MEMORANDUM

To:	Audit and Finance Committee
From:	Adrian Lopez, Chief Executive Officer
Presented by:	Gabriela Navarro Garcia, Controller
Date:	September 4, 2026
Regarding:	Financial Report – June 30, 2026

SUMMARY: Financial reports through June 30, 2026, have been prepared for the fiscal year October 1, 2025, through September 30, 2026; the straight-line expenditure benchmark is 75% 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	67.82%	The personnel expenditures are acceptable within the budget.
Board Facility	65.10%	The WSA Board facility expenditures are acceptable and within the budget.
Equipment	58.59%	Equipment expenditures are projected to increase in the coming months due to the scheduled replacement of computer equipment, which carries a five-year useful life.
General Office Expense	51.55%	The primary budget surplus is due to the insurance contingency.
Professional Services	59.05%	This variance consists in a timing difference in monitoring expenditures. Legal and professional services related to temporary staffing are utilized as needed to support the agency.
Board Training & Development	32.96%	The board continues to monitor any future training and development for our board members.
Total Expense	**64.53%**	

Corporate expenditure represents 4.36% of overall expenditures, and demonstrating a budget surplus of approximately 10.47% through June 2026.

FACILITIES AND INFRASTRUCTURE BUDGET:

Expenditures	% Expensed	Comments
Overall	68.29%	The facility expenditures represent 3.36% of the overall expenditures and reflecting a 6.71% straight-line budget surplus. This is an acceptable variance.

ACTIVE GRANTS ONLY (TWC):

Grant	End date	Budget	% Expense	Comments
26TAF Temporary Assistance for Needy Families	10/31/2026	$6,636,840	60.78%	The board continues to closely monitor expenditures to spend all funds by the end of the contract period.
26CCQ – Child Care Quality	10/31/2026	$4,999,269	48.22%	The board expects to spend the funds during the fourth quarter. Expenditures include purchase of quality materials for child care centers.
26CQF- Quality Improvement Activity	10/31/2026	$4,732,602	57.02%	The board expects to utilize the funds over the coming months through scheduled TRS incentive activities. In addition, a portion of the funds is projected to support Teacher Appreciation incentives. These planned expenditures ensure that available funds are used meaningfully to support and uplift those who provide essential services to children and families.
25MTC – Military to Civilian Employment Program	06/30/2026	$225,085	72.29%	The board is estimating $63,410.49 of unutilized funds due to lower participation that originally projected. Under the new grant, the board is strengthening outreach efforts to ensure eligible clients are reached and served, resulting in improved utilization of available funding.

NDW- National Dislocated Worker	09/30/2027	$723,455	25.45%	Expenses are projected to materialize over the coming months, with approximately $230,000 in committed costs for currently active clients. The board expects to spend the funds by the end of the contract period.

ACTIVE GRANTS ONLY (NON-TWC):

Grant	End date	Budget	% Expense	Comments
DOL Building Pathways	09/30/2029	$2,000,000	6.45%	Grant received for a 4-year period. Client expenditures will start increasing in the next months.
22RTW	05/31/2025	$65,554,565	57.47%	Reconciliation of expenditures are expected to be finalized by September 2026.
25RTW	05/31/2026	$11,114,758	75.09%	Expenditures will continue to be reflected in the coming months as outstanding invoices come in for training started in the contract period.

ATTACHMENTS:

Financial Statements – June 2026

Workforce Solutions Alamo
Corporate Expenditure Report
FY 2025 - 2026
as of June 2026

	Annual Budget	Amendment # 1	Revised Budget	YTD Expenses	% Expensed	Balance
PERSONNEL						
Salaries/Wages	$ 4,349,164	$ -	4,349,164	$ 3,036,877	69.83%	$ 1,312,287
Fringe Benefits	1,057,498	64,424	1,121,922	784,576	69.93%	337,346
Staff Travel	153,874	-	153,874	37,897	24.63%	115,977
Staff Training & Development	112,000	-	112,000	31,304	27.95%	80,696
PERSONNEL SUBTOTAL:	**$ 5,672,536**	**$ 64,424**	**5,736,960**	**$ 3,890,654**	**67.82%**	**$ 1,846,306**
BOARD FACILITY						
Rent	$ 481,749	-	481,749	$ 302,173	62.72%	$ 179,576
Storage	$ 3,600		3,600	$ 17,873	496.47%	$ (14,273)
Maintenance and Repair	15,029		15,029	5,695	37.89%	9,334
BOARD FACILITY SUBTOTAL:	**$ 500,378**	**$ -**	**500,378**	**$ 325,741**	**65.10%**	**$ 174,637**
EQUIPMENT/RELATED COSTS						
Equipment Purchases	$ 120,700	-	120,700	$ 9,571	7.93%	$ 111,129
Equipment Rental	-	-	-	10,043	0.00%	(10,043)
Repair & Maintenance	-		-	-	0.00%	-
Software Licenses & Maintenance	163,864	-	163,864	146,857	89.62%	17,007
EQUIPMENT/RELATED COSTS SUBTOTAL:	**$ 284,564**	**$ -**	**284,564**	**$ 166,471**	**58.50%**	**$ 118,093**
GENERAL OFFICE EXPENSES						
Communications	$ 14,618		14,618	$ 34,598	236.68%	$ (19,980)
Advertising	1,000		1,000	-	0.00%	1,000
Insurances	268,981	-	268,981	49,473	18.39%	219,508
Office Supplies	18,000	-	18,000	3,892	21.62%	14,108
Postage/Shipping/Other	4,200		4,200	2,011	47.89%	2,189
Printing, Binding & Reproduction	7,000		7,000	6,944	99.20%	56
Publications & Subscriptions	11,829		11,829	9,434	79.75%	2,395
Dues	14,580		14,580	9,170	62.89%	5,410
Marketing (External)	100,000	-	100,000	105,426	105.43%	(5,426)
Miscellaneous Costs	26,000	-	26,000	7,588	29.18%	18,412
Non Federal	50,000	-	50,000	37,561	75.12%	12,439
GENERAL OFFICE EXP SUBTOTAL:	**$ 516,208**	**$ -**	**516,208**	**$ 266,097**	**51.55%**	**$ 250,111**
PROFESSIONAL SERVICES						
Legal Services-Corporate	$ 125,000	-	125,000	$ 71,100	56.88%	$ 53,900
Legal Services-Other	75,000	-	75,000	48,206	64.27%	26,794
Audit	82,000	-	82,000	66,125	80.64%	15,875
Monitoring (Contractor)	435,000	-	435,000	269,473	61.95%	165,528
Professional Services	939,124	-	939,124	521,264	55.51%	417,860
Payroll Fees	41,566	-	41,566	26,241	63.13%	15,325
PROFESSIONAL SERVICES SUBTOTAL:	**$ 1,697,690**	**$ -**	**1,697,690**	**$ 1,002,409**	**59.05%**	**$ 695,281**
BOARD EXPENSES						
Board Member Travel	$ 15,000	-	15,000	$ 3,680	24.53%	$ 11,320
Board Member Training/Development	20,000	-	20,000	4,400	22.00%	15,600
Board Meetings & Misc. Costs	10,000		10,000	6,750	67.50%	3,250
BOARD EXPENSES SUBTOTAL:	**$ 45,000**	**$ -**	**45,000**	**$ 14,830**	**32.96%**	**$ 30,170**
TOTAL EXPENSES	**$ 8,716,376**	**$ 64,424**	**8,780,800**	**$ 5,666,202**	**64.53%**	**$ 3,114,598**

	Annual Budget	Amendment # 1	Revised Budget	YTD Expenses	% Expensed	Balance
SUMMARY:						
Personnel	$ 5,672,536	64,424	5,736,960	$ 3,890,654	67.82%	$ 1,846,306
Board Facility	500,378	-	500,378	325,741	65.10%	174,637
Equipment/Related Costs	284,564	-	284,564	166,471	58.50%	118,093
General Office Expenses	516,208	-	516,208	266,097	51.55%	250,111
Professional Services	1,697,690	-	1,697,690	1,002,409	59.05%	695,281
Board Expenses	45,000	-	45,000	14,830	32.96%	30,170
TOTAL CORPORATE EXPENSES	**$ 8,716,376**	**$ 64,424**	**8,780,800**	**$ 5,666,202**	**64.53%**	**$ 3,114,598**

Workforce Solutions Alamo
Grant Summary Report
FY 2025-2026
as of June 2026

Grant	Grant Awards	Remaining Balance as 9/30/25	Revised FY26 Budget	Expenses FY 25 - 26	Total Grant Expenses	Grant Balance	Grant Expended	Months Remaining
2024 WIOA ADULT SERVICES	$ 5,576,777.00	$ 1,104,933.72	$ 1,109,870	$ 927,781.91	$ 5,399,625.19	$ 177,151.81	96.82%	1
2025 WIOA ADULT SERVICES	$ 4,836,736.00	$ 4,836,736.00	$ 4,836,736	$ 2,569,164.14	$ 2,569,164.14	$ 2,267,571.86	53.12%	13
2024 WIOA DISLOCATED WORKER	$ 4,670,305.00	$ 1,568,597.17	$ 1,569,927	$ 1,380,384.47	$ 4,482,092.30	$ 188,212.70	95.97%	1
2025 WIOA DISLOCATED WORKER	$ 4,111,151.00	$ 4,111,151.00	$ 4,111,151	$ 2,256,838.25	$ 2,256,838.25	$ 1,854,312.75	54.90%	13
2024 WIOA YOUTH SERVICES	$ 5,910,587.00	$ 1,714,339.97	$ 1,716,540	$ 1,461,890.10	$ 5,658,137.13	$ 252,449.87	95.73%	1
2025 WIOA YOUTH SERVICES	$ 5,087,523.00	$ 4,793,925.53	$ 4,793,926	$ 1,516,777.83	$ 1,810,375.30	$ 3,277,147.70	35.58%	13
WIOA RAPID RESPONSE	$ 51,557.00	$ 37,431.78	$ 37,432	$ 36,289.43	$ 50,414.65	$ 1,142.35	97.78%	1
WIOA RAPID RESPONSE **	$ 0.00		$ 12,889	0	0	$ 0.00	0.00%	13
NATIONAL DISLOCATED WORKER GRANT - DISASTER RECOVER	$ 723,455.00		$ 436,952	$ 184,083.69	$ 184,083.69	$ 539,371.31	25.45%	16
TEMPORARY ASST FOR NEEDY FAMILIES-TANF	$ 6,590,722.00	$ 522,848.13	$ 528,676	$ 374,916.76	$ 6,442,790.63	$ 147,931.37	97.76%	
TEMPORARY ASST FOR NEEDY FAMILIES-TANF	$ 6,636,840.00		$ 6,186,840	$ 4,034,085.48	$ 4,034,085.48	$ 2,602,754.52	60.78%	5
SUPPLEMENTAL NUTRITION ASST PRGRM - SNAP	$ 1,031,512.00	$ -	$ 1,031,512	$ 765,252.30	$ 765,252.30	$ 266,259.70	74.19%	4
SUPPLEMENTAL NUTRITION ASST PRGRM - SNAP	$ 105,000.00		$ 105,000			$ 105,000.00	0.00%	4
NON CUSTODIAL PARENT	$ 437,578.00	$ 432,300.98	$ 432,421	$ 318,529.33	$ 323,806.35	$ 113,771.65	74.00%	4
CC SRVCS FORMULA ALLOCATION-CCF	$ 125,506,409.00	$ 3,092,862.50	$ 3,308,275	$ 3,093,863.52	$ 125,507,410.02	$ (1,001.02)	100.00%	
CC SRVCS FORMULA ALLOCATION-CCF	$ 123,251,770.00	$ -	$ 120,587,242	$ 83,102,204.90	$ 83,102,204.90	$ 40,149,565.10	67.42%	7
CC DVLPMNT FUND LOCAL MATCH - CCM	$ 7,595,230.00	$ 7,595,230.00	$ 7,595,230	$ 7,595,230.00	$ 7,595,230.00	$ -	100.00%	
CC DVLPMNT FUND LOCAL MATCH - CCM **	$ 7,536,082.00	$ -	$ 7,536,082	$ -	$ -	$ 7,536,082.00	0.00%	7
CC TEXAS DEPT FAMILY PROTECTIVE SRVCS-CCP	$ 8,576,146.12	$ 33,916.77	$ -	$ (636,633.04)	$ 7,905,596.31	$ 670,549.81	92.18%	
CC TEXAS DEPT FAMILY PROTECTIVE SRVCS-CCP	$ 8,722,082.00	$ 8,219,875.85	$ 8,217,735	$ 5,883,885.50	$ 6,386,091.65	$ 2,335,990.35	73.22%	7
TRADE ACT SERVICES	$ 5,000.00	$ -	$ 5,000	$ -	$ -	$ 5,000.00	0.00%	4
WAGNER-PEYSER EMPLOYMENT SERVICES-WPA	$ 667,237.00	$ 57,349.50	$ 57,606	$ 60,341.04	$ 670,228.54	$ (2,991.54)	100.45%	
WAGNER-PEYSER EMPLOYMENT SERVICES-WPA	$ 990,767.00	$ -	$ 990,767	$ 502,526.56	$ 502,526.56	$ 488,240.44	50.72%	7
RESOURCE ADMIN GRANT **	$ 27,951.00	$ -	$ 11,857	$ 14,498.92	$ 14,498.92	$ 13,452.08	51.87%	4
TEXAS VETERANS COMMISSION **	$ 299,138.00		$ 299,138	$ 245,387.01	$ 245,387.01	$ 53,750.99	82.03%	4
CC QUALITY - CCQ	$ 4,412,859.00	$ 527,432.09	$ 383,817	$ 434,644.03	$ 4,320,070.94	$ 92,788.06	97.90%	
CC QUALITY - CCQ	$ 4,999,769.00	$ -	$ 4,999,769	$ 2,411,138.20	$ 2,411,138.20	$ 2,588,630.80	48.22%	5
QUALITY IMPROVEMENT ACTIVITY	$ 4,069,145.00	$ 257,249.81	$ 257,249	$ 257,249.81	$ 4,069,145.00	$ -	100.00%	
QUALITY IMPROVEMENT ACTIVITY	$ 4,732,602.00		$ 4,732,602	$ 2,698,375.00	$ 2,698,375.00	$ 2,034,227.00	57.02%	5
REEMPLOYMENT SERVICES - REA	$ 1,628,778.00	$ 235,079.22	$ 236,877	$ 232,750.56	$ 1,626,449.34	$ 2,328.66	99.86%	
REEMPLOYMENT SERVICES - REA	$ 1,437,723.00		$ 1,437,723	$ 1,019,547.20	$ 1,019,547.20	$ 418,175.80	70.91%	4
PARTNERS FOR REENTRY OPPORTUNITIES IN WD (PROWD)	$ 1,174,500.00	$ 719,717.46	$ 391,500	$ 353,159.78	$ 807,942.32	$ 366,557.68	68.79%	16
MILITARY TO CIVILIAN EMPLOYMENT PROGRAM	$ 225,085.00	$ 188,646.27	$ 188,688	$ 126,271.64	$ 162,710.37	$ 62,374.63	72.29%	1
MILITARY TO CIVILIAN EMPLOYMENT PROGRAM **	$ 0.00		$ 93,785			$ 0.00	0.00%	
TEACHER EXTERNSHIP	$ 200,000.00	$ 48,497.33	$ 48,533	$ 48,497.66	$ 200,000.33	$ (0.33)	100.00%	
TEACHER EXTERNSHIP **	$ 200,000.00	$ -	$ 200,000	$ 64,466.96	$ 64,466.96	$ 135,533.04	32.23%	8
STUDENT HIREABLILITY NAVIIGATOR	$ 210,000.00	$ 184,666.21	$ 184,666	$ 142,207.34	$ 167,541.13	$ 42,458.87	79.78%	3
STUDENT HIREABLILITY NAVIIGATOR **	$ 0.00		$ 17,500			$ 0.00	0.00%	
VOCATIONAL REHABILITATION-VR INFRA SUPPORT	$ 799,830.23	$ 735,850.36	$ 735,850	$ 578,505.80	$ 642,485.67	$ 157,344.56	80.33%	3
VOCATIONAL REHABILITATION-VR INFRA SUPPORT**	$ 0.00		$ 66,572			$ 0.00	0.00%	

