



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, CEO

Presented By: Kristen Rodriguez – Interim Director of Procurement and Contracts Management

Date: February 28, 2025

Subject: New Lease for Kenedy Workforce Center Facility

Summary: Discussion and Possible Action: Workforce Solutions Alamo (WSA) – Board Staff recommends approval of a Facility Lease at 491 N. Sunset Strip, Suite 108, Kenedy, Texas. The estimated annual rent for the 1,750 square foot facility inclusive of maintenance, utilities, taxes, and insurance (NNN), is \$77,400, subject to final negotiations.

Analysis: Given that the current location effectively meets WSA's needs, the Agency is pursuing re-procurement of the existing space. The commercial lease was set to expire on January 31, 2025, and we are currently exercising the holdover option to complete the negotiations. In compliance with TWC's Financial Manual for Grants Contracting (FMGC §J.6.1) and Uniform Guidance (UG), the initial planning phase involves a comprehensive assessment of facilities that fulfill our current requirements. WSA's essential business needs encompass:

1. Strategic location (considering customer demographics, business proximity, and local safety)
2. Public transportation accessibility
3. Adequate parking facilities
4. Sufficient space allocation
5. Ground floor access
6. Potential for customization or expansion
7. ADA compliance

To ensure a thorough and competitive selection process, WSA initiated the following actions in April 2024:

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communications@wsalamo.org

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San Antonio, Texas 78207
(210) 272-3260

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1. Issued a Request for Information (RFI) to potential Lessors and Realtors, facilitating market research and identifying suitable properties for workforce program administration.
2. Engaged PCR Brokerage San Antonio, LLC. dba. Partners, WSA's contracted Real Estate Broker, to conduct a comprehensive Competitive Market Analysis.
3. Organized in-person site visits to prospective locations, involving both WSA Board Staff and the contracted broker to evaluate each option firsthand.
4. Proactively reached out to existing and potential partners to explore additional opportunities and gather valuable insights.

This approach ensures WSA considers all viable options while prioritizing the most suitable and cost-effective solution for the agency's program needs.

Alternatives: None

Fiscal Impact: The projected annual rent is estimated at \$77,400, though this figure is subject to negotiation. The proposed lease structure includes an initial 3-year term, followed by up to two (2) additional 3-year renewal options. This arrangement allows for a potential maximum lease duration of twelve (12) years, encompassing all renewals. The final rental amount and all specific terms will be determined during negotiations and explicitly detailed in the Lease Agreement.



Cost Analysis:



Alamo Workforce Development - Kenedy

By: Dan Gostylo

December 2, 2024

Map #	Property	Address	Total Size (SF)	Available (SF)	Base Rent (PSF)	Est. OPEX	Est. Monthly Rent	Comments
1	Current WSA Space	491 N. Sunset Strip, Suite 108	11,000	1,750	\$11.54 Modified Gross	\$2.50 (E & J)	\$2,048.00	Current space at current base rental rate plus estimated opex (electric and janitorial)
2	Kenedy Station	131 Business Park Drive	+/- 15,000	1,800	\$19.00 NNN	\$9.32	\$4,248.00	Small existing shopping center across the highway from WSA current location
3	Downtown Main Street	219 W. Main Street	3,000	3,000	\$6.00 NNN	\$4.72	\$2,680.00	Consists of 1,500 SF of office/retail space and 1,500 SF of warehouse space
4	Downtown Main Street	213 W. Main Street	2,800	2,800	\$10.71 Modified Gross	\$2.50	\$3,083.00	

Recommendation: As a result of comprehensive efforts, the property at 491 N. Sunset Strip, Suite 108, Kenedy, Texas, is currently recommended on a best-value basis. Upon approval of this action, the Procurement and Contracts department will finalize negotiations in coordination with its Contracted Broker, Legal Services, and the Landlord for the execution of the new lease agreement and the re-procurement of the facility located at 491 N. Sunset Strip, Suite 108, Kenedy, Texas.



Next Steps: Board staff will finalize negotiations and lease execution for the new agreement in Kenedy, Texas, in coordination with its Contracted Broker, Legal Services, and the Landlord.

Attachments: Lease Procurement Checklist

Lease Procurement Checklist

Name of Landlord/Contractor/Vendor:	MIN, Limited
Property Location and Address:	491 N. Sunset Strip, Suite 108
	Kenedy, Texas 78119
Time Frame (current lease dates)	1 Jan 19 – 31 Jan 25
New Contract or Renewal:	New Contract
If Renewal, what Renewal #:	NA
# of Renewals Remaining:	0

Item	Description	Responsibility	Begin	Completed
1	Needs Determination (to include VRS)	Facilities	Feb '24	Feb '24
2	Market Research/RFI Supplementing broker's/agents use of listing services	Purchasing	Feb '24	April '24
3	Competitive Market Analysis (CMA)	Broker	Feb '24	Dec '24
4	Independent Cost Assessment	Purchasing	Mar '24	Mar '24
5	Technical Evaluation /Analysis	Purchasing	Mar '24	Mar '24
6	Broker identifies commercial properties that meet WSA specs.	Broker	Feb '24	Aug '24
7	Broker/agent schedules site visits and attends with WSA if warranted.	Broker /Purchasing	Feb '24	Aug '24
9*	Broker agent requests a proposal from landlord for the property or properties that best meet the specifications.	Broker	Mar '24	Dec '24
10	WSA reviews the broker/agent recommendation and decides whether to execute a lease.	Purchasing / CEO	Mar '24	Dec '24
11	Memo of Recommendation prepared and submitted to WSA Board of Directors for approval.	Purchasing	Mar '24	Jan '25



Item	Description	Responsibility	Begin	Completed
12	Broker/agent negotiates lease terms with the landlord on behalf of WSA to include required lease provisions.	Broker /Purchasing	Mar `24	Jan 25'
13	Lease - Legal Review	Legal	Mar `24	Jan 25'
14	Broker/agent assists WSA with the oversight of any alterations or improvements required to make space ready for move-in, (Build-out).	Broker /Purchasing	NA	NA
15	Procurement to retain all documentation to include Market Analysis and all related files.	Purchasing	Mar `23	Jan 25'
LEASE AGREEMENT				
Evidence of Agreement Terms				
X 3 Year Term ____ 5 Year Term				
Special Terms and Conditions List: _____ _____ _____				
Board Approval of Agreement Yes <input type="checkbox"/> No <input type="checkbox"/> Supporting Evidence: Board Meeting Minutes/				

- WSA shall conduct Initial market research to determine whether to supplement the use of listing services with public advertisement of the grantee's property search.
- An example of the steps a grantee might take when conducting a lease procurement with the full assistance of a real estate broker/agent includes the above.
- As noted, these are sample steps. A grantee's actual process may differ, provided it results in a procurement that provides for full and open competition and conformance with other UG and UGMS procurement standards.



MEMORANDUM

To: Audit and Finance

From: Adrian Lopez, CEO

Presented By: Kristen Rodriguez, Interim Director, Procurement and Contracts Management

Date: February 28, 2025

Subject: Discussion and Possible Action: Marketing/Outreach Services Contract

Summary: The Workforce Solutions Alamo (WSA) - Board of Directors is presented with a proposal to award a contract to Texas Creative for Marketing/Outreach Services on an as needed basis in the estimated aggregate amount of \$800,000 over a 4-year span. The contract term will be effective April 1, 2025, through March 31, 2026, with the option to renew for up to three (3) one-year periods upon written mutual consent of Workforce Solutions Alamo and the selected Contractor.

This action aligns with Supporting Texas Talent and Economic Growth - Goal 2, Service Optimizers, in our strategic plan.

Analysis: The Contractor will provide comprehensive services to assist WSA in Marketing/Outreach Services and shall comply with the following required elements:

1. Collaborate with WSA Director of Public & Government Relations, department staff, or designee to develop agency and/or program material on as needed basis.
2. Develop board and/or program material creative assets and collateral such as leave-behinds, posters, video production (for social media) and digital ads. The contractor shall deliver KPI reports for all ad campaigns. Contractor will coordinate with WSA for printing services.
3. Support Workforce Solutions Alamo staff in the development of content for WSA and TX FAME Alamo to promote programs, events, and campaigns, including, but not limited to an annual report, websites, and social media channels.

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4. Develop creative strategies to align and improve creative assets that are needed for general outreach, engagement, and enrollment
5. Assist in the development of Sector-Based Model Marketing collateral. Develop a strategic plan with an emphasis on manufacturing, healthcare, education, cybersecurity, information technology, construction, oil/gas, aerospace, and other industries.
6. Design and coordinate graphics and wall designs and in the installation of said items for WSA career centers
7. Contractor will assist in the development of social media calendar in consultation with WSA departments, including Business Solutions team events so that it has a diverse landscape. Social media calendar should include Sector-Based Model industries.
8. Public Relation Functions - Contractor will assist in planning and attending Public Relations Events such as: Ribbon cutting, open houses, grand openings, media exclusives, etc.
9. On an as needed basis serve as a public relations / communication consultant to promote Workforce Solutions Alamo's programs, initiatives, and/or events for community outreach purposes.
10. Marketing/Outreach Review to include a full review of all marketing efforts, which will occur every 6 months. This review will identify opportunities for WSA to enhance their marketing/outreach services.
11. These services will not include media buys.

A Request for Proposals (RFP) notice was published on WSA's Procurement portal and in the Texas Electronic State Business Daily (ESBD) on December 17, 2024. Procurement and Contracts also sent an email inviting potential respondents to participate in the RFP, which was posted on the eBid portal, Bonfire. Due to the high level of interest and the number of inquiries received, WSA extended the submission deadline from January 22, 2025, to January 24, 2025. By the revised deadline, WSA received twenty-one (21) proposals, which were then evaluated by internal assessors in accordance with the RFP's specifications and requirements.



Oral presentations were held on February 12, 2025, showcasing the top 4 competitive ranges for the final rankings. The selection was based on the vendor offers proven expertise and a track record of successful campaigns, ensuring high-quality execution and measurable results. With a clear, scalable approach and performance metrics in place, WSA can effectively track the return on investment.

Alternatives: Any alternative to not approving the recommendation could lead to significant risks and challenges across various areas. This could include delays in starting the contract, difficulties in collaboration and information sharing, impacts on financial strategy and planning, challenges in maintaining accurate financial reporting and compliance, obstacles in effective risk management, and disruptions to strategic decision-making processes.

Fiscal Impact: The contract will have an initial term of one (1) year, with the option for up to three (3) additional renewals. The initial term will run from April 1, 2025, to March 31, 2026, with subsequent 12-month renewal periods available upon mutual written consent from both parties. The total contract expenditure under this agreement is estimated to be \$800,000 over a 4-year term unless adjusted by a signed amendment approved by all parties.

Item	April 25' – March 26'	April 26' – March 27'	April 27' – March 28'	April 28' – March 29'
Estimated Annual Contract Amount	\$200,000	\$200,000	\$200,000	\$ 200,000
Contract Total				\$800,000

Below is the breakdown of the anticipated costs for the term of the contract:

Recommendation: After careful consideration, it is recommended to award the contract to Texas for the Creative Marketing/Outreach Services on an as needed basis in the Alamo Workforce Development Area. In addition to their proven track record with our previous centers, they offered the lowest hourly price, making them the most cost-effective choice. Their familiarity with our vision allows us to move forward without the delays or learning curve associated with onboarding a new vendor. By continuing our partnership with Texas Creative, we aim to streamline the design process and ensure that each new center is completed seamlessly and on time.

