



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, CEO

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

Date: May 29, 2026

Subject: **Discussion and Possible Action: Program Monitoring Services Contract**

Summary: For discussion and potential action: The Workforce Solutions Alamo (WSA) Board of Directors is presented with a with a proposal to award a contract to Christine H Nguyen, CPA for Program Monitoring Services in the estimated aggregate amount of \$1,120,268.50 over a five (5) year span. The contract term will be effective October 1, 2026, through September 30, 2027, with the option to renew for up to four (4) one-year periods upon written mutual consent of Workforce Solutions Alamo and the selected Contractor.

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

Analysis: Workforce Solutions Alamo (WSA) previously identified discrepancies between the Board-approved contract amount and amendments executed under the existing Program Monitoring Contract. As a result of the review, staff elected not to exercise the final renewal option and instead in March 2026, a Request for Proposals (RFP) was advertised online and in the Texas Electronic Business Daily over a 30-day period.

The solicitation closed in April 2026, and five proposals were received. Following the responsiveness review, four proposals were deemed non-responsive due to either failure to submit all required documentation or failure to meet the minimum qualifications outlined in the Request for Proposals (RFP).

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Staff completed the evaluation process for the remaining responsive proposal and is recommending award of the new Program Monitoring Services contract with Christine Nguyen, CPA, to ensure continuation of monitoring services for one or more WSA subrecipients, service providers, and/or contractors. Federal and state laws, rules, and regulations require Boards to implement regular oversight of their activities and regular monitoring of contractors, subrecipients, and service providers (“service providers”) that receive public or other funds administered by Boards.

WSA Quality Assurance will collaborate with the selected Contractor to provide compliance and programmatic monitoring services for WSA-contracted service providers. These activities are intended to ensure that:

- programs achieve their intended outcomes;
- resources are utilized efficiently, effectively, and solely for authorized purposes while being safeguarded against waste, fraud, and abuse; and
- accurate and timely information is collected and reported to support informed decision-making and continuous improvement.

Monitoring activities will focus on areas identified as having the highest risk and will evaluate service provider compliance with WSA contracts, policies, Board Plan provisions, and all applicable federal and state laws, regulations, and directives.

To accomplish these objectives, the Contractor shall develop and implement:

- a risk assessment methodology;
- monitoring plans;
- monitoring activities and protocols;
- a reporting process; and
- corrective action and resolution procedures.

Alternatives: Any alternative to approving the recommendation, WSA may experience interruptions in monitoring services, limiting the Board’s ability to identify and address compliance issues, performance concerns, and potential risks in a timely manner.



Fiscal Impact: The contract will begin with an initial one-year term, effective October 1, 2026, through September 30, 2027, and may be extended for up to four (4) additional one-year periods, subject to mutual written agreement by both parties. The total projected expenditure over the potential five-year term is \$1,120,268.50, unless modified by a formally executed amendment approved by all parties.

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

Year	Oct 26' - Sep 27'	Oct 27' - Sep 28'	Oct 28' - Sep 29'	Oct 29' - Sep 30'	Oct 30' - Sep 31'	**Contingency 10%	Contract Total
Estimated Annual Contract Amount	\$203,685	\$203,685	\$203,685	\$203,685	\$203,685	\$101,842.50	\$1,120,267.50

Notes:

** A contingency amount has been incorporated into the budget to ensure adequate funding is available for any unforeseen or supplemental monitoring services required throughout the contract period.

Breakdown of the programs being monitored and sample size:



Funding	Total Unique Participants	Proposed Sample Size
WIOA Adult	510	15
WIOA Dislocated	378	15
WIOA Youth (ISY)	548	15
WIOA Youth (OSY)	822	15
SNAP E&T	822	15
TANF/CHOICES	799	15
NCP	68	15
RESEA	3791	15
CCS (Low-income)	15627	15
CCS (DFPS)		15
CCS (Initial Job-Search)		15
QIA	653	15
Ready-to-work		15
Total		195

Recommendation: Procurement & Contracts Management recommends approving the contract to Christine H Nguyen, CPA for Program Monitoring Services.

Next Steps: Upon approval, WSA Procurement and Contract Management (PCM), in coordination with WSA Quality Assurance, shall proceed with contract negotiations with Christine Nguyen, CPA. Should negotiations be unsuccessful with the recommended Contractor, WSA reserves the right to negotiate a contract with the next highest ranked Offeror.

Attachments: Bid Tabulation



RFP# 2026-002 - Program Monitoring Services

Active Submissions

	Total	A - Organizational Qualifications and Experience	B - Technical Approach and Methodology-	C - Data Management, Work Plan, and Reporting Deliverables	D - Cost Proposal and Cost Effectiveness	E - VetHUB
Supplier	/ 105 pts	/ 25 pts	/ 25 pts	/ 25 pts	/ 25 pts	/ 5 pts
Christine H Nguyen CPA	92.91	23.18	22.22	22.5	25	0

Eliminated Submissions

	A - Organizational Qualifications and Experience	B - Technical Approach and Methodology-	C - Data Management, Work Plan, and Reporting Deliverables	D - Cost Proposal and Cost Effectiveness	E - VetHUB
Supplier	/ 25 pts	/ 25 pts	/ 25 pts	/ 25 pts	/ 5 pts
FEJI INC.	-	-	-	-	-
Good Samaritan Center	-	-	-	-	-



Public Consulting Group	-	-	-	-	-
Signature Practice Services, LLC	-	-	-	-	-

Notes:

1. **FEJI INC.**- Does not meet Minimum requirements- Did not provide evidence that experience has been done in the last 3 years and does not contain workforce experience
2. **Good Samaritan Center**- Did not provide Attachments, or items asked for in the proposal. Just had a cover sheet and letter attached.
3. **Public Consulting Group**- Unresponsive - Missing Attachment J – References
4. **Signature Practice Services, LLC.** - submitted wrong project



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, CEO

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

Date: May 29, 2026

Subject: **Discussion and Possible Action: Childcare Professional Development Training Services Contract**

Summary: For discussion and potential action: The Workforce Solutions Alamo (WSA) Board of Directors is presented with a proposal to award Multiple contracts for the Childcare Professional Development Training Services to the following eight (8) qualified vendors.

The recommended awardees are:

1. At the Heart of Teaching, Learning, & Leadership
2. Education Service Center, Region 20
3. Elite Educational Enterprises
4. Kaplan Early Learning Company
5. Shine Early Learning
6. Youth Empowerment Services, Inc
7. KAS Consulting Group
8. The Murchinson Consulting Group, LLC

The contract term will be effective October 1, 2026, through September 30, 2027, with the option to renew for up to two (2) one-year periods upon written mutual consent of Workforce Solutions Alamo and the selected Contractors. The total contract expenditure under this agreement is estimated to be \$750,000 over a three (3) year span; contract values will vary by vendor and number of trainings provided but will remain within the approved budget allocation for this initiative.

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

Analysis: Workforce Solutions Alamo (WSA) advertised a Request for Proposal (RFP) on March 3, 2026 online and in the Texas Electronic Business Daily over a 30-day period for Professional Development Training Services to secure qualified training providers capable of designing, developing, and delivering high-quality training for early childhood educators, administrators, trainers, and coaches throughout the Agency's designated service area. The solicitation required respondents to demonstrate a minimum of two (2) years of documented experience in early childhood education, child development, childcare provider training, or publicly funded workforce education programs, as well as active use of TECPDS within the past 12 months, with priority given to Texas Registered Trainers.

The solicitation closed on April 6, 2026, and staff completed the evaluation process for twelve (12) submissions received in response to the solicitation. Of those submissions, two (2) proposals were eliminated due to no proven evidence of TECPDS experience within the last twelve (12) months, one (1) proposal was disqualified due to an incomplete submission, and one (1) proposal was eliminated because the total scoring summary fell below the minimum required threshold of 70 points. The remaining eight (8) respondents were determined to be qualified, responsive, and eligible for award consideration. Staff is recommending multiple contract awards to ensure the continued delivery of high-quality professional development training services for early childhood educators, administrators, trainers, and coaches throughout Workforce Solutions Alamo's service area. Awarding multiple qualified providers to strengthen service delivery capacity, reduce operational risk, and provide greater flexibility in meeting program demands across the early childhood education system. This approach supports WSA's commitment to compliance, workforce readiness, and improved educational outcomes while ensuring cost-effective and equitable access to professional development resources.

WSA Child Care Service will collaborate with the selected Contractors to provide professional development training services for early childhood educators, administrators, trainers, and coaches throughout the Agency's designated service area. These activities are intended to ensure that:



- Early childhood professionals receive high quality training that supports continuous learning and workforce development;
- Training providers deliver services that align with Texas Core Competency Areas, Child Care Regulations, Texas Rising Star standards, and all applicable state requirements;
- Accurate and timely participation, attendance, and completion data is collected and reported through TECPDS to support compliance, accountability, and continuous program improvement.

Training activities will focus on strengthening provider knowledge and performance in key areas such as child growth and development, health and safety, inclusive practices, trauma-informed care, leadership development, family engagement, and age-appropriate curriculum delivery.

To accomplish these objectives, the Contractor shall develop and implement:

- High quality professional development training aligned with required standards;
- Virtual, in person, and hybrid training delivery methods;
- Participant registration, attendance tracking, and reporting through TECPDS;
- Training materials, participant surveys, and certificate distribution; and
- Timely reporting processes and performance measures to ensure accountability and service effectiveness.

Alternatives: Any alternative to approving the recommendation may result in interruptions in professional development training services, limiting WSA's ability to support childcare providers, maintain compliance with program requirements, and strengthen workforce readiness and quality outcomes across the early childhood education system.

Fiscal Impact: The contract will have an initial term (1) one-year, effective October 1, 2026, through September 30, 2027, and may be extended for up to two (2) additional one-year periods, subject to mutual written agreement by both parties. The total projected expenditure over the potential three-year term is \$750,000, with annual amounts of \$250,000 unless



modified by a formally executed amendment approved by all parties. Each contract awarded under these services is anticipated to range from \$25,000 to \$75,000 annually, contingent upon program needs and the availability of funding.

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

Item	Oct 26' - Sep 27'	Oct 27' - Sep 28'	Oct 28' - Sep 29'	Contract Total
Estimated Annual Contract Amount	\$250,000	\$250,000	\$250,000	\$750,000

Recommendation: Procurement & Contracts Management recommends approval of contracts for Professional Development Training Services to support early childhood educators, administrators, trainers, and coaches throughout Workforce Solutions Alamo's service area and ensure the continued delivery of high-quality training services aligned with TECPDS requirements, Texas Core Competencies, and Agency program goals.

The recommended contractors are: At the Heart of Teaching, Learning, & Leadership, Education Service Center, Region 20, Elite Educational Enterprises, Kaplan Early Learning Company, Shine Early Learning, Youth Empowerment Services, Inc., KAS Consulting Group, and The Murchison Consulting Group, LLC.

The contracts will be for an initial term of one (1) year, effective October 1, 2026 through September 30, 2027, with the option to renew for two (2) additional one-year terms. The total projected expenditure for the potential three-year term is \$750,000, with annual expenditures projected at \$250,000, unless modified through a formally executed amendment approved by all parties.

Next Steps: Upon approval, WSA Procurement and Contract Management (PCM), in coordination with WSA Child Care staff, shall proceed with contract negotiations with the selected contractors for Professional Development Training Services.