Workforce Solutions Alamo
Grant Summary Report
FY 2025-2026
as of June 2026

Grant	Grant Awards	Remaining Balance as 9/30/25	Revised FY26 Budget	Expenses FY 25 - 26	Total Grant Expenses	Grant Balance	Grant Expended	Months Remaining
PAID WORK EXPERIENCE (PWE)	$ 187,500.00	$ -	$ 187,500	$ 8,261.54	$ 8,261.54	$ 179,238.46	4.41%	16
TRAINING & EMPLOYMENT NAVIGATOR PILOT	$ 195,856.00	$ 38,645.32	$ 38,743	$ 6,207.98	$ 163,418.66	$ 32,437.34	83.44%	
WORKFORCE COMMISION INITIATIVES	$ 100,250.00		$ 100,250	$ 73,949.64	$ 73,949.64	$ 26,300.36	73.77%	4
SUMMER EARN & LEARN (SEAL)	$ 900,000.00		$ 900,000	$ 112,255.75	$ 112,255.75	$ 787,744.25	12.47%	4
SNAP EMPLOYMENT & TRAINING PARTNERSHIP	$ 33,000.00		$ 33,000	$ -	$ -	$ 33,000.00	0.00%	4
ADAM SCRIPPS FOUNDATION FUND	$ 187,500.00	$ 167,257.66	$ 167,258	$ 9,000.00	$ 29,242.34	$ 158,257.66	15.60%	
KRONKOWSKY FOUNDATION FUND	$ 21,000.00	$ 12,120.55	$ 12,121	$ 2,311.99	$ 11,191.44	$ 9,808.56	53.29%	
READY TO WORK-COSA	$ 65,554,565.00	$ 27,877,989.01	$ -	$ 546.70	$ 37,677,122.69	$ 27,877,442.31	57.47%	
READY TO WORK-COSA	$ 11,114,758.14	$ 8,308,848.65	$ 8,346,667	$ 5,540,002.19	$ 8,345,911.68	$ 2,768,846.46	75.09%	
DOL BUILDING PATHWAYS	$ 2,000,000.00	$ 1,944,207.51	$ 597,648	$ 73,135.13	$ 128,927.62	$ 1,871,072.38	6.45%	41
TEXAS MUTUAL INS COMPANY CHARITABLE GRANT	$ 100,000.00	$ 1,367.64	$ 11,318	0	$ 98,632.36	$ 1,367.64	98.63%	
TEXAS MUTUAL INS COMPANY CHARITABLE GRANT	$ 62,500.00	$ 62,500.00	$ 62,500	0	0	$ 62,500.00	0.00%	5
LIFT FUND	$ 14,400.00	$ 12,748.66	$ -	$ 3,843.78	$ 5,495.12	$ 8,904.88	38.16%	
TJX FOUNDATION GRANT	$ 15,000.00	$ -	$ -	$ 15,000.00	$ 15,000.00	$ -	100.00%	
GRAND TOTAL	**$ 433,524,175.49**	**$ 79,444,322.65**	**$ 199,950,938.91**	**$ 129,898,626.78**	**$ 330,765,120.62**	**$ 102,759,054.87**		

Workforce Solutions Alamo
Facilities & Infrastructure Report
FY 2025 - 2026
as of June 2026

Facilities & Infrastructure	Annual Budget	YTD Expenses	% Expensed	Balance
Workforce Facilities	$ 6,386,802	$ 4,361,343	68.29%	$ 2,025,459
TOTAL FACILITIES EXPENSES	**$ 6,386,802**	**$ 4,361,343**	**68.29%**	**$ 2,025,459**

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	3/31/2030		Datapoint	3/31/2030	
Hondo	12/31/2027		Datapoint - Child Care	3/31/2030	
SA Foodbank	Month to Month		E. Houston	8/16/2030	
Kenedy	1/31/2027		New Braunfels	1/31/2032	
Pleasanton	1/31/2028		Bandera	1/14/2028	
Floresville	7/31/2026				
Boerne	11/30/2026				
Seguin	1/15/2027				

MEMORANDUM

To:	Audit and Finance Committee
Presented by:	Gabriela Navarro Garcia, Controller
Date:	September 4, 2026
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:

In the current Fiscal Year through July 2026, a total of $1,259,857 has been expensed for support services to assist our clients.

TWC Programs – There is a slight increase in percentage allocated to rent support and transportation. Overall expenses total $838,081, trending $81,147 higher than FY25. Rent and transportation continue to be the highest costs for support services.

Client Expenditure Comparison - TWC Programs
as of July 2026

Category	FY24 Actuals	FY24 Allocation %	FY25 Actuals	FY25 Allocation %	FY26 Year-to-Date	FY26 Allocation %
Work Related	$ 30,205	5.59%	$ 105,232	11.38%	$ 82,846	9.89%
Rent	$ 201,270	37.27%	$ 389,776	42.16%	$ 369,563	44.10%
Utilities	$ 31,049	5.75%	$ 66,829	7.23%	$ 59,403	7.09%
Transportation	$ 194,106	35.95%	$ 251,816	27.24%	$ 249,268	29.74%
Incentives	$ 45,056	8.34%	$ 72,650	7.86%	$ 58,400	6.97%
Youth - Support Services	$ 38,313	7.10%	$ 38,247	4.14%	$ 18,600	2.22%
TOTAL:	**$ 539,999**	**100.00%**	**$ 924,550**	**100.00%**	**$ 838,081**	**100.00%**

Ready to Work – There is a significant decrease in rental assistance requests in the RTW Program. Overall expenses total $421,776, trending double compared to FY25. Highest support services requests come from utilities, groceries, and housing.

Client Expenditure Comparison- Ready to Work as of July 2026						
Category	**FY24 Actuals**	**FY24 Allocation %**	**FY25 Actuals**	**FY25 Allocation %**	**FY26 Year-to-Date**	**FY26 Allocation %**
Rent	$ 121,209	52.67%	$ 110,448	37.59%	$ 83,459	19.79%
Utilities	$ 52,095	22.64%	$ 87,881	29.91%	$ 131,591	31.20%
Transporation	$ 15,123	6.57%	$ 37,360	12.71%	$ 54,326	12.88%
Laptops/Computers	$ 28,019	12.18%	$ 22,918	7.80%	$ 28,788	6.83%
Training Related	$ 2,113	0.92%	$ 8,243	2.81%	$ 25,119	5.96%
Other: Medical, Legal, Food, Daycare, Loans	$ 11,565	5.03%	$ 26,988	9.18%	$ 98,492	23.35%
TOTAL:	**$ 230,125**	**100.00%**	**$ 293,838**	**100.00%**	**$ 421,776**	**100.00%**

MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, Chief Executive Officer

Presented by: Gabriela Navarro Garcia, Controller

Date: September 4, 2026

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 June 30, 2026, 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	11,358,856	16,064,906	74%	83,358,130	98,231,026	84%	2,746,022	1,592,333	81%
Rural	3,934,783	5,261,339	26%	16,489,863	19,982,099	16%	721,140	509,838	19%

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.

Overall, 83% expenditures were allocated to Bexar County and 17% to the Rural counties, representing 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

Workforce Solutions Alamo
County by County Expense Report - TWC Programs
FY 2025 - 2026
as of June 2026

County	Annual Budget			Straight-line Budget			YTD Expenditures			
		Amount	%		Amount	%		Amount	%	Over/Under Budget
Atascosa	$	696,424	2.45%	$	522,318	2.45%	$	448,401	2.93%	$ 248,023
Bandera	$	282,187	0.99%	$	211,640	0.99%	$	243,745	1.59%	$ 38,442
Bexar	$	21,419,874	75.33%	$	16,064,906	75.33%	$	11,358,856	74.27%	$ 10,061,018
Comal	$	1,529,001	5.38%	$	1,146,751	5.38%	$	1,036,328	6.78%	$ 492,673
Frio	$	476,227	1.67%	$	357,170	1.67%	$	254,493	1.66%	$ 221,733
Gillespie	$	272,220	0.96%	$	204,165	0.96%	$	134,170	0.88%	$ 138,050
Guadalupe	$	1,520,571	5.35%	$	1,140,428	5.35%	$	577,017	3.77%	$ 943,554
Karnes	$	296,090	1.04%	$	222,067	1.04%	$	178,469	1.17%	$ 117,620
Kendall	$	534,740	1.88%	$	401,055	1.88%	$	259,866	1.70%	$ 274,874
Kerr	$	437,752	1.54%	$	328,314	1.54%	$	337,113	2.20%	$ 100,639
McMullen	$	89,371	0.31%	$	67,028	0.31%	$	11,490	0.08%	$ 77,881
Medina	$	385,559	1.36%	$	289,169	1.36%	$	169,706	1.11%	$ 215,853
Wilson	$	494,976	1.74%	$	371,232	1.74%	$	283,984	1.86%	$ 210,992
TOTAL	**$**	**28,434,993**	**100.00%**	**$**	**21,326,245**	**100.00%**	**$**	**15,293,640**	**100.00%**	**$ 13,141,353**

SUMMARY:

Location	Annual Budget			Straight-line Budget			YTD Expenditures			
		Amount	%		Amount	%		Amount	%	Over/Under Budget
Urban	$	21,419,874	75%	$	16,064,906	75%	$	11,358,856	74%	$ 10,061,018
Rural	$	7,015,119	25%	$	5,261,339	25%	$	3,934,783	26%	$ 3,080,335
TOTAL	**$**	**28,434,993**	**100.00%**	**$**	**21,326,245**	**100.00%**	**$**	**15,293,640**	**100.00%**	**$ 13,141,353**

Workforce Solutions Alamo
County by County Expense Report - Child Care
FY 2025 - 2026
as of June 2026

County	Annual Budget Amount	Annual Budget %	Straight-line Budget Amount	Straight-line Budget %	YTD Expenditures Amount	YTD Expenditures %	Over/Under Budget
Atascosa	$ 2,616,982	1.66%	$ 1,962,737	1.66%	$ 2,353,615	2.24%	$ 263,367
Bandera	$ 877,460	0.56%	$ 658,095	0.56%	$ 286,849	0.27%	$ 590,611
Bexar	$ 130,974,702	83.10%	$ 98,231,026	83.10%	$ 88,358,130	84.27%	$ 42,616,571
Comal	$ 3,988,184	2.53%	$ 2,991,138	2.53%	$ 2,627,277	2.51%	$ 1,360,906
Frio	$ 1,452,641	0.92%	$ 1,089,481	0.92%	$ 786,469	0.75%	$ 666,172
Gillespie	$ 765,909	0.49%	$ 574,432	0.49%	$ 1,510,779	1.44%	$ (744,871)
Guadalupe	$ 7,474,075	4.74%	$ 5,605,556	4.74%	$ 2,810,262	2.68%	$ 4,663,813
Karnes	$ 1,064,039	0.68%	$ 798,029	0.68%	$ 424,593	0.40%	$ 639,446
Kendall	$ 1,327,143	0.84%	$ 995,357	0.84%	$ 888,174	0.85%	$ 438,969
Kerr	$ 2,963,386	1.88%	$ 2,222,539	1.88%	$ 1,401,953	1.34%	$ 1,561,433
McMullen	$ 38,852	0.02%	$ 29,139	0.02%	$ 738	0.00%	$ 38,113
Medina	$ 2,470,679	1.57%	$ 1,853,009	1.57%	$ 1,752,299	1.67%	$ 718,380
Wilson	$ 1,603,450	1.02%	$ 1,202,588	1.02%	$ 1,646,855	1.57%	$ (43,405)
TOTAL	**$ 157,617,501**	**100.00%**	**$ 118,213,126**	**100.00%**	**$ 104,847,994**	**100.00%**	**$ 52,769,507**

SUMMARY:

Location	Annual Budget Amount	Annual Budget %	Straight-line Budget Amount	Straight-line Budget %	YTD Expenditures Amount	YTD Expenditures %	Over/Under Budget
Urban	$ 130,974,702	83%	$ 98,231,026	83%	$ 88,358,130	84%	$ 42,616,571
Rural	$ 26,642,799	17%	$ 19,982,099	17%	$ 16,489,863	16%	$ 10,152,936
TOTAL	**$ 157,617,501**	**100%**	**$ 118,213,126**	**100%**	**$ 104,847,994**	**100%**	**$ 52,769,507**

Workforce Solutions Alamo
County by County Expense Report - Other Funding
FY 2025 - 2026
as of June 2026

County	Annual Budget		Straight-line Budget		YTD Expenditures		
	Amount	%	Amount	%	Amount	%	Over/Under Budget
Atascosa	$ 44,836	1.60%	$ 33,627	1.60%	$ 18,351	0.53%	$ 26,486
Bandera	$ 23,475	0.84%	$ 17,607	0.84%	$ 40,497	1.17%	$ (17,022)
Bexar	$ 2,123,111	75.75%	$ 1,592,333	75.75%	$ 2,746,022	79.20%	$ (622,911)
Comal	$ 177,341	6.33%	$ 133,006	6.33%	$ 170,427	4.92%	$ 6,914
Frio	$ 60,560	2.16%	$ 45,420	2.16%	$ 23,531	0.68%	$ 37,030
Gillespie	$ 19,359	0.69%	$ 14,519	0.69%	$ -	0.00%	$ 19,359
Guadalupe	$ 137,986	4.92%	$ 103,490	4.92%	$ 115,711	3.34%	$ 22,275
Karnes	$ 16,194	0.58%	$ 12,145	0.58%	$ 27	0.00%	$ 16,166
Kendall	$ 44,020	1.57%	$ 33,015	1.57%	$ 56,027	1.62%	$ (12,007)
Kerr	$ 87,660	3.13%	$ 65,745	3.13%	$ 273,616	7.89%	$ (185,956)
McMullen	$ 6,115	0.22%	$ 4,586	0.22%	$ -	0.00%	$ 6,115
Medina	$ 23,197	0.83%	$ 17,398	0.83%	$ 22,492	0.65%	$ 704
Wilson	$ 39,041	1.39%	$ 29,280	1.39%	$ 461	0.01%	$ 38,580
TOTAL	**$ 2,802,895**	**100.00%**	**$ 2,102,171**	**100.00%**	**$ 3,467,162**	**100.00%**	**$ (664,267)**

SUMMARY:

Location	Annual Budget		Straight-line Budget		YTD Expenditures		
	Amount	%	Amount	%	Amount	%	Over/Under Budget
Urban	$ 2,123,111	76%	$ 1,592,333	76%	$ 2,746,022	79%	$ (622,911)
Rural	$ 679,784	24%	$ 509,838	24%	$ 721,140	21%	$ (41,356)
TOTAL	**$ 2,802,895**	**100%**	**$ 2,102,171**	**100%**	**$ 3,467,162**	**100%**	**$ (664,267)**

MEMORANDUM

To:	Audit and Finance Committee
Presented by:	Gabriela Navarro Garcia, Controller
Date:	September 4, 2026
Regarding:	Financial Monitoring & Single Audit Desk Reviews

SUMMARY: *Update on Financial Monitoring & Single Audit 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 single audit desk review before executing a contract renewal. The reviews were conducted by Christine Nguyen, CPA.

ANALYSIS: The Financial Monitoring reports for C2 GPS, LLC, City of San Antonio, and SERCO of Texas, Inc. have been completed and closed for FY 25-26. 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.

FISCAL IMPACT: Financial monitoring activities help protect grant funds by identifying and correcting compliance issues, recovering any disallowed costs, and strengthening internal controls to minimize future financial risk and ensure proper stewardship of public funds.

ATTACHMENTS:
25-26 Financial Monitoring Report for City of San Antonio
25-26 Financial Monitoring Report for C2 GPS, LLC
25-26 Financial Monitoring Report for SERCO of Texas, Inc.

City of San Antonio - FY25 Single Audit Desk Review
C2 GPS, LLC - FY24 Single Audit Desk Review
SERCO of Texas, Inc - FY25 Single Audit Desk Review

August 20, 2026

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

Dear Mr. Chehadi,

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 July 24,2026 of C2 Global Professional Services, LLC (C2 GPS) in its capacity to deliver Adult Workforce Services for Workforce Solutions Alamo (WSA) from March 1 2025, through February 28, 2026.

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

1. **Expenditure Disbursements**

A. PERSONNEL COSTS

Observation:

1. The Form I-9 was not signed timely. The Form I-9 was signed by employee on 2/4/26 - first day of employment was 2/2/26.

   Resolution: An employee must complete Section 1 of Form I-9 no later than their first day of employment, but not before a job offer is accepted.

B. SUPPORT SERVICES -TRANSPORTATION

Observation:

1. C2 GPS did not document in WIT Case Notes that other resources were sought prior to providing support services.

   Resolution: C2 GPS has concurred with this issue, and leadership will reiterate this requirement to management team. Further response is not required.

2. **Financial & Other Reporting**

Observation:

1. C2GPS is pending an amendment to add additional funds for funding stream 18HN6 to offset a negative funding balance of $744.23.

   Resolution: It is recommended that C2 GPS obtains a formal amendment to align the deficit.

Please coordinate a formal amendment to align the deficit for funding stream 18HN6. At execution of amendment, this letter confirms Financial Compliance Monitoring Report of C2 GPS the period from March 1, 2025, through February 28, 2026, as closed.