Next Steps: Once this action is approved, WSA Procurement and Contract Management (PCM), in collaboration with the WSA Public and Government Relations Team, will begin negotiations and oversee the execution of contracts for Marketing/Outreach Services.



Attachments: RFP 2025-002 Proposal Tabulation

RFP 2025-002 - Marketing/Outreach Services

	Total	QUALITY & EXPERIENCE	MEET THE NEEDS OF THE ORGANIZATION	PRICE	HUB
Supplier	/ 100 pts	/ 30 pts	/ 45 pts	/ 20 pts	/ 5 pts
Anderson Marketing Group	86.63	29.33	43.5	8.8	5
Texas Creative	85.9	29.33	42	9.565	5
Outreach Strategists, LLC	85.44	29.33	45	6.111	5
The Voice Society	81.35	28.67	37.5	10.19	5
F. Guerra DeBerry, LLC dba GDC Marketing & Ideation	78.29	27.33	37.5	8.462	5
GAVIN	75.05	28	40.5	6.548	0
Herospace	73.5	20	37.5	11	5
CONNECTIVE Agency	73.19	27.33	33	7.857	5
Hot Dog Marketing	72	26.67	33	7.333	5



Blue People LLC	71.83	23.33	28.5	20	0
Web-Hed Technologies, LLC.	71.76	24	34.5	8.263	5
Roads Consulting Group	71.54	22.67	42	6.875	0
Strategic and Creative Marketing Inc.	70.33	26.67	34.5	9.167	0
MediaCross, Inc.	69.5	24.67	37.5	7.333	0
Highspirits Essentials inc.	68.69	21.33	34.5	7.857	5
Public Alliance LLC	66.97	18.67	34.5	8.8	5
Prolific Success Events & Consulting	66.29	22	33	6.286	5
Applichat Limited	63.67	22.67	30	11	0
Jupiter Unlimited	59.18	21.33	31.5	6.346	0



The Deciding Factor	58.45	20.67	31.5	6.286	0
The Marilla Group	58.33	21.33	31.5	5.5	0



MEMORANDUM

To: Audit and Finance Committee
From: Adrian Lopez, CEO
Presented by: Gabriela Navarro Garcia, Controller
Date: February 28, 2024
Regarding: Financial Report – December 31, 2024

SUMMARY: Financial reports through December 31, 2024, have been prepared for the fiscal year October 1, 2024, through September 30, 2025; the straight-line expenditure benchmark is 25% of the budget. The board regularly analyzes Corporate and Facility Budgets in addition to the Grant Summary Report to monitor budgets against actual expenditures.

CORPORATE BUDGET:

Expenditures	% Expensed	Comments
Personnel	21.77%	This is an acceptable variance. Staff training and development will take place within the following months.
Board Facility	23.09%	The WSA Board facility budget is acceptable and within the budget.
Equipment	16.47%	The most significant budget surplus is cloud-based infrastructure. Expenditures will be reflected in January.
General Office Expense	16.02%	The primary budget surplus is due to timing differences, and the insurance contingency.
Professional Services	12.82%	This variance consists in a timing difference in monitoring expenditures, expected to start in July. Legal and professional services related to temporary staffing are utilized as needed to support the agency.
Board Training & Development	12.78%	The board is currently finalizing travel closeouts from the TWC conference. Expenditures will be reflected in the following month.
Total Expense	19.47%	

Corporate expenditure represents 19.47% of overall expenditures, demonstrating a budget surplus of approximately 5.53% through December 2024.

FACILITIES AND INFRASTRUCTURE BUDGET:

Expenditures	% Expensed	Comments
Overall	19.64%	The facility expenditures represent 19.64% of the overall expenditures, reflecting a 5.53% straight-line budget surplus. This is an acceptable variance.

ACTIVE GRANTS ONLY (TWC):

Grant	End date	Budget	% Expense	Comments
24WOR Rapid Response	06/30/2025	\$58,320	89.19%	The board is monitoring any critical changes in layoffs that may affect our current funds. We will request additional funds if needed based on ongoing projections.
25TRA Trade Act	09/30/2025	\$5,000	55.36%	The board was awarded \$22,000 less than historical funding. We are monitoring expenditures to provide service delivery to our current clients.
24WPA Wagner-Peyser Employment Services	02/28/2025	\$1,006,695	93.57%	The board has received a two-month extension, and we are in the process of requesting additional funds to cover our projected cost. The new grant is expected to start February 1, 2025, and we are waiting for the TWC award letter.
25CCQ – Child Care Quality	10/31/2025	\$4,412,859	9.28%	The board expects higher expenditures within the next couple of months by purchasing supplies/materials to TRS providers. The board would continue to monitor projections to fully spend the grant.
24REA- Reemployment Services	02/28/2025	\$1,057,573	89.96%	This grant was extended from 9/30/24 to 2/28/25 and added \$137,500 to the contract. The board is expected to expend funds by the end of the contract.

24WOS – Military Family Support	12/31/2024	\$221,896	98.03%	The contract has ended and \$4,369 was not utilized. The board will not be receiving a new contract for Military Family Support as the program has sufficed. We will continue to monitor other funding opportunities to support these individuals.
24REO – PROWD Grant	09/30/2027	\$1,174,500	5.46%	This is a multi-year grant, and expenditures are expected to increase in the calendar year 2025.
25VR1 - SEAL	09/30/2025	\$900,000	.98%	This grant will begin activities in the next few months and will reflect bigger expenditure in the summer.
24PWE – Paid Work Experience	9/30/2025	\$187,500	0%	Program staff expect to receive referrals soon which will increase the utilization rate of the grant.

ACTIVE GRANTS ONLY (NON-TWC):

Grant	End date	Budget	% Expense	Comments
SAF22 Workforce Academy	12/31/2024	\$100,000	87.01%	The board has requested an extension to utilize the remaining funds, otherwise we expect to return \$12,995.
CAP22 Capacity Building	12/31/2024	\$37,500	58.11%	This grant was intended for capacity building, focusing on staff performance, technology management, and strategic planning. We will be returning \$15,710 of unutilized funds.
TOY24 Toyotetsu	02/28/2025	\$16,100	6.83%	Funds were used to provide incentives to RTW participants with job placements. Grant has been extended through February 2025 and expected to spend all available funds.
22RTW	5/31/2025	\$65,554,565	43.95%	Expenditures will continue to be realized in the following months as enrollment and activities increase. We are projected to spend over the FY25 estimated budget.

ATTACHMENTS:

Financial Statements – December 31, 2024

Workforce Solutions Alamo
Corporate Expenditure Report
FY 2024 - 2025
as of December 2024

	Annual Budget	YTD Expenses	% Expensed	Balance
PERSONNEL				
Salaries/Wages	\$ 4,697,557	\$ 1,091,406	23.23%	\$ 3,606,151
Fringe Benefits	1,357,103	260,448	19.19%	1,096,655
Staff Travel	121,900	17,167	14.08%	104,733
Staff Training & Development	161,000	10,574	6.57%	150,426
PERSONNEL SUBTOTAL:	\$ 6,337,560	\$ 1,379,595	21.77%	\$ 4,957,965
BOARD FACILITY				
Rent	\$ 449,665	\$ 103,807	23.09%	\$ 345,858
Storage	\$ 15,000	\$ 3,513	23.42%	\$ 11,487
Maintenance and Repair	7,900	1,790	22.66%	6,110
BOARD FACILITY SUBTOTAL:	\$ 472,565	\$ 109,110	23.09%	\$ 363,455
EQUIPMENT/RELATED COSTS				
Equipment Purchases	\$ 65,000	\$ 1,111	1.71%	\$ 63,889
Equipment Rental	17,399	3,828	22.00%	13,571
Repair & Maintenance	-	-	0.00%	-
Software Licenses & Maintenance	150,000	33,342	22.23%	116,658
EQUIPMENT/RELATED COSTS SUBTOTAL:	\$ 232,399	\$ 38,280	16.47%	\$ 194,119
GENERAL OFFICE EXPENSES				
Communications	\$ 56,470	\$ 11,668	20.66%	\$ 44,802
Advertising	5,000	-	0.00%	5,000
Insurances	250,000	19,268	7.71%	230,732
Office Supplies	25,000	762	3.05%	24,238
Postage/Shipping/Other	7,500	867	11.56%	6,633
Printing, Binding & Reproduction	15,000	1,066	7.10%	13,934
Publications & Subscriptions	15,000	1,398	9.32%	13,602
Dues	15,000	2,174	14.49%	12,826
Marketing (External)	170,000	31,736	18.67%	138,264
Miscellaneous Costs	20,000	803	4.01%	19,197
Non Federal	100,000	39,021	39.02%	60,979
GENERAL OFFICE EXP SUBTOTAL:	\$ 678,970	\$ 108,763	16.02%	\$ 570,207
PROFESSIONAL SERVICES				
Legal Services-Corporate	\$ 125,000	\$ 12,552	10.04%	\$ 112,448
Legal Services-Other	50,000	3,522	7.04%	46,478
Audit	75,000	-	0.00%	75,000
Monitoring (Contractor)	450,000	48,606	10.80%	401,394
Professional Services	1,200,000	175,565	14.63%	1,024,435
Payroll Fees	50,000	9,701	19.40%	40,299
PROFESSIONAL SERVICES SUBTOTAL:	\$ 1,950,000	\$ 249,946	12.82%	\$ 1,700,054
BOARD EXPENSES				
Board Member Travel	\$ 15,000	\$ -	0.00%	\$ 15,000
Board Member Training/Development	20,000	3,500	17.50%	16,500
Board Meetings & Misc. Costs	10,000	2,250	22.50%	7,750
BOARD EXPENSES SUBTOTAL:	\$ 45,000	\$ 5,750	12.78%	\$ 39,250
TOTAL EXPENSES	\$ 9,716,494	\$ 1,891,444	19.47%	\$ 7,825,050
SUMMARY:				
Personnel	\$ 6,337,560	\$ 1,379,595	21.77%	\$ 4,957,965
Board Facility	472,565	109,110	23.09%	363,455
Equipment/Related Costs	232,399	38,280	16.47%	194,119
General Office Expenses	678,970	108,763	16.02%	570,207
Professional Services	1,950,000	249,946	12.82%	1,700,054
Board Expenses	45,000	5,750	12.78%	39,250
TOTAL CORPORATE EXPENSES	\$ 9,716,494	\$ 1,891,444	19.47%	\$ 7,825,050

Workforce Solutions Alamo
Facilities & Infrastructure Report
FY 2024 - 2025
as of December 2024

Facilities & Infrastructure	Annual Budget		YTD Expenses	% Expensed	Balance	
Workforce Facilities	\$	6,452,970	\$	1,267,389	19.64%	\$ 5,185,581
TOTAL FACILITIES EXPENSES	\$	6,452,970	\$	1,267,389	19.64%	\$ 5,185,581