Attachments: Bid Tabulation

2026-005 - Childcare Professional Development Training Services

Active Submissions

	Total	Minimum Qualifications	A - Technical Approach & Program Design	B - Training Content & Methodology	C - Experience & Past Performance	D - Staffing & Qualifications	E - Performance Measurement & Reporting	F - Budget/Cost Effectiveness	G - VetHUB
Supplier	/ 105 pts	Pass/Fail	/ 25 pts	/ 15 pts	/ 15 pts	/ 20 pts	/ 15 pts	/ 10 pts	/ 5 pts
Elite Educational Enterprises	94	Pass	24	14	14	18.67	13.33	10	0
At the Heart of Teaching, Learning, & Leadership	84.27	Pass	24.33	15	14	16	13.33	1.607	0



Kaplan Early Learning Company	84.07	Pass	23.33	13.53	13.93	16.67	12.33	4.27	0
Shine Early Learning	83.7	Pass	22.67	14	14.53	14.33	13	5.167	0
Education Service Center, Region 20	82.97	Pass	22.67	12.93	12	17	13.33	5.041	0
KAS Consulting Group	82.43	Pass	21	12.4	13.47	17.33	10.67	7.561	0
Youth Empowerment Services, Inc.	82.41	Pass	22.67	13.53	13.47	18	13.33	1.407	0
The Murchison Consulting Group, LLC	77.69	Pass	22	13.53	11.47	14.33	12.33	4.026	0
Lit for Life	67.88	Pass	15	10.47	10	13.67	11	7.75	0



Eliminated Submissions

	Minimum Qualifications
Supplier	Pass/Fail
AVILO inc.	Fail
Lakeshore Learning Materials, LLC	Fail
eTeachingMe	-

Notes:

1. **Avilo Inc.**- Does not meet Minimum requirements- Did not provide evidence of TECPDS within the last twelve (12) months.
2. **Lakeshore Learning Materials, LLC**- Did not meet minimum requirements – Did not provide evidence of TECPDS within the last twelve (12) months.
3. **ETeaching Me**- Unresponsive - Incomplete Submission
4. **Lit for Life** - Failed to reach 70 points. (67.88)



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, CEO

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

Date: May 29, 2026

Subject: **Discussion and Possible Action: Work Number Services Contract**

Summary: For discussion and potential action: The Workforce Solutions Alamo (WSA) Board of Directors is presented with a proposal to increase the current Equifax Work Number Services contract amount by \$100,001 to cover the remaining months of the contract term ending June 30, 2026 and authorize the addition of one (1) optional one-year renewal period.

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

Analysis: The Work Number®, provided by Equifax, is an employment and income verification service that provides access to workforce, wage, and employment data. Workforce Solutions Alamo utilizes these services to support the Ready to Work Program through participant eligibility verification, employment outcome validation, wage tracking, and program performance reporting.

The platform enables staff to efficiently verify employment placements, wage progression, and retention outcomes through third-party validated data, reducing administrative burden while strengthening reporting accuracy, compliance, and program outcome tracking.

The contract was procured utilizing the small purchase procurement method and executed within the CEO's delegated authority. In accordance with Board policy, the CEO is authorized to execute contracts not exceeding \$150,000. Accordingly, the contract was executed for \$149,999 for the period of July 1, 2025, through June 30, 2026.

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Following monitoring of actual utilization and projected service needs, staff has determined that expenditures for employment verification services will exceed the current contract amount prior to the end of the contract term.

Alternatives: If not approved, staff would be required to either discontinue services upon exhaustion of the current contract amount, reduce utilization of the platform, transition to manual verification processes, or pursue an alternate procurement solution. These alternatives may result in increased administrative burden, reduced reporting efficiency, delays in employment verification, and potential disruption to program operations and performance tracking.

Fiscal impact: The current contract amount is \$149,999 for the contract term of July 1, 2025, through June 30, 2026. The requested increase of \$100,001 will revise the contract amount to \$250,000 to support anticipated service utilization for the remainder of the current contract term. Additionally, the contract may be extended for one (1) optional one-year renewal period.

Recommendation: Procurement & Contracts Management recommends approval to increase the Equifax Work Number Services Contract by \$100,001, resulting in a revised annual contract amount not to exceed \$250,000 for the contract term ending June 30, 2026. Staff further recommends approval to add one (1) optional one-year renewal period to allow for continued service availability based on operational need. Staff will continue to monitor service utilization and expenditures to ensure costs remain within the approved annual contract amount, and that services are utilized on an as-needed basis.

Next Steps: Upon approval, WSA Procurement and Contract Management (PCM), in coordination with WSA Program staff, shall proceed with contract amendment.



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, CEO

Presented By: Michael Del Toro, CPA, ABIP Partner

Date: May 29, 2026

Subject: **FY24-25 Single Audit**

Summary:

The audit for Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo (WSA) for the fiscal year ended September 30, 2025, has been performed and completed by ABIP, PC. ABIP has performed its audit following auditing standards generally accepted in the United States and those applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the Uniform Guidance. The audit process involved interviews with staff, observation of processes to develop a risk assessment over internal controls, and the development of audit procedures they felt necessary to provide evidence for their audit opinions.

ABIP reports provided:

- Financial Audit- Opinion- Unmodified (clean opinion)
- Compliance Audits- Childcare Development Funds (CCDF) and Temporary Assistance for Needy Families Cluster (TANF)-Unmodified (clean opinion)

Strategic Goals:

ABIP performed the following activity during their audit:

Financial Audit

- Established an audit approach based on risk assessment and tailored programs to guide the audit process for efficiency and completeness.
- Performed analytical reviews on account balances to aid in the extent of audit procedures needed to provide reasonable assurance of overactivity and account balances.
- Reviewed and mailed WSA-prepared confirmations to related parties, legal counsel, and financial institutions,
- Reviewed approval processes over individual transactions and tested allowability for grants and contracts.
- Performed substantive procedures for the various financial statement account balances as of year-end, including cash, accounts receivable, prepaid expenses, fixed assets, accounts payable, accrued liabilities, and deferred revenues.

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- Worked with management to assist in preparing the financial statement and ensure up-to-date disclosures were included.

Compliance Audit- Childcare Development Funds and Temporary Assistance for Needy Families

- Established an audit approach based on risk assessment and tailored programs to guide the audit process for efficiency and completeness.
- Interviewed staff from the Childcare Development Funds (CCDF) and Temporary Assistance for Needy Family (TANF) Clusters to understand processes over disbursements, payroll, and cash reimbursement processes.
- Performed a risk assessment of the compliance requirements over the CCDF and TANF Clusters and planned a test of controls and compliance for each.
- Sampled individual transactions for allowability with CCDF and TANF Clusters and staff approvals before vendors' payments.
- Sampled reimbursement draws (cash receipts) over allowable costs charged to the grants for proper approvals from staff and recording into the general ledger.
- Reviewed completeness and accuracy of Texas Workforce Commission reporting compliance requirements over CCDF and TANF Clusters.

Board Responsibilities:

Ensure the effective use, management, and investment of funds while maintaining full compliance with applicable Federal and state regulations.

Recommendation:

Discussion and approval request for the Alamo Workforce Development's Independent Financial Annual Audit Performed by ABIP from October 1, 2024, to September 30, 2025.

Next Steps:

Once approved, the audit report will be finalized and shared with the relevant stakeholders, including the Chief Elected Officials and the regulatory authorities.

Attachment:

FY25 Draft Audit

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS - ALAMO

FINANCIAL STATEMENTS AND
FEDERAL AND STATE AWARDS REPORTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025



CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alamo Workforce Development, Inc.
dba Workforce Solutions–Alamo
San Antonio, Texas

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo (the Corporation) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation, as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Single Audit Circular*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2026, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

San Antonio, Texas
June 16, 2026



FINANCIAL SECTION



**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF FINANCIAL POSITION

September 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 2,721,128
Grants receivable	7,372,320
Account receivable - other	3,919,202
Prepaid expenses and deposits	<u>3,022,453</u>
Total current assets	<u>17,035,103</u>

PROPERTY AND EQUIPMENT

Property and equipment	31,953,756
Less accumulated depreciation	<u>(14,678,865)</u>
Net property and equipment	<u>17,274,891</u>

Total assets	\$ <u>34,309,994</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,455,356
Accrued liabilities	9,142,581
Deferred revenue	3,974,001
Lease liability	<u>3,333,310</u>
Total current liabilities	<u>19,905,248</u>

NONCURRENT LIABILITIES

Lease liability	<u>13,655,095</u>
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Total liabilities	<u>33,560,343</u>
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NET ASSETS

Without donor restrictions	
Undesignated	463,165
Investment in property and equipment, net	<u>286,486</u>
Total net assets	<u>749,651</u>

Total liabilities and net assets	\$ <u>34,309,994</u>
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The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF ACTIVITIES

For the year ended September 30, 2025

	<u>WITHOUT DONOR RESTRICTIONS</u>		<u>TOTAL</u>
	<u>UNDESIGNATED</u>	<u>INVESTMENT IN PROPERTY AND EQUIPMENT / LEASE LIABILITY</u>	
REVENUE			
Grant contracts - federal	\$ 153,261,540	\$ -	\$ 153,261,540
Grant contracts - state	19,513,509	-	19,513,509
Vocational Rehabilitation			
Student Hireability Navigator	183,802	-	183,802
Summer Earn and Learn Program (SEAL)	385,190	-	385,190
Infrastructure Cost Reimbursement	642,072	-	642,072
Non-federal initiatives			
City of San Antonio - Ready to Work	15,210,431	-	15,210,431
San Antonio Area Foundation	16,679	-	16,679
Texas Mutual	98,632	-	98,632
Unrestricted Revenue-Sponsorships	31,440	-	31,440
Other	51,704	-	51,704
Service fees	47,058	-	47,058
Program income	<u>7,239</u>	<u>-</u>	<u>7,239</u>
Total revenue	<u>189,449,296</u>	<u>-</u>	<u>189,449,296</u>
EXPENSES			
Program services	185,037,645	(2,414,199)	182,623,446
Supporting services	<u>4,358,385</u>	<u>(127,064)</u>	<u>4,231,321</u>
Total expenses	<u>189,396,030</u>	<u>(2,541,263)</u>	<u>186,854,767</u>
Increase (decrease) in net assets	53,266	2,541,263	2,594,529
OTHER REVENUES AND (EXPENSES)			
Fixed assets/right to use - additions	-	6,654,678	6,654,678
Right to use lease liability - additions	-	(6,587,526)	(6,587,526)
Depreciation/amortization	<u>-</u>	<u>(2,861,740)</u>	<u>(2,861,740)</u>
Change in net assets	53,266	(253,325)	(200,059)
NET ASSETS AT BEGINNING OF YEAR	<u>409,899</u>	<u>539,811</u>	<u>949,710</u>
NET ASSETS AT END OF YEAR	<u>\$ 463,165</u>	<u>\$ 286,486</u>	<u>\$ 749,651</u>