Again, 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:
Adrian Lopez
A8660FAA8A94453...

Adrian Lopez
Chief Executive Officer

cc:
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

WORKFORCE SOLUTIONS ALAMO
C2 GLOBAL PROFESSIONAL SERVICES, LLC
FINANCIAL COMPLIANCE MONITORING REPORT
March 1, 2025 through February 28, 2026
REPORT #: 25-26-WSA-FINANCIAL-C2GPS- 03
REPORT DATE: JULY 24, 2026

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 for:

1. C2 Global Professional Services, LLC (C2GPS) in its capacity to deliver workforce services for Workforce Solutions Alamo (WSA) for the period from March 1, 2025 through February 28, 2026.

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, Keith Tosto, Brittney Nguyen, and Mai Horio (the firm) beginning March 12, 2026. The exit conference was conducted on June 30, 2026.

OVERVIEW

The financial review was conducted for the period of March 1, 2025 through February 28, 2026 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:

- Disbursements
- Financial & Other Reporting

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 ending September 30, 2024 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 collaterized.
- To have written policies and procedures to document cash management processes.

We have selected the September 2025, December 2025, and February 2026 bank reconciliations. *No issues were identified.*

III. COST ALLOCATION

We selected the following cost allocation workpapers for testing: September 2025 and February 2026. 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. <u>Personnel Costs</u>

1. Timesheets – twenty-eight (28) employees' timesheets were sampled. *No exceptions were found.*

   <u>Observation</u>

   The Form I-9 was not signed timely. The Form I-9 was signed by employee on 2/4/26 - first day of employment was 2/2/26.

   <u>Recommendation</u>

   An employee must complete Section 1 of Form I-9 no later than their first day of employment, but not before a job offer is accepted.

2. Staff Incentives – Nine payments were selected for review. *No exceptions were found.*

B. <u>Non-Personnel Costs</u>
Twenty (20) transactions were sampled. Eleven transactions were transactions created by WSA. *No exceptions were identified*.

C. <u>Education and Training Payments</u>
Sixteen (16) ITAs were reviewed. *No exceptions were identified*.

D. <u>SUPPORT SERVICES-TRANSPORTATION</u>
Thirty-five (35) support services were selected.

<u>Observation</u>
We found that C2 GPS did not document in WIT Case Notes that other resources were sought prior to providing support services. *C2 GPS has concurred with this issue, and leadership will reiterate this requirement to management team. Further response is not required.*

E. <u>SUPPORT SERVICES-OTHER</u>
Seventeen (17) support services were selected. *No exceptions were identified.*

F. <u>CUSTOMERS INCENTIVES-OTHER</u>
Sixteen (16) customers' incentives were selected. *No exceptions were identified.*

G. <u>WORK EXPERIENCE</u>
Twenty (20) timesheets were selected. *No exceptions were identified.*

H. <u>OJT</u>
Two (2) OJT payments were selected. *No exceptions were identified.*

V. FINANCIAL & OTHER REPORTING
The following billing reports were reviewed:
- ✓ February 2026 Project-to-Date
- ✓ FY25 Closeout Reports
- ✓ Employment Tax Reports
- ✓ Corporate Tax Reporting

<u>OBSERVATION</u>
1. C2GPS is pending an amendment to add additional funds for funding stream 18HN6 to offset a negative funding balance of $744.23.

<u>RECOMMENDATION</u>
1. It is recommended that C2 GPS obtains a formal amendment to align the deficit.

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.*

August 25, 2026

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 July 20, 2026, of SERCO for Texas, Inc. (SERCO) its capacity to deliver WIOA Youth workforce services for Workforce Solutions Alamo (WSA) from March 1, 2025, through February 28, 2026.

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

1. **Expenditure Disbursements**

A. **Personnel Costs**

a. **Staff Incentives**

Findings:

1. Incentives awarded to executive and upper management staff in 2025 were not based on the approved incentive plan that was in placed prior to the disbursements of these payments. Based on the memo from the President/CEO dated on May 18, 2026, that these payments were based on sole discretion of the President/CEO. Questioned Costs-allocable share charged to WSA's contract.

   Resolution: SERCO reviewed all incentive payments awarded to executive and upper management personnel that were charged to WSA's contract. SERCO has reimbursed WSA for the full amount of those charges totaling **$1,343.16**, including the associated fringe benefits.

B. **Non-Personnel Costs**

Observations:

1. An employee did not complete the travel expense report for a business travel.
2. SERCO exercised multiple contract extensions as a result of an informal small purchase method.
3. SERCO did not comply with the public advertising requirement. The published announcement was posted only on SERCO's websites.

Findings:

1. The IT services were not competitively procured to comply with the TWC FMGC, Chapter 14, Appendix D, Procurement. Disallowed cost=total amount allocated to WSA.
2. Actual travel costs exceeded the GSA travel rates for lodging. Disallowed cost=$389.79.
3. Evidence for allocation documentation was not provided.

Resolution:

1. Serco provided training to staff on April 2026 to ensure employees complete timely travel requests/travel expense reports for all business travel.
2. Payment has been provided to WSA for Lodging disallowed cost of **$389.79**
3. Payment has been provided to WSA for disallowed costs of **$245.70** as resolution of procurement finding.
4. Serco is implementing updated procurement guidelines and procurement training to ensure that all procurements directly or indirectly billed to TX operations are compliant with the TWC FMGC, Chapter 14, Procurement, Appendix D, for public advertising, and methods of procurement.
5. Serco provided documentation that reflects solicitation for IT services did not result in a multiyear contract.

C. <u>EDUCATION AND TRAINING:</u>

<u>OBSERVATIONS:</u>

1. Three transactions did not have case notes for progress/attendance.

   Resolution: SERCO acknowledges the observation and recommendation and will ensure controls are in place to address the lack of documentation.

D. <u>SUPPORT SERVICES-TRANSPORTATION:</u>

<u>FINDINGS:</u>

1. No evidence of IEP/ISS for one case. SERCO is unable to create the IEP for the closed case.

   Resolution: SERCO acknowledges the Finding and Recommendation and will ensure controls are in place to address the lack of documentation.

E. <u>SUPPORT SERVICES</u>

<u>FINDINGS:</u>

1. No evidence that ATT's payment included any penalties/interests.
2. One payment was coded to the incorrect funding cost category.
3. Disallowed Costs of $470.28.

   Resolution: SERCO has reimbursed WSA for the full amount of disallowed supportive service charges totaling **$470.28.**

2. <u>Expenditure Disbursements</u>

<u>FINDINGS:</u>

1. For the FY25 contract, SERCO did not meet the Out-of-Youth expenditure requirements. The actual rate was 70%.

   Resolution: SERCO acknowledges the Finding and Recommendation and will put reviews in place to ensure that the expenditure requirements are met.

3. Summary of Disallowed Costs

Report Section	Disallowed Costs
IV. Expenditure Disbursements, B. Staff Incentives	$1,343.16
IV. Expenditure Disbursements, C. Non-personnel Costs	$635.49
IV. Expenditure Disbursements, G. Support Services	$470.28
Total	**$2,448.93**

This letter confirms Financial Compliance Monitoring Report of SERCO for Texas, Inc. the period from March 1, 2021, through February 28, 2026, 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:
Adrian Lopez
A8660FAA8A94453...

Adrian Lopez
Chief Executive Officer

cc:
Esmeralda Apolinar Ramirez, WSA Interim Director of Finance and Accounting;
Gabriela Navarro Garcia, WSA Controller;
Manuel Urges, SERCO Regional Director
Eva G. Dewaelsche, SERCO President & CEO

WORKFORCE SOLUTIONS ALAMO
SERCO OF TEXAS, INC.
FINANCIAL COMPLIANCE MONITORING REPORT
MARCH 1, 2025 THROUGH FEBRUARY 28, 2026
REPORT #: 25-26-WSA-SERCO-FINANCIAL-01
REPORT DATE: JULY 20, 2026

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 for:

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, 2025 through February 28, 2026.

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, Keith Tosto, Brittney Nguyen, and Mai Horio (the firm). Exit conference was conducted on May 12, 2026.

OVERVIEW

The financial review was conducted for the period of March 1, 2025 through February 28, 2026 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
- Financial & Other Reporting

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, 2025. The auditors have issued an unqualified opinion. The Financial Statement Finding as reported by the independent auditors did not affect Workforce Solutions programs. *No questioned costs were identified.*

II. CASH MANAGEMENT
SERCO utilized Comerica (Operating Account) to process WSA activities. 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 disbursal of those funds.
2. To reconcile bank reconciliations timely.
3. To ensure that the fidelity bond coverage is sufficient to protect WSA from loss.
4. To have written policies and procedures to document cash management processes.

August 2025, December 2025, and February 2026 were reviewed. *No exceptions were identified.*

III. COST ALLOCATION
SERCO has developed a cost allocation plan (CAP) that addresses the requirements of the TWC FMGC, Chapter 11. The August 2025 and February 2026 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 twenty-eight (28) employees' timesheets. *No exceptions were identified*.

B. STAFF INCENTIVES
Seven payments were reviewed.

Finding

1. We found that the incentives awarded to executive and upper management staff in 2025 were not based on the approved incentive plan that was in placed prior to the disbursements of these payments. Based on the memo from the President/CEO dated on May 18, 2026, that these payments were based on sole discretion of the President/CEO. Questioned Costs-allocable share charged to WSA's contract. **(Attachment 1)**

Recommendation

1. Review all incentives that were awarded to the executive and upper management that were charged to WSA's contract and refund those amounts to WSA to include fringe benefits.

C. Non-Personnel Costs

We selected thirty-five (35) transactions.

Observations

1. An employee did not complete the travel expense report for a business travel.
2. SERCO exercised multiple contract extensions as a result of an informal small purchase method.
3. SERCO did not comply with the public advertising requirement. The published announcement was posted only on SERCO's websites.

Findings

1. The IT services were not competitively procured to comply with the TWC FMGC, Chapter 14, Appendix D, Procurement. Disallowed cost=total amount allocated to WSA.
2. Actual travel costs exceeded the GSA travel rates for lodging. Disallowed cost=$389.79.
3. Evidence for allocation documentation was not provided.

Recommendations

Details are listed on **Attachment 2-Questioned Costs-$389.79** plus allocable share of IT expenses.

Recommendations

1. Place controls to ensure employees complete travel requests/travel expense reports for all business travel.
2. Provide allocation documentation.
3. Ensure compliance with the TWC FMGC, Chapter 14, Procurement, Appendix D, for public advertising, and methods of procurement.
4. Calculate the allocable share of IT expenses that were charged to WSA and refund those amount to WSA (W/P 200-21).
5. In addition, refund $389.79 to WSA.

D. Education and Training

We tested ten (10) payments.

Observation

1. Three transactions did not have case notes for progress/attendance.

Recommendation

1. Place controls to ensure the case notes are entered into WIT for progress/attendance.

E. WORK EXPERIENCE
We tested twenty (20) payments. *No exceptions were found*.

F. SUPPORT SERVICES-TRANSPORTATION
We tested 25 payments.

FINDING
1. No evidence of IEP/ISS for one case. SERCO is unable to create the IEP for the closed case.

RECOMMENDATION
1. Place controls to ensure that the IEP/ISS is documented in WIT.

G. SUPPORT SERVICES
We tested nineteen (19) payments.

FINDINGS
1. No evidence that ATT's payment included any penalties/interests.
2. One payment was coded to the incorrect funding cost category.

See details on **Attachment 3**-Disallowed Costs-$470.28.

RECOMMENDATION
1. Refund WSA $470.28.

H. CUSTOMER INCENTIVES
We tested seven (7) payments. *No exceptions were found*.

V. FINANCIAL AND OTHER REPORTING
The following reports were reviewed:
1. Youth Contract FY25 Closeout.
2. Youth Contract - Project-to-Date from October 1, 2025 through February 28, 2026.
3. Employment Tax Reporting.
4. Income Tax Report.

FINDING
1. For the FY25 contract, SERCO did not meet the Out-of-Youth expenditure requirements. The actual rate was 70%.

RECOMMENDATION
1. Ensure that expenditure requirement is met for Out-of-Youth.

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 Disallowed Costs

Report Section	Attachment	Disallowed Costs	Comments
IV. Expenditure Disbursements, B. Staff Incentives	1		Calculate the allocable share for the executive and upper management incentives to include fringe benefits.
IV. Expenditure Disbursements, C. Non-personnel Costs	2	$ 389.79	In addition, calculate the allocable share for IT expenses.
IV. Expenditure Disbursements, G. Support Services	3	$ 470.28	
Total		**$ 860.07**	

WorkforceSolutions
ALAMO
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network

August 20, 2026

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 July 27, 2026 of City of San Antonio (COSA) in its capacity to deliver Child Care Services for Workforce Solutions Alamo (WSA) from May 1, 2025, through February 28, 2026.

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

1. <u>Expenditure Disbursements</u>

<u>Non-Personnel Costs Observations:</u>

1. One micro-purchase transaction did not have cost reasonableness documentation.

   Resolution: Establish a method to document cost reasonableness for micro-purchases.

2. Even though the retention bonuses and the incentive payments to providers were reasonable, the various tier amount structure was not documented in policies and procedures.

   Resolution: Implement policies and procedures for awarding retention bonuses and incentive payments to include various tier amounts to ensure a consistent approach in determining the amount to award to various providers.

Please provide a resolution response on the observations. At receipt of the resolutions, this letter confirms Financial Compliance Monitoring Report of City of San Antonio (COSA) for the period May 1, 2025, through February 28, 2026, 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:
Adrian Lopez
A8660FAA8A94453...

Adrian Lopez
Chief Executive Officer

cc: Esmeralda Apolinar Ramirez, WSA Sr. Accounting Manager.
Gabriela Navarro Garcia, WSA Controller.
Carlos Garcia, WSA Accounting Supervisor
Stephen Gonzalez, COSA Fiscal Administrator
Abigail Garcia, COSA Human Resources Administrator
Rebecca Flores, COSA Education Programs Administrator

WORKFORCE SOLUTIONS - ALAMO
CITY OF SAN ANTONIO
Child Care Quality
Financial Compliance Monitoring Report

May 1, 2025-February 28, 2026
Report #: 25-26-WSA-Financial-COSA-02
Report Date: July 27, 2026

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 for:

1. City of San Antonio (COSA) in its capacity to deliver Child Care Quality services for Workforce Solutions Alamo (WSA) for the period from May 1, 2025 through February 28, 2026.

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, Keith Tosto, Mai Horio, and Brittney Nguyen (the firm) beginning March 6, 2026. The Exit Conference was conducted on June 3, 2026.

OVERVIEW

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

- Audit / Monitoring
- Cash Management
- Disbursements
- Financial Reporting
- Insurance

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

1. 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

The audit reports for the period ending September 30, 2025 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 disbursal 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.

October 2025, December 2025, and February 2026 bank reconciliations for Operating and Payroll accounts were reviewed. We found the October 2025 bank reconciliation was not completed timely. This was due to turnover of staff. *Further response is not required*.

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 12 transactions. *No exceptions were identified*.

B. Non-Personnel Costs

The firm selected 45 transactions.

Observations

1. One micro-purchase transaction did not have cost reasonableness documentation.
2. Even though the retention bonuses and the incentive payments to providers were reasonable, the various tier amount structure was not documented in policies and procedures.

Recommendations

1. Establish a method to document cost reasonableness for micro-purchases.
2. Implement policies and procedures for awarding retention bonuses and incentive payments to include various tier amounts to ensure a consistent approach in determining the amount to award to various providers.

IV. FINANCIAL & OTHER REPORTING

The following reports were reviewed:

- FY25 Closeout (CCQ)
- FY25 Closeout (CQF)
- February 2026 (Project-to-date billing)

No exceptions were identified.

V. INSURANCE

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

GENERAL INFORMATION

G-l. Auditee: City of San Antonio

G-2. Audit Period: September 30, 2025

G-3. Auditor or Audit Organization (including location): Forvis Mazars, LLP

G-4. Date of Report: 3/3/2026

G-5. The "FAC Accepted Date": 3/20/26

G-6.Federal funding agencies with Direct Expenditures: US Department of Defense; US Department of Housting and Urban Development; US Department of Interior; US Department of Justice; US Department of Labor; US Department of Transportation; US Department of Treasury; US Department of Environment Protection Agency; Department of Health and Human Services; US Deparment of Homeland Security; Executive Office of the President.

G-7. Personnel contacted during Review (including contact information, reason contacted, and results): NA

OVERALL CONCLUSIONS

C-l. Based on our review, the rating assigned to the auditor's report(s), including the Schedule of Findings and Questioned Costs, is (check as applicable):

[X] **Pass**
Report contains no quality deficiencies or only minor quality deficiencies that do not require corrective action.