Facilities	End of Lease	Note	Facilities	End of Lease	Note
Port SA	4/30/2034		S. Flores	7/31/2028	
O'Connor	10/5/2034		Kerrville	4/30/2029	
Pearsall	10/31/2024		Datapoint	3/31/2030	
Hondo	12/31/2024		Datapoint - Child Care	3/31/2030	
SA Foodbank	12/31/2024		E. Houston	8/16/2030	
Kenedy	1/30/2025		New Braunfels	1/31/2032	
Pleasanton	1/31/2025		Bandera	1/14/2028	
Floresville	7/31/2026				
Boerne	11/30/2026				
Seguin	1/15/2027				

Workforce Solutions Alamo
Grant Summary Report
FY 2024 - 2025
as of December 2024

Grant	Grant Awards	Remaining Balance as 9/30/24	FY25 Budget	FY25 Budget Adjustments	Expenses FY 24 - 25	Total Grant Expenses	Balance	Grant Expended	Months Remaining
2023 WIOA ADULT SERVICES	\$ 5,522,731.00	\$ 2,514.79	\$ -	\$ 2,514.79	\$ (84,055.19)	\$ 5,436,161.02	\$ 86,569.98	98.43%	6
2024 WIOA ADULT SERVICES	\$ 5,576,777.00	\$ 5,407,680.97	\$ 5,574,422.00	\$ (166,741.03)	\$ 920,788.10	\$ 1,089,884.13	\$ 4,486,892.87	19.54%	18
2023 WIOA DISLOCATED WORKER	\$ 4,774,833.00	\$ 866,476.89	\$ 747,100.50	\$ 119,376.39	\$ 249,660.43	\$ 4,158,016.54	\$ 616,816.46	87.08%	6
2024 WIOA DISLOCATED WORKER	\$ 4,670,305.00	\$ 4,670,305.00	\$ 4,468,382.00	\$ 201,923.00	\$ 764,611.97	\$ 764,611.97	\$ 3,905,693.03	16.37%	18
2023 WIOA YOUTH SERVICES	\$ 5,861,245.00	\$ 894,277.81	\$ 610,000.00	\$ 284,277.81	\$ 249,736.46	\$ 5,216,703.65	\$ 644,541.35	89.00%	6
2024 WIOA YOUTH SERVICES	\$ 5,910,587.00	\$ 5,676,876.83	\$ 5,907,469.00	\$ (230,592.17)	\$ 1,228,601.35	\$ 1,462,311.52	\$ 4,448,275.48	24.74%	18
2024 WIOA RAPID RESPONSE	\$ 58,320.00	\$ 32,403.59	\$ 58,295.00	\$ (25,891.41)	\$ 26,097.90	\$ 52,014.31	\$ 6,305.69	89.19%	6
2024 TEMPORARY ASST FOR NEEDY FAMILIES-TANF	\$ 6,851,831.00	\$ (219.41)	\$ -	\$ -	\$ -	\$ 6,852,050.41	\$ (219.41)	100.00%	
2025 TEMPORARY ASST FOR NEEDY FAMILIES-TANF	\$ 6,590,722.00	\$ -	\$ 6,775,722.00	\$ (185,000.00)	\$ 1,352,508.35	\$ 1,352,508.35	\$ 5,238,213.65	20.52%	10
2025 SUPPLEMENTAL NUTRITION ASST PRGRM - SNAP	\$ 945,544.00	\$ -	\$ 945,544.00	\$ -	\$ 350,695.52	\$ 350,695.52	\$ 594,848.48	37.09%	9
2025 SUPPLEMENTAL NUTRITION ASST PRGRM - SNAP	\$ 513,000.00	\$ -	\$ 357,747.00	\$ 155,253.00	\$ -	\$ -	\$ 513,000.00	0.00%	9
2025 NON CUSTODIAL PARENT	\$ 437,578.00	\$ 432,269.85	\$ 437,578.00	\$ -	\$ 73,918.00	\$ 79,226.15	\$ 358,351.85	18.11%	9
2024 CC SRVCS FORMULA ALLOCATION-CCF	\$ 103,860,758.00	\$ 1,179,793.43	\$ 3,585,310.00	\$ (2,405,516.57)	\$ 1,179,716.39	\$ 103,860,680.96	\$ 77.04	100.00%	
2025 CC SRVCS FORMULA ALLOCATION-CCF	\$ 115,725,923.00	\$ -	\$ 107,049,005.00	\$ 8,676,918.00	\$ 23,170,630.25	\$ 23,170,630.25	\$ 92,555,292.75	20.02%	12
2024 CC DVLPMNT FUND LOCAL MATCH - CCM	\$ 7,584,186.00	\$ 7,584,186.00	\$ 7,539,884.00	\$ 44,302.00	\$ 7,584,186.00	\$ 7,584,186.00	\$ -	100.00%	
2024 CC TEXAS DEPT FAMILY PROTECTIVE SRVCS-CCP	\$ 7,657,313.93	\$ 25,659.51	\$ -	\$ 25,659.51	\$ (166.29)	\$ 7,631,488.13	\$ 25,825.80	99.66%	
2025 CC TEXAS DEPT FAMILY PROTECTIVE SRVCS-CCP	\$ 5,301,259.00	\$ 4,703,341.12	\$ 4,898,465.00	\$ (195,123.88)	\$ 1,921,677.85	\$ 2,519,595.73	\$ 2,781,663.27	47.53%	12
2025 TRADE ACT SERVICES	\$ 5,000.00	\$ -	\$ 27,000.00	\$ (22,000.00)	\$ 2,767.76	\$ 2,767.76	\$ 2,232.24	55.36%	9
2024 WAGNER-PEYSER EMPLOYMENT SERVICES-WPA	\$ 1,006,695.00	\$ 264,281.21	\$ 1,019,324.65	\$ (755,043.44)	\$ 199,600.39	\$ 942,014.18	\$ 64,680.82	93.57%	2
2025 RESOURCE ADMIN GRANT	\$ 11,857.00	\$ -	\$ 11,857.00	\$ -	\$ 2,836.24	\$ 2,836.24	\$ 9,020.76	23.92%	9
2025 TEXAS VETERANS COMMISSION	\$ 255,178.00	\$ -	\$ 255,178.00	\$ -	\$ 47,384.27	\$ 47,384.27	\$ 207,793.73	18.57%	9
2024 CC QUALITY - CCQ	\$ 6,249,935.30	\$ 876,332.94	\$ 200,000.00	\$ 676,332.94	\$ 651,324.48	\$ 6,024,926.84	\$ 225,008.46	96.40%	
2025 CC QUALITY - CCQ	\$ 4,412,859.00	\$ -	\$ 7,031,976.84	\$ (2,619,117.84)	\$ 409,678.24	\$ 409,678.24	\$ 4,003,180.76	9.28%	10
2025 WORKFORCE COMMISSION INITIATIVES	\$ 100,250.00	\$ -	\$ 94,250.00	\$ 6,000.00	\$ 38,816.09	\$ 38,816.09	\$ 61,433.91	38.72%	9
2024 REEMPLOYMENT SERVICES - REA	\$ 1,057,573.00	\$ 212,963.05	\$ -	\$ 212,963.05	\$ 17,194.01	\$ 861,803.96	\$ 195,769.04	81.49%	2
2025 REEMPLOYMENT SERVICES - REA	\$ 918,281.00	\$ -	\$ 920,073.00	\$ (1,792.00)	\$ 149,575.61	\$ 149,575.61	\$ 768,705.39	16.29%	9
2024 PARTNERS FOR REENTRY OPPORTUNITIES IN WD (PROWD)	\$ 1,174,500.00	\$ 1,136,951.80	\$ 1,034,100.00	\$ 102,851.80	\$ 26,536.06	\$ 64,084.26	\$ 1,110,415.74	5.46%	33
2024 MILITARY FAMILY SUPPORT PROGRAM	\$ 221,896.00	\$ 40,522.48	\$ 266,471.00	\$ (225,948.52)	\$ 36,153.43	\$ 217,526.95	\$ 4,369.05	98.03%	
STUDENT HIREABILITY NAVIIGATOR	\$ 210,000.00	\$ 193,920.80	\$ 210,000.00	\$ (16,079.20)	\$ 44,421.10	\$ 60,500.30	\$ 149,499.70	28.81%	8
2025 VOCATIONAL REHABILITATION-VR INFRA SPRT	\$ 819,950.08	\$ 777,036.00	\$ 562,676.00	\$ 214,360.00	\$ 131,361.07	\$ 174,275.15	\$ 645,674.93	21.25%	8
2025 PAID WORK EXPERIENCE (PWE)	\$ 187,500.00	\$ -	\$ 187,500.00	\$ -	\$ 0	\$ -	\$ 187,500.00	0.00%	9
2024 TRAINING & EMPLOYMENT NAVIGATOR PILOT	\$ 195,856.00	\$ 146,055.46	\$ 128,057.03	\$ 17,998.43	\$ 25,547.28	\$ 75,347.82	\$ 120,508.18	38.47%	10
2025 SUMMER EARN & LEARN (SEAL)	\$ 900,000.00	\$ -	\$ 900,000.00	\$ -	\$ 8,779.80	\$ 8,779.80	\$ 891,220.20	0.98%	9
SAN ANTONIO AREA FOUNDATION-WORKFORCE ACADEMY	\$ 100,000.00	\$ 21,298.59	\$ 14,582.00	\$ 6,716.59	\$ 8,303.86	\$ 87,005.27	\$ 12,994.73	87.01%	
SAN ANTONIO AREA FOUNDATION-CAPACITY BUILDING	\$ 37,500.00	\$ 15,710.45	\$ -	\$ 15,710.45	\$ -	\$ 21,789.55	\$ 15,710.45	58.11%	
ADAM SCRIPPS FOUNDATION FUND	\$ 187,500.00	\$ 175,633.00	\$ -	\$ 175,633.00	\$ 4,492.46	\$ 16,359.46	\$ 171,140.54	8.73%	10
KRONKOWSKY FOUNDATION FUND	\$ 21,000.00	\$ 14,630.59	\$ -	\$ 14,630.59	\$ 2,510.04	\$ 8,879.45	\$ 12,120.55	42.28%	5
TOYOTETSU PILOT PROGRAM (RTW)	\$ 16,100.00	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ 1,100.00	\$ 15,000.00	6.83%	2
READY TO WORK-COSA	\$ 65,554,565.00	\$ 40,599,402.99	\$ 20,069,891.00	\$ 4,885,271.01	\$ 3,853,833.50	\$ 28,808,995.51	\$ 36,745,569.49	43.95%	5
GRAND TOTAL	\$ 371,486,908.31	\$ 75,965,305.74	\$ 181,887,860.02	\$ 8,975,215.71	\$ 44,649,722.78	\$ 209,605,211.35	\$ 161,881,696.96		



MEMORANDUM

To: Audit and Finance Committee
From: Adrian Lopez, CEO
Presented by: Gabriela Navarro Garcia, Controller
Date: February 28, 2025
Regarding: Ready to Work Update

SUMMARY: On November 3, 2020, City of San Antonio (COSA) voters approved the SA: Ready to Work ballot initiative, authorizing a 1/8th cent sales and use tax for four years to provide workforce development training and higher education to unemployed, underemployed, or underserved residents to obtain high-demand, well-paid careers, by Chapter 379A of the Texas Local Government Code ("the Better Jobs Act"). No further action has been requested at this time.