The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2025

	PROGRAM SERVICES	SUPPORTING SERVICES	
	ALL PROGRAMS	MANAGEMENT AND GENERAL	TOTAL
EXPENSES			
Salaries and related expenses			
Salaries	\$ 2,280,520	\$ 2,515,756	\$ 4,796,276
Payroll taxes	163,020	166,343	329,363
Employee benefits	<u>402,153</u>	<u>331,293</u>	<u>733,446</u>
Total salaries and related expenses	2,845,693	3,013,392	5,859,085
Advertising/outreach	76,986	110,899	187,885
Client services	22,969,174	-	22,969,174
Professional fees	351,340	679,339	1,030,679
Supplies and equipment	1,575,925	89,779	1,665,704
Facility rental	4,408,268	237,128	4,645,396
Insurance	107,676	37,762	145,438
Training/support services	14,512,288	-	14,512,288
Child care	136,130,289	-	136,130,289
Travel	69,493	61,554	131,047
Staff development	282,178	40,174	322,352
Communication	488,058	24,751	512,809
Software related	881,184	63,607	944,791
Profit	<u>339,093</u>	-	<u>339,093</u>
Total expenses before depreciation	185,037,645	4,358,385	189,396,030
Depreciation and amortization	<u>2,861,740</u>	-	<u>2,861,740</u>
Total expenses	<u>\$ 187,899,385</u>	<u>\$ 4,358,385</u>	<u>\$ 192,257,770</u>

The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF CASH FLOWS

For the year ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (200,059)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities	
Depreciation/amortization expense	2,861,740
Loss on disposal of assets	-
(Increase) decrease in operating assets	
Grants receivable	8,408,571
Other receivables	313,170
Prepaid and deposits	(1,730,255)
Increase (decrease) in operating liabilities	
Accounts payable	(5,122,788)
Accrued liabilities	(5,864,475)
Deferred revenue	3,596,571
Net cash provided by operating activities	<u>2,262,475</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(67,152)</u>
Net cash used in investing activities	<u>(67,152)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payment of right to use leases	<u>(2,541,263)</u>
Net cash used by financing activities	<u>(2,541,263)</u>
Net increase in cash	(345,940)
CASH AT BEGINNING OF YEAR	<u>3,067,068</u>
CASH AT END OF YEAR	<u>\$ 2,721,128</u>
NONCASH INVESTING AND FINANCING ACTIVITIES	
Right to use assets acquired under lease	<u>\$ 6,587,526</u>

The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Reporting entity

Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo (the Corporation) is a nonprofit corporation organized to provide guidance, exercise oversight duties, manage workforce development activities, and promote social welfare and other charitable purposes in the Alamo service delivery area comprised of the thirteen (13) counties of Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, McMullen, and Wilson.

The agency has been designated a local workforce development board to plan and implement employment and training programs. Most of the entity’s funding is derived from contracts awarded by the Texas Workforce Commission (TWC), a state agency receiving pass-through funds from the U.S. Department of Labor, the U.S. Department of Health and Human Services, and the U.S. Department of Agriculture. The following describes the programs the Corporation administered during the year.

“Programs” can be classified in different ways based on the way that they come about. These include “*Formula-Funded Grants*,” “*Fee-for-Service Grants*,” “*Other TWC Grants*,” and “*Other Local Programs*”.

Formula-Funded Grants

Funds for services are allocated to state and local areas based on a formula. These grants are the Board’s ‘bread and butter’ and are part of our primary or core programs.

CHILD CARE FORMULA FUNDED GRANTS

Child Care Development Funds (CCDF). Child Care Service (CCS) funds come from multiple streams and have different goals, supporting multiple CCS initiatives:

Mandatory Children In-Care.

This program supports children who formerly received general child protective services (CPS); these funds provide continuity of care for children and stability for the family. For children of parents who are mandated to participate in the TANF/Choices and SNAP E&T programs. Children are referred to by Texas Health & Human Services (HHS). CCS must be provided to these families (they receive priority over participants on the waiting list for subsidized CCS).

Discretionary Children In-Care.

To support low-income parents/caregivers while they participate in initial job searches, eligible work activities, and school or training to help them become economically self-sufficient, while providing stability for the children through continuity of care. Depending on funding availability, children are enrolled on a waitlist, and the Board has the discretion to prioritize enrollment into services.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

CHILD CARE FORMULA FUNDED GRANTS (continued)

Child Care Local Match. The CCS provider contributes a required match to subsidized childcare for low-income families.

Child Care Quality Improvement Activities (QIA). Child Care Development funds initiatives that help promote the quality of childcare, including training, professional development, and technical assistance. These initiatives are primarily geared to benefit childcare facilities working toward Texas Rising Star (TRS) certification or TRS providers working toward a higher certification level. The board has secured unrestricted operational funds through the Adam R. Scripps Foundation Fund to assist in the supplemental support of the delivery of QIA.

Texas Department of Family & Protective Services (DFPS) Child Care. Funds purchase childcare services for children deemed eligible (e.g., due to abuse and/or neglect) by DFPS. DFPS refers the children to CCS for services.

FORMULA-FUNDED WORKFORCE DEVELOPMENT GRANTS

Supplemental Nutrition & Assistance Program Employment & Training (SNAP). This program helps recipients gain skills, training, or work experience and increases their ability to obtain regular employment.

TANF/Choices. This program offers job preparation and educational services to help parents dependent on public assistance (Temporary Assistance for Needy Families/TANF) transition into economic self-sufficiency through employment.

Non-Custodial Parent Choices (NCP). The program targets low-income, unemployed, or underemployed noncustodial parents who are behind on their child support payments and whose children are current or former public assistance recipients. The goal is to help NCP participants become economically self-sufficient while making consistent child support payments. The project collaborates with TWC, the Office of the Attorney General (OAG), WSA, and the Bexar County court system. The court system refers to NCP clients and will either participate in the project or be subject to court orders.

Wagner-Peyser / Employment Services (ES). As amended, federal legislation established the ‘Employment Service’ and ancillary functions in 1935. Employer, job matching, and other related services offered at the Centers are partly funded using Wagner-Peyser grant funds. The Board utilizes Wagner-Peyser Employment Service funds to support TWC’s ES staff. The Board shall ensure that TWC’s ES staff have access to and use shared equipment, software, or hardware platforms, consumables, and telecommunications networks in shared facilities. The Board may acquire goods or services to support the ES staff.

Training and Employment Navigator Pilot (PAB). This program reaches out to victims of sex trafficking to assist them with training and employment support systems, providing employment, wrap-around support services, and work experience opportunities.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

Workforce Commission Initiatives (WCI)

TWC issues Workforce Commission Initiative (WCI) grant awards to Boards to fund specific project initiatives. The focus and timeframes of these grants vary. These initiatives support the delivery of services to workers and employers and help fund projects that strengthen and add value to the delivery system.

Hiring, Red, White, and You! Job Fair. Employment Service (ES) funds to support the annual job fair event (virtual or in person) for Transitioning Service Members, Veterans, Military Spouses, and the Public.

Youth Career Fair Events. TANF funds support TWC’s Jobs Y’all events for middle, high, and postsecondary students. These events will invite employers to participate in a relevant way to help students explore career opportunities in their industries. Student participation will encourage the exploration of career opportunities, including understanding pathways to in-demand careers, networking, internships, and other applied learning opportunities. Parents will also be invited to attend with their children to discuss their unique role in career exploration.

Texas Veterans Leadership Program (TVLP). The Board utilizes Wagner-Peyser Employment Service funds to support TWC’s Texas Veterans Leadership Program (TVLP) staff. The Board shall ensure that Agency TVLP staff have access to and use shared equipment, software, or hardware platforms, consumables, and telecommunications networks in shared facilities. The Board may acquire goods or services to support the Agency’s TVLP staff.

Foster Care Youth Conference. Utilize TANF funds to cover travel costs for the Foster Care Youth Conference.

Veterans Services. Contract with the Texas Veterans Commission (TVC) to provide space, technical, and administrative support to TVC staff co-located at WSA Career Centers. TVC provides enhanced services to veterans and can only work with veterans. Additional services may be provided using WIOA funds.

Trade Adjustment Assistance (TAA). This initiative provides job training and employment services to workers who lost their jobs due to international trade. Although this program is currently sunseting, eligible participants will continue to be served through Dislocated Worker funds.

Workforce Investment & Opportunity Act (WIOA). WIOA has three central “formula” grants serving Adults, Dislocated Workers, and Youth. However, other smaller grants are funded through WIOA, such as Rapid Response. WIOA funds can also be used for Incumbent Workers and Customized Training, which only require ‘basic’ WIOA eligibility (e.g., being eligible to work in the U.S., being employed, and, for males, being registered in Selective Service). The following grants have additional eligibility requirements that individuals must meet for funding.

WIOA Adult. The program serves economically disadvantaged adults, assisting them in obtaining the skills needed to obtain, retain, and/or advance in employment.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

Workforce Investment & Opportunity Act (WIOA) (continued)

WIOA Dislocated Worker. The program serves individuals who have lost their jobs due to a layoff or closure (e.g., through no fault of their own). It assists dislocated workers in returning to the workforce as quickly as possible.

WIOA Youth. The program serves in-school and out-of-school youth ages 16-24, supporting them so they may enter or complete educational/training opportunities and gain the skills and credentials needed to obtain and retain employment. Under Title 1 of the Workforce Innovation and Opportunity Act of 2014, the WIOA Youth program funds states and outlying areas. States provide local workforce development areas resources to deliver comprehensive youth services that focus on assisting out-of-school youth and in-school youth with one or more barriers to employment, preparing for employment and post-secondary education opportunities, attaining educational skills training credentials, and securing employment with career/promotional opportunities.

Military Family Support Pilot Program. This program is designed to meet the needs of military spouses entering the job market at military installations. It assists displaced military spouses in finding employment, education, and training.

Military to Civilian Employment. This program is designed to provide career services, training, and wraparound support services to assist Transitioning Service Members (TSM), Military Spouses (MS) and Recently Separated Veterans (RSV) transitioning to civilian employers. This assistance will enhance these individuals' employability and earnings, meet the increased demands for employment and training services, and result in a rapid reemployment of Dislocated Workers.

Transitioning Service Member. An individual in Active-Duty status (including separation of leave) who is within twenty-four (24) months of retirement or twelve (12) months of separation from military service.

Military Spouse. A spouse of an Active-Duty military member who has experienced a loss of employment, or significant income reduction, due to relocation to accommodate a permanent change in duty station, or call to active duty, or service-connected disability of such member; or a spouse of a service member killed while on active duty.

Recently Separated Veteran. Any veteran during the three-year period beginning on the date of such veteran's discharge or release from active duty. For WIOA purposes, this period extends to 48 months.

Externship for Teachers. This grant collaborates with employers and independent school districts (ISDs) to provide externships for middle school and high school teachers, counselors, and school administrators. WSA assists in developing and submitting a proposal in partnership with the Alliance for Technology Education in Applied Math and Science (ATEAMS). The project requires matching funds (e.g., non-federal funds from partners and private donors).

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

Rapid Response. Rapid response is a proactive, business-focused strategy designed to help growing companies access a pool of skilled workers. Workers generally result from downsizing companies; the agency supports job seekers during layoffs and plant closings. Services provided during this transitional period include immediate on-site assistance to transition workers into their subsequent employment as soon as possible.

Other Federally Funded Grants:

Reemployment Services and Eligibility Assessment (RESEA). Grant programs funded by Title I of WIOA and the federal-state Unemployment Insurance (UI) program are required partners in a comprehensive, integrated workforce system. This program targets claimants most likely to exhaust benefits and require reemployment services.