[ ] **Pass with Deficiencies**
Reporting package contains quality deficiencies that should be brought to the attention of the auditor (and auditee, where appropriate) for correction in future audits.

[ ] **Fail**
Reporting package contains quality deficiencies that may affect the reliability of the audit and which must be corrected in the audit/reporting package under review.

Note: When the overall conclusion is "fail" and additional work is necessary to support the opinions in the report, auditors should be advised to follow AU-C 585, Consideration of Omitted Procedures After the Report Release Date and AU 80L 43 with respect to reissuance of the audit report.

C-2. Based on our review, the auditee's Schedule of Expenditures of Federal Awards, corrective action plan, and summary status of prior audit findings appropriately present the elements required by the Uniform Guidance, and Form SF-SAC accurately reflects the results of the audit (check as applicable):

Section	Yes	No	N/A
Schedule of Expenditures of Federal Awards	[X]	[ ]	[ ]
Corrective Action Plan	[ ]	[ ]	[X]
Summary Status of Prior Audit Findings	[]	[ ]	[X]
Form SF-SAC	[ ]	[ ]	[X]

C-3. Describe any quality deficiencies that were identified during the review (with reference to applicable DR question) and the reviewer's recommendations.

None

OVERALL CONCLUSIONS (Continued)

C-4. If applicable, describe any reasons why a quality control review should be considered.

C-5. There are or are not X issues (e.g., audit quality issues, findings, management letter observations) that should be brought to the attention of appropriate management officials. (Describe these issues.)

Reviewer/Title: M. Nguyen, CPA

Date:5/6/26

Supervisor /Title: C. Nguyen, CPA
Date: 5/6/26

ReviewItem			**Applicable Criteria**	**Yes**	**No**	**N/A**
QUALIFICATIONS AND INDEPENDENCE						
DR-1	Is the report free of indications that the auditor is not independent or is not qualified to perform the audit? *[Note: Reviewers may wish to answer this question after completion of the checklist. If a question arises concerning the licensing of a public accountant, State*		GAS 3.02-.30; AU210.01-.05; AU220.01-.07	X		
REPORTING						
Opinion on the Financial Statements and Schedule of Expenditures of Federal Awards						
DR-2	Did the auditor determine wheter management properly defined the entity to		AAG-GAS 6.15	X		
DR-3	Do the financial statements reflect the financial position, results of operations or changes in net position (or equivalent), and, where appropriate, the cash flows of the entity for the fiscal year audited, or was the auditor's report appropriately modified?		2 CFR 200.510(a)	X		
DR-4	Does the Independent Auditor's Report contain the following required elements:		2 CFR 200.515(a)			
	DR-4a	A statement that the financial statements identified in the opinion were audited?	AU-C 700.25(b)	X		
	DR-4b	A statement that management is responsible	AU-C 700.27;	X		
	DR-4c	A statement that the audit was conducted in accordance with auditing standards generally accepted in the USA and the standards	GAS 2.23-2.24, 4.18; AU-C 700.31, .42;	X		

Review Item			**Applicable Criteria**	**Yes**	**No**	**N/A**
	DR-4d	An opinion (or disclaimer of opinion) regarding whether the financial statements are fairly presented, in all material respects, in accordance with the applicable reporting framework?	AU-C 700.34-.36	X		
	DR-4e	Identification of the applicable reporting framework and its origin (for example, accounting principles generally accepted in the USA)?	J-C 700.36, 800.15,	X		
	DR-4f	A reference to the separate report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters prepared in accordance with GAGAS?	GAS 4.22	X		
	DR-4g	The manual or printed signature of the auditor's firm?	700.39; AAG-GAS 4	X		
	DR-4h	The city and state where the primary auditor or audit organizzation practices? (Note: it is	700.40; AAG0GAS	X		
	DR-4i	The date of the audit report?	700.41; AAG0GAS	X		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with GAGAS						
DR-5	Do(es) the report(s) on compliance and internal control over financial reporting contain the following required elements:		2 CFR 200.515(b)			

	DR-5a	A statement that the audit was conducted in accordance with GAAS and with applicable	GAS 4.18; AAG-GAS 4.54(d)	X		
	DR-5b	A statement that the auditor considered the entity's internal control over financial	AU-C 265.14©(i)-(iii); AAG-GAS	X		

Review Item			Applicable Criteria	Yes	No	N/A
	DR-5c	A definition of the term "material weakness," and, when relevant, the definition of the term "significant deficiency"?	AU-C 265.14(a); AAG-GAS 4.54(g)	X		
	DR-5d	A Statement that explains the auditor's consideration of the internal control was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified?	AU-C 265.14©(iv); AAG-GAS 4.54(h-j)	X		
	DR-5e	If applicable, a description of the significant deficiencies and material weaknesses and an explanation of their potential effects or a reference to the applicable schedule of findings and questioned costs?	AU-C 265.14(b) AAG-GAS 4.54(i-j)			X
	DR-5f	If no material weakness were identified, a statement that given the limitations described in DR-5d the auditor did not identify any deficiencies in internal control that are considered to be material weaknesses, although material weaknesses may exist that have not been identified? (Note: if no significant deficiencies or material weaknesses were identified, the sentence above would be combined into a paragraph with DR-5d)	AAG-GAS 4.54(h-i)	X		
	DR-5g	A statement, that as part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, the auditor performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the determination of financial statement amounts and a statement that providing an opinion on compliance with those provisions was not an objective of the audit, and accordingly, the auditor does not express such an opinion?		X		
	DR-5h	A statement (1) whether the results of tests disclosed instances of noncompliance and other matters that are required to be reported under Government Auditing Standards, and if they are, (2) a reference to the schedule of findings and questioned costs?	GAS 4.23; AAG-GAS 4.54(m-n)			X

	DR-5i	If applicable, a statement that the audited entity's response to the findings identified in the audit are described in the accompanying, schedule and the response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, the auditor does not express an opinion on it?	AU-C 265.A33; AAG-GAS 4.54 (q-r)			X

Review Item			Applicable Criteria	Yes	No	N/A
	DR-5J	A statement that (1) the purpose of the testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, (2) this report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance, and (3) accordingly, this communication is not suitable for any other purpose?	AU-C 905.11; AAG-GAS 4.54(t)	X		
	DR-5k	The manual or printed signature of the primary auditor or audit organization?	AU-C 700.39; AAG-GAS 4.54(u)	X		
	DR-5l	The city and state where the primary auditor or audit organization practices? (Note: It is sufficient if city and state are included in auditor's letterhead.)	AU-C 700.40; AAG-GAS 4.54(v)	X		
	DR-5m	The date of the auditor's report	AU-C 700.41; AAG-GAS 4.54(w)	X		
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance.						
DR-6	Do(es) the report(s) on compliance and internal control over each major Federal programs		2 CFR 200.515©			
	DR-6a	An introductory paragraph that includes the following: (1) identification of the one or more government programs covered by the compliance audit or reference to a separate schedule containing that information, (2) identification of the applicable compliance requirements or a reference to where they can be found, and (3) identification of the period covered by the report?	AU-C 935.30©; AAG-GAS 13.26(d)	X		
	DR-6b	A statement that the compliance audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), applicable GAGAS, and the governmental audit requirement (audit requirements of the Title 2 U.S. CFR Part 200, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards)?	2 CFR 200.514(a); AU-C 935.30(e)(ii); AAG-GAS 13.26 (f)(ii)	X		
	DR-6c	If noncompliance results in a modified opinion, a section with an appropriate subheading, indicating the basis for the modified opinion that includes a description of such noncompliance, or a reference to a description of such noncompliance in an accompanying schedule?	AU-C 935.30(f); AAG-GAS 13.26(h)			X
	DR-6d	An opinion on whether the entity complied, in all material respects, with the types of compliance requirements thatcould have a direct and material effect on each of its major Federal programs?	AU-C 935.30(g); AAG-GAS 13.26 (g-i)	X		
	DR-6e	If other noncompliance is identified that does not result in a modified opinion but that is required to be reported by the governmental audit requirement (Uniform Guidance), an other-matter paragraph that includes a description of such noncompliance or a reference to an accompanying schedule?	AU-C 935.30(h); AAG-GAS 13.26(j)			X

Review Item			Applicable Criteria	Yes	No	N/A
	DR-6f	A statement that the auditee's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements.	AAG-GAS 13.26(k)(i)	X		
	DR-6g	A statement that in planning and performing the compliance audit, the auditor considered the auditee's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determin the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance?	AU-C 935.31(b); AAG-GAS 13.26(k)(ii)	X		
	DR-6h	A description of deficiency in internal control over compliance and material control over compliance and material weakness in internal control over compliance?	AU-C 935.31(e); AAG-GAS 13.26(k)(iv)	X		
	DR-6i	A statement that the auditor's consideration of the internal control over compliance was not designed to identify all deficiencies in internal control over compliance was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses in internal control over compliance?	AU-C 935.31(d); AAG-GAS 13.26(k)(v)	X		
	DR-6j	If no material weaknesses in internal control over compliance were identified, a statement to that effect?	AU-C 935.31(h); AAG-GAS 13.26 (k)(vi-vii)	X		
	DR-6k	A description of any identified material weaknesses in internal control over compliance or a reference to an accompanying schedule containing such a description?	AU-C 935.31(f); AAG-GAS 13.26(k)(ix)			X
	DR-6l	If significant deficiencies in internal control over compliance were identified, (1) the definition of significant deficiency in internal control over compliance and (2) a description of the deficiencies or a reference to the accompanying schedule containing such a description?	AU-C 935.31(g); AAG-GAS 13.26(k)(viii)			X
	DR-6m	Statement that (1) the purpose of the report on internal control over compliance is solely to describe the scope of the testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance and (2) accordingly, this report is not suitable for any other purpose?	AU-C 935.30(i), .31(i); AAG-GAS 13.26(k)(xi)	X		
	DR-6n	The manual or printed signature of the auditor's firm?	AU-C 935.30(j)	X		
	DR-6o	The city and state where the primary auditor or audit organization practices? (Note: It is sufficient if city and state are included in auditor's letterhead.)	AU-C 935.30(k)	X		
	DR-6p	The date of the report?	AU-C 935.30(l)	X		
Schedule of Expenditures of Federal Awards (SEFA) *[Note: The SEFA is the* ***responsibility of the auditee.]***						
DR-7	Did the auditor, in either an other-matter paragraph or a separate report on the supplementary information, issue an opinion (or disclaimer of opinion) on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole?			X		

DR-8	Does the reporting package contain a SEFA that:					
	DR-8a	Lists individual Federal programs by Federal agency and, for a cluster of programs (as defined in 2 CFR 200.17), lists individual Federal programs within the cluster? For R&D, awards expended shall be shown either by individual award or by Federal agency and major subdivision?	2 CFR 200.510(b)(1)	X		

Review Item			Applicable	Yes	No	N/A
	DR-8b	Lists individual Federal programs by Federal agency and, for a cluster of programs (as defined in 2 CFR 200.17), lists individual Federal programs within the cluster? For R&D, awards expended shall be shown either by individual award or by Federal agency and major subdivision?	2 CFR 200.510(b)(1)	X		
	DR-8c	Provides the total Federal awards expended for each individual Federal program as defined by 2 CFR 200.502 and the CFDA number of other identifying number when the	2 CFR 200.510(b)(3)	X		
	DR-8d	Includes the total amount provided to subrecipients from each Federal program?	2 CFR 200.510(b)(4)	X		
	DR-8e	Identifies the total Federal awards expended for the loan or loan guarantee programs in the schedule?	2 CFR 200.510 (b)(5)	X		
	DR-8f	Includes notes that describe (1) significant accounting policies used in preparing the schedule, (2) whether or not the auditee elected to use the 10% de minimis cost rate as covered in 2 CFR 200.414, and (3) the balances of loan or loan guarantees outstanding at the end of the audit period?	2 CFR 200.510 (b)(5-6)	X		
Schedule of Findings and Questioned Costs						
DR-9	Does the schedule of findings and questioned costs include a summary of audit results					
	Section 1 - Summary of Auditor's Results					
	DR-9a	Type of opinion(s) issued on the financial statements audited were prepared in accordance with GAAP?	2 CFR 200.515(d)(1)(i)	X		
	DR-9b	A statement whether the audit disclosed any significant deficiencies or material weaknesses in internal control over financial reporting?	2 CFR 200.515(d)(1)(ii)	X		
	DR-9c	A statement that identifies whether the audit disclosed any noncompliance that is material to the auditee's financial statements?	2 CFR 200.515(d)(1)(iii)	X		

Review Item			Applicable Criteria	Yes	No	N/A
	DR-9d	Type of report the auditor issued on the auditee's compliance for major programs?	2 CFR 200.515(d)(1)(v)	X		
	DR-9e	A statement whether the audit disclosed any significant deficiencies or material weaknesses in internal controls over major	2 CFR 200.515(d)(1)(iv)	X		

	DR-9f	A statement whether the audit disclosed any audit findings which the auditor is required to report under 2 CFR 200.516(a)?	2 CFR 200.515(d)(1)(vi)	X		
	DR-9g	Identification of the auditee's major programs?	2 CFR 200.515(d)(1)(vii)	X		
	DR-9h	Dollar threshold used to distinguish between Type A and Type B programsas described in 2 CFR 200.518(b)(1) or (b)(3) when a recalculation of the Type A threshold is required for a large loan or loan guarantees?	2 CFR 200.515(d)(1)(viii)	X		
	DR-9i	A statement that identifies whether the auditee qualified as a low-risk auditee?	2 CFR 200.515(d)(1)(ix)	X		
Section 2 - Findings related to the financial statements						
DR-10		Does the schedule of findings and questioned costs contain the findings relating to the financial statements which are required to be reported in accordance with GAGAS? If so, were the elements of the findings presented in accordance with GAGAS?	2 CFR 200.515(d)(2); GAS 4.10-.14, 4.23-.29			X
Section 3 - Findings and questioned costs for Federal awards						
DR-11		Is the reporting package free of indications that the schedule of findings and questioned costs is missing any of the findings related to Federal awards which are required to be reported in accordance with 2 CFR 200.516(a)	2 CFR 200.515(d)(3)	X		
DR-12		Are internal control deficiencies, instances of noncompliance, questioned costs, or suspected fraud which relate to the same issue presented as one audit finding?	2 CFR 200.515(d)(3)(i)			X
DR-13		Are audit findings which relate to both the financial statements and Federal awards reported in both the financial statement and Federal award sections of the schedule? (Note: One section may simply refer to the other section, as long as the referred section contains all the information indentified in DR-14)	2 CFR 200.515(d)(3)(ii)			X

Presentation of the Audit Findings

Review Item			Applicable Criteria	Yes	No	N/A
	DR-14	Are the Federal findings presented in sufficient detail with the following information:				X
	DR-14a	A reference number for each finding in the format meeting the requirements of the data collection form submission?	2 CFR 200.516©			X
	DR-14b	Federal program and specific Federal award indentification, including the CFDA title & number, Federal award identification number and year, name of Federal agency, & name of applicable pass-through entity. When the information such as the CFDA title and number or Federal award number is not available, the auditor shoud provide the best information available to describe the Federal award. (Note: The finding may refer to the award information presented in the SEFA, as long as the SEFA contains all of the information identified in DR-8.)	2 CFR 200.516(b)(1)			X
	DR-14c	The criteria or specific requirement upon which the audit finding is based, including the Federal statutes, regulatory or the terms and conditions of the Federal awards?	2 CFR 200.516(b)(2); GAS 4.11			X
	DR-14d	The condition found, including facts that support the deficiency identified in the audit finding?	2 CFR 200.516(b)(3); GAS 4.12			X

	DR-14e	A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective action.	2 CFR 200.516(b)(4); GAS 4.13			X
	DR-14f	The possible asserted effect to provide sufficient information to the auditee and Federal agency, or pass-through entitiy in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action?	2 CFR 200.516(b)(5); GAS 4.13-4.14			X
	DR-14g	The identification of questioned costs and how the questioned costs were computed? Known questioned costsmust be identified by applicable CFDA and award numbers.	2 CFR 200.516(b)(6)			X
	DR-14h	Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the finding represents an isolated instance or a systemic problem?	2 CFR 200.516(b)(7); GAS 4.29			X
	DR-14i	The identification of whether the audit finding was a repeat of a finding in the immediately prior audit and if so any applicable prior year audit finding numbers.	2 CFR 200.516 (b)(8)			X
	DR-14j	Recommendations to prevent future occurrences of the deficiency identified in the audit finding?	2 CFR 200.516 (b)(9); GAS 4.28			X
	DR-14k	Views of responsible officials of the auditee?	2 CFR 200.516 (b)(10); GAS 4.33-4.39			X