ANALYSIS: Under this initiative, Workforce Solutions Alamo (WSA) executed an agreement with the city of San Antonio to provide the services necessary to the SA Ready to Work program (the "Program"), which includes the following objectives: increase access to industry-recognized certification training and college; provide wraparound services and emergency funding to ensure successful completion of training and career placement; increase collaboration within the workforce ecosystem; and promote accountability and adaptability throughout the process.

FISCAL IMPACT: The award amount for this contract is One Hundred Five Million, Seven Hundred Eighty-One Thousand, Nine Hundred Fifty-Three Dollars (\$105,781,953), and it is funded through a grant by COSA. The term of this agreement began on May 13, 2022, and will be for a three (3) year period unless sooner terminated in accordance with the provisions of the Agreement.

FISCAL UPDATE: The WSA fiscal department has served as a fiscal agent for Ready to Work partners. This memo is intended to provide an update on the current program's financial performance and challenges.

Expenditure Update:

WSA has budgeted \$65,554,565 through May 31, 2025. WSA has expended \$28,808,996 through December 31, 2024

Board Profit in FY25 quarter one has decreased by \$72,639 since FY24. The significant variance is in Board Expenses. Board expenditures have increased since FY24 by \$194,255. High expenditure is reflected mostly in salaries and temporary staffing services. The increase in allocated hours to the program is an impact of the new software transition and increase in training invoice processing.

The board currently has a surplus of \$69,628 reserved for monitoring questioned costs.

Ready to Work Rollforward			
	FY22 & FY23	FY24	FY25 Q1
BOARD COST			
Revenue Fees Earned	\$ 628,967	\$ 1,323,365	\$ 1,444,981
Expenditures	\$ 575,735	\$ 1,181,098	\$ 1,375,353
Net Surplus	\$ 53,232	\$ 142,267	\$ 69,628
SUBRECIPIENT COST			
Revenue Fees Earned	\$ 5,033,040	\$ 11,119,697	\$ 13,114,440
Expenditures	\$ 5,033,040	\$ 11,119,697	\$ 13,114,440
Net	\$ -	\$ -	\$ -
CLIENT COST			
Revenue-Cost- Reimbursment	\$ 6,649,175	\$ 13,009,412	\$ 15,676,481
Expenditures-Cost Reimbursement	\$ 6,649,175	\$ 13,009,412	\$ 15,676,481
Net	\$ -	\$ -	\$ -

Program Challenges and Opportunities

Ready to Work is an evolving program, and the board continues to work through any program challenges by presenting common-sense solutions, focusing on opportunities to strengthen the program and achieve success for program recipients, providers, partners, and COSA.

One of the most significant challenges WSA faced was cash flow management.

To alleviate this challenge, fiscal staff work together with the Ready to Work team provide cash advance of \$3,610,731. We currently have paid back \$3,219,536 in alignment with our payment plan, expected to pay in full by March 15, 2025.

COSA has updated the funding guide to allow submission of accrual invoices to receive payment earlier than the historical 60-90 days.

WSA has forecasted to spend \$36,083,524 though the inception of the 3-year contract, leaving a budget surplus of \$29,471,041.

3-Year Contract Budget	Forecasted Expenditures	Budget Surplus
\$65,554,565.00	\$36,083,523.95	\$29,471,041.05

The board staff looks forward to continually working with the city to proactively identify and work through any challenges that may occur and will work to strengthen the financial and programmatic program performance.



MEMORANDUM

To: Audit and Finance Committee
From: Adrian Lopez, CEO
Presented by: Gabriela Navarro Garcia, Controller
Date: February 28, 2025
Regarding: Client Expenditure Analysis

SUMMARY: *Update and Possible Discussion on Support Services with TWC Programs and Ready to Work Funds.*

The Board continues to monitor and analyze client support services for the fiscal year to identify the most common barriers for job training and job placement. The analysis will be utilized to have ongoing discussions with our partners to identify additional resources for our clients.

ANALYSIS:

From July 2024 to December 2024, a total of \$1,318,331 has been expensed for support services to assist our clients. Rent, transportation and utilities continue to have the highest costs for support services.

TWC Programs – there was a significant increase of \$98,757 in rent support. Overall expenses increased approximately \$239,827 from October 2023 to June 2024 Reporting

Client Expenditure Analysis - TWC Programs as of December 2024 (6 Months)		
Category	YTD Actuals	%
Work Related	\$ 110,584	10.60%
Rent	\$ 376,140	36.05%
Utilities	\$ 60,134	5.76%
Transportation	\$ 358,036	34.32%
Incentives	\$ 91,256	8.75%
Youth - Support Services	\$ 47,185	4.52%
TOTAL:	\$ 1,043,335	100.00%

Ready to Work –A total of \$134,743 has been utilized to support in rent payments for our clients. Overall expenses increased approximately \$61,051 from June 2024 Reporting

Client Expenditure Analysis - Ready to Work as of December 2024 (6 Months)		
Category	YTD Actuals	%
Rent	\$ 134,743	49.00%
Utilities	\$ 68,518	24.92%
Transporation	\$ 19,380	7.05%
Laptops/Computers	\$ 30,766	11.19%
Training Related	\$ 2,202	0.80%
Other	\$ 19,387	7.05%
TOTAL:	\$ 274,996	100.00%

ATTACHMENT:

Client Expenditure Analysis



Client Expenditure Analysis - TWC Programs as of December 2024 (6 Months)

Category	YTD Actuals		%
Work Related	\$	110,584	10.60%
Rent	\$	376,140	36.05%
Utilities	\$	60,134	5.76%
Transportation	\$	358,036	34.32%
Incentives	\$	91,256	8.75%
Youth - Support Services	\$	47,185	4.52%
TOTAL:	\$	1,043,335	100.00%

Client Expenditure Analysis - Ready to Work as of December 2024 (6 Months)

Category	YTD Actuals		%
Rent	\$	134,743	49.00%
Utilities	\$	68,518	24.92%
Transporation	\$	19,380	7.05%
Laptops/Computers	\$	30,766	11.19%
Training Related	\$	2,202	0.80%
Other	\$	19,387	7.05%
TOTAL:	\$	274,996	100.00%



MEMORANDUM

To: Audit and Finance Committee
From: Adrian Lopez, CEO
Presented by: Gabriela Navarro Garcia, Controller
Date: February 28, 2025
Regarding: County by County Expenditure Analysis

SUMMARY: *Update and Possible Discussion on Service Delivery Expenditure by County.* The preparation of the annal budget considers allocation factors, under Texas Administrative Code, Chapter 800, Chapter B, Allocations. These allocations provide guidance in allocating funds by each county within the Service Delivery Area. TWC awards contracts in aggregate amounts to the Alamo region, requiring the board to serve participants throughout the region.

Upon request of local officials, the board continues to analyze expenditures by County to ensure that each county is receiving a fair share of the fund's allocation by state allocation factors.

ANALYSIS: The board has evaluated the initial budget allocation, year-to-date expenditures, and year-to-date variance analysis for each county. The budget and actual expenditures percentages through December 31, 2024, for Bexar and Rural Counties can be found in Table 1.

Table 1:

	TWC Programs			Child Care Funds			Other Funding		
	Actuals	Budget	Actuals %	Actuals	Budget	Actuals %	Actuals	Budget	Actuals %
Urban	3,754,447	4,784,544	77%	29,267,611	27,169,521	84%	500,295	784,018	80%
Rural	1,149,293	1,576,627	23%	5,639,860	5,406,639	16%	127,940	243,677	20%

Bexar County has a slight decrease from budget to actual for the TWC Programs. WSA’s allocations are based on guidance from the TAC 800, actual expenditures are based on needs of a community.

There was a slight increase in the percentage allocated to Bexar County for Child Care. Overall 82% expenditures were allocated to Bexar county and 18% to the Rural counties, representing less than 1% variance from the straight-line budget.

FISCAL IMPACT: The board will continue to monitor expenditure by county and work collaboratively with service providers to ensure proper outreach is being conducted in all counties to make funds and services available.

ATTACHMENTS:

YTD County by County Expense to Budget Comparison Report

**County by County Expense Report - FY25 YTD Straight- Line Budget
December 31, 2024**

Counties	TWC Programs		Child Care Funds		Other Funding		Total	
	Budget	Percentage %	Budget	Percentage %	Budget	Percentage %	Budget	Percentage %
ATASCOSA	\$ 161,683.59	2.54%	\$ 583,790.26	1.79%	\$ 20,113.91	1.96%	765,587.76	1.92%
BANDERA	\$ 70,841.22	1.11%	\$ 135,910.94	0.42%	\$ 11,868.22	1.15%	218,620.38	0.55%
BEXAR	\$ 4,784,543.66	75.21%	\$ 27,169,521.28	83.40%	\$ 784,017.80	76.29%	32,738,082.73	81.92%
COMAL	\$ 307,138.65	4.83%	\$ 824,546.41	2.53%	\$ 52,131.89	5.07%	1,183,816.94	2.96%
FRIO	\$ 108,180.09	1.70%	\$ 275,245.67	0.84%	\$ 12,220.47	1.19%	395,646.24	0.99%
GILLESPIE	\$ 62,743.30	0.99%	\$ 207,390.17	0.64%	\$ 11,310.01	1.10%	281,443.48	0.70%
GUADALUPE	\$ 313,459.08	4.93%	\$ 1,538,786.40	4.72%	\$ 46,112.37	4.49%	1,898,357.85	4.75%
KARNES	\$ 80,804.87	1.27%	\$ 216,311.79	0.66%	\$ 10,498.86	1.02%	307,615.51	0.77%
KENDALL	\$ 135,616.79	2.13%	\$ 259,577.54	0.80%	\$ 21,239.40	2.07%	416,433.73	1.04%
KERR	\$ 111,319.57	1.75%	\$ 608,207.40	1.87%	\$ 17,380.64	1.69%	736,907.61	1.84%
MCMULLEN	\$ 20,548.50	0.32%	\$ 10,693.01	0.03%	\$ 4,148.22	0.40%	35,389.73	0.09%
MEDINA	\$ 97,595.95	1.53%	\$ 466,305.20	1.43%	\$ 17,441.54	1.70%	581,342.69	1.45%
WILSON	\$ 106,695.11	1.68%	\$ 279,874.11	0.86%	\$ 19,211.42	1.87%	405,780.64	1.02%
	\$ 6,361,170.38	100.00%	\$ 32,576,160.18	100.00%	\$ 1,027,694.76	100.00%	\$ 39,965,025.31	100.00%