Partners for Reentry Opportunities in Workforce Development (PROWD). TWC founded a grant to align better job training and skills development services provided to program participants with the specific labor market needs of the communities where they will reside. In so doing, the program will improve both the employment outcomes of returning citizens and public safety of all community members while increasing the capacity of justice and workforce system partnerships.

DOL Building Pathways to Infrastructure Jobs Grant Program (H-1B Job Training). This grant funded by the Department of Labor (DOL) will train job seekers in advanced manufacturing; information technology; and professional, scientific, and technical services occupations that support renewable energy, transportation and broadband infrastructure sectors.

Fee-for-Service/Reimbursement Grants

TWC has begun issuing funding for Vocational Rehabilitation Services (VRS). These funds ensure that Texas effectively prepares students with disabilities to obtain competitive and integrated employment through participation in employability skills and work readiness training, career exploration activities, work experience, post-secondary education, and other activities.

Summer Earn & Learn (SEAL). This program provided summer work readiness training and paid work experience for students with disabilities.

Student Hire Ability Navigator Project. Funding for two positions to serve as resources in the WDA to support, expand, and enhance pre-employment transition services to students with disabilities in the early phases of preparing for the transition to postsecondary education, employment, and life skills opportunities.

Vocational Rehabilitation – Co-location. Funding for the co-location of Vocational Rehabilitation TWC team members into WSA’s American Job Centers to offer various pre-vocational and vocational services for individuals with disabilities.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

OTHER LOCAL PROGRAMS

Programs that are funded by non-TWC funds that support local general funding.

Ready to Work San Antonio. The City of San Antonio’s Economic Development Department funds the Ready to Work program to assist residents within city limits. The program provides workforce upskill opportunities through education and training to increase residents’ chances of employment. This program is also supported by the Toyota Finish Line Grant, which incentivizes post-training and job placement reporting.

Kronkosky Foundation Fund. The Kronkosky Charitable Foundation provides unrestricted funds to support supplemental activities for the Ready to Work program, including outreach activities and recruitment events.

San Antonio Area Foundation. The San Antonio Area Foundation has provided a grant to support the Workforce Academy and the board's capacity.

Workforce Academy: The Workforce Academy educated local nonprofit agencies and employers to increase outreach throughout the community. Workforce Ambassadors are provided with outreach materials that promote the brand and services.

Texas Mutual. Texas Mutual provided this grant to strengthen the early childhood community by ensuring programs have resources needed to support children with differing abilities. Funds will assist in creating inclusive and diverse learning environments through curriculum and specialized training for early childhood programs.

Basis of accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting. The accompanying statements of financial position and activities focus on the Corporation as a whole and report the amounts of total assets, liabilities, net assets, and changes in net assets.

The Corporation classifies its financial statements to present two (2) classes of net assets:

- *Net assets without donor restrictions* include those net assets whose use is not restricted by donor-imposed stipulations. Restricted grant proceeds or contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.
- *Net assets with donor restrictions* include net assets subject to donor-imposed restrictions that may or will be satisfied by the actions of the Corporation or the passage of time. The Corporation had no net assets with donor restrictions at September 30, 2025.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Estimates

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

Income tax

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation had no unrelated business income during the year ended September 30, 2025. Accordingly, no provision for income taxes were made in the accompanying financial statements.

Pension plan

The Corporation has adopted an employee retirement plan, which is a money purchase pension plan. It covers all employees who have met certain service requirements.

The Corporation may contribute to the plan. During the fiscal year, the Corporation matched up to 6.0% for employees who elected to participate in the plan. Plan expense for the year ended September 30, 2025 was \$149,105.

Compensated absences

Employees of the Corporation earn annual leave on a bi-weekly basis. The maximum amount that will be paid upon separation of employment varies based upon years of employment. The Corporation had an accrued liability at September 30, 2025 of \$254,628.

Receivables

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectability of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

At September 30, 2025, no allowance for future bad debts had been established as it is management's opinion that losses, if incurred, would not materially affect the financial statements.

Grants receivable primarily represent balances due from grantees for funds billed under the terms of the contract. The Corporation does not record an allowance for uncollectibles against the grants receivable because management believes the receivables are considered to be 100% collectible.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Revenue recognition and deferred revenue

Contracts that are entered into by the Corporation are recognized as grant revenue when expenditures are incurred in accordance with the terms of the contract. Amounts received but not yet earned on continuing contracts are recorded as deferred revenue.

In-kind contributions and donated services

Donated services are valued at their estimated fair market value at the time of donation and are included in the statements of activities. During the year ended September 30, 2025, there were none noted to be significant to the financial statements.

Property and equipment

Fixed assets are valued at historical cost or estimated cost if historical cost is not available. Contributed fixed assets are valued at their estimated fair market value at the time of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Expenses for betterments that materially extend the useful life of an asset are capitalized at cost.

The useful lives by type of asset are as follows:

<u>ASSET CLASS</u>	<u>USEFUL LIFE</u>
Information and technology	3- 5 years
Furniture and fixtures	5 years
Leasehold improvements	4-10 years
Right to use leases	3-10 years

Title to equipment is vested with the Corporation; however, TWC reserves the right to transfer title or issue disposition instructions for property with a unit cost of \$5,000 or greater.

Cost allocation plan

The Corporation uses an administrative cost pool to allocate administrative costs which cannot be identified by a workforce funding title. These costs are allocated based on some acceptable measure of benefits received. Only actual, not budgeted, unassignable direct costs are pooled and distributed to the various titles. The Corporation has the following cost pools to be used to distribute costs: Bexar County Workforce Centers, Rural Workforce Centers, Workforce Center Cost, Program, and Administrative. Administrative costs which benefit all programs are allocated to each grant using the administrative cost pool. The cost allocation plan is prepared by the Chief Financial Officer (CFO) and submitted to the Chief Executive Officer (CEO) for approval. The plan may be modified as necessary by the CFO to ensure compliance with the TWC regulations.

The plan is reviewed for modification for addition/deletion of funding sources, significant changes in programs or cost pool expenditures, or other events which could affect the reliability of the cost allocation plan.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Functional allocation of expenses

Certain salaries, employee benefits, and other expenses benefiting programs and administrative activities are allocated on a functional basis in the statements of activities and the schedule of functional expenses.

(2) Cash and cash equivalents

The Corporation's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposit for safekeeping and trust with the Corporation's agent bank approved pledged securities in an amount sufficient to protect the Corporation's funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance.

The Corporation's cash deposits at September 30, 2025, were entirely covered by FDIC insurance or by pledged collateral held by the Corporation's agent bank. The deposits were collateralized in accordance with Texas law.

For purposes of the statements of cash flows, all highly liquid instruments with a maturity of approximately 90 days or less are considered to be cash equivalents.

(3) Property and equipment

Property and equipment held by the Corporation at September 30, 2025, consist of the following:

	COST OR BASIS OF PROPERTY			
	BALANCE	DELETIONS AND		BALANCE
	SEPTEMBER 30, 2024	ADDITIONS	RETIREMENTS	SEPTEMBER 30, 2025
Information and technology	\$ 923,900	\$ 24,135	\$ 67,832	\$ 880,203
Furniture and fixtures	407,075	-	174,906	232,169
Vehicle	520,165	35,053	22,327	532,891
Leasehold improvements	1,992,057	7,964	-	2,000,021
Right to use asset - equipment	317,451	135,563	234,580	218,434
Right to use asset - buildings	<u>22,024,783</u>	<u>6,451,963</u>	<u>386,708</u>	<u>28,090,038</u>
Total	<u>\$ 26,185,431</u>	<u>\$ 6,654,678</u>	<u>\$ 886,353</u>	<u>\$ 31,953,756</u>

	ACCUMULATED DEPRECIATION/AMORTIZATION			
	BALANCE	DELETIONS AND		BALANCE
	SEPTEMBER 30, 2024	ADDITIONS	RETIREMENTS	SEPTEMBER 30, 2025
Information and technology	\$ 908,226	\$ 15,401	\$ 67,832	\$ 855,795
Furniture and fixtures	335,787	24,420	174,906	185,301
Vehicle	30,624	106,578	22,327	114,875
Leasehold improvements	1,571,691	79,507	-	1,651,198
Right to use asset - equipment	269,252	52,176	234,580	86,848
Right to use asset - buildings	<u>9,587,898</u>	<u>2,583,658</u>	<u>386,708</u>	<u>11,784,848</u>
Total	<u>\$ 12,703,478</u>	<u>\$ 2,861,740</u>	<u>\$ 886,353</u>	<u>\$ 14,678,865</u>

Depreciation/amortization expense for the year ended September 30, 2025, amounted to \$2,861,740.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(4) Leases

The Corporation leases office facilities and equipment under leases expiring in various years through 2035. The Corporation determined to use the 10-year treasury rate in effect at the inception of each lease as discount rates.

Minimum future rental payments under operating leases, which have remaining terms beyond September 30, 2025, are in the aggregate, as follows:

YEAR ENDED SEPTEMBER 30,	AMOUNT
2026	\$ 3,333,310
2027	3,132,599
2028	2,798,367
2029	2,470,753
2030	1,955,945
Thereafter	5,655,933
	19,346,907
Less interest:	(2,358,502)
Total	\$ 16,988,405

During the year ended September 30, 2025, the Corporation incurred \$2,541,263 of lease expense which is included in the accompanying statement of functional expenses.

(5) Concentration of credit risk

Management believes concentrations of credit risk in grants receivable are limited due to contracts with state governmental agencies which management believes are credit-quality. Also, management believes the receivables from these contracts are collectible.

(6) Contingent liabilities

The Corporation receives a majority of its funding from federally assisted, pass-through grants from the U.S. Department of Labor, Health and Human Services, and Agriculture through TWC. Program expenditures are subject to program compliance audits by the grantor. Any liability reimbursement, which may arise as a result of these audits, would require reimbursement from non-federal sources. It is the position of the Corporation that all costs incurred and charged against these funds for the year ended September 30, 2025, are considered eligible under the terms of the contracts and grants.

The Corporation could potentially be a defendant in legal actions from transactions and activities conducted in the ordinary course of business. Management, after consultation with legal counsel, believes the aggregate liabilities, if any, will not be material to the financial statements.

Risk related to grantor concentration – The Corporation’s funding is concentrated in government grants. If funding were discontinued, it would have a severe impact on operations. Services would be curtailed or discontinued, and uncertainty would exist in continuing operations.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(7) Risk management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For all such risks, the Corporation has purchased commercial insurance in varying amounts to mitigate the risk of loss.

(8) Evaluation of subsequent events

Management has evaluated subsequent events through June 16, 2026 the date which the financial statements were available to be issued. No significant subsequent events occurred.