Review Item			Applicable Criteria	Yes	No	N/A
Corrective Action Plan *[Note: The corrective action plan is the responsibility of the auditee.]*						
DR-15	When the corrective action plan prepared by the auditee and presented separately from the		2 CFR 200.511©			X
DR-16	Does the corrective action plan include the following for each finding:					X
	DR-16a	Corrective action planned or explanation and specific reasons that the auditee does not agree with the audit findings or believes corrective action is not required?	2 CFR 200.511©			X
	DR-16b	Anticipated completion date(s) for corrective action?	2 CFR 200.511©			X
	DR-16c	The auditee contact person(s) responsible for	2 CFR 200.511©			X
Summary Schedule of Prior Audit Findings *[Note: Preparation of the schedule (DR-10) is the responsibility of the auditee; evaluation of the schedule (DR-11) is the responsibility of the auditor.]*						
DR-17	If applicable, does the report contain a summary schedule of prior audit findings? (Note: Reviewer should review prior year audit report to verify audit findings are appropriately		2 CFR 200.511(b)	X		
Analysis of Information *[Questions DR-12 through DR-25 are designed for analysis of information contained in the reporting packages. A "Yes "*						
DR-18	Was a management letter or other "correspondence with those charged with governance" issued by the auditors? (Note: Request a copy if not included in the reporting package.)		2 CFR 200.512(e); AU-C 260.16,			X
DR-19	If a management letter or other correspondence was issued, does the correspondence identify conditions, not reported in the audit report, which met the reporting requirements identified in 2 CFR 200.516(a)? If yes, consider whether the condition(s) need to be forwarded to program management for follow-up action.		200 CFR 200.516(a)			X

Review Item		Applicable Criteria	Yes	No	N/A
DR-20	Do(es) the report(s) contain indications of fraudulent or illegal acts or other sensitive matters affecting Federal awards? If yes, consider communicating information with other interested parties.	GAS 4.2504.29		X	

DR-21	Do the financial statements and/or the notes to the financial statements or SEFA indicate any conditions that negatively affect Federal awards or that should be reported to Federal officials?			X	
DR-22	Are any of the opinions other than unqualified?			X	
DR-22a	If the opinion on the financial statement was modified, consider communicating information with other interested parties.				X
DR-22b	If the opinion on compliance was modified for any major Federal program, was a corresponding audit finding disclosed?	2 CFR 200.516(a)(2&5)			X
DR-23	Does the summary schedule of prior audit findings indicate any issues, including recurring prior year findings which remain uncorrected, affecting the current period that need to be brought to the attention of program managers?				X
DR-24	Do(es) the report(s) reflect the proper determination of low-risk auditee status? *[Note: Reviewer should* ***answer this based on a review of the audit reporting packages for each of the preceding 2 audit periods.]***	2 CFR 200.520	X		
DR-25	Did the auditors properly calculate the Type A/B threshold for determination of major programs?	2 CFR 200.518(b)	X		
DR-26	Did the auditors properly identify the major **programs?** ***[Note: All awards within a single CFDA number should be grouped as one program.]***	2 CFR 200.42, 518(e-f)	X		
DR-27	Based on the information contained in the audit report, did the auditee and auditor properly complete the Data Collection Form (SF-SAC)?	2 CFR 200.512(b), .514(f)	X		
DR-28	Did the auditee submit the Data Collection Form (SF-SAC) and the reporting package on time?	2 CFR 200.512(a)	X		

Review Item			Applicable Criteria	Yes	No	N/A
PROGRAM-SPECIFIC AUDIT						X
DR-29	If the auditor did not use a program-specific guide because one was not available or not					
	DR-29a	A SEFA for the program and notes that describe the significant accounting policies used in preparing the schedule, a summary schedule of prior audit findings, and a corrective action plan?	2 CFR 200.507 (b)(2)			
	DR-29b	An opinion (or disclaimer of opinion) as to whether the financial statement(s) of the Federal program is presented fairly in all material respects in conformity with stated accounting policies?	2 CFR 200.507 (b)(4)(i)			

	DR-29c	A report on internal control related to the Federal program, which must describe the scope of the testing of internal controls and the results of the tests? (Note: The report on internal control and the report on compliance (DR-29d) may be combined into one report.)	2 CFR 200.507 (b)(4)(ii)			
	DR-29d	Report on compliance, including an opinion	2 CFR 200.507			
	DR-29e	A schedule of findings and questioned costs for the federal program, which includes a summary of auditor's results relative to the audit of the federal program and findings and questioned costs?	2 CFR 200.507 (b)(4)(iv)			

GENERAL INFORMATION

G-l. Auditee: C2 Global Professional Services, LLC

G-2. Audit Period: September 30, 2024

G-3. Auditor or Audit Organization (including location): Park Fowler & Co.,Corpus Christi, TX

G-4. Date of Report: June 4, 2025

G-5. The "FAC Accepted Date": N/A

G-6.Federal funding agencies with Direct Expenditures: ______________________NA_________________

G-7. Personnel contacted during Review (including contact information, reason contacted, and results): NA

OVERALL CONCLUSIONS

C-l. Based on our review, the rating assigned to the auditor's report(s), including the Schedule of Findings and Questioned Costs, is (check as applicable):

[X] **Pass**
Report contains no quality deficiencies or only minor quality deficiencies that do not require corrective action.

[ ] **Pass with Deficiencies**
Reporting package contains quality deficiencies that should be brought to the attention of the auditor (and auditee, where appropriate) for correction in future audits.

[ ] **Fail**
Reporting package contains quality deficiencies that may affect the reliability of the audit and which must be corrected in the audit/reporting package under review.

Note: When the overall conclusion is "fail" and additional

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work is necessary to support the opinions in the report, auditors should be advised to follow AU-C 585, Consideration of Omitted Procedures After the Report Release Date and AU 80L 43 with respect to reissuance of the audit report.

C-2. Based on our review, the auditee's Schedule of Expenditures of Federal Awards, corrective action plan, and summary status of prior audit findings appropriately present the elements required by the Uniform Guidance, and Form SF-SAC accurately reflects the results of the audit (check as applicable):

Section	Yes	No	N/A
Schedule of Expenditures of Federal Awards	[X]	[ ]	[ ]
Corrective Action Plan	[]	[ ]	[X]
Summary Status of Prior Audit Findings	[]	[ ]	[X]
Form SF-SAC	[]	[ ]	[X]

C-3. Describe any quality deficiencies that were identified during the review (with reference to applicable DR question) and the reviewer's recommendations.

None

OVERALL CONCLUSIONS (Continued)

C-4. If applicable, describe any reasons why a quality control review should be considered.

C-5. There are or are not X issues (e.g., audit quality issues, findings, management letter observations) that should be brought to the attention of appropriate management officials. (Describe these issues.)

Reviewer/Title: M. Nguyen, CPA

Date: 7/1/25

Supervisor /Title: C. Nguyen, CPA
Date:7/1/25

Reviewltem			**Applicable Criteria**	**Yes**	**No**	**N/A**
QUALIFICATIONS AND INDEPENDENCE						
DR-1	Is the report free of indications that the auditor is not independent or is not qualified to perform the audit? *[Note: Reviewers may wish to answer this question after completion of the checklist. If a question arises concerning the licensing of a public accountant, State*		GAS 3.02-.30; AU210.01-.05; AU220.01-.07	X		
REPORTING						
Opinion on the Financial Statements and Schedule of Expenditures of Federal Awards						
DR-2	Did the auditor determine whether management properly defined the entity to be audited?		AAG-GAS 6.15	X		
DR-3	Do the financial statements reflect the financial position, results of operations or changes in net position (or equivalent), and, where appropriate, the cash flows of the entity for the fiscal year audited, or was the auditor's report appropriately modified?		2 CFR 200.510(a)	X		
DR-4	Does the Independent Auditor's Report contain the following required elements:		2 CFR 200.515(a)			
	DR-4a	A statement that the financial statements identified in the opinion were audited?	AU-C 700.25(b)	X		
	DR-4b	A statement that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the USA; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, wheter due to fraud or error?	AU-C 700.27; AAG-GAS 4.48(f)	X		
	DR-4c	A statement that the audit was conducted in accordance with auditing standards generally accepted in the USA and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the US?	GAS 2.23-2.24, 4.18; AU-C 700.31, .42; AAG-GAS 4.48(i)	X		

Review Item	**Applicable Criteria**	**Yes**	**No**	**N/A**

	DR-4d	An opinion (or disclaimer of opinion) regarding whether the financial statements are fairly presented, in all material respects, in accordance with the applicable reporting framework?	AU-C 700.34-.36	X		
	DR-4e	Identification of the applicable reporting framework and its origin (for example, accounting principles generally accepted in the USA)?	J-C 700.36, 800.15,	X		
	DR-4f	A reference to the separate report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters prepared in accordance with GAGAS?	GAS 4.22	X		
	DR-4g	The manual or printed signature of the auditor's firm?	700.39; AAG-GAS	X		
	DR-4h	The city and state where the primary auditor or audit organizzation practices? (Note: it is	700.40; AAG0GAS	X		
	DR-4i	The date of the audit report?	700.41; AAG0GAS	X		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed						
DR-5	Do(es) the report(s) on compliance and internal control over financial reporting contain the following required elements:		2 CFR 200.515(b)			
	DR-5a	A statement that the audit was conducted in accordance with GAAS and with applicable GAGAS?	GAS 4.18; AAG-GAS 4.54(d)	X		
	DR-5b	A statement that the auditor considered the entity's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control?	AU-C 265.14©(i)-(iii); AAG-GAS 4.54(f)	X		

Review Item			**Applicable Criteria**	**Yes**	**No**	**N/A**
	DR-5c	A definition of the term "material weakness," and, when relevant, the definition of the term "significant deficiency"?	AU-C 265.14(a); AAG-GAS 4.54(g)	X		
	DR-5d	A Statement that explains the auditor's consideration of the internal control was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified?	AU-C 265.14©(iv); AAG-GAS 4.54(h-j)	X		
	DR-5e	If applicable, a description of the significant deficiencies and material weaknesses and an explanation of their potential effects or a reference to the applicable schedule of findings and questioned costs?	AU-C 265.14(b) AAG-GAS 4.54(i-j)			X
	DR-5f	If no material weakness were identified, a statement that given the limitations described in DR-5d the auditor did not identify any deficiencies in internal control that are considered to be material weaknesses, although material weaknesses may exist that have not been identified? (Note: if no significant deficiencies or material weaknesses were identified, the sentence above would be combined into a paragraph with DR-5d)	AAG-GAS 4.54(h-i)	X		

	DR-5g	A statement, that as part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, the auditor performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the determination of financial statement amounts and a statement that providing an opinion on compliance with those provisions was not an objective of the audit, and accordingly, the auditor does not express such an opinion?	GAS 4.20; AAG-GAS 4	X		
	DR-5h	A statement (1) whether the results of tests disclosed instances of noncompliance and other matters that are required to be reported under Government Auditing Standards, and if they are, (2) a reference to the schedule of findings and questioned costs?	GAS 4.23; AAG-GAS 4.54(m-n)			X
	DR-5i	If applicable, a statement that the audited entity's response to the findings identified in the audit are described in the accompanying, schedule and the response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, the auditor does not express an opinion on it?	AU-C 265.A33; AAG-GAS 4.54 (q-r)			X

Review Item			**Applicable Criteria**	**Yes**	**No**	**N/A**
	DR-5J	A statement that (1) the purpose of the testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, (2) this report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance, and (3) accordingly, this communication is not suitable for any other purpose?	AU-C 905.11; AAG-GAS 4.54(t)	X		
	DR-5k	The manual or printed signature of the primary auditor or audit organization?	AU-C 700.39; AAG-GAS 4.54(u)	X		
	DR-5l	The city and state where the primary auditor or audit organization practices? (Note: It is sufficient if city and state are included in auditor's letterhead.)	AU-C 700.40; AAG-GAS 4.54(v)	X		
	DR-5m	The date of the auditor's report	AU-C 700.41; AAG-GAS 4.54(w)	X		
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance						

				Applicable Criteria	Yes	No	N/A
DR-6	Do(es) the report(s) on compliance and internal control over each major Federal programs contain the following required elements:			2 CFR 200.515©			
	DR-6a	An introductory paragraph that includes the following: (1) identification of the one or more government programs covered by the compliance audit or reference to a separate schedule containing that information, (2) identification of the applicable compliance requirements or a reference to where they can be found, and (3) identification of the period covered by the report?		AU-C 935.30©; AAG-GAS 13.26(d)	X		
	DR-6b	A statement that the compliance audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), applicable GAGAS, and the governmental audit requirement (audit requirements of the Title 2 U.S. CFR Part 200, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards)?		2 CFR 200.514(a); AU-C 935.30(e)(ii); AAG-GAS 13.26 (f)(ii)	X		
	DR-6c	If noncompliance results in a modified opinion, a section with an appropriate subheading, indicating the basis for the modified opinion that includes a description of such noncompliance, or a reference to a description of such noncompliance in an accompanying schedule?		AU-C 935.30(f); AAG-GAS 13.26(h)			X
	DR-6d	An opinion on whether the entity complied, in all material respects, with the types of compliance requirements thatcould have a direct and material effect on each of its major Federal programs?		AU-C 935.30(g); AAG-GAS 13.26 (g-i)	X		
	DR-6e	If other noncompliance is identified that does not result in a modified opinion but that is required to be reported by the governmental audit requirement (Uniform Guidance), an other-matter paragraph that includes a description of such noncompliance or a reference to an accompanying schedule?		AU-C 935.30(h); AAG-GAS 13.26(j)			X

Review Item			Applicable Criteria	Yes	No	N/A
	DR-6f	A statement that the auditee's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements.	AAG-GAS 13.26(k)(i)	X		
	DR-6g	A statement that in planning and performing the compliance audit, the auditor considered the auditee's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determin the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance?	AU-C 935.31(b); AAG-GAS 13.26(k)(ii)	X		

	DR-6h	A description of deficiency in internal control over compliance and material control over compliance and material weakness in internal control over compliance?	.31(e); AAG-GAS 1	X		
	DR-6i	A statement that the auditor's consideration of the internal control over compliance was not designed to identify all deficiencies in internal control over compliance was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses in internal control over compliance?	AU-C 935.31(d); AAG-GAS 13.26(k)(v)	X		
	DR-6j	If no material weaknesses in internal control over compliance were identified, a statement to that effect?	AU-C 935.31(h); AAG-GAS 13.26 (k)(vi-vii)	X		
	DR-6k	A description of any identified material weaknesses in internal control over compliance or a reference to an accompanying schedule containing such a description?	AU-C 935.31(f); AAG-GAS 13.26(k)(ix)			X
	DR-6l	If significant deficiencies in internal control over compliance were identified, (1) the definition of significant deficiency in internal control over compliance and (2) a description of the deficiencies or a reference to the accompanying schedule containing such a description?	AU-C 935.31(g); AAG-GAS 13.26(k)(viii)			X
	DR-6m	Statement that (1) the purpose of the report on internal control over compliance is solely to describe the scope of the testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance and (2) accordingly, this report is not suitable for any other purpose?	AU-C 935.30(i), .31(i); AAG-GAS 13.26(k)(xi)	X		
	DR-6n	The manual or printed signature of the auditor's firm?	AU-C 935.30(j)	X		
	DR-6o	The city and state where the primary auditor or audit organization practices? (Note: It is sufficient if city and state are included in auditor's letterhead.)	AU-C 935.30(k)	X		
	DR-6p	The date of the report?	AU-C 935.30(l)	X		
Schedule of Expenditures of Federal Awards (SEFA) *[Note: The SEFA is the* ***responsibility of the auditee.]***						
DR-7	Did the auditor, in either an other-matter paragraph or a separate report on the supplementary information, issue an opinion (or disclaimer of opinion) on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole?			X		
DR-8	Does the reporting package contain a SEFA that:					
	DR-8a	Lists individual Federal programs by Federal agency and, for a cluster of programs (as defined in 2 CFR 200.17), lists individual Federal programs within the cluster? For R&D, awards expended shall be shown either by individual award or by Federal agency and major subdivision?	2 CFR 200.510(b)(1)	X		

Review Item			Applicable Criteria	Yes	No	N/A
	DR-8b	Lists individual Federal programs by Federal agency and, for a cluster of programs (as defined in 2 CFR 200.17), lists individual Federal programs within the cluster? For R&D, awards expended shall be shown either by individual award or by Federal agency and major subdivision?	2 CFR 200.510(b)(1)	X		