County by County Expense Report Actuals - December 31, 2024

Counties	TWC Programs		Child Care Funds		Other Funding		Total	
	Expenditures	Percentage %	Expenditures	Percentage %	Expenditures	Percentage %	Expenditures	Percentage %
ATASCOSA	153,316.08	0.38%	784,580.88	2.27%	5,952.55	0.63%	943,849.51	2.33%
BANDERA	62,316.01	0.76%	107,604.69	0.34%	2,570.53	0.37%	172,491.23	0.43%
BEXAR	3,754,447.06	71.77%	29,267,610.72	82.57%	500,295.22	81.74%	33,522,353.00	82.90%
COMAL	327,867.07	9.26%	1,077,067.91	3.38%	42,735.40	5.70%	1,447,670.39	3.58%
FRIO	144,026.08	2.12%	320,853.42	0.82%	8,288.65	1.19%	473,168.15	1.17%
GILLESPIE	55,594.91	0.81%	153,615.74	0.38%	0.00	0.00%	209,210.64	0.52%
GUADALUPE	12,469.56	3.17%	1,465,930.27	4.70%	26,922.47	3.78%	1,505,322.29	3.72%
KARNES	49,730.83	1.24%	84,739.54	0.15%	0.00	0.34%	134,470.38	0.33%
KENDALL	82,660.29	1.76%	257,870.92	0.84%	9,593.18	1.53%	350,124.39	0.87%
KERR	118,113.63	2.60%	470,412.19	1.55%	23,100.84	2.95%	611,626.66	1.51%
MCMULLEN	3,473.43	0.00%	0.00	0.00%	0.00	0.00%	3,473.43	0.01%
MEDINA	44,424.91	1.54%	620,557.03	1.85%	8,776.00	1.44%	673,757.94	1.67%
WILSON	95,300.04	1.93%	296,627.67	1.14%	0.00	0.34%	391,927.70	0.97%
	4,903,739.90	100.00%	34,907,470.97	100.00%	628,234.84	100.00%	40,439,445.71	100.00%

***This expenditures exclude Bexar County only funds which includes: City of San Antonio, Non Custodial Parent, Military Family, Student Hireability Navigator, VRS Paid Work Experience, Training and Employment Navigator, and High Demand Job Training**



MEMORANDUM

To: Audit and Finance Committee
From: Adrian Lopez, CEO
Presented by: Brandee Perez, CFO
Date: February 28, 2025
Regarding: Financial Monitoring & Fiscal Integrity Reviews for Subrecipients

SUMMARY: *Update and Possible Discussion on Financial Monitoring and Fiscal Integrity Reviews for Subrecipients.* Federal and State legislation and policies require recipients of federal funds to conduct a financial evaluation of the application of these funds on at least an annual basis. Properly conducted financial evaluations measure:

- The degree of compliance with applicable laws, regulations, policies, and procedures.
- Adequacy of management controls.
- Reliable information is captured, reported, and used to improve decision-making.
- Resources are efficiently, effectively used, and protected from waste, fraud, and abuse.
- Past, current, and projected effectiveness and efficiency of program administration.

Additionally, the Texas Workforce Commission's Financial Manual for Grants and Contracts (FMGC) requires boards to complete an annual fiscal integrity review before executing a contract renewal. The reviews are conducted by Christine Nguyen, CPA.

ANALYSIS: The Financial Monitoring reports for COSA and SERCO have been completed and closed for FY 23-24. Currently, staff is reviewing responses from C2GPS before the final closeout is completed. The reports outlined any concerns Ms. Nguyen discovered during the review. The subrecipients had the opportunity to provide supporting documentation and/or respond to the observations and findings. The following items for each subrecipient were notated in the review.

City of San Antonio – Child Care Services

- I. Audit
 - a. The Singel Audit for the period ending September 30, 2023, was reviewed. COSA has received an unmodified opinion for the audited period and is considered a low-risk auditee. There were no questioned costs that pertained to WSA programs.
- II. Cash Management
 - a. No exceptions were found.
- III. Expenditures Disbursements – Personnel Costs

- a. Twelve (12) reports did not have evidence of employee signatures on Employee Acknowledgement on Time & Effort reports.
 - b. One employee did not sign Form I-9 on or before the date of hire.
- IV. Expenditure Disbursement – Non-Personnel Costs
 - a. Cost reasonableness documentation was not maintained for a car rental and airfare.
- V. Financial & Other Reporting
 - a. Concerns were resolved.
- VI. Insurance
 - a. No issues identified.

SERCO – Youth Services

- I. Audit
 - a. The Single Audit for the period ending June 30, 2023, was reviewed. The auditors have issued an unqualified opinion. The auditors have identified a material weakness in internal control over financial reporting a material adjustment to adjust the Organization’s advances, contributions, and net assets with and without donor restrictions to the appropriate balances. In addition, a material adjustment related to improperly reporting accrued vacation expenses. SERCO informed Ms. Nguyen that these issues did not affect the WSA contracts.
- II. Cash Management
 - a. No issues were identified.
- III. Cost Allocation
 - a. No exceptions were identified.
- IV. Expenditure Disbursement – Personnel Costs
 - a. No exceptions were found.
- V. Expenditure Disbursement – Staff Incentives
 - a. One overpayment of \$30 plus fringe benefits was found for a disbursement on 9/28/23.
- VI. Expenditure Disbursement – Maximum Salary Limitations
 - a. No exceptions were found.
- VII. Expenditure Disbursement – Non-Personnel Costs
 - a. For legal services, there was no evidence of completed procurement documentation.
 - b. One transaction was charged to WSA in error. The correction to reclass the charges to non-federal funds were only for a partial amount. The remaining amount was not reduced from WSA’s expenses.
- VIII. Education and Training

- a. One payment was not made within 30 days.
- IX. Work Experience
 - a. One transaction did not have an Open Service in TWIST.
- X. Support Services – Transportation
 - a. No exceptions were found.
- XI. Support Services
 - a. The following data integrity issues were found in TWIST:
 - i. No evidence of rent payment in TWIST Support Service tab for one transaction.
 - ii. No evidence of Open TWIST Service for one transaction.
- XII. Customer Incentives
 - a. No evidence of payment in TWIST Support Service tab for one transaction.
- XIII. Financial and Other Reporting
 - a. No exceptions were found.
- XIV. Insurance
 - a. No exceptions were found.

C2GPS – Adult Services

- I. Audit
 - a. The Annual Financial and Compliance Report in Accordance with the CFR Part 200 Uniform administrative requirements audit report for the period ending September 30, 2022 was reviewed. No issues were identified.
- II. Cash Management
 - a. No evidence when reconciliations were signed and approved for September and October 2023.
- III. Cost Allocation
 - a. No exceptions were found.
- IV. Expenditure Disbursements – Personnel Costs
 - a. Pending information from C2GPS.
- V. Expenditure Disbursements – Non-Personnel Costs
 - a. The pre-paid transportation contract for customers is not renewed annually.
 - b. There are insufficient number of bids/quotes for one transaction.
- VI. Expenditure Disbursements – Education and Training Payments
 - a. TWIST Open Selected Services were not completed for one transaction.
 - b. There was no evidence of an Individual Employment Plan completed in TWIST.
 - c. TWIST Open Selected Service funding source was not consistent for one transaction.
- VII. Expenditure Disbursements – Support Services Transportation

- a. No exceptions were identified.
- VIII. Expenditure Disbursements - Support Services Other
 - a. TWIST Open Selected Services were not completed for one transaction for the applicable period.
 - b. The receipt date was not on the receipt, and there was a gap in when services were provided.
 - c. Food was purchased by the customer.
 - d. A duplicate reimbursement for a utility bill was found as part of the total support services.
 - e. One support service has a missing receipt.
- IX. Expenditure Disbursements – Customer’s Incentive Other
 - a. Three cases notes were not entered timely in Work In Texas.
- X. Expenditure Disbursements – Work Experience
 - a. No exceptions were found.
- XI. OJT
 - a. Based on reimbursed records, the OJT customer was reimbursed for \$8,333.34. With a 75% reimbursement, this amount should be \$6,250.64 and not \$6,635.04. This would be an overpayment.
- XII. Financial and Other Reporting
 - a. No exceptions were found.
- XIII. Insurance
 - a. No exceptions were found.

FISCAL IMPACT: The board has received payments for disallowed costs that were identified in the review.

ATTACHMENTS:

Financial Monitoring Report for C2GPS
Financial Monitoring Report for SERCO
Financial Monitoring Report for COSA



January 23, 2025

Mr. Chakib Chehadi, CEO
C2 Global Professional Services, LLC
P.O Box 92377
Austin, TX 78709

Dear Mr. Chedhadi,

Federal and State legislation and policies require recipients of federal and state funds to conduct a financial evaluation of the application of such funds on at least an annual basis. To that purpose, Workforce Solutions Alamo (WSA), with the assistance of Ms. Christine Nguyen, CPA, has completed a *Financial Compliance Monitoring Report*, dated January 13, 2025, of C2 Global Professional Services, LLC (C2 GPS) in its capacity to deliver Adult Workforce Services for Workforce Solutions Alamo (WSA) from March 1 2023, through April 30, 2024.

The report and related attachments provide the results of the financial evaluation and identify the following areas that require resolution:

1. Expenditure Disbursements

A. NON-PERSONNEL COSTS

Findings:

1. The pre-paid transportation contract for customers is not renewed annually.

Recommendation: Ensure that existing contracts are annually renewed based on procurement solicitation terms. *Attachment 1.*

2. There are insufficient number of bids/quotes for one transaction. *Attachment 1.*

Recommendation: Provide quotes complying with the TWC FMGC, Chapter 13, Procurement, for small purchases.

B. EDUCATION AND TRAINING PAYMENTS

Findings:

1. TWIST Open Selected Services were not completed for one transaction. *Attachment 2.*
2. There was no evidence of an Individual Employment Plan completed in TWIST. *Attachment 2.*
3. TWIST Open Selected Service funding source was not consistent for one transaction. *Attachment 2.*

Recommendation: Place controls to ensure data integrity with data management system.

C. SUPPORT SERVICES-OTHER**Findings:**

1. TWIST Open Selected Services were not completed for one transaction for the applicable period.
2. The receipt date was not on the receipt, and there was a gap in when services were provided-Questioned costs-\$450.
3. Food was purchased by the customer-Questioned costs-\$23.57.
4. A duplicate reimbursement for a utility bill was found as part of the total support services-Questioned costs-\$139.49.
5. One support service has a missing receipt-Questioned costs-\$129.85.

Recommendation: Resolve the issues in *Attachment 3* or **refund \$724.91 to WSA.**

D. OJT**Findings:**

1. Based on the reimbursed records, the OJT customer was reimbursed for \$8,333.34. With a 75% reimbursement, this amount should be \$6,250.64 and not \$6,635.04. The overpayment amounted to \$385.04-Questioned costs. *Attachment 4.*

Recommendation: In accordance with Section 3: General Terms and Conditions of the OJT Employer contract, the employer must maintain adequate time and attendance, payroll, and other records to support amounts reimbursed under the OJT contract. Ensure that payments are made in a timely manner and remaining balances are liquidated in a timely manner.

Refund \$385.04 to WSA.

2. Total Disallowed Costs

The Disallowed Costs are calculated as follows:


Report Section	Attachment #	Questioned Costs Amount	Indirect Costs - 10%	Total Questioned Costs
III. Expenditure Disbursements, E. Support Services-Other	3	\$ 724.91	\$ -	\$ 724.91
III. Expenditure Disbursements, H. OJT	4	\$ 385.04	\$ -	\$ 385.04
Total		\$ 1,109.95	\$0	\$ 1,109.95

Please coordinate a refund on total amount of **\$1,109.95** to WSA. Your assistance resolving all items by February 7, 2025 is appreciated.

We appreciate the cooperation and assistance your staff provided throughout the review and their outstanding efforts in successfully offering services to the urban and rural communities.

Please contact Gabriela Navarro Garcia, Controller, if you have questions or need further assistance.

Sincerely,

DocuSigned by:

A8660FAA8A94453...

