEB liability - ending	\$ 1,941,535	\$ 2,230,933	\$ 2,164,441	\$ 2,224,757	\$ 2,202,446	\$ 2,517,878	\$ 2,408,000
Plan fiduciary net position							
Contributions - employer	\$ 136,741	\$ 138,004	\$ 154,571	\$ 118,861	\$ 111,800	\$ 400,000	\$ 111,000
Net investment income/(loss)	69,936	(282,450)	369,084	96,440	129,625	111,145	120,000
Benefit payments	(103,469)	(138,004)	(154,571)	(118,861)	(111,800)	(115,000)	(111,000)
Implicit subsidy credit	(33,272)	-	-	-	-	-	-
Administrative expense	(967)	(568)	(684)	(879)	(358)	(2,414)	(1,000)
Other miscellaneous income/(expense)	(66)	-	-	-	-	-	-
Net change in plan fiduciary net position	68,903	(283,018)	368,400	95,561	129,267	393,731	119,000
Plan fiduciary net position - beginning	1,962,941	2,245,959	1,877,559	1,781,998	1,652,731	1,259,000	1,140,000
Plan fiduciary net position - ending	\$ 2,031,844	\$ 1,962,941	\$ 2,245,959	\$ 1,877,559	\$ 1,781,998	\$ 1,652,731	\$ 1,259,000
Net OPEB liability/(asset)-ending	\$ (90,309)	\$ 267,992	\$ (81,518)	\$ 347,198	\$ 420,448	\$ 865,147	\$ 1,149,000
Plan fiduciary net position as a percentage of the total OPEB liability	104.7%	88.0%	103.8%	84.4%	80.9%	65.6%	52.3%
Covered payroll	\$ 1,369,631	\$ 998,866	\$ 1,144,522	\$ 1,057,029	\$ 1,155,311	\$ 1,170,000	\$ 1,247,000
Net OPEB liability as a percentage of covered payroll	-6.6%	26.8%	-7.1%	32.8%	36.4%	73.9%	92.1%
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

⁽¹⁾ Fiscal year 2018 was the first year of implementation of GASB Statement No. 75; therefore, only seven years are shown.

GOLDEN SIERRA JOB TRAINING AGENCY
Required Supplementary Information

Schedule of Agency's OPEB Contributions
Last Ten Fiscal Years ⁽¹⁾

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 236,000	\$ 400,000	\$ (164,000)	\$ 1,170,000	34.2%
2019	147,000	111,800	35,200	1,155,311	9.7%
2020	151,000	118,861	32,139	1,057,029	11.2%
2021	76,772	154,571	(77,799)	1,144,522	13.5%
2022	78,858	114,115	(35,257)	998,866	11.4%
2023	55,398	112,941	(57,543)	1,369,631	8.2%
2024	44,131	-	44,131	1,314,967	0.0%

Notes to schedule:

Valuation date June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay cost
Amortization period	17-year fixed period for 2022/2023
Asset valuation method	5 year rolling period
Inflation	2.80%
Healthcare cost trend rates	6.0% (non-Medicare) / 5.5% (Medicare) for 2021, gradually decreasing to an ultimate rate of 4.04%, and dental trend rate 3.50%.
Investment rate of return	6.00% net of OPEB plan investment expense, including inflation.
Payroll growth, mortality, disability, termination and retirement	Based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021.

⁽¹⁾ Fiscal year 2018 was the first year of implementation of GASB Statement No. 75; therefore, only seven years are shown.

GOLDEN SIERRA JOB TRAINING AGENCY
Note to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Budgets and Budgetary Accounting

The Agency's Governing Body approves the workforce development budget by July 1st of each year. The budget is presented in accordance with open meeting requirements to the Workforce Development Board (WDB) prior to it being forwarded to the Agency's Governing Body for final approval. The budget is then approved in open session by the Governing Body. The budget is revised by management and is presented to the WDB and the Agency's Governing Body during the year to give consideration to unanticipated revenues and expenditures. The original and final revised budgets are presented in the budgetary comparison schedule as required supplementary information to the financial statements.

Formal budgetary integration was employed as a management control device during the year for the General Fund. Expenditures cannot exceed appropriations by total General Fund expenditure.

Encumbrance accounting is used in the General Fund to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when approved. Encumbrances are liquidated when the commitments are paid.

The Agency budgets its capital outlay expenditures as part of its services and supplies expenditures.

Single Audit Section



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

To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Golden Sierra Job Training Agency (the Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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



To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSL, LLP

Sacramento, California
February 26, 2025



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

To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Golden Sierra Job Training Agency (the Agency)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2024. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency 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 Agency'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 Agency's federal programs.



To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

Auditors' 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 Agency'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 generally accepted auditing standards, *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 Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Agency'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 Agency'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 Agency's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.



To the Governing Board
Golden Sierra Job Training Agency
Roseville, California

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

LSL, LLP

Sacramento, California
February 26, 2025

GOLDEN SIERRA JOB TRAINING AGENCY
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor	Federal Assistance Listing Number	Pass-through Entity Identification Number	Federal Expenditures
Pass-Through Grantor			
Program Title/Cluster			
U.S. Department of Labor			
<u>Passed through California Employment Development Department</u>			
Workforce Innovation Opportunity Act (WIOA Cluster):			
WIA/WIOA Formula Adult	17.258	AA311006	\$ 292,318
WIA/WIOA Formula Adult	17.258	AA411006	486,757
Subtotal WIA/WIOA Adult Program			779,075
WIA/WIOA Formula Youth	17.259	AA311006	353,860
WIA/WIOA Formula Youth	17.259	AA411006	579,893
Subtotal WIA/WIOA Youth Program			933,753
WIA/WIOA Formula Dislocated Worker/Transfer	17.278	AA311006	653,037
WIA/WIOA Rapid Response Layoff Aversion	17.278	AA411006	40,422
WIA/WIOA Rapid Response by Formula	17.278	AA411006	262,416
WIA/WIOA Formula Dislocated Worker/Transfer	17.278	AA411006	518,418
Subtotal WIA/WIOA Dislocated Worker Formula Grants			1,474,293
Total WIOA Cluster			3,187,121
CAREER-NDWG	17.277	107999 NDWG	20,980
QUEST DR NDWG	17.277	DW-39209-22-60-A-6	200,000
Total National Dislocated Workers Grants			220,980
STEP WIOA Title IV Vocational Rehabilitation Funds	84.126A	H126A220005	98,495
Total DOR: Student Training and Employment Program			98,495
Total Expenditures of Federal Awards			\$ 3,506,596

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

GOLDEN SIERRA JOB TRAINING AGENCY
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal activity of the Golden Sierra Job Training Agency (Agency) under programs of the federal government for the fiscal year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position and the changes in net position of the Agency.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for governmental funds. 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. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Relationship to Basic Financial Statements

Federal award revenues are reported principally in the Agency's financial statements as program revenues in the statement of activities and as intergovernmental revenues in the statement of revenues, expenditures, and changes in fund balance.

Note 4 – Pass-Through Entities' Identifying Number

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the Agency has determined that no identifying number is assigned for the program, or the Agency was unable to obtain an identifying number from the pass-through entity.

Note 5 – Indirect Cost Rate

The Agency has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

GOLDEN SIERRA JOB TRAINING AGENCY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>17.258, 17.259, and 17.278</u>	<u>WIOA Cluster</u>

Dollar threshold used to distinguish between Type A and Type B program \$750,000

Auditee qualified as low-risk auditee? Yes

GOLDEN SIERRA JOB TRAINING AGENCY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.