	DR-8c	Provides the total Federal awards expended for each individual Federal program as defined by 2 CFR 200.502 and the CFDA number of other identifying number when the CFDA number is not available? For a cluster of programs, also provides the total for the cluster?	2 CFR 200.510(b)(3)	X		
	DR-8d	Includes the total amount provided to subrecipients from each Federal program?	2 CFR 200.510(b)(4)			X
	DR-8e	Identifies the total Federal awards expended for the loan or loan guarantee programs in the schedule?	2 CFR 200.510 (b)(5)	X		
	DR-8f	Includes notes that describe (1) significant accounting policies used in preparing the schedule, (2) whether or not the auditee elected to use the 10% de minimis cost rate as covered in 2 CFR 200.414, and (3) the balances of loan or loan guarantees outstanding at the end of the audit period?	2 CFR 200.510 (b)(5-6)	X		
Schedule of Findings and Questioned Costs						
DR-9	Does the schedule of findings and questioned costs include a summary of audit results section containing the following elements, and are these elements accurately reported based on the contents of the audit reporting package:			X		
Section 1 - Summary of Auditor's Results						
	DR-9a	Type of opinion(s) issued on the financial statements audited were prepared in accordance with GAAP?	2 CFR 200.515(d)(1)(i)	X		
	DR-9b	A statement whether the audit disclosed any significant deficiencies or material weaknesses in internal control over financial reporting?	2 CFR 200.515(d)(1)(ii)	X		
	DR-9c	A statement that identifies whether the audit disclosed any noncompliance that is material to the auditee's financial statements?	2 CFR 200.515(d)(1)(iii)	X		

Review Item			**Applicable Criteria**	**Yes**	**No**	**N/A**
	DR-9d	Type of report the auditor issued on the auditee's compliance for major programs?	2 CFR 200.515(d)(1)(v)	X		
	DR-9e	A statement whether the audit disclosed any significant deficiencies or material weaknesses in internal controls over major programs?	2 CFR 200.515(d)(1)(iv)	X		
	DR-9f	A statement whether the audit disclosed any audit findings which the auditor is required to report under 2 CFR 200.516(a)?	2 CFR 200.515(d)(1)(vi)	X		
	DR-9g	Identification of the auditee's major programs?	2 CFR 200.515(d)(1)(vii)	X		
	DR-9h	Dollar threshold used to distinguish between Type A and Type B programsas described in 2 CFR 200.518(b)(1) or (b)(3) when a recalculation of the Type A threshold is required for a large loan or loan guarantees?	2 CFR 200.515(d)(1)(viii)	X		
	DR-9i	A statement that identifies whether the auditee qualified as a low-risk auditee?	2 CFR 200.515(d)(1)(ix)	X		
Section 2 - Findings related to the financial statements						
DR-10		Does the schedule of findings and questioned costs contain the findings relating to the financial statements which are required to be reported in accordance with GAGAS? If so, were the elements of the findings presented in accordance with GAGAS?	2 CFR 200.515(d)(2); GAS 4.10-.14, 4.23-.29			X

Section 3 - Findings and questioned costs for Federal awards						
DR-11		Is the reporting package free of indications that the schedule of findings and questioned costs is missing any of the findings related to Federal awards which are required to be reported in accordance with 2 CFR 200.516(a)	2 CFR 200.515(d)(3)	X		
DR-12		Are internal control deficiencies, instances of noncompliance, questioned costs, or suspected fraud which relate to the same issue presented as one audit finding?	2 CFR 200.515(d)(3)(i)			X
DR-13		Are audit findings which relate to both the financial statements and Federal awards reported in both the financial statement and Federal award sections of the schedule? (Note: One section may simply refer to the other section, as long as the referred section contains all the information indentified in DR-14)	2 CFR 200.515(d)(3)(ii)			X

Presentation of the Audit Findings

Review Item			Applicable Criteria	Yes	No	N/A
	DR-14	Are the Federal findings presented in sufficient detail with the following information:				X
	DR-14a	A reference number for each finding in the format meeting the requirements of the data collection form submission?	2 CFR 200.516©			X
	DR-14b	Federal program and specific Federal award indentification, including the CFDA title & number, Federal award identification number and year, name of Federal agency, & name of applicable pass-through entity. When the information such as the CFDA title and number or Federal award number is not available, the auditor shoud provide the best information available to describe the Federal award. (Note: The finding may refer to the award information presented in the SEFA, as long as the SEFA contains all of the information identified in DR-8.)	2 CFR 200.516(b)(1)			X
	DR-14c	The criteria or specific requirement upon which the audit finding is based, including the Federal statutes, regulatory or the terms and conditions of the Federal awards?	2 CFR 200.516(b)(2); GAS 4.11			X
	DR-14d	The condition found, including facts that support the deficiency identified in the audit finding?	2 CFR 200.516(b)(3); GAS 4.12			X
	DR-14e	A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective action.	2 CFR 200.516(b)(4); GAS 4.13			X
	DR-14f	The possible asserted effect to provide sufficient information to the auditee and Federal agency, or pass-through entitiy in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action?	2 CFR 200.516(b)(5); GAS 4.13-4.14			X
	DR-14g	The identification of questioned costs and how the questioned costs were computed? Known questioned costsmust be identified by applicable CFDA and award numbers.	2 CFR 200.516(b)(6)			X

	DR-14h	Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the finding represents an isolated instance or a systemic problem?	2 CFR 200.516(b)(7); GAS 4.29			X
	DR-14i	The identification of whether the audit finding was a repeat of a finding in the immediately prior audit and if so any applicable prior year audit finding numbers.	2 CFR 200.516 (b)(8)			X
	DR-14j	Recommendations to prevent future occurrences of the deficiency identified in the audit finding?	2 CFR 200.516 (b)(9); GAS 4.28			X
	DR-14k	Views of responsible officials of the auditee?	2 CFR 200.516 (b)(10); GAS 4.33-4.39			X

Review Item			Applicable Criteria	Yes	No	N/A
Corrective Action Plan *[Note: The corrective action plan is the responsibility of the auditee.]*						
DR-15	When the corrective action plan prepared by the auditee and presented separately from the		2 CFR 200.511©			X
DR-16	Does the corrective action plan include the following for each finding:					
	DR-16a	Corrective action planned or explanation and specific reasons that the auditee does not agree with the audit findings or believes corrective action is not required?	2 CFR 200.511©			X
	DR-16b	Anticipated completion date(s) for corrective action?	2 CFR 200.511©			X
	DR-16c	The auditee contact person(s) responsible for corrective action?	2 CFR 200.511©			X
Summary Schedule of Prior Audit Findings *[Note: Preparation of the schedule (DR-10) is the responsibility of the auditee; evaluation of the schedule*						
DR-17	If applicable, does the report contain a summary schedule of prior audit findings? (Note: Reviewer should review prior year audit report to verify audit findings are appropriately		2 CFR 200.511(b)			X
Analysis of Information *[Questions DR-12 through DR-25 are designed for analysis of information contained in the reporting packages. A "Yes "*						
DR-18	Was a management letter or other "correspondence with those charged with governance" issued by the auditors? (Note: Request a copy if not included in the reporting package.)		2 CFR 200.512(e); AU-C 260.16,			X
DR-19	If a management letter or other correspondence was issued, does the correspondence identify conditions, not reported in the audit report, which met the reporting requirements		200 CFR 200.516(a)			X

Review Item		Applicable Criteria	Yes	No	N/A
DR-20	Do(es) the report(s) contain indications of fraudulent or illegal acts or other sensitive matters affecting Federal awards? If yes, consider communicating information with other interested parties.	GAS 4.2504.29		X	
DR-21	Do the financial statements and/or the notes to the financial statements or SEFA indicate any conditions that negatively affect Federal awards or that should be reported to Federal officials?			X	
DR-22	Are any of the opinions other than unqualified?			X	
DR-22a	If the opinion on the financial statement was modified, consider communicating information with other interested parties.				X
DR-22b	If the opinion on compliance was modified for any major Federal program, was a corresponding audit finding disclosed?	2 CFR 200.516(a)(2&5)			X

DR-23	Does the summary schedule of prior audit findings indicate any issues, including recurring prior year findings which remain uncorrected, affecting the current period that need to be brought to the attention of program managers?				X
DR-24	Do(es) the report(s) reflect the proper determination of low-risk auditee status? *[Note: Reviewer should* ***answer this based on a review of the audit reporting packages for each of the preceding 2 audit periods.]***	2 CFR 200.520	X		
DR-25	Did the auditors properly calculate the Type A/B threshold for determination of major programs?	2 CFR 200.518(b)	X		
DR-26	Did the auditors properly identify the major **programs?** ***[Note: All awards within a single CFDA number should be grouped as one program.]***	2 CFR 200.42, 518(e-f)	X		
DR-27	Based on the information contained in the audit report, did the auditee and auditor properly complete the Data Collection Form (SF-SAC)?	2 CFR 200.512(b), .514(f)			X
DR-28	Did the auditee submit the Data Collection Form (SF-SAC) and the reporting package on time?	2 CFR 200.512(a)			X

Review Item			**Applicable Criteria**	**Yes**	**No**	**N/A**
PROGRAM-SPECIFIC AUDIT						X
DR-29	If the auditor did not use a program-specific guide because one was not available or not current, were the following issued for the program and found to be acceptable by the reviewer:					
	DR-29a	A SEFA for the program and notes that describe the significant accounting policies used in preparing the schedule, a summary schedule of prior audit findings, and a corrective action plan?	2 CFR 200.507 (b)(2)			
	DR-29b	An opinion (or disclaimer of opinion) as to whether the financial statement(s) of the Federal program is presented fairly in all material respects in conformity with stated accounting policies?	2 CFR 200.507 (b)(4)(i)			
	DR-29c	A report on internal control related to the Federal program, which must describe the scope of the testing of internal controls and the results of the tests? (Note: The report on internal control and the report on compliance (DR-29d) may be combined into one report.)	2 CFR 200.507 (b)(4)(ii)			
	DR-29d	Report on compliance, including an opinion (or disclaimer of opinion) as to whether the auditee complied with laws, regulations, and conditions of Federal awards which could have a direct and material effect on the Federal program? (Note: The report on compliance and the report on internal control (DR-29c) may be combined into one report.)	2 CFR 200.507 (b)(4)(iii)			
	DR-29e	A schedule of findings and questioned costs for the federal program, which includes a summary of auditor's results relative to the audit of the federal program and findings and questioned costs?	2 CFR 200.507 (b)(4)(iv)			

GENERAL INFORMATION

G-l. Auditee: SER Metro-Detroit, Jobs for Progress, Inc. and Subsidiaries

G-2. Audit Period: June 30, 2025

G-3. Auditor or Audit Organization (including location): Rehmann Robson, Detroit, MI

G-4. Date of Report: 2/27/26

G-5. The "FAC Accepted Date": 3/19/26

G-6.Federal funding agencies with Direct Expenditures: Corporation for National and Community Service-Youthbuild

G-7. Personnel contacted during Review (including contact information, reason contacted, and results): NA

OVERALL CONCLUSIONS

C-l. Based on our review, the rating assigned to the auditor's report(s), including the Schedule of Findings and Questioned Costs, is (check as applicable):

[X] **Pass**
Report contains no quality deficiencies or only minor quality deficiencies that do not require corrective action.

[ ] **Pass with Deficiencies**
Reporting package contains quality deficiencies that should be brought to the attention of the auditor (and auditee, where appropriate) for correction in future audits.

[ ] **Fail**
Reporting package contains quality deficiencies that may affect the reliability of the audit and which must be corrected in the audit/reporting package under review.

Note: When the overall conclusion is "fail" and additional work is necessary to support the opinions in the report, auditors should be advised to follow AU-C 585, Consideration of Omitted Procedures After the Report Release Date and AU 80L 43 with respect to reissuance of the audit report.

C-2. Based on our review, the auditee's Schedule of Expenditures of Federal Awards, corrective action plan, and summary status of prior audit findings appropriately present the elements required by the Uniform Guidance, and Form SF-SAC accurately reflects the results of the audit (check as applicable):

Section	Yes	No	N/A
Schedule of Expenditures of Federal Awards	[X]	[ ]	[ ]
Corrective Action Plan	[X]	[ ]	[ ]
Summary Status of Prior Audit Findings	[]	[ ]	[X]
Form SF-SAC	[]	[ ]	[X]

C-3. Describe any quality deficiencies that were identified during the review (with reference to applicable DR question) and the reviewer's recommendations.

Pending receipt of FAC acceptance date.

OVERALL CONCLUSIONS (Continued)

C-4. If applicable, describe any reasons why a quality control review should be considered.

C-5. There are X_ or are not _ issues (e.g., audit quality issues, findings, management letter observations) that should be brought to the attention of appropriate management officials. (Describe these issues.)

Reviewer/Title: M. Nguyen, CPA
Date: 3/4/26

Supervisor /Title: C. Nguyen, CPA
Date: 3/4/26

ReviewItem			Applicable Criteria	Yes	No	N/A
QUALIFICATIONS AND INDEPENDENCE						
DR-1	Is the report free of indications that the auditor is not independent or is not qualified to perform the audit? *[Note: Reviewers may wish to answer this question after completion of the checklist. If a question arises concerning the licensing of a public accountant, State licensing authorities should be*		GAS 3.02-.30; AU210.01-.05; AU220.01-.07	X		
REPORTING						
Opinion on the Financial Statements and Schedule of Expenditures of Federal Awards						
DR-2	Did the auditor determine whether management properly defined the entity to be audited?		AAG-GAS 6.15	X		
DR-3	Do the financial statements reflect the financial position, results of operations or changes in net position (or equivalent), and, where appropriate, the cash flows of the entity for the fiscal year audited, or was the auditor's report appropriately modified?		2 CFR 200.510(a)	X		
DR-4	Does the Independent Auditor's Report contain the following required elements:		2 CFR 200.515(a)			
	DR-4a	A statement that the financial statements identified in the opinion were audited?	AU-C 700.25(b)	X		
	DR-4b	A statement that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the USA; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, wheter due to fraud or error?	AU-C 700.27; AAG-GAS 4.48(f)	X		
	DR-4c	A statement that the audit was conducted in accordance with auditing standards generally accepted in the USA and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the US?	GAS 2.23-2.24, 4.18; AU-C 700.31, .42; AAG-GAS 4.48(i)	X		

Review Item			Applicable Criteria	Yes	No	N/A
	DR-4d	An opinion (or disclaimer of opinion) regarding whether the financial statements are fairly presented, in all material respects, in accordance with the applicable reporting framework?	AU-C 700.34-.36	X		
	DR-4e	Identification of the applicable reporting framework and its origin (for example, accounting principles generally accepted in the USA)?	J-C 700.36, 800.15,	X		

	DR-4f	A reference to the separate report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters prepared in accordance with GAGAS?	GAS 4.22	X		
	DR-4g	The manual or printed signature of the auditor's firm?	700.39; AAG-GAS	X		
	DR-4h	The city and state where the primary auditor or audit organization practices? (Note: it is sufficient if city and	700.40; AAG0GAS	X		
	DR-4i	The date of the audit report?	700.41; AAG0GAS	X		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with GAGAS						
DR-5	Do(es) the report(s) on compliance and internal control over financial reporting contain the following required elements:		2 CFR 200.515(b)			
	DR-5a	A statement that the audit was conducted in accordance with GAAS and with applicable GAGAS?	GAS 4.18; AAG-GAS 4.54(d)	X		
	DR-5b	A statement that the auditor considered the entity's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control?	AU-C 265.14©(i)-(iii); AAG-GAS 4.54(f)	X		

Review Item			Applicable Criteria	Yes	No	N/A
	DR-5c	A definition of the term "material weakness," and, when relevant, the definition of the term "significant deficiency"?	AU-C 265.14(a); AAG-GAS 4.54(g)	X		
	DR-5d	A Statement that explains the auditor's consideration of the internal control was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified?	AU-C 265.14©(iv); AAG-GAS 4.54(h-j)	X		
	DR-5e	If applicable, a description of the significant deficiencies and material weaknesses and an explanation of their potential effects or a reference to the applicable schedule of findings and questioned costs?	AU-C 265.14(b) AAG-GAS 4.54(i-j)	X		
	DR-5f	If no material weakness were identified, a statement that given the limitations described in DR-5d the auditor did not identify any deficiencies in internal control that are considered to be material weaknesses, although material weaknesses may exist that have not been identified? (Note: if no significant deficiencies or material weaknesses were identified, the sentence above would be combined into a paragraph with DR-5d)	AAG-GAS 4.54(h-i)	X		
	DR-5g	A statement, that as part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, the auditor performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the determination of financial statement amounts and a statement that providing an opinion on compliance with those provisions was not an objective of the audit, and accordingly, the auditor does not express such an opinion?	GAS 4.20; AAG-GAS 4	X		
	DR-5h	A statement (1) whether the results of tests disclosed instances of noncompliance and other matters that are required to be reported under Government Auditing Standards, and if they are, (2) a reference to the schedule of findings and questioned costs?	GAS 4.23; AAG-GAS 4.54(m-n)	X		