Adrian Lopez
Chief Executive Officer

cc: Brandee Perez, WSA Chief Financial Officer;
Esmeralda Apolinar Ramirez, WSA Sr. Accounting Manager;
Gabriela Navarro Garcia, WSA Controller;
Belinda Gomez, C2 GPS Deputy Director of Fiscal Operations;
Brenda C. Garcia, C2 GPS Managing Director,
Angelina Garcia, C2 GPS Controller;
Amouye Kassi, C2 GPS CFO;
Aaron Smith, C2 GPS COO

Attachments:

Financial Compliance Monitoring Report– WSA-C2GPS-FY24-08

**WORKFORCE SOLUTIONS ALAMO
C2 GLOBAL PROFESSIONAL SERVICES, LLC
FINANCIAL COMPLIANCE MONITORING REPORT
March 1, 2023 through April 30, 2024
REPORT #: WSA-C2GPS-FY24-08
REPORT DATE: JANUARY 13, 2025**

CHRISTINE H. NGUYEN
CERTIFIED PUBLIC ACCOUNTANT
4771 Sweetwater Blvd., #195
Sugar Land, TX 77479
(832) 215-9696

INTRODUCTION

Federal and State legislation and policies require recipients of federal funds to conduct a financial evaluation of the application of these funds on at least an annual basis.

Properly conducted financial evaluations measure:

- The degree of compliance with applicable laws, regulations, policies, and procedures.
- Adequacy of management controls.
- Reliable information is captured, reported, and used to improve decision-making.
- Resources are efficiently and effectively used and protected from waste, fraud, and abuse.
- Past, current, and projected effectiveness and efficiency of program administration.
- Financial and program performance relevant to organizational goals.

This report provides the results of the financial evaluation of:

1. C2 Global Professional Services, LLC (C2GPS) in its capacity to deliver workforce services for Workforce Solutions Alamo (WSA) in the Urban areas for the period from March 1, 2023 through April 30, 2024.

The applicable sections of the current Texas Workforce Commission's Financial Monitoring Guide, applicable provisions from the OMB Circular, federal and State regulations in concert with proprietary instruments and guides developed by **Christine H. Nguyen, CPA** were used in performing this financial evaluation.

The desk review was conducted by Christine Nguyen, CPA, Michael Nguyen, CPA, Donna Garrett, Mary Yee, Mai Horio, and Brittney Nguyen (the firm) beginning May 10, 2024. The exit conference was conducted on September 3, 2024. Additional documents were provided through January 9, 2025.

OVERVIEW

The financial review was conducted for the period of March 1, 2023 through April 30, 2024 on all workforce contracts.

The scope of this financial evaluation included a review of the following:

- Audit
- Cash Management
- Cost Allocation
- Disbursements
- Financial Reporting
- Insurance

The following areas were reviewed with instances of non-compliance or otherwise reportable conditions:

- Disbursement

The issues as identified in the Schedule of Financial Findings and Recommendations will be classified as either an observation or a finding.

- **Observation:** The financial areas as identified are not considered as non-compliance issues with federal and State rules and regulations or contract requirements. The intent for the recommendations of these observations is to strengthen the subcontractor's current accounting systems.
- **Finding:** The financial areas as identified are considered as non-compliance issues with federal and State rules and regulations or contract requirements. The subcontractor must implement a corrective action plan immediately to address these findings.

SCHEDULE OF FINANCIAL FINDINGS AND RECOMMENDATIONS

I. AUDIT

The Annual Financial and Compliance Report in Accordance with the CFR Part 200 Uniform administrative Requirements audit report for the period ended September 30, 2022 was reviewed. *No issues were identified.*

II. CASH MANAGEMENT

C2GPS's cash management system was evaluated to ensure that the following processes have been implemented:

- To reconcile bank reconciliations timely.
- To ensure that the fidelity bond coverage is sufficient to protect C2GPS from loss.
- To ensure that funds in excess of FDIC coverage are collateralized.
- To have written policies and procedures to document cash management processes.

We have selected September 2023, October 2023, and April 2024 bank reconciliations.

Observation

1. No evidence when reconciliations were signed and approved for September and October 2023. *C2 has concurred with observation. Further response is not required.*

III. COST ALLOCATION

We selected the following cost allocation workpapers for testing: September 2023; April 2024. In addition, C2 utilized a 10% De Minimis Rate for the contract. *No exceptions were found.*

IV. EXPENDITURE DISBURSEMENTS

The disbursement test was conducted to determine if personnel and non-personnel costs were expended in compliance with federal and State regulations and that expenditures were supported with sufficient documentation.

A. Personnel Costs

1. Timesheets – thirty-seven (37) employees' timesheets were sampled. *No exceptions were found.*
2. Staff Incentives – ten (10) payments were selected for review.

Finding

1. Evidence that C2GPS contract was not under any form of official corrective action by the local Board and/or TWC/DEO/DOL at the close of the semi-annual period 9/30/2023 has not been provided for review.

Recommendation

1. Provide the above information or refund WSA the total amount of staff incentives to include fringe benefits.

B. Non-Personnel Costs

Twenty-five (25) transactions were sampled.

Findings

1. The pre-paid transportation contract for customers is not renewed annually.
2. There are insufficient number of bids/quotes for one transaction.

Recommendations

1. Ensure that existing contracts are annually renewed based on procurement solicitation terms.
2. Comply with the TWC FMGC, Chapter 13, Procurement, for small purchases.

Details are listed on **Attachment 1**.

C. Education and Training Payments

Fifteen (15) ITAs were reviewed.

Observations

1. The TWIST service start date was not consistent with the ITA voucher start date.
2. One ITA voucher did not have the Managing Director or Deputy Director Ops approval.

Findings

1. TWIST Open Selected Services were not completed for one transaction.
2. There was no evidence of an Individual Employment Plan completed in TWIST.
3. TWIST Open Selected Service funding source was not consistent for one transaction.

Details are listed on **Attachment 2**.

Recommendation

1. Place controls to ensure data integrity with data management system.

D. SUPPORT SERVICES-TRANSPORTATION

Twenty-two (22) support services were selected. *No exceptions were identified.*

E. SUPPORT SERVICES-OTHER

Sixteen (16) support services were selected.

Observations

1. TWIST Counselor Notes were not consistent with the IEP.
2. TWIST Service Plan did not state support services were provided for the applicable period.

Findings

1. TWIST Open Selected Services were not completed for one transaction for the applicable period.
2. The receipt date was not on the receipt, and there was a gap in when services were provided-Questioned costs-\$450.
3. Food was purchased by the customer-Questioned costs-\$23.57.
4. A duplicate reimbursement for a utility bill was found as part of the total support services-Questioned costs-\$139.49.
5. One support service has a missing receipt-Questioned costs-\$129.85.

Recommendation

1. Resolve the issues in **Attachment 3** or refund \$724.91 to WSA.

F. CUSTOMER'S INCENTIVES-OTHER

Eleven (11) customer incentives were selected.

Observation

1. The fund source identified in the sample document was not consistent with the Incentive Form.

Finding

1. Three case notes were not entered timely in WorkInTexas,

Recommendation

1. Place controls to ensure that case notes are entered in a timely manner.

G. WORK EXPERIENCE

Twenty (20) timesheets were selected. *No exceptions were found.*

H. OJT

One (1) OJT was selected.

Observations

1. Payment was not made within 30 days of invoicing. *C2 concurs.*
2. The OJT ended in July 2023; however, the remaining balance of \$2,884.80 was not liquidated timely.

Finding

1. In accordance with Section 3: General Terms and Conditions of the OJT Employer contract, the employer must maintain adequate time and attendance, payroll, and other records to support amounts reimbursed under the OJT contract. Based on the reimbursed records, the OJT customer was reimbursed for \$8,333.34. With a 75% reimbursement, this amount should be \$6,250.64 and not \$6,635.04. The overpayment amounted to \$385.04-**Questioned costs. (Attachment 4)**

Recommendations

1. Reimburse \$385.04 to WSA.
2. Ensure that payments are made in a timely manner and remaining balances are liquidated in a timely manner.

V. FINANCIAL & OTHER REPORTING REQUIREMENTS.

The following billing reports were reviewed-no exceptions were found:

- ✓ April 2024 Project-to-Date
- ✓ FY23 Closeout Reports
- ✓ Employment Tax Reports
- ✓ Corporate Tax Reporting

VI. INSURANCE

C2GPS is required to obtain and maintain throughout the term of the contract fidelity bonding, general liability insurance, automobile, errors and omissions insurance, and worker compensation coverage. *C2GPS is in compliance with the requirements.*

VII. TOTAL DISALLOWED COSTS

The Disallowed Costs are calculated as follows:

Report Section	Attachment #	Questioned Costs Amount	Indirect Costs - 10%	Total Questioned Costs
III. Expenditure Disbursements, E. Support Services-Other	3	\$ 724.91	\$ -	\$ 724.91
III. Expenditure Disbursements, H. OJT	4	\$ 385.04	\$ -	\$ 385.04
Total		\$ 1,109.95	\$0	\$ 1,109.95



January 23, 2025

Ms. Eva G. Dewaelsche
President & CEO
SERCO of Texas, Inc.
9301 Michigan Ave.
Detroit, MI 48210

Dear Ms. Garza Dewaelsche,

Federal and State legislation and policies require recipients of federal and state funds to conduct a financial evaluation of the application of such funds on at least an annual basis. To that purpose, Workforce Solutions Alamo (WSA), with the assistance of Ms. Christine Nguyen, CPA, has completed a *Financial Compliance Monitoring Report*, dated December 23, 2024, of SERCO for Texas, Inc. (SERCO) its capacity to deliver WIOA Youth workforce services for Workforce Solutions Alamo (WSA) from March 1, 2023, through May 31, 2024.

The report and related attachments provide the results of the financial evaluation and identify the following areas that require resolution:

1. Expenditure Disbursements

A. STAFF INCENTIVES FINDINGS:

1. One overpayment of \$30 plus fringe benefits was found for a disbursement on 9/28/23. Disallowed costs=\$32.39. SERCO respectfully concurs with the finding regarding the overpayment of Staff Incentives.

Resolution: WSA was refunded \$32.39 on October 4, 2024

B. NON-PERSONNEL COSTS FINDINGS:

1. For legal services, there was no evidence of completed procurement documentation.
2. One transaction was charged to WSA in error. The correction to reclass the charges to non-federal funds were only for a partial amount. The remaining amount of \$1,208.44 was not reduced from WSA's expenses-Questioned Costs.


Resolution: Serco submitted documentation of journal entries to correct allocations and has refunded the total of \$15.94 on January 17, 2025 of final questioned cost. No further action needed.

This letter confirms Financial Compliance Monitoring Report of SERCO for Texas, Inc. the period from March 1, 2023, through May 31, 2024, as closed.

Again, we appreciate your staff's cooperation and assistance throughout the review and their outstanding efforts in successfully offering services to Youth in our communities.

Please contact Gabriela Navarro Garcia, Controller, if you have questions or need further assistance.

Sincerely,

DocuSigned by:

A8660FAA8A94453...