FEDERAL AND STATE AWARDS SECTION



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

To the Board of Directors
Alamo Workforce Development, Inc.
dba Workforce Solutions–Alamo
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo (the Corporation) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

San Antonio, Texas

June 16, 2026

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Board of Directors
Alamo Workforce Development, Inc.
dba Workforce Solutions–Alamo
San Antonio, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo’s (the Corporation) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the Corporation’s major federal and state programs for the year ended September 30, 2025. The Corporation’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

San Antonio, Texas
June 16, 2026



ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>FEDERAL PROGRAMS</u>				
<u>U.S. Department of Labor</u>				
Passed Through Texas Workforce Commission and Texas Veteran's Commission:				
Employment Service Cluster				
Wagner Peyser-Employment Services	17.207	2024WPA001	\$ 204,175	-
Wagner Peyser-Employment Services	17.207	2025WPA001	573,534	-
Training & Employment Navigator	17.207	2024WPB001	107,410	75,296
Resource Administration Grant - Employment Services	17.207	2025RAG001	6,973	-
Wagner Peyser - Workforce Commission Initiatives	17.207	2025WCI001	64,895	-
Veterans Service- DVOP	17.801	2024TVC001	(768)	-
Veterans Service- DVOP	17.801	2025TVC001	255,188	-
Total Employment Service Cluster			<u>1,211,407</u>	<u>75,296</u>
Trade Adjustment Assistance Training Program	17.245	2025TRA001	<u>5,000</u>	<u>5,000</u>
WIOA Cluster				
Adult Services	17.258	2017WOA000	(25)	(25)
Adult Services	17.258	2023WOA001	854	(476)
Adult Services	17.258	2023WOA001	1,921	(114,504)
Adult Services	17.258	2024WOA001	970,655	-
Adult Services	17.258	2024WOA001	3,331,429	3,158,431
Military Family Support	17.258	2021WOS001	(10)	(10)
Military Family Support	17.258	2022WOS001	(2)	(2)
Military Family Support	17.258	2023WOS001	(2,143)	(2,143)
Military to Civilian	17.258	2025MTC001	36,438	35,161
Upskills and Training	17.258	2024WOZ001	(5,230)	(5,230)
Youth Services	17.259	2023WOY001	872,063	303,404
Youth Services	17.259	2024WOY001	3,835,829	2,430,222
Youth Services	17.259	2025WOY001	293,597	290,446
Military Family Support	17.278	2024WOS001	40,404	27,495

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>FEDERAL PROGRAMS (CONTINUED)</u>				
WIOA Cluster (continued)				
Dislocated Services	17.278	2023WOD001	\$ 434,808	\$ 7,291
Dislocated Services	17.278	2023WOD001	431,785	191,433
Dislocated Services	17.278	2024WOD001	296,635	-
Dislocated Services	17.278	2024WOD001	2,804,442	2,612,640
Rapid Response	17.278	2024WOR001	32,192	29,293
Rapid Response	17.278	2025WOR001	14,125	14,125
Externship for Teachers	17.278	2025EXT001	151,503	140,864
Total WIOA Cluster			<u>13,541,270</u>	<u>9,118,415</u>
UI-Administration Reemployment Services and Eligibility Assessment	17.225	2024REA001	212,987	157,646
UI-Administration Reemployment Services and Eligibility Assessment	17.225	2025REA001	1,393,692	1,018,396
Total ALN #17.225			<u>1,606,679</u>	<u>1,176,042</u>
Resource Administration Grant - Employment Services	17.273	2024RAG001	(28)	-
Resource Administration Grant - Employment Services	17.273	2025RAG001	1,816	-
Total ALN #17.273			<u>1,788</u>	<u>-</u>
WIOA NDW/WIA National Emergency Grant	17.277	2020NDW001	(885)	(885)
WIOA NDW/WIA National Emergency Grant	17.277	2021NDW001	(5)	(5)
Total ALN #17.277			<u>(890)</u>	<u>(890)</u>
Partners for Reentry Employment Opportunities	17.270	2024REO001	417,233	326,327
H-1B Job Training - San Antonio Infrastructure Academy	17.268	24A60HG000072-01-00	55,792	2,344
Total U.S. Department of Labor			<u>16,838,279</u>	<u>10,702,534</u>
<u>U.S. Department of Agriculture</u>				
Passed Through Texas Workforce Commission:				
SNAP E&T	10.561	2022SNE001	(97)	(97)
SNAP E&T	10.561	2024SNE001	(16,820)	(11,640)
SNAP E&T	10.561	2025SNE001	727,388	634,662
Total U.S. Department of Agriculture			<u>710,471</u>	<u>622,925</u>

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>FEDERAL PROGRAMS (CONTINUED)</u>				
<u>U.S. Department of Health and Human Services</u>				
Passed Through Texas Workforce Commission:				
CCDF Cluster				
Child Care Development Funds	93.575	2025CCF001	\$ 94,363,390	\$ 94,364,392
Child Care Quality Funds	93.575	2024CCQ001	622,625	478,974
Child Care Quality Funds	93.575	2025CCQ001	3,885,414	1,845,030
Child Care Development Funds - Quality Improvement	93.575	2025CQF001	3,811,895	3,811,895
Child Care Development Funds	93.596	2024CCF001	1,194,089	1,235,094
Child Care Development Funds	93.596	2025CCF001	18,442,278	18,442,278
Child Care Development Funds-Mandatory & Matching	93.596	2024CCM001	7,584,186	7,584,186
Total CCDF Cluster			<u>129,903,877</u>	<u>127,761,849</u>
Title XX - Social Services Block Grant	93.667	2025CCF001	<u>183,668</u>	<u>183,668</u>
TANF Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	2022TAF001	(456)	(456)
Temporary Assistance for Needy Families (TANF)	93.558	2025TAF001	5,285,827	4,292,432
Workforce Commission Initiatives	93.558	2025WCI001	35,355	-
Wagner Peyser-Employment Services	93.558	2024WPA001	71,126	-
Wagner Peyser-Employment Services	93.558	2025WPA001	33,362	-
TANF-Non Custodial	93.558	2024NCP001	(5,654)	(4,755)
TANF-Non Custodial	93.558	2025NCP001	205,685	205,685
Total TANF Cluster			<u>5,625,245</u>	<u>4,492,906</u>
Total U.S. Department of Health and Human Services			<u>135,712,790</u>	<u>132,438,423</u>
TOTAL FEDERAL FUNDS			<u>153,261,540</u>	<u>143,763,882</u>

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>STATE PROGRAMS</u>				
<u>Texas Workforce Commission</u>				
Passed Through Texas Workforce Commission:				
Child Care Development Funds	NA	2025CCF001	\$ 9,423,209	\$ 6,819,028
Child Care DFPS	NA	2025CCP001	7,944,311	7,586,895
Child Care DFPS	NA	2026CCP001	502,206	478,053
RAG- Employment Services	NA	2025RAG001	3,073	-
SNAP E&T	NA	2025SNE001	208,067	-
SNAP E&T	NA	2025SNE002	483,111	270,100
TANF	NA	2025TAF001	781,295	-
TANF- Non Custodial	NA	2022NCP001	(27)	(27)
TANF- Non Custodial	NA	2025NCP001	162,987	79,802
TANF- Non Custodial	NA	2026NCP001	5,277	-
Total Texas Workforce Commission			<u>19,513,509</u>	<u>15,233,851</u>
TOTAL STATE FUNDS			<u>19,513,509</u>	<u>15,233,851</u>
TOTAL FEDERAL AND STATE FUNDS			<u>\$ 172,775,049</u>	<u>\$ 15,233,851</u>

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

(1) Basis of presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes federal and state grant activity of the Corporation under programs of the federal and state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance and *State of Texas Single Audit Circular*. Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Corporation.

Federal and state grant funds are considered to be earned to the extent of expenditures were made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

(2) Summary of significant accounting policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Texas Single Audit Circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

Workforce Solutions Alamo elected not to use the 10 percent de minimis indirect cost rate.

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

FEDERAL AND STATE AWARDS

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes X None Reported

Type of auditor’s report issued on compliance for Major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) and the *State of Texas Single Audit Circular*? Yes X No

IDENTIFICATION OF MAJOR FEDERAL PROGRAMS

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.575/93.596	Child Care Development Funds Cluster
93.558	Temporary Assistance for Needy Families Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? X Yes No

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS (CONTINUED)

IDENTIFICATION OF MAJOR STATE PROGRAMS

<u>ALN Number(s)</u>	<u>Name of State Program or Cluster</u>
N/A	Child Care Development Funds
N/A	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee for State Programs? X Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None were noted

SECTION III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None were noted

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended September 30, 2025

<u>PROGRAM</u>	<u>CORRECTIVE ACTION PLAN</u>
No prior audit findings	N/A



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, Chief Executive Officer

Presented by: Gabriela Navarro Garcia, Controller

Date: May 29, 2026

Regarding: **Financial Report – March 31, 2026**

SUMMARY: Financial reports through March 31, 2026, have been prepared for the fiscal year October 1, 2025, through September 30, 2026; the straight-line expenditure benchmark is 50% 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	45.79%	The personnel expenditures are acceptable within the budget.
Board Facility	42.98%	The WSA Board facility expenditures are acceptable and within the budget.
Equipment	39.77%	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	38.09%	The primary budget surplus is due to the insurance contingency.
Professional Services	29.33%	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	27.96%	The board continues to monitor any future training and development for our board members.
Total Expense	41.71%	

Corporate expenditure represents 4.29% of overall expenditures and demonstrating a budget surplus of approximately 8.29% through March 2026.

FACILITIES AND INFRASTRUCTURE BUDGET:

Expenditures	% Expensed	Comments
Overall	24.14%	The facility expenditures represent 3.46% of the overall expenditures and reflecting a 3.8% 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	38.55%	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	28.38%	The board expects to spend the funds during the third and fourth quarters. Expenditures include purchase of quality materials for child care centers.
26CQF- Quality Improvement Activity	10/31/2026	\$4,732,602	24.99%	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	50%	Grant was extended through June 30, 2026. Expenditures are expected to increase in the next months.
NDW- National Dislocated Worker	09/30/2027	\$723,455	3.62%	Expenses are projected to materialize over the coming months, with approximately \$230,000 in committed costs for currently active clients.