	DR-5i	If applicable, a statement that the audited entity's response to the findings identified in the audit are described in the accompanying, schedule and the response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, the auditor does not express an opinion on it?	AU-C 265.A33; AAG-GAS 4.54 (q-r)	X		

Review Item			**Applicable Criteria**	**Yes**	**No**	**N/A**
	DR-5J	A statement that (1) the purpose of the testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, (2) this report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance, and (3) accordingly, this communication is not suitable for any other purpose?	AU-C 905.11; AAG-GAS 4.54(t)	X		
	DR-5k	The manual or printed signature of the primary auditor or audit organization?	AU-C 700.39; AAG-GAS 4.54(u)	X		
	DR-5l	The city and state where the primary auditor or audit organization practices? (Note: It is sufficient if city and state are included in auditor's letterhead.)	AU-C 700.40; AAG-GAS 4.54(v)	X		
	DR-5m	The date of the auditor's report	AU-C 700.41; AAG-GAS 4.54(w)	X		
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance						
DR-6	Do(es) the report(s) on compliance and internal control over each major Federal programs contain the following required elements:		2 CFR 200.515©			
	DR-6a	An introductory paragraph that includes the following: (1) identification of the one or more government programs covered by the compliance audit or reference to a separate schedule containing that information, (2) identification of the applicable compliance requirements or a reference to where they can be found, and (3) identification of the period covered by the report?	AU-C 935.30©; AAG-GAS 13.26(d)	X		
	DR-6b	A statement that the compliance audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), applicable GAGAS, and the governmental audit requirement (audit requirements of the Title 2 U.S. CFR Part 200, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards)?	2 CFR 200.514(a); AU-C 935.30(e)(ii); AAG-GAS 13.26 (f)(ii)	X		
	DR-6c	If noncompliance results in a modified opinion, a section with an appropriate subheading, indicating the basis for the modified opinion that includes a description of such noncompliance, or a reference to a description of such noncompliance in an accompanying schedule?	AU-C 935.30(f); AAG-GAS 13.26(h)			X
	DR-6d	An opinion on whether the entity complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major Federal programs?	AU-C 935.30(g); AAG-GAS 13.26 (g-i)	X		

	DR-6e	If other noncompliance is identified that does not result in a modified opinion but that is required to be reported by the governmental audit requirement (Uniform Guidance), an other-matter paragraph that includes a description of such noncompliance or a reference to an accompanying schedule?	AU-C 935.30(h); AAG-GAS 13.26(j)			X

Review Item			Applicable Criteria	Yes	No	N/A
	DR-6f	A statement that the auditee's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements.	AAG-GAS 13.26(k)(i)	X		
	DR-6g	A statement that in planning and performing the compliance audit, the auditor considered the auditee's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determin the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance?	AU-C 935.31(b); AAG-GAS 13.26(k)(ii)	X		
	DR-6h	A description of deficiency in internal control over compliance and material control over compliance and material weakness in internal control over compliance?	.31(e); AAG-GAS 1	X		
	DR-6i	A statement that the auditor's consideration of the internal control over compliance was not designed to identify all deficiencies in internal control over compliance was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses in internal control over compliance?	AU-C 935.31(d); AAG-GAS 13.26(k)(v)	X		
	DR-6j	If no material weaknesses in internal control over compliance were identified, a statement to that effect?	AU-C 935.31(h); AAG-GAS 13.26 (k)(vi-vii)	X		
	DR-6k	A description of any identified material weaknesses in internal control over compliance or a reference to an accompanying schedule containing such a description?	AU-C 935.31(f); AAG-GAS 13.26(k)(ix)			X
	DR-6l	If significant deficiencies in internal control over compliance were identified, (1) the definition of significant deficiency in internal control over compliance and (2) a description of the deficiencies or a reference to the accompanying schedule containing such a description?	AU-C 935.31(g); AAG-GAS 13.26(k)(viii)			X
	DR-6m	Statement that (1) the purpose of the report on internal control over compliance is solely to describe the scope of the testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance and (2) accordingly, this report is not suitable for any other purpose?	AU-C 935.30(i), .31(i); AAG-GAS 13.26(k)(xi)	X		
	DR-6n	The manual or printed signature of the auditor's firm?	AU-C 935.30(j)	X		
	DR-6o	The city and state where the primary auditor or audit organization practices? (Note: It is sufficient if city and state are included in auditor's letterhead.)	AU-C 935.30(k)	X		
	DR-6p	The date of the report?	AU-C 935.30(l)	X		
Schedule of Expenditures of Federal Awards (SEFA) *[Note: The SEFA is the* ***responsibility of the auditee.]***						
DR-7	Did the auditor, in either an other-matter paragraph or a separate report on the supplementary information, issue an opinion (or disclaimer of opinion) on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole?			X		
DR-8	Does the reporting package contain a SEFA that:					

	DR-8a	Lists individual Federal programs by Federal agency and, for a cluster of programs (as defined in 2 CFR 200.17), lists individual Federal programs within the cluster? For R&D, awards expended shall be shown either by individual award or by Federal agency and major subdivision?	2 CFR 200.510(b)(1)	X		

Review Item			Applicable Criteria	Yes	No	N/A
	DR-8b	Lists individual Federal programs by Federal agency and, for a cluster of programs (as defined in 2 CFR 200.17), lists individual Federal programs within the cluster? For R&D, awards expended shall be shown either by individual award or by Federal agency and major subdivision?	2 CFR 200.510(b)(1)	X		
	DR-8c	Provides the total Federal awards expended for each individual Federal program as defined by 2 CFR 200.502 and the CFDA number of other identifying number when the CFDA number is not available? For a cluster of programs, also provides the total for the cluster?	2 CFR 200.510(b)(3)	X		
	DR-8d	Includes the total amount provided to subrecipients from each Federal program?	2 CFR 200.510(b)(4)			X
	DR-8e	Identifies the total Federal awards expended for the loan or loan guarantee programs in the schedule?	2 CFR 200.510 (b)(5)			X
	DR-8f	Includes notes that describe (1) significant accounting policies used in preparing the schedule, (2) whether or not the auditee elected to use the 10% de minimis cost rate as covered in 2 CFR 200.414, and (3) the balances of loan or loan guarantees outstanding at the end of the audit period?	2 CFR 200.510 (b)(5-6)	X		
Schedule of Findings and Questioned Costs						
DR-9	Does the schedule of findings and questioned costs include a summary of audit results section containing the following elements, and are these elements accurately reported based on the contents of the audit reporting package:					
	Section 1 - Summary of Auditor's Results					
	DR-9a	Type of opinion(s) issued on the financial statements audited were prepared in accordance with GAAP?	2 CFR 200.515(d)(1)(i)	X		
	DR-9b	A statement whether the audit disclosed any significant deficiencies or material weaknesses in internal control over financial reporting?	2 CFR 200.515(d)(1)(ii)	X		
	DR-9c	A statement that identifies whether the audit disclosed any noncompliance that is material to the auditee's financial statements?	2 CFR 200.515(d)(1)(iii)	X		

Review Item			Applicable Criteria	Yes	No	N/A
	DR-9d	Type of report the auditor issued on the auditee's compliance for major programs?	2 CFR 200.515(d)(1)(v)	X		
	DR-9e	A statement whether the audit disclosed any significant deficiencies or material weaknesses in internal controls over major programs?	2 CFR 200.515(d)(1)(iv)	X		
	DR-9f	A statement whether the audit disclosed any audit findings which the auditor is required to report under 2 CFR 200.516(a)?	2 CFR 200.515(d)(1)(vi)	X		
	DR-9g	Identification of the auditee's major programs?	2 CFR 200.515(d)(1)(vii)	X		
	DR-9h	Dollar threshold used to distinguish between Type A and Type B programsas described in 2 CFR 200.518(b)(1) or (b)(3) when a recalculation of the Type A threshold is required for a large loan or loan guarantees?	2 CFR 200.515(d)(1)(viii)	X		

	DR-9i	A statement that identifies whether the auditee qualified as a low-risk auditee?	2 CFR 200.515(d)(1)(ix)	X		
Section 2 - Findings related to the financial statements						
DR-10		Does the schedule of findings and questioned costs contain the findings relating to the financial statements which are required to be reported in accordance with GAGAS? If so, were the elements of the findings presented in accordance with GAGAS?	2 CFR 200.515(d)(2); GAS 4.10-.14, 4.23-.29	X		
Section 3 - Findings and questioned costs for Federal awards						
DR-11		Is the reporting package free of indications that the schedule of findings and questioned costs is missing any of the findings related to Federal awards which are required to be reported in accordance with 2 CFR 200.516(a)	2 CFR 200.515(d)(3)			X
DR-12		Are internal control deficiencies, instances of noncompliance, questioned costs, or suspected fraud which relate to the same issue presented as one audit finding?	2 CFR 200.515(d)(3)(i)			X
DR-13		Are audit findings which relate to both the financial statements and Federal awards reported in both the financial statement and Federal award sections of the schedule? (Note: One section may simply refer to the other section, as long as the referred section contains all the information indentified in DR-14)	2 CFR 200.515(d)(3)(ii)			X

Presentation of the Audit Findings

Review Item			Applicable Criteria	Yes	No	N/A
	DR-14	Are the Federal findings presented in sufficient detail with the following information:				
	DR-14a	A reference number for each finding in the format meeting the requirements of the data collection form submission?	2 CFR 200.516©			X
	DR-14b	Federal program and specific Federal award indentification, including the CFDA title & number, Federal award identification number and year, name of Federal agency, & name of applicable pass-through entity. When the information such as the CFDA title and number or Federal award number is not available, the auditor shoud provide the best information available to describe the Federal award. (Note: The finding may refer to the award information presented in the SEFA, as long as the SEFA contains all of the information identified in DR-8.)	2 CFR 200.516(b)(1)			X
	DR-14c	The criteria or specific requirement upon which the audit finding is based, including the Federal statutes, regulatory or the terms and conditions of the Federal awards?	2 CFR 200.516(b)(2); GAS 4.11			X
	DR-14d	The condition found, including facts that support the deficiency identified in the audit finding?	2 CFR 200.516(b)(3); GAS 4.12			X
	DR-14e	A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective action.	2 CFR 200.516(b)(4); GAS 4.13			X
	DR-14f	The possible asserted effect to provide sufficient information to the auditee and Federal agency, or pass-through entitiy in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action?	2 CFR 200.516(b)(5); GAS 4.13-4.14			X
	DR-14g	The identification of questioned costs and how the questioned costs were computed? Known questioned costsmust be identified by applicable CFDA and award numbers.	2 CFR 200.516(b)(6)			X

	DR-14h	Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the finding represents an isolated instance or a systemic problem?	2 CFR 200.516(b)(7); GAS 4.29			X
	DR-14i	The identification of whether the audit finding was a repeat of a finding in the immediately prior audit and if so any applicable prior year audit finding numbers.	2 CFR 200.516 (b)(8)			X
	DR-14j	Recommendations to prevent future occurrences of the deficiency identified in the audit finding?	2 CFR 200.516 (b)(9); GAS 4.28			X
	DR-14k	Views of responsible officials of the auditee?	2 CFR 200.516 (b)(10); GAS 4.33-4.39			X

Review Item			Applicable Criteria	Yes	No	N/A
Corrective Action Plan *[Note: The corrective action plan is the responsibility of the auditee.]*						
DR-15	When the corrective action plan prepared by the auditee and presented separately from the auditor's		2 CFR 200.511©			X
DR-16	Does the corrective action plan include the following for each finding:					
	DR-16a	Corrective action planned or explanation and specific reasons that the auditee does not agree with the audit findings or believes corrective action is not required?	2 CFR 200.511©			X
	DR-16b	Anticipated completion date(s) for corrective action?	2 CFR 200.511©			X
	DR-16c	The auditee contact person(s) responsible for corrective action?	2 CFR 200.511©			X
Summary Schedule of Prior Audit Findings *[Note: Preparation of the schedule (DR-10) is the responsibility of the auditee; evaluation of the schedule (DR-11) is the*						
DR-17	If applicable, does the report contain a summary schedule of prior audit findings? (Note: Reviewer should review prior year audit report to verify audit findings are appropriately included.)		2 CFR 200.511(b)			X
Analysis of Information *[Questions DR-12 through DR-25 are designed for analysis of information contained in the reporting packages. A "Yes " answer for*						
DR-18	Was a management letter or other "correspondence with those charged with governance" issued by the auditors? (Note: Request a copy if not included in the reporting package.)		2 CFR 200.512(e); AU-C 260.16, 265.12b			X
DR-19	If a management letter or other correspondence was issued, does the correspondence identify conditions, not reported in the audit report, which met the reporting requirements identified in 2 CFR		200 CFR 200.516(a)			X

Review Item		Applicable Criteria	Yes	No	N/A
DR-20	Do(es) the report(s) contain indications of fraudulent or illegal acts or other sensitive matters affecting Federal awards? If yes, consider communicating information with other interested parties.	GAS 4.2504.29		X	
DR-21	Do the financial statements and/or the notes to the financial statements or SEFA indicate any conditions that negatively affect Federal awards or that should be reported to Federal officials?			X	
DR-22	Are any of the opinions other than unqualified?			X	
DR-22a	If the opinion on the financial statement was modified, consider communicating information with other interested parties.				X
DR-22b	If the opinion on compliance was modified for any major Federal program, was a corresponding audit finding disclosed?	2 CFR 200.516(a)(2&5)			X

DR-23	Does the summary schedule of prior audit findings indicate any issues, including recurring prior year findings which remain uncorrected, affecting the current period that need to be brought to the attention of program managers?			X	
DR-24	Do(es) the report(s) reflect the proper determination of low-risk auditee status? *[Note: Reviewer should* ***answer this based on a review of the audit reporting packages for each of the preceding 2 audit periods.]***	2 CFR 200.520	X		
DR-25	Did the auditors properly calculate the Type A/B threshold for determination of major programs?	2 CFR 200.518(b)	X		
DR-26	Did the auditors properly identify the major **programs?** ***[Note: All awards within a single CFDA number should be grouped as one program.]***	2 CFR 200.42, 518(e-f)	X		
DR-27	Based on the information contained in the audit report, did the auditee and auditor properly complete the Data Collection Form (SF-SAC)?	2 CFR 200.512(b), .514(f)	X		
DR-28	Did the auditee submit the Data Collection Form (SF-SAC) and the reporting package on time?	2 CFR 200.512(a)	X		

Review Item			**Applicable Criteria**	**Yes**	**No**	**N/A**
PROGRAM-SPECIFIC AUDIT						X
DR-29	If the auditor did not use a program-specific guide because one was not available or not current, were the following issued for the program and found to be acceptable by the reviewer:					
	DR-29a	A SEFA for the program and notes that describe the significant accounting policies used in preparing the schedule, a summary schedule of prior audit findings, and a corrective action plan?	2 CFR 200.507 (b)(2)			
	DR-29b	An opinion (or disclaimer of opinion) as to whether the financial statement(s) of the Federal program is presented fairly in all material respects in conformity with stated accounting policies?	2 CFR 200.507 (b)(4)(i)			
	DR-29c	A report on internal control related to the Federal program, which must describe the scope of the testing of internal controls and the results of the tests? (Note: The report on internal control and the report on compliance (DR-29d) may be combined into one report.)	2 CFR 200.507 (b)(4)(ii)			
	DR-29d	Report on compliance, including an opinion (or disclaimer of opinion) as to whether the auditee complied with laws, regulations, and conditions of Federal awards which could have a direct and material effect on the Federal program? (Note: The report on compliance and the report on internal control (DR-29c) may be combined into one report.)	2 CFR 200.507 (b)(4)(iii)			
	DR-29e	A schedule of findings and questioned costs for the federal program, which includes a summary of auditor's results relative to the audit of the federal program and findings and questioned costs?	2 CFR 200.507 (b)(4)(iv)			

MEMORANDUM

To:	Audit and Finance Committee
From:	Adrian Lopez, CEO
Presented By:	Gabriela Navarro Garcia, Controller
Date:	September 4, 2026
Subject:	Childcare System Updates

Summary:

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan:
Goal 2: Service Optimizers
Enhance the efficiency, quality, and accessibility of workforce services delivered by the Texas Workforce Commission (TWC), ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: The Texas Workforce Solutions (TWC) launched TX Child Care Connection (TX3C) software in January 2025. Since the launch the staff have been working through many challenges such as payments to providers, reporting and program requirements.

TWC meets with the Boards to discuss concerns with reporting, provider and contractor feedback, status updates to the software and payments. While these meetings are beneficial there continues to be limited progress on system updates which has led to manual processes being implemented.

Fiscal Impact: TWC continues to track the issues and potential fixes that have been identified by the Board.

Board Responsibilities: This item supports the Board's responsibility to provide updates and address challenges faced by TWC's child care software implementation.