Adrian Lopez
Chief Executive Officer

cc: Brandee Perez, WSA Chief Financial Officer;
Esmeralda Apolinar Ramirez, WSA Sr. Accounting Manager;
Gabriela Navarro Garcia, WSA Controller;
Manuel Urges, SERCO Regional Director
Gabriela Horbach, SERCO Project Director
Roberto Corral, SERCO Operations Manager
Eva G. Dewaelsche, SERCO President & CEO

**WORKFORCE SOLUTIONS ALAMO
SERCO OF TEXAS, LLC
FINANCIAL COMPLIANCE MONITORING REPORT
MARCH 1, 2023 THROUGH MAY 31, 2024
REPORT #: WSA-SERCO-FINANCIAL-FY24-06
REPORT DATE: DECEMBER 23, 2024**

CHRISTINE H. NGUYEN

CERTIFIED PUBLIC ACCOUNTANT

4771 Sweetwater Blvd., #195

Sugar Land, TX 77479

(832) 215-9696

INTRODUCTION

Federal and State legislation and policies require recipients of federal funds to conduct a financial evaluation of the application of these funds on at least an annual basis.

Properly conducted financial evaluations measure:

- The degree of compliance with applicable laws, regulations, policies, and procedures.
- Adequacy of management controls.
- Reliable information is captured, reported, and used to improve decision-making.
- Resources are efficiently and effectively used and protected from waste, fraud, and abuse.
- Past, current, and projected effectiveness and efficiency of program administration.
- Financial and program performance relevant to organizational goals.

This report provides the results of the financial evaluation of:

1. SERCO for Texas, LLC (SERCO) in its capacity to deliver Youth workforce services for Workforce Solutions Alamo (WSA) for the period from March 1, 2023 through May 31, 2024.

The applicable sections of the current Texas Workforce Commission's Financial Monitoring Guide, applicable provisions from the OMB Circular, federal and State regulations in concert with proprietary instruments and guides developed by **Christine H. Nguyen, CPA** were used in performing this financial evaluation.

The desk review was conducted by Christine Nguyen, CPA, Michael Nguyen, CPA, Mary Yee, Brittney Nguyen, and Mai Horio (the firm). Exit conference was conducted on September 18, 2024.

OVERVIEW

The financial review was conducted for the period of March 1, 2023 through May 31, 2024 on the WIOA Youth Contract.

The scope of this financial evaluation included a review of the following:

- Audit
- Cash Management
- Cost Allocation
- Disbursements
- Financial and Other Reporting
- Insurance

The following areas were reviewed with instances of non-compliance or otherwise reportable conditions:

- Expenditure Disbursements

The issues as identified in the Schedule of Financial Findings and Recommendations will be classified as either an observation or a finding.

- **Observation:** The financial areas as identified are not considered as non-compliance issues with federal and State rules and regulations or contract requirements. The intent for the recommendations of these observations is to strengthen the subcontractor's current accounting systems.
- **Finding:** The financial areas as identified are considered as non-compliance issues with federal and State rules and regulations or contract requirements. The subcontractor must implement a corrective action plan immediately to address these findings.

SCHEDULE OF FINANCIAL FINDINGS AND RECOMMENDATIONS

I. AUDIT

We have reviewed the SER Metro Detroit, Jobs for Progress, Inc Single Audit June 30, 2023. The auditors have issued an unqualified opinion. The auditors have identified a material weakness in internal control over financial reporting-a material adjustment to adjust the Organization's advances, contributions, and net assets with and without donor restrictions to the appropriate balances. In addition, a material adjustment related to improperly reporting accrued vacation expenses. SERCO has informed us that these issues did not affect the WSA contracts.

II. CASH MANAGEMENT

The cash management system was evaluated to ensure that the following processes have been implemented:

1. To minimize the time lapse between the receipt of funds from WSA and disbursement of those funds.
2. To reconcile bank reconciliations timely.
3. To ensure that the fidelity bond coverage is sufficient to protect WSA from loss. To have written policies and procedures to document cash management processes.

The November 2023, March 2024 and May 2024 bank reconciliations were reviewed. *No issues were identified.*

III. COST ALLOCATION

SERCO has developed a cost allocation plan (CAP) that addresses the requirements of the TWC FMGC, Chapter 11. The April 2023 and May 2024 cost allocation workpapers were reviewed. *No exceptions were identified.*

IV. EXPENDITURE DISBURSEMENTS

The disbursement test was conducted to determine if personnel and non-personnel costs were expended in compliance with federal and State regulations and that expenditures were supported with sufficient documentation.

A. PERSONNEL COSTS

1. Timesheets

We have tested 11 employees' timesheets. *No exceptions were found.*

B. STAFF INCENTIVES

Five payments were reviewed.

Finding

1. One overpayment of \$30 plus fringe benefits was found for a disbursement on 9/28/23. Disallowed costs=\$32.39. *SERCO respectfully concurs with the finding regarding the overpayment of Staff Incentives. We have removed the amount from our billing and are in the process of reimbursing Workforce Solutions Alamo for*

the full amount of the overpayment plus fringe. A copy of the Journal Entry and the check request are provided in the support documents.

Recommendation

1. Refund WSA \$32.39.

C. Maximum Salary Limitations:

Section 7013 of Public Law 109-234 limits salary and bonus compensation for individuals who are paid by grant funds appropriated to the Employment and Training Administration. The compensation limit was \$212,100 for 2023 annually. *No exceptions were found.*

D. NON-PERSONNEL COSTS

We selected 21 transactions.

OBSERVATIONS

1. The allocation of cost did not appear to be based on benefits received. SERCO will review the allocation process for the Franchise Tax for the next year. This issue will be followed up in a subsequent review. A response is not required.
2. Quotes were not dated; therefore, we were unable to determine if the quotes were timely documented.
3. The purchase order amount did not match the actual invoice amount.

FINDINGS

1. There was missing cost reasonable documentation for three purchases. SERCO will work with the SER Metro Detroit Administrative Team to make them aware of the TWC requirements for any purchase that gets allocated to Texas contracts. This issue will be followed up in a subsequent review. A response is not required.
2. For legal services, there was no evidence of completed procurement documentation-**Questioned Costs-total allocated amount charged to WSA.**
3. One transaction was charged to WSA in error. The correction to reclass the charges to non-federal funds were only for a partial amount. The remaining amount of \$1,208.44 was not reduced from WSA's expenses-**Questioned Costs.**

Details are listed on **Attachment 1-Questioned Costs-\$1,208.44 plus allocable share of legal expenses.**

RECOMMENDATIONS

1. Comply with procurement requirements by ensuring that documentation is in compliance with TWC FMGC, Chapter 14.
2. Calculate the allocable share of legal expenses that were charged to WSA and refund the amount to WSA,
3. Provide evidence that Finding #3 was corrected or refund \$1,208.44 to WSA.

E. Education and Training

We tested five (5) payments.

OBSERVATIONS

1. Four transactions did not have deposits/withdrawals in TWIST ITA tabs.
2. One ITA total costs exceeded the ETPS for tuition and books.

FINDING

1. One payment was not made within 30 days.

RECOMMENDATION

1. Ensure that payments are made within 30 days.

F. WORK EXPERIENCE

We tested 20 payments.

OBSERVATIONS

1. Job descriptions were not consistent between the PAN and the job descriptions in four transactions.
2. The worksite name is not consistent in TWIST in one transaction.

FINDINGS

1. One transaction reflected payment of overtime-\$87.21. SERCO has reclassified the expense to non-chargeable. *The issue is resolved.*
2. One transaction did not have an Open Service in TWIST. SERCO is unable to request a DINT to make the correction.

RECOMMENDATIONS

1. Place controls to ensure that overtime payments are not charged to WSA.
2. Place controls to ensure data entries in TWIST for job descriptions, worksites, and services are accurate.

G. SUPPORT SERVICES – TRANSPORTATION

We tested 20 payments. *No exceptions were found.*

H. SUPPORT SERVICES

We tested 10 payments.

FINDINGS

1. The following data integrity issues were found in TWIST:
 - ✓ No evidence of rent payment in TWIST Support Service tab for one transaction.
 - ✓ No evidence of an Open TWIST Service for one transaction.

RECOMMENDATION

1. Place controls to ensure data integrity in the customer's data management system.

I. CUSTOMER INCENTIVES

We tested 25 payments.

FINDINGS

1. No evidence of payment in TWIST Support Service tab for one transaction.
2. There was one duplicate payment of \$300. *SERCO has reclassified the expense to unallowable expense. Issue is resolved.*

RECOMMENDATION

1. Place controls to ensure data integrity in the data management system.

V. FINANCIAL AND OTHER REPORTING

The following reports were reviewed with no exceptions:

1. Youth Contract FY23 Closeout.
2. SEAL FY23 Closeout.
3. Youth Contract - Project-to-Date from October 1, 2023 through May 31, 2024.
4. Employment Tax Reporting.
5. Income Tax Report

VI. INSURANCE

SERCO is required to obtain and maintain throughout the term of the contract fidelity bonding, general liability insurance, automobile, errors and omissions insurance, and worker compensation coverage. *No exceptions were found.*

VII. SUMMARY OF QUESTIONED COSTS

Report Section	Attachment	Questioned Costs	Comments
III. Expenditure Disbursements-Personnel-Staff Incentives		\$ 32.39	
III. Expenditure Disbursements-Non-personnel	1	\$ 1,208.44	Additional questioned costs may be added for legal expense allocations.
Total		\$ 1,240.83	



February 6, 2025

Ms. Melody Woosley
 Director
 Department of Human Services
 City of San Antonio
 P.O. Box 839966
 San Antonio, TX 78283

Dear Ms. Woosley,

Federal and State legislation and policies require recipients of federal and state funds to conduct a financial evaluation of the application of such funds on at least an annual basis. To that purpose, Workforce Solutions Alamo (WSA), with the assistance of Ms. Christine Nguyen, CPA, has completed a *Financial Compliance Monitoring Report*, dated December 27, 2024 of City of San Antonio (COSA) in its capacity to deliver Child Care Services for Workforce Solutions Alamo (WSA) from June 1, 2023, through May 31, 2024.

The report provides the results of the financial evaluation:

1. **Expenditure Disbursements**

Personnel Costs Findings:

1. Twelve reports did not have evidence of employee signatures on Employee Acknowledgment on Time & Effort reports.
Resolution: DHS Fiscal and Childcare staff will implement controls and process improvements to address the departure of Childcare Services employees before the end of a biannual time certification period.
2. One employee did not sign Form I-9 on or before the date of hire.
Resolution: Employee I-9s are processed and maintained by COSA's Human Resources (HR) department which utilizes an electronic system to file I-9's.

Non-Personnel Costs Findings:

1. Cost reasonableness documentation was not maintained for car rental and airfare. The lodging rate exceeded GSA rate-questioned costs \$474.24.
2.
Resolution: COSA maintains cost reasonableness documentation to comply with the TWC FMGC, Chapter 14, Procurement. No further action.

Provider Payments Findings:

1. Have not obtained information on the ages of the children to validate the rates paid to the providers for all selected sample items.

Resolution: COSA provided documentation on the ages of children. No further action.

2. Need evidence of recoupment/collection for one overpayment.

Resolution: Item resolved, no further action.

3. Four transactions of PSOC amounts on Forms 2450 were not consistent with amounts deducted in TWIST.

Resolution: Item resolved, no further action.

2. Financial & Other Reporting Requirements Findings:

1. SIR Closeout Report through 3/31/23: The reported expenditure amounts exceeded the general ledger by \$278,860. Questioned Costs.

Resolution: COSA provided General Ledger report aligning with SIR Closeout Report. No further action.

This letter confirms Financial Compliance Monitoring Report of City of San Antonio (COSA) for the period Jun 1, 2023, through May 31, 2024, as closed.

We appreciate the cooperation and assistance your staff provided throughout the review and their outstanding efforts in successfully offering services to the urban and rural communities.

Please contact Gabriela Navarro Garcia, Controller, if you have questions or need further assistance.

Sincerely,

DocuSigned by:

A8660FAA8A94453...

Adrian Lopez
Chief Executive Officer

cc: Brandee Perez, WSA Chief Financial Officer.
Esmeralda Apolinar Ramirez, WSA Sr. Accounting Manager.
Gabriela Navarro Garcia, WSA Controller.
Jessica Dovalina, COSA Assistant Director
Ana Cantu, COSA Fiscal Administrator
Lisa Elizondo, Social Service Manager.

WORKFORCE SOLUTIONS - ALAMO
CITY OF SAN ANTONIO
Financial Compliance Monitoring Report
June 1, 2023-May 31, 2024
Report #: WSA-COSA-FY24-07
Report Date: December 27, 2024

CHRISTINE H. NGUYEN
CERTIFIED PUBLIC ACCOUNTANT
4771 Sweetwater Blvd., #195
Sugar Land, TX 77479
(832) 215-9696

INTRODUCTION

Federal and State legislation and policies require recipients of federal funds to conduct a financial evaluation of the application of these funds on at least an annual basis.

Properly conducted financial evaluations measure:

- The degree of compliance with applicable laws, regulations, policies, and procedures.
- Adequacy of management controls.
- Reliable information is captured, reported, and used to improve decision-making.
- Resources are efficiently and effectively used and protected from waste, fraud, and abuse.
- Past, current, and projected effectiveness and efficiency of program administration.
- Financial and program performance relevant to organizational goals.

This report provides the results of the financial evaluation of:

1. City of San Antonio (COSA) in its capacity to deliver Child Care services for Workforce Solutions Alamo (WSA) for the period from June 1, 2023 through May 31, 2024.

The applicable sections of the current Texas Workforce Commission's Financial Monitoring Guide, applicable provisions from the OMB Circulars, federal and State regulations in concert with proprietary instruments and guides developed by **Christine H. Nguyen, CPA** were used in performing this financial evaluation.

The off-site review was conducted by Christine Nguyen, CPA, Michael Nguyen, CPA, Mary Yee, Mai Horio, and Brittney Nguyen (the firm) beginning July 5, 2024. The Exit Conference was conducted on September 23, 2024. Additional documents were provided on October 9, 2024.

OVERVIEW

The scope of this financial evaluation included a review of the following areas:

- Audit / Monitoring
- Disbursements
- Provider Payments
- Financial Reporting
- Insurance
- Local Match
- Recoupment

The following review area resulted in instances of non-compliance or otherwise reportable conditions:

1. Disbursements
2. Financial Billing

The issues as identified in the Schedule of Financial Findings and Recommendations will be classified as either an observation or a finding:

- **Observation:** The financial areas as identified are not considered as non-compliance issues with federal and State rules and regulations or contract requirements. The intent for the recommendations of these observations is to strengthen the subcontractor's current accounting systems.
- **Finding:** The financial areas as identified are considered as non-compliance issues with federal and State rules and regulations or contract requirements. The subcontractor must implement a corrective action plan immediately to address these findings.

SCHEDULE OF FINANCIAL FINDINGS AND RECOMMENDATIONS

I. AUDIT

The audit reports for the period ended September 30, 2023 were reviewed. COSA has received an unmodified opinion for the audited period and is considered a low-risk auditee. There were no questioned costs that pertained to WSA programs.

II. CASH MANAGEMENT

The cash management system was evaluated to ensure that the following processes have been implemented:

1. To minimize the time lapse between the receipt of funds from WSA and disbursement of those funds.
2. To reconcile bank reconciliations timely.
3. To ensure that the fidelity bond coverage is sufficient to protect WSA from loss. To have written policies and procedures to document cash management processes.

February 2024, April 2024, and May 2024 bank reconciliations for Operating and Payroll accounts were reviewed. *No exceptions were found.*

III. EXPENDITURE DISBURSEMENTS

The disbursement test was conducted to determine if personnel and non-personnel costs were expended in compliance with federal and State regulations and that expenditures were supported with sufficient documentation.

A. Personnel Costs

The firm selected 28 transactions.

Observation

1. One employee was underpaid.

Findings

1. Twelve (12) reports did not have evidence of employee signatures on Employee Acknowledgment on Time & Effort reports.
2. One employee did not sign the Form I-9 on or before the date of hire.

Recommendations

1. Ensure that the employees sign Form I-9 on or before the date of hire.
2. Place controls to ensure that the employees sign the Employee Acknowledgment on Time and Effort reports.

B. Non-Personnel Costs

The firm selected 25 transactions.

Observation

1. The employee did not provide COSA the hotel receipt showing daily charges and taxes.

Findings

1. Cost reasonableness documentation was not maintained for car rental and airfare.
2. The lodging rate exceeded GSA rate-questioned costs \$474.24.

Details are in **Attachment 1**.

Recommendations

1. Maintain cost reasonableness documentation to comply with the TWC FMGC, Chapter 14, Procurement.
2. Refund \$474.24 to WSA.

C. Provider Payments

The firm randomly selected 40 customers for review. The elements tested are as follows:

1. Days billed accurately reflected on TWIST.
2. Accuracy of Parent Share of Cost deducted.
3. Accuracy of rate paid to Provider.
4. Evidence of Provider Agreement that is effective for reviewed payment.
5. Evidence of TWIST Payment Proof.
6. Verification that amounts of check proof and ACH Direct Deposit or Cancelled Payment Check match.

Findings

1. We have not obtained information on the ages of the children to validate the rates paid to the providers for all selected sample items.
2. We need evidence of recoupment/collection for one overpayment.
3. Four transactions of PSOC amounts on Forms 2450 were not consistent with amounts deducted in TWIST.

Details are in **Attachment 2**.

Recommendation

1. Provide documentation on the ages of the children so that we may verify the rates paid to the providers.
2. Resolve the remaining issues in **Attachment 2**.

D. Parent Recoupment Payments

A financial compliance review of WSA's Child Care Services (CCS) Recoupment payments was conducted to evaluate the City of San Antonio's CCS staff's compliance with Texas Administrative Code, Title 40, Part 20, Chapter 809, Subchapter F: Fraud, Fact-Finding and Improper Payments; the Texas Workforce Commission (TWC), Child Care Services Guide, Part G: Fraud, Fact-Finding and Improper Payments; TWC Workforce Development Letter WD 21-16, Change 2: Requirements for Reporting and Fact-Finding for Suspected Fraud, Waste, Theft, Program Abuse Cases, and Recovery of Improper Payments—Update, July 30, 2021; and, WSA and COSA Child Care policies and procedures. Five (5) randomly selected child care recoupment payments. *No exceptions were found.*

V. FINANCIAL & OTHER REPORTING

The following reports were reviewed:

- FY23 Closeout
- May 2024 (Project-to-date billing)
- Monthly Cost Summary
- Local Match

1. Financial Billings

Observations

1. There were several areas that were identified for the project-to-date through May 31, 2024 billing reports that need to be adjusted before the end of the contract:
 - ✓ Expenditures have exceeded the budget line-items in CCQ-Provider Costs-Quality Supplies/Materials-Client; Mentor Support-Travel-Contractor; and IND Operations-General Operations-Contractor.
 - ✓ The Non-Mentor Payroll and Fringe-Contract and Professional Services costs were under-reported in CCQ.

Findings

1. SIR Closeout Report through 3/31/23: The reported expenditure amounts exceeded the general ledger by \$278,860. Questioned Costs. **(Attachment 3)**
2. The October 2023 Child Care Local Match Agreements for Direct Care Services and Quality Improvement certifications were not submitted in a timely manner. These reports were submitted on April 17, 2024.

Recommendations

1. Address the above issues or refund WSA \$278,860.
2. Place controls to ensure that Match certifications are submitted timely.
3. Place controls to ensure that budget amendments are initiated in a timely manner.
4. Review the under-reported line-item to ensure that the expenditures should be excluded from WSA's billings.

3. Local Match

A financial compliance review of WSA's Child Care Services (CCS) Local Match payments was conducted to evaluate the City of San Antonio's CCS staff's compliance with relevant Federal, State, and WSA and COSA Child Care policies and procedures. The monitors reviewed five (5) randomly selected local match certifications. **No issues were identified.**

VI. INSURANCE

COSA has provided evidence of self-insurance coverage for all required insurance based on contract requirement. *No issues were identified.*



MEMORANDUM

To: Audit & Finance Committee

From: Maria Martinez, Interim Director of Human Resources

Presented By: Adrian Lopez, CEO

Date: February 28, 2025

Subject: Employee Benefits Analysis

Summary: Workforce Solutions Alamo conducted an Employee Benefits survey to the 27 Workforce Development Board in Texas. This memorandum summarizes the results of the recent employee benefits survey.

Analysis: Workforce Solutions Alamo Board conducted a comparative analysis of benefit offerings and contribution structures across the other 27 Workforce boards, receiving responses from 18 Boards. The survey examined benefit offerings, average employee contributions, and additional comments related to employee healthcare coverage—17% of boards were concerned about the increase in the cost of employee health benefits.

- **Council of Governments (COG) Participation:** 28% of respondents (5 Boards) are part of a Council of Government.
- **PEO Utilization:** 11% of respondents (2 Boards) utilize a Professional Employer Organization (PEO) for employee benefits. The other 89% of boards cover employee benefits through company-sponsored plans.
- **Employer-Paid Benefits:** 33.33% of respondents (6 Boards) offer employer-sponsored coverage to both employees and dependents, while 67% (12 Boards) only provide employer-sponsored benefits to employees.
- **Benefit Offerings:** Basic benefits covered by all boards include Medical, Dental, Vision, Life Insurance, and a 401(k) Match. Enhanced benefits include Short-Term Disability (STD), Long-Term Disability (LTD), Teladoc Services, and Employee Assistance Programs (EAP). The boards split the benefits equally between basic and enhanced benefits.



- **Employee Average Contribution:** 76% of organizations reported contributions under \$200, 17% reported contributions between \$200 and \$500, and 6% reported contributions greater than \$500.

Alternatives: Current options that the board may consider when evaluating employee health benefits include:

- **Maintain Current Benefits:** Continue providing existing benefits at current contribution levels.
- **Other Options:** The current board budget absorbs health insurance costs, keeping the employee contribution of enhanced benefits under \$200 per month while the rising cost of insurance to cover dependents is greater than the \$500 per month, which employees absorb. These costs affect 17% of our staff.

Fiscal Impact: Expanding coverage or reducing employee contributions may increase organizational costs. Providing dependent coverage or lowering employee premiums could impact the benefits budget. However, improved benefits could enhance employee satisfaction, retention, and recruitment.

Recommendation: Monitor budgets annually, and if a budget deficit occurs that would impact employee benefits, ensure an entire procurement is complete to evaluate all options through the annual budgeting process.

Next Steps: The survey results will be disbursed to all stakeholders and relevant participants, and an annual cost reasonableness analysis will be conducted to determine the value of employee benefits.