ACTIVE GRANTS ONLY (NON-TWC):

Grant	End date	Budget	% Expense	Comments
DOL Building Pathways	09/30/2029	\$2,000,000	4.06%	Grant received for a 4-year period. Expenditures will start increasing in the next months.
22RTW	05/31/2025	\$65,554,565	58.32%	Expenditures are expected to be finalized by May 2026.
25RTW	05/31/2026	\$11,114,758	59.44%	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 – March 2026

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

	Annual Budget	Amendment # 1	Revised Budget	YTD Expenses	% Expensed	Balance
PERSONNEL						
Salaries/Wages	\$ 4,349,164	\$ -	4,349,164	\$ 2,045,485	47.03%	\$ 2,303,679
Fringe Benefits	1,057,498	64,424	1,121,922	545,457	48.62%	576,465
Staff Travel	153,874	-	153,874	23,798	15.47%	130,076
Staff Training & Development	112,000	-	112,000	12,185	10.88%	99,815
PERSONNEL SUBTOTAL:	\$ 5,672,536	\$ 64,424	5,736,960	\$ 2,626,925	45.79%	\$ 3,110,035
BOARD FACILITY						
Rent	\$ 481,749	-	481,749	\$ 193,143	40.09%	\$ 288,606
Storage	\$ 3,600	-	3,600	\$ 17,680	491.10%	\$ (14,080)
Maintenance and Repair	15,029	-	15,029	4,220	28.08%	10,809
BOARD FACILITY SUBTOTAL:	\$ 500,378	\$ -	500,378	\$ 215,043	42.98%	\$ 285,335
EQUIPMENT/RELATED COSTS						
Equipment Purchases	\$ 120,700	-	120,700	\$ 9,460	7.84%	\$ 111,240
Equipment Rental	-	-	-	6,807	0.00%	(6,807)
Repair & Maintenance	-	-	-	-	0.00%	-
Software Licenses & Maintenance	163,864	-	163,864	96,912	59.14%	66,952
EQUIPMENT/RELATED COSTS SUBTOTAL:	\$ 284,564	\$ -	284,564	\$ 113,179	39.77%	\$ 171,385
GENERAL OFFICE EXPENSES						
Communications	\$ 14,618	-	14,618	\$ 23,398	160.06%	\$ (8,780)
Advertising	1,000	-	1,000	-	0.00%	1,000
Insurances	268,981	-	268,981	32,979	12.26%	236,002
Office Supplies	18,000	-	18,000	1,657	9.21%	16,343
Postage/Shipping/Other	4,200	-	4,200	244	5.81%	3,956
Printing, Binding & Reproduction	7,000	-	7,000	3,294	47.06%	3,706
Publications & Subscriptions	11,829	-	11,829	6,696	56.61%	5,133
Dues	14,580	-	14,580	7,637	52.38%	6,943
Marketing (External)	100,000	-	100,000	69,000	69.00%	31,000
Miscellaneous Costs	26,000	-	26,000	6,342	24.39%	19,658
Non Federal	50,000	-	50,000	45,389	90.78%	4,611
GENERAL OFFICE EXP SUBTOTAL:	\$ 516,208	\$ -	516,208	\$ 196,637	38.09%	\$ 319,571
PROFESSIONAL SERVICES						
Legal Services-Corporate	\$ 125,000	-	125,000	\$ 47,400	37.92%	\$ 77,600
Legal Services-Other	75,000	-	75,000	22,909	30.55%	52,091
Audit	82,000	-	82,000	25,600	31.22%	56,400
Monitoring (Contractor)	435,000	-	435,000	71,350	16.40%	363,650
Professional Services	939,124	-	939,124	312,675	33.29%	626,449
Payroll Fees	41,566	-	41,566	17,964	43.22%	23,602
PROFESSIONAL SERVICES SUBTOTAL:	\$ 1,697,690	\$ -	1,697,690	\$ 497,899	29.33%	\$ 1,199,791
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	4,500	45.00%	5,500
BOARD EXPENSES SUBTOTAL:	\$ 45,000	\$ -	45,000	\$ 12,580	27.96%	\$ 32,420
TOTAL EXPENSES	\$ 8,716,376	\$ 64,424	8,780,800	\$ 3,662,264	41.71%	\$ 5,118,536
SUMMARY:						
Personnel	\$ 5,672,536	64,424	5,736,960	\$ 2,626,925	45.79%	\$ 3,110,035
Board Facility	500,378	-	500,378	215,043	42.98%	285,335
Equipment/Related Costs	284,564	-	284,564	113,179	39.77%	171,385
General Office Expenses	516,208	-	516,208	196,637	38.09%	319,571
Professional Services	1,697,690	-	1,697,690	497,899	29.33%	1,199,791
Board Expenses	45,000	-	45,000	12,580	27.96%	32,420
TOTAL CORPORATE EXPENSES	\$ 8,716,376	\$ 64,424	8,780,800	\$ 3,662,264	41.71%	\$ 5,118,536

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

Grant	Remaining Balance			Expenses FY 25 - 26	Total Grant		Grant Expended	Months Remaining
	Grant Awards	as 9/30/25	Revised FY26 Budget		Expenses	Grant Balance		
2024 WIOA ADULT SERVICES	\$ 5,576,777.00	\$ 1,104,933.72	\$ 1,109,870	\$ 546,080.65	\$ 5,017,923.93	\$ 558,853.07	89.98%	3
2025 WIOA ADULT SERVICES	\$ 4,836,736.00	\$ 4,836,736.00	\$ 4,836,736	\$ 1,632,081.06	\$ 1,632,081.06	\$ 3,204,654.94	33.74%	15
2024 WIOA DISLOCATED WORKER	\$ 4,670,305.00	\$ 1,568,597.17	\$ 1,569,927	\$ 1,052,652.66	\$ 4,154,360.49	\$ 515,944.51	88.95%	3
2025 WIOA DISLOCATED WORKER	\$ 4,111,151.00	\$ 4,111,151.00	\$ 4,111,151	\$ 1,247,917.83	\$ 1,247,917.83	\$ 2,863,233.17	30.35%	15
2024 WIOA YOUTH SERVICES	\$ 5,910,587.00	\$ 1,714,339.97	\$ 1,716,540	\$ 917,412.18	\$ 5,113,659.21	\$ 796,927.79	86.52%	3
2025 WIOA YOUTH SERVICES	\$ 5,087,523.00	\$ 4,793,925.53	\$ 4,793,926	\$ 883,017.25	\$ 1,176,614.72	\$ 3,910,908.28	23.13%	15
WIOA RAPID RESPONSE	\$ 51,557.00	\$ 37,431.78	\$ 37,432	\$ 20,821.35	\$ 34,946.57	\$ 16,610.43	67.78%	3
WIOA RAPID RESPONSE **	\$ 0.00		\$ 12,889	0	0	\$ 0.00	0.00%	15
NATIONAL DISLOCATED WORKER GRANT - DISASTER RECOVER	\$ 723,455.00		\$ 436,952	\$ 26,216.99	\$ 26,216.99	\$ 697,238.01	3.62%	18
TEMPORARY ASST FOR NEEDY FAMILIES-TANF	\$ 6,590,722.00	\$ 522,848.13	\$ 528,676	\$ 385,251.16	\$ 6,453,125.03	\$ 137,596.97	97.91%	
TEMPORARY ASST FOR NEEDY FAMILIES-TANF	\$ 6,636,840.00		\$ 6,186,840	\$ 2,558,740.41	\$ 2,558,740.41	\$ 4,078,099.59	38.55%	7
SUPPLEMENTAL NUTRITION ASST PRGRM - SNAP	\$ 1,031,512.00	\$ -	\$ 1,031,512	\$ 558,407.44	\$ 558,407.44	\$ 473,104.56	54.13%	6
SUPPLEMENTAL NUTRITION ASST PRGRM - SNAP	\$ 105,000.00		\$ 105,000			\$ 105,000.00	0.00%	6
NON CUSTODIAL PARENT	\$ 437,578.00	\$ 432,300.98	\$ 432,421	\$ 203,373.05	\$ 208,650.07	\$ 228,927.93	47.68%	6
CC SRVCS FORMULA ALLOCATION-CCF	\$ 125,506,409.00	\$ 3,092,862.50	\$ 3,308,275	\$ 3,476,410.63	\$ 125,889,957.13	\$ (383,548.13)	100.31%	
CC SRVCS FORMULA ALLOCATION-CCF	\$ 123,251,770.00	\$ -	\$ 120,587,242	\$ 50,354,765.13	\$ 50,354,765.13	\$ 72,897,004.87	40.86%	9
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%	9
CC TEXAS DEPT FAMILY PROTECTIVE SRVCS-CCP	\$ 8,563,129.00	\$ 20,899.65	\$ -	\$ 22,674.99	\$ 8,564,904.34	\$ (1,775.34)	100.02%	
CC TEXAS DEPT FAMILY PROTECTIVE SRVCS-CCP	\$ 8,722,082.00	\$ 8,219,875.85	\$ 8,217,735	\$ 3,832,301.59	\$ 4,334,507.74	\$ 4,387,574.26	49.70%	9
TRADE ACT SERVICES	\$ 5,000.00	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000.00	0.00%	6
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	\$ 356,568.23	\$ 356,568.23	\$ 634,198.77	35.99%	9
RESOURCE ADMIN GRANT **	\$ 27,951.00	\$ -	\$ 11,857	\$ 7,329.18	\$ 7,329.18	\$ 20,621.82	26.22%	6
TEXAS VETERANS COMMISSION **	\$ 299,138.00		\$ 299,138	\$ 159,042.47	\$ 159,042.47	\$ 140,095.53	53.17%	6
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	\$ 4,999,269.00	\$ -	\$ 4,999,269	\$ 1,419,032.77	\$ 1,419,032.77	\$ 3,580,236.23	28.38%	7
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	\$ 1,182,900.00	\$ 1,182,900.00	\$ 3,549,702.00	24.99%	7
REEMPLOYMENT SERVICES - REA	\$ 1,628,778.00	\$ 235,079.22	\$ 236,877	\$ 235,086.59	\$ 1,628,785.37	\$ (7.37)	100.00%	
REEMPLOYMENT SERVICES - REA	\$ 1,437,723.00		\$ 1,437,723	\$ 651,560.98	\$ 651,560.98	\$ 786,162.02	45.32%	6
PARTNERS FOR REENTRY OPPORTUNITIES IN WD (PROWD)	\$ 1,174,500.00	\$ 719,717.46	\$ 391,500	\$ 174,859.33	\$ 629,641.87	\$ 544,858.13	53.61%	18
MILITARY TO CIVILIAN EMPLOYMENT PROGRAM	\$ 225,085.00	\$ 188,646.27	\$ 188,688	\$ 76,099.88	\$ 112,538.61	\$ 112,546.39	50.00%	3
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	\$ -	\$ -	\$ 200,000.00	0.00%	10
STUDENT HIREABILITY NAVIIGATOR	\$ 210,000.00	\$ 184,666.21	\$ 184,666	\$ 95,025.47	\$ 120,359.26	\$ 89,640.74	57.31%	5
STUDENT HIREABILITY NAVIIGATOR **	\$ 0.00		\$ 17,500			\$ 0.00	0.00%	
VOCATIONAL REHABILITATION-VR INFRA SUPPORT	\$ 799,830.23	\$ 735,850.36	\$ 735,850	\$ 384,149.81	\$ 448,129.68	\$ 351,700.55	56.03%	5
VOCATIONAL REHABILITATION-VR INFRA SUPPORT**	\$ 0.00		\$ 66,572			\$ 0.00	0.00%	
PAID WORK EXPERIENCE (PWE)	\$ 187,500.00	\$ -	\$ 187,500	\$ 5,559.67	\$ 5,559.67	\$ 181,940.33	2.97%	18
TRAINING & EMPLOYMENT NAVIGATOR PILOT	\$ 195,856.00	\$ 38,645.32	\$ 38,743	\$ 6,241.51	\$ 163,452.19	\$ 32,403.81	83.46%	
WORKFORCE COMMISSION INITIATIVES	\$ 100,250.00		\$ 100,250	\$ 65,164.52	\$ 65,164.52	\$ 35,085.48	65.00%	6
SUMMER EARN & LEARN (SEAL)	\$ 900,000.00		\$ 900,000	\$ 38,632.40	\$ 38,632.40	\$ 861,367.60	4.29%	6
SNAP EMPLOYMENT & TRAINING PARTNERSHIP	\$ 33,000.00		\$ 33,000	\$ -	\$ -	\$ 33,000.00	0.00%	6
ADAM SCRIPPS FOUNDATION FUND	\$ 187,500.00	\$ 167,257.66	\$ 167,258	0	\$ 20,242.34	\$ 167,257.66	10.80%	
KRONKOWSKY FOUNDATION FUND	\$ 21,000.00	\$ 12,120.55	\$ 12,121	\$ 2,086.92	\$ 10,966.37	\$ 10,033.63	52.22%	

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

Grant	Grant Awards	Remaining Balance		Revised FY26 Budget	Expenses FY 25 - 26	Total Grant		Grant Expended	Months Remaining
		as 9/30/25				Expenses	Grant Balance		
READY TO WORK-COSA	\$ 65,554,565.00	\$ 27,877,989.01		\$ -	\$ 557,995.50	\$ 38,234,571.49	\$ 27,319,993.51	58.32%	
READY TO WORK-COSA	\$ 11,114,758.14	\$ 8,308,848.65		\$ 8,346,667	\$ 3,801,026.14	\$ 6,606,935.63	\$ 4,507,822.51	59.44%	2
DOL BUILDING PATHWAYS	\$ 2,000,000.00	\$ 1,944,207.51		\$ 597,648	\$ 25,366.15	\$ 81,158.64	\$ 1,918,841.36	4.06%	43
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%	7
LIFT FUND	\$ 3,600.00	\$ 1,948.66		\$ -	\$ 194.83	\$ 1,846.17	\$ 1,753.83	51.28%	
TJX FOUNDATION GRANT	\$ 15,000.00	\$ -		\$ -	0	0	\$ 15,000.00	0.00%	
GRAND TOTAL	\$ 433,499,858.37	\$ 79,420,505.53		\$ 199,950,439	\$ 85,358,009.26	\$ 286,224,503.10	\$ 147,260,355.27		

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

Facilities & Infrastructure	Annual Budget	YTD Expenses	% Expensed	Balance
Workforce Facilities	\$ 6,386,802	\$ 2,950,779	46.20%	\$ 3,436,023
TOTAL FACILITIES EXPENSES	\$ 6,386,802	\$ 2,950,779	46.20%	\$ 3,436,023

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: May 29, 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 March 2026, a total of \$642,313 has been expended 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 \$461,169, trending similar to FY25. Rent and transportation continue to be the highest costs for support services.

Client Expenditure Comparison - TWC Programs as of March 2026							
Category	FY24 Allocation		FY25		FY26 Allocation		
	FY24 Actuals	%	FY25 Actuals	Allocation %	FY26 Year-to-Date	%	
Work Related	\$ 30,205	5.59%	\$ 105,232	11.38%	\$ 45,710	9.91%	
Rent	\$ 201,270	37.27%	\$ 389,776	42.16%	\$ 212,931	46.17%	
Utilities	\$ 31,049	5.75%	\$ 66,829	7.23%	\$ 35,073	7.61%	
Transportation	\$ 194,106	35.95%	\$ 251,816	27.24%	\$ 135,171	29.31%	
Incentives	\$ 45,056	8.34%	\$ 72,650	7.86%	\$ 26,600	5.77%	
Youth - Support Services	\$ 38,313	7.10%	\$ 38,247	4.14%	\$ 5,685	1.23%	
TOTAL:	\$ 539,999	100.00%	\$ 924,550	100.00%	\$ 461,169	100.00%	

Ready to Work – There is a significant decrease in rental assistance requests in the RTW Program. Overall expenses total \$181,143, trending \$30,000 more compared to FY25. Highest support services requests come from transportation and utilities.

Client Expenditure Comparison- Ready to Work as of March 2026						
Category	FY24 Allocation		FY25		FY26 Allocation	
	FY24 Actuals	%	FY25 Actuals	Allocation %	FY26 Year-to-Date	%
Rent	\$ 121,209	52.67%	\$ 110,448	37.59%	\$ 21,855	12.07%
Utilities	\$ 52,095	22.64%	\$ 87,881	29.91%	\$ 50,978	28.14%
Transporation	\$ 15,123	6.57%	\$ 37,360	12.71%	\$ 48,003	26.50%
Laptops/Computers	\$ 28,019	12.18%	\$ 22,918	7.80%	\$ 17,675	9.76%
Training Related	\$ 2,113	0.92%	\$ 8,243	2.81%	\$ 7,426	4.10%
Other: Medical, Legal, Food, Daycare, Loans	\$ 11,565	5.03%	\$ 26,988	9.18%	\$ 35,206	19.44%
TOTAL:	\$ 230,125	100.00%	\$ 293,838	100.00%	\$ 181,143	100.00%

MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, Chief Executive Officer

Presented by: Gabriela Navarro Garcia, Controller

Date: May 29, 2026

Regarding: **County by County Expenditure Analysis**

SUMMARY: *Update and Possible Discussion on Service Delivery Expenditure by County.* The preparation of the annual 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 March 31, 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	7,284,238	10,709,937	75%	57,710,015	65,487,351	84%	1,768,127	1,061,556	81%
Rural	2,488,394	3,507,559	25%	10,860,581	13,321,400	16%	423,667	339,892	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.

There was a slight Decrease in the percentage allocated to Bexar County for TWC Programs. 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 March 2026

County	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Atascosa	\$ 696,424	2.45%	\$ 348,212	2.45%	\$ 263,917	2.70%	\$ 432,507
Bandera	\$ 282,187	0.99%	\$ 141,094	0.99%	\$ 137,668	1.41%	\$ 144,519
Bexar	\$ 21,419,874	75.33%	\$ 10,709,937	75.33%	\$ 7,284,238	74.54%	\$ 14,135,636
Comal	\$ 1,529,001	5.38%	\$ 764,500	5.38%	\$ 652,515	6.68%	\$ 876,485
Frio	\$ 476,227	1.67%	\$ 238,113	1.67%	\$ 163,827	1.68%	\$ 312,400
Gillespie	\$ 272,220	0.96%	\$ 136,110	0.96%	\$ 93,737	0.96%	\$ 178,483
Guadalupe	\$ 1,520,571	5.35%	\$ 760,286	5.35%	\$ 375,746	3.84%	\$ 1,144,825
Karnes	\$ 296,090	1.04%	\$ 148,045	1.04%	\$ 109,072	1.12%	\$ 187,018
Kendall	\$ 534,740	1.88%	\$ 267,370	1.88%	\$ 171,395	1.75%	\$ 363,346
Kerr	\$ 437,752	1.54%	\$ 218,876	1.54%	\$ 219,999	2.25%	\$ 217,754
McMullen	\$ 89,371	0.31%	\$ 44,685	0.31%	\$ 8,641	0.09%	\$ 80,730
Medina	\$ 385,559	1.36%	\$ 192,780	1.36%	\$ 117,873	1.21%	\$ 267,686
Wilson	\$ 494,976	1.74%	\$ 247,488	1.74%	\$ 174,004	1.78%	\$ 320,971
TOTAL	\$ 28,434,993	100.00%	\$ 14,217,496	100.00%	\$ 9,772,632	100.00%	\$ 18,662,361
SUMMARY:							
Location	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Urban	\$ 21,419,874	75%	\$ 10,709,937	75%	\$ 7,284,238	75%	\$ 14,135,636
Rural	\$ 7,015,119	25%	\$ 3,507,559	25%	\$ 2,488,394	25%	\$ 4,526,724
TOTAL	\$ 28,434,993	100.00%	\$ 14,217,496	100.00%	\$ 9,772,632	100.00%	\$ 18,662,361

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

County	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Atascosa	\$ 2,616,982	1.66%	\$ 1,308,491	1.66%	\$ 1,560,268	2.28%	\$ 1,056,715
Bandera	\$ 877,460	0.56%	\$ 438,730	0.56%	\$ 187,355	0.27%	\$ 690,105
Bexar	\$ 130,974,702	83.10%	\$ 65,487,351	83.10%	\$ 57,710,015	84.16%	\$ 73,264,687
Comal	\$ 3,988,184	2.53%	\$ 1,994,092	2.53%	\$ 2,145,795	3.13%	\$ 1,842,388
Frio	\$ 1,452,641	0.92%	\$ 726,321	0.92%	\$ 616,318	0.90%	\$ 836,323
Gillespie	\$ 765,909	0.49%	\$ 382,954	0.49%	\$ 306,446	0.45%	\$ 459,463
Guadalupe	\$ 7,474,075	4.74%	\$ 3,737,037	4.74%	\$ 2,574,102	3.75%	\$ 4,899,973
Karnes	\$ 1,064,039	0.68%	\$ 532,019	0.68%	\$ 219,677	0.32%	\$ 844,362
Kendall	\$ 1,327,143	0.84%	\$ 663,571	0.84%	\$ 499,963	0.73%	\$ 827,180
Kerr	\$ 2,963,386	1.88%	\$ 1,481,693	1.88%	\$ 779,070	1.14%	\$ 2,184,315
McMullen	\$ 38,852	0.02%	\$ 19,426	0.02%	\$ 744	0.00%	\$ 38,107
Medina	\$ 2,470,679	1.57%	\$ 1,235,339	1.57%	\$ 1,351,568	1.97%	\$ 1,119,111
Wilson	\$ 1,603,450	1.02%	\$ 801,725	1.02%	\$ 619,274	0.90%	\$ 984,177
TOTAL	\$ 157,617,501	100.00%	\$ 78,808,750	100.00%	\$ 68,570,596	100.00%	\$ 89,046,905

SUMMARY:							
Location	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Urban	\$ 130,974,702	83%	\$ 65,487,351	83%	\$ 57,710,015	84%	\$ 73,264,687
Rural	\$ 26,642,799	17%	\$ 13,321,400	17%	\$ 10,860,581	16%	\$ 15,782,218
TOTAL	\$ 157,617,501	100%	\$ 78,808,750	100%	\$ 68,570,596	100%	\$ 89,046,905

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

County	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Atascosa	\$ 44,836	1.60%	\$ 22,418	1.60%	\$ 14,211	0.65%	\$ 30,625
Bandera	\$ 23,475	0.84%	\$ 11,738	0.84%	\$ 36,102	1.65%	\$ (12,627)
Bexar	\$ 2,123,111	75.75%	\$ 1,061,556	75.75%	\$ 1,768,127	80.67%	\$ 354,984
Comal	\$ 177,341	6.33%	\$ 88,671	6.33%	\$ 111,197	5.07%	\$ 66,144
Frio	\$ 60,560	2.16%	\$ 30,280	2.16%	\$ 15,713	0.72%	\$ 44,848
Gillespie	\$ 19,359	0.69%	\$ 9,680	0.69%	\$ -	0.00%	\$ 19,359
Guadalupe	\$ 137,986	4.92%	\$ 68,993	4.92%	\$ 86,239	3.93%	\$ 51,747
Karnes	\$ 16,194	0.58%	\$ 8,097	0.58%	\$ 28	0.00%	\$ 16,166
Kendall	\$ 44,020	1.57%	\$ 22,010	1.57%	\$ 48,501	2.21%	\$ (4,481)
Kerr	\$ 87,660	3.13%	\$ 43,830	3.13%	\$ 94,882	4.33%	\$ (7,222)
McMullen	\$ 6,115	0.22%	\$ 3,058	0.22%	\$ -	0.00%	\$ 6,115
Medina	\$ 23,197	0.83%	\$ 11,598	0.83%	\$ 16,330	0.75%	\$ 6,866
Wilson	\$ 39,041	1.39%	\$ 19,520	1.39%	\$ 465	0.02%	\$ 38,576
TOTAL	\$ 2,802,895	100.00%	\$ 1,401,448	100.00%	\$ 2,191,794	100.00%	\$ 611,101

SUMMARY:							
Location	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Urban	\$ 2,123,111	76%	\$ 1,061,556	76%	\$ 1,768,127	81%	\$ 354,984
Rural	\$ 679,784	24%	\$ 339,892	24%	\$ 423,667	19%	\$ 256,117
TOTAL	\$ 2,802,895	100%	\$ 1,401,448	100%	\$ 2,191,794	100%	\$ 611,101



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, CEO

Presented By: Gabriela Navarro Garcia, Controller

Date: May 29, 2026

Subject: **Childcare System Updates**

Summary: 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.

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.

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 (5.13.2026)

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TX3C Child Care Case Management Board Updates: May 13, 2026

Board Action Items

IF NOT COMPLETE:

- Possible Duplicates Corrections** (1/16/2026 email from Nina Rodriguez to Board CC contacts)
- Eligibility Characteristic Not Matching Program on Child's Schedule** (3/13/26 email from Nina Rodriguez to Board CC contacts)
- Child Attendance/Schedule Discrepancies** (4/3/2026 email from Nina Rodriguez to Board CC contacts)
- Incorrect Program Name** (4/20/26 email from Nina Rodriguez to Board CC contacts)

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

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 your 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 by September 1, 2026. The following vendors have indicated they intend to make the required changes:

- Procare Online
- Procare Desktop
- Brightwheel
- Lillio
- Playground
- Lineleader
- Family
- 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 4.38.2 – deployed 05.12.2026

Issue Type	Issue Key	Summary	Priority
Support	KTTX-1872	Run TX State-Wide ACF801 Report for Jan 2026	Critical
Support	KTTX-1847	List of payments with Null Payment Type	High
Bug	KTTX-1752	Error when shortening schedules	Critical
Bug	KTTX-1700	Delimiter Issues on ACF801 File	Highest
Bug	KTTX-1281	Cannot Delete Notice after Adjusting Payments	High
Bug	KTTX-1080	PD Issue Tracker: 209-Unable to run ACF 801 Report statewide	High
Enhancement	KTTX-2123	Update Auto-Calc to Not Calculate Payments for Inactive Programs	High
Bug	KTTX-2063	Bug - UAT - Payment Characteristics - Quality Rating TRS2 is not Displaying when Provider has School Ready Status TSRIPK Effective at Billing Period	High
Bug	KTTX-2118	KTTX UAT - 245 Payment Report - Report Window is Throwing 504 Gateway Time-Out Error	High

Issue Type	Issue Key	Summary	Priority
Bug	KTTX-2124	Performance Report Displays \$0 for Negative Adjustment Amounts	High

Upcoming Release Plan

TWC works with KinderSystems to identify the level of effort of each item and to prioritize which issues to include based on criticality and resources.

KinderTrack Release 4.39 (Scheduled for UAT on 05/15/2026; Prod ≈ 05/22/2026 pending successful UAT) *Note that the items in this release are not finalized.*

Issue Type	Issue Key	Summary	Priority
Enhancement	KTTX-1665	Accept New Quality Rate Types - SUSA and SUSI	Highest
Enhancement	KTTX-1710	Performance Report: Other Payment Statuses (Calculated, Authorized, Approved) showing up on Paid Payment Report for adjustments.	High
Enhancement	KTTX-1582	Update Applications in Intake to Correct Board	Critical
Enhancement	KTTX-1729	Add WPI Prevent and Error Logging on Schedule Save	High
Report	KTTX-1739	Update ACF801 File to Pull HHSC Inspection Date	High
Enhancement	IN-1734	Update KT to Pull HHSC Inspection Date	High
Bug	KTTX-1930	Family Fee Shows \$0 on Notice but \$165 in Summary Page and KC	High
Bug	KTTX-2058	Several payments missing allocation - payment batch update for allocation updates	High
Support	KTTX-1973	Several payments missing allocation - fix historical program allocation	High
Enhancement	KTTX-975	WPI no rate entered for an age group when entering a schedule	High
Enhancement	IN-1736	Create Push/Pull SFTP Scripts for TX SSN Validation SEND/RECEIVE files	Critical

KinderTrack Release 4.40 (Scheduled for UAT on 06/11/2026; Prod ≈ 06/25/2026 pending successful UAT) *Note that the items in this release are not finalized.*

1. Fixes for Payment & Financial Discrepancies

- **245 Report Errors:** This is a major recurring issue. The report shows incorrect units, wrong payment amounts, duplicate lines, and mismatched service months versus calendar years.
- **Adjustments & PSOC:** Multiple issues involve the Parent Share of Cost (PSoC) and Family Fees being calculated incorrectly, failing to recoup, or triggering unnecessary adjustments after schedule or quality rating changes.
- **Payment Processing:** Problems with payments being marked as "present" when providers are closed, negative payments being generated, and payments being processed for the wrong programs or funding streams.

2. Fixes for Intake & Case Management Issues

- **Application Workflow:** Issues where "Application Submitted" status does not transition to "Case Created," documents not reflecting in the intake, and duplicate case creations.
- **Waitlist Management:** Ranking discrepancies, incorrect county assignments, and errors when moving applications between family and waitlist statuses.
- **Notices:** Incorrect issue dates on notices, failure to trigger "Termination Pending" status, and system adjustments triggered by deleting notices.

3. Fixes for Provider & Attendance Issues

- **Attendance Tracking:** Time sheets failing to calculate, duplicate attendance entries requiring a "night job" cleanup, and paid absences being incorrectly auto-generated for relative providers.
- **Provider Data:** Discrepancies between Texas License numbers and HHSC Operation numbers, as well as incorrect rate assignments for specific providers.

4. Fixes for Communication & User Interface Issues

- **Messaging Errors:** Timestamps updating incorrectly across all family messages and duplicate messages being sent to parents.
- **Display Issues:** Multiple UI bugs on the Notice page, Parent page, and Payment Processing screens where incorrect IDs or values are displayed.
- **Email Failures:** Recertification emails not being received in certain environments.

5. Fixes for System Performance & Technical Errors

- **API & Stability:** HTTP 500 errors and database deadlocks related to the Children's Learning Institute (CLI-API).
- **Environment Sync:** Discrepancies in adjustment behavior between Production and Staging environments.
- **Functionality Gaps:** Inability to copy families from board to board and issues with the "Advanced Query" for attendance monitoring.

6. Fixes for Compliance & Reporting

- **State Reporting:** Requirements for running the Texas State-Wide ACF801 Report for 2024–2025.
- **Data Updates:** Needs for one-time updates to Child Care Worker data and importing CSVs from the Texas Workforce Commission (TWC).

Issue Type	Issue Key	Summary
Bug	KTTX-596	245 Report and Payment Matrix discrepancies
Bug	KTTX-835	Unable to copy family from board to board
Bug	KTTX-907	Wrong child_type is showing in 245 Payment report for a child older than 13 y 11 m
Task	KTTX-911	Legacy Payment Differential Load
Bug	KTTX-931	Multiple Display Issues on TX Notice page
Support	KTTX-961	Incorrect priority in KinderTrack
Support	KTTX-974	KT not changing Application Submitted to Case Created
Bug	KTTX-994	Incorrect value is displayed in fund_unit_care_qy and fund_unit_bill_qy columns of 245 report when scheduled day falls on Provider's Closed day
Support	KTTX-1009	Recertification Email Not Received KT TX TRN
Bug	KTTX-1010	KTTX Duplicate Payments
Support	KTTX-1031	Time Sheets Are Not Calculating
Bug	KTTX-1053	Family Message Timestamp Updating on All Messages When One is Sent or Received
Support	KTTX-1153	Adjustment Created Without Change in Calculated Amount
Support	KTTX-1179	Family Fee Discrepancy With multiple Notices
Support	KTTX-1296	Discrepancy in adjustment behavior between PROD and Staging environments after the schedule is shortened.
Support	KTTX-1299	Incorrect payment adjustment due to Program Payment Transfer from CCP to CCC funding for child Dime
Bug	KTTX-1314	Recovery attempt for child not linked to deleted notice
Bug	KTTX-1318	Incorrect Family Fee display for Adjustments in 245 Payment report
Support	KTTX-1337	Issue accessing messages from Alerts page
Bug	KTTX-1339	Incorrect Payment ID listed on Adjustment Payment
Support	KTTX-1345	Create Advanced Query for Attendance Code Monitoring

Support	KTTX-1352	Intake is not reflecting supporting documents uploaded with full application
Support	KTTX-1357	Document KT Processes Affected by Recertification Date
Support	KTTX-1358	Duplicate messages to parents in Intake
Support	KTTX-1377	Paid absences entries autogenerated for relative providers
Bug	KTTX-1421	Payment incorrectly marked as "present" despite provider closure
Bug	KTTX-1459	Family fee Issue- PSOC assigned to multiple children
Bug	KTTX-1477	Paid Absence Period Calculating Incorrectly
Bug	KTTX-1530	Payment Adjustments Made Long After End of Authorization
Support	KTTX-1550	Parent Share of Cost Adjustment Issue
Bug	KTTX-1555	Unable to request multiple full applications
Support	KTTX-1558	Error Received When Attempting to Access T-Sheet
Support	KTTX-1563	Third Priority Group not Ranking Properly
Enhancement	KTTX-1582	Update Waitlist Applications in Intake to Correct County
Support	KTTX-1595	Automatic Adjustment Not Created After Quality Rating Change
Enhancement	KTTX-1598	Update Deep East Applications from Existing Family to Waitlist Status
Bug	KTTX-1599	Payment > Payment Processing Displaying Unexpected Results
Bug	KTTX-1616	Rural Capital payments showing in Gulf Coast
Support	KTTX-1628	245 Report Populating the Current Month with the Service Month
Support	KTTX-1629	Family Fee recoup from Incorrect Provider
Support	KTTX-1640	KT Creating Negative Payments When Should be Set to Present
Bug	KTTX-1643	Night job to clean up duplicate attendance
Support	KTTX-1663	Texoma Payments
Support	KTTX-1666	245 report showing higher payment amount than expected
Support	KTTX-1669	245 Payment Report Showing 0 Units, 0 Amount, and Blank Rate Category
Bug	KTTX-1683	Issue Date Changing After Notice Is Saved

Enhancement	KTTX-1690	Add Operator Read-Only Flag for Provider TX License Number and HHSC Operation Number
Support	KTTX-1691	CLIAPI - Childrens Learning Institute - HTTP 500 Error and Deadlock error
Bug	KTTX-1694	Regular Hours Disappearing from Child Schedule
Support	KTTX-1706	Paid Payment has No Allocation ID set when there are funds available
Bug	KTTX-1709	Payment Adjustments Incorrectly Recouping entire amount when Family Fee is updated.
Support	KTTX-1712	Import Child Care Worker CSV from TWC into Intake
Bug	KTTX-1727	Payments stopped generating
Support	KTTX-1734	Provider Received Mass Payments and Adjustments Incorrectly
Support	KTTX-1735	Unselected Payments Were Processed
Bug	KTTX-1742	Unable to run 245 report
Support	KTTX-1744	Incorrect PSOC deduction
Bug	KTTX-1753	Family Fee No