Next Steps: Staff will continue to attend the TWC meetings to receive updates and communicate ongoing challenges.

Attachment: TX3C Update to Boards (8.11.2026)

TX3C Child Care Case Management Board Updates: August 11, 2026

Board Action Items

IF NOT COMPLETE:

- ❑ **Missing Disability Flags for Children Receiving Inclusion Rates** (6/18/2026 email from Nina Rodriguez to Board CC contacts)
- ❑ **TX3C: KinderTrack Application Import Issue - May 28, 2026** (7/1/2026 email from Laura Mayorga to Board CC contacts)
- ❑ **Review of BridgeCare Applications (Housing/Homelessness Questions)** (7/16/2026 email from Nina Rodriguez to Board CC contacts)
- ❑ **ACTION: Required Corrections for DFPS Eligibility and Fund Code Mismatches** (7/23/26 email from Nina Rodriguez to Board CC contacts due 8/14/26)

WEEKLY:

- ❑ **Review new pending/unauthorized Notices of Action** and authorize any that were missed by staff (see weekly emails from Laura Mayorga to Board CC contacts).
- ❑ **Review your Board's CIN file** and reconcile any duplicate CIN numbers (see weekly emails from Laura Mayorga to Board CC contacts).
- ❑ **Review Provider Attendance Report** and determine if any action needs to be taken regarding providers that have not reported attendance. Report number of SIA's issued or technical issues for the week each Friday (see weekly emails from Laura Mayorga to Board CC contacts) **including when there are not any to report**.

EVERY PAYMENT CYCLE:

- ❑ **Reminder: Continue to compare the 245 Report to the Payment Matrix** and correct the 245 file as needed each payment run. *If you have not been comparing the 245 Report to the Payment Matrix, you will need to go back and do the comparison on all previously processed payment runs.*
- ❑ **Complete Bi-weekly Reporting on CCS Payment Issuance** (11/7/2025 email from Allison Wilson to EDs and from Layla Wiewel to Board CC contacts)

Attendance Tracking

Note: Please inform all relative child care providers that they must use the Interactive Voice Response (IVR) system to record attendance. Using KinderSmart or KinderSign may result in attendance not being recorded properly. If you have relative providers not using the IVR system, please instruct them to contact KinderSystems to ensure they are set up correctly.

Reminder: If provider transports child(ren) to or from school or home, child care provider may record the check-in or check-out. Even in these situations, parents must record one check-in or check-out for their child(ren) that day.

We have determined that CMS vendors can collect the additional data TWC requires. TWC will continue to allow CCS providers to use approved CMS programs to record attendance for CCS children. This approval is contingent on the CMS vendor's ability to implement all new data requirements. The following vendors have indicated they intend to make the required changes:

- Procare Online
- Procare Desktop
- Brightwheel
- Lillio
- Playground
- Lineleader
- Famly
- 1Core Solution
- Daily Connect
- Arux
- Kangarootime
- Illumine
- Wonderschool
- iCare Software
- ChildPilot
- SmartCare
- EZChildTrack

Releases Deployed

Please review more detailed information regarding KinderTrack Release Notes in the "What's New" section in the Knowledge Center.

KinderTrack Release 4.41 – deployed 08.10.2026

Note: TWC and Board staff are rigorously testing each item to support a high level of quality. The items that have a strikethrough failed UAT testing and will be addressed in future releases.

Issue Type	Issue Key	Summary
Enhancement	KTTX-1983	Refactor 15/30/40 Absence Alert Proc to Count Explicit Absences Only
Enhancement	KTTX-805	Add Out of State Counties
Enhancement	KTTX-2337	Add PayUnitRate to Performance Report
Bug	KTTX-867	Overlapping Schedules
~~Bug~~	~~KTTX-941~~	~~TX New Children with / Without Child Care Report - CIN Column Data Format - PII~~
Bug	KTTX-976	KT Users Can't Download Affecting KC Sponsor's Not Being Able to Download
Bug	KTTX-1039	Testing Provider/Families in Production
Bug	KTTX-1041	The Provider Record's Effective Date Is Being Set to the Import Date
Bug	KTTX-1106	Unable to Create Child Schedule on Last Day of Existing Eligibility Characteristics before Recertification

Issue Type	Issue Key	Summary
~~Bug~~	~~KTTX-1131~~	~~Parent Message Alert Not Appearing in Intake > Alert~~
Bug	KTTX-1313	TX3C Data Table Needs Request
Bug	KTTX-1534	Worker Unable to Send Messages via Intake
Bug	KTTX-1547	One-Time Update of SSNs to Include Dashes
Bug	KTTX-1548	Unable to Download "Number of Children in Child Care" Report
Bug	KTTX-1609	Nonexistent Family Fee Deducted by Auto-Adjustment [Failed UAT]
Bug	KTTX-1725	WPI (Warn Prevent Ignore) Settings
Bug	KTTX-1804	Duplicate Entries on the Family Search Page
Support	KTTX-1832	Duplicate Case Creation from Intake after Multiple Import Button Clicks
Bug	KTTX-1843	Intermittent Document Visibility on the Family>Documents Page
Bug	KTTX-1882	Absence Notifications Not Being Received/Sent Out
Support	KTTX-1563	[BridgeCare] Third Priority Group Not Ranking Properly
Bug	KTTX-882	Application Expiration Occurs 1 Day Prior to Set Application Expiration Days
Bug	KTTX-1102	Parent with 102 Duplicated Case Entries in KinderTrack
~~Bug~~	~~KTTX-1320~~	~~DFPS/Non-DFPS Report Displays Payments Different Compare to 245 Report~~
Bug	KTTX-1480	Unable to Find WPI Confliction for Absence Period
Bug	KTTX-1979	Cases Denied or Discontinued" Report Throws (Error 531944) in PROD
Bug	KTTX-2073	UAT - Incorrect Quality Rating in Payment Characteristics under Payment > Payment
~~Bug~~	~~KTTX-2201~~	~~[Family Summary] $0 Family Fee Override Not Reflected - Shows $19.00 Instead of $0.00~~
Bug	KTTX-2284	Incorrect Negative Payments Being Approved
Bug	KTTX-2300	Priority Status Not Updated after Changing Child of Child Care Provider Response
Bug	KTTX-2403	[Payment Adj] SUSA QR Change Notice Authorized but No Adjustment Payment Created
~~Bug~~	~~KTTX-2464~~	~~Reverse Changes to 245 and Return to Current PROD~~
Bug	KTTX-2468	Fee Carry-Over on the Cycle Where the Younger Child Is Shortened
Bug	KTTX-2469	Family Fee Carry-Over When the Non-Fee-Bearing Sibling Is Shortened First (Case TXF000451679)

KinderTrack Release 4.41 Hotfix 1 – deployed 08.10.2026

Issue Type	Issue Key	Summary
Support	KTTX-1712	Import Child Care Worker CSV from TWC into intake
Bug	KTTX-2206	Child showing absences despite valid attendance in KinderConnect
Bug	KTTX-2472	Absences are still being counted even after they have been entered as excused absences

KinderTrack Release 4.40 Hotfix 6 – deployed 07.31.2026

Issue Type	Issue Key	Summary
Support	KTTX-2544	Adjustments Generated After Case Termination

Critical/High/Medium Backlog

Issue Type	Issue Key	Summary	Priority
Bug	KTTX-596	245 Report and Payment Matrix discrepancies	High
Bug	KTTX-907	Wrong child_type is showing in 245 Payment report for a child older than 13 y 11 m	High
Bug	KTTX-1628	245 Report Populating the Current Month with the Service Month	High
Bug	KTTX-1757	Payment transfer issues - 245 is showing the old allocation; payment itself (on Payment Summary) is also showing the old allocation (Payment > Summary)	High
Bug	KTTX-1765	Column AM, contract name, is showing the generic program instead of the allocation name SCTASK0342086; SCTASK0342098	High
Bug	KTTX-1766	Incorrect payment amounts (see Texoma examples: 245 01.06.26.xlsx)	High
Enhancement	KTTX-1914	Refactor 245 Report	High
Bug	KTTX-1988	245 Report – Incorrect "Unit" Values	High
Bug	KTTX-2007	245 Report includes only active authorization dates and counts units from other providers or programs	High
Bug	KTTX-2215	"Payment Trace Incorrectly Including Provider-Closed Sunday After Schedule Shortening	High
Bug	KTTX-1318	Incorrect Family Fee display for Adjustments in 245 Payment report	Medium
Bug	KTTX-1822	UAT - 245 Report - fund_unit_care_qy & fund_unit_bill_qy columns are displaying incorrect values when schedule is shortened	Medium
Support	KTTX-1402	Duplicate Absence Alert sent to Sponsor	Critical
Bug	KTTX-1694	Case Type disappearing and Board is unable to fix	High

Issue Type	**Issue Key**	**Summary**	**Priority**
Enhancement	KTTX-1762	Create WPI for Parent CIN	Medium
Report	KTTX-1474	Create Child Attendance Report	High
Bug	KTTX-1742	Unable to run 245 report	High
Enhancement	KTTX-1701	Update KT Pull HHSC Inspection Date	Highest
Enhancement	KTTX-1553	Missing Quality Rating and School Ready Status after transfer	High
Enhancement	KTTX-1598	Update Deep East Applications from Existing Family to Waitlist Status	Medium
Enhancement	KTTX-1634	“Teen Parent 19 Highschool” Priority group	High
Support	KTTX-1666	245 report showing higher payment amount than expected	High
Support	KTTX-1669	245 Payment Report Showing 0 Units, 0 Amount, and Blank Rate Category	High
Enhancement	KTTX-1212	Automated payments adjustments - Family Fee	High
Enhancement	KTTX-603	Automated payments adjustments - Family Fee	High
Enhancement	KTTX-1680	Add Alert in KT When Document Uploaded in KC Family > Documents Page	High
Enhancement	KTTX-1679	Add Timestamp to Application Documents	High
Enhancement	KTTX-1675	Add Indicator that Family Received Application Invitation	High
Enhancement	KTTX-1560	Cancelled Payment Letter to Provider shows wrong provider	High
Report	KTTX-1475	Create Active Operator Report	High
Report	KTTX-1473	Add Parent, Provider, and Schedule Fields to Absence Notification Report	High
Enhancement	KTTX-1472	Create Report or Enhance 245 Report for Schedules with Wrong Type of Care	High
Enhancement	KTTX-1469	Update Recertification Notice Email Language	High
Bug	KTTX-1467	Absence Notification Alert is not Correctly Counting Absences -spNRAbsencesPerChildAlerts	High

Issue Type	Issue Key	Summary	Priority
Enhancement	KTTX-1461	Handle Terminating a Child's Care Without Terminating Whole Family	High
Enhancement	KTTX-1460	Don't Include Cases in Application Status on Absence Report	High
Enhancement	KTTX-1428	Add Notice ID to Payments	High
Support	KTTX-1558	Error Received When Attempting to Access T-Sheet	Medium
Support	KTTX-2010	INT-Response_JSON showing “Null” for test case ID 50390067 in Tarrant County	High
Enhancement	KTTX-1395	Update Family Notes with Intake Data	High
Enhancement	KTTX-1371	Enhancement Request: Family Alerts	High
Enhancement	KTTX-1370	Update Auto Adjustments to Use Date Instead of Billing Cycle	High
Enhancement	KTTX-1365	Ability to inactivate schedule (versus shortening to 1 day)	High
Enhancement	KTTX-1363	Recoupment flag/report	High
Enhancement	KTTX-1351	Send Families Waitlist Application When Failed to Recertify	High
Enhancement	KTTX-1321	Add DFPS Number to Performance Report	High
Enhancement	KTTX-1225	Parent contact information update from KT to BC	High
Enhancement	KTTX-1218	Family Transfer across Boards - Attendance and backdating	High
Enhancement	KTTX-1216	PLACEHOLDER - WPI	High
Enhancement	KTTX-1214	Ability to Edit Intake Application Priority Group	High
Enhancement	KTTX-1210	Display program on the Notice	High
Enhancement	KTTX-1207	Link Existing Family and Case Created Applications to Their Corresponding Case	High
Enhancement	KTTX-1121	Add Expiration to Intake Automated Care Needed Response Links	High
Enhancement	KTTX-1081	Update Intake Statuses	High
Enhancement	KTTX-967	Display the number of children needing enrollment	High

Issue Type	Issue Key	Summary	Priority
Enhancement	KTTX-966	Add note section to the Intake applications	High
Enhancement	KTTX-765	Enhancements to Intake and Recertification > Search	High
Enhancement	KTTX-697	Documents shared to KC	High
Enhancement	KTTX-607	Advanced reports parameters to be updated	High
Enhancement	KTTX-557	Make Provider Transfer Work Properly	High
Enhancement	KTTX-555	Provider Suspensions	High
Bug	KTTX-531	TX Intake - Vietnamese Denial notice - message not sent to parent	High
Enhancement	KTTX-504	Messaging and communication: RFI	High
Enhancement	KTTX-372	Communication language to match Application language	High
Enhancement	KTTX-356	PSOC exemption - Eligibility Type Flag	High
Enhancement	KTTX-328	Additional Operator Activity Logging Needed > TX	High
Enhancement	KTTX-270	Ability to Access Notices from KC - Providers	High
Enhancement	KTTX-268	Authorization search Page	High
Report	KTTX-196	Child Care Customers With Repayment Schedule Report	High
Enhancement	KTTX-1528	Set Grayed Out Payments to Present When Re-Auth Set	High
Bug	KTTX-1404	Absence Alert Emails Sent to Multiple Families/Sponsors for Children who Transferred Boards	Critical
Enhancement	KTTX-1690	Add WPIs for Changing Provider Number or Parent Foreign Key (CIN)	High
Enhancement	KTTX-1764	Investigate Options for Re-Designing 245 and Performance Reports	High
Support	KTTX-1755	Performance report displays generic program name instead of allocation name	High
Support	KTTX-1756	Prevent ACF-801 Report Time Outs	High
Enhancement	KTTX-1697	Process All Applications for Creation Date Discrepancies with BridgeCare	High
Enhancement	KTTX-1682	SSNs Entered on BridgeCare App Do Not Flow to KT During Case Import	Medium

Issue Type	Issue Key	Summary	Priority
Report	KTTX-1681	Create Report of Families in KT with Family Flags	Highest
Enhancement	KTTX-1533	Add Ability to Shorten Schedule Down to 1 Day and Start a New One on the Same Day	Highest
Bug	KTTX-1704	Incorrect Total Payment Amount in Performance Report	High
Support	KTTX-1820	Incorrect Business Hours Calculation for 24-Hour Centers	Highest
Bug	KTTX-1930	Family Fee Shows $0 on Notice but $165 in Summary Page and KC	High
Enhancement	RA-230	TX - Add "Hours Needed" and "Days Needed" from DFPS Referral to the Family > Notes Page	High
Support	KTTX-2070	[BridgeCare] Waitlist PDF Missing Housing Question Answer	Medium

MEMORANDUM

To: Audit & Finance Committee

From: Adrian Lopez, CEO

Presented By: Presenter, Adrian Lopez, CEO

Date: September 4, 2026

Subject: Expenditure Analysis

Summary: This serves to present a briefing on expenditures for the fiscal years of 2025 – 2026. This item does not require board action. WSA Allocates funding for services including support and training and work experience.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan:

Goal 2: Service Optimizers
Enhance the efficiency, quality, and accessibility of workforce services delivered by the Texas Workforce Commission (TWC), ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: An analysis of client-related service expenditures was performed to identify trends, outliers, and average expenses by service provided. The information from the 2024-2026 fiscal years was utilized.

Support services, training, and work experience-related services were provided to 5,035 unique clients from the Alamo region for a total of $7,582,332 from October 2024 to July 2026. During this period, $3,221,690 of the total expenses were assigned to support training, work experience ($2,596,133), and support services ($1,764,510).

Rent and transportation service-related expenses added up to $763,366 and $509,715 respectively, making up $1,358 and $46 in monthly per client average expenses.

Utilities and work-related support services added up to $127,693 and $190,743 respectively, making up $260 and $110 in monthly per client average expenses.

ITAs accounted for a total of $2,661,771 of the client-related expenses and averaged $1,413 in dollar assistance per client per month. Finally, work experience expenses accounted for $2,596,133 of total expenses and averaged $1,252 in dollar assistance per client per month.

Fiscal Impact: None. However, the item relates to service expenditures.

Recommendation: To continue analyzing expenditures to identify trends and maximize funds to support budget optimization.

Next Steps: To keep producing twice a year expenditure analysis by grant and client-related services.

Attachment: Power Point slides

workforcesolutionsalamo.org
communications@wsalamo.org
100 N. Santa Rosa Street
San Antonio, Texas 78207
(210) 272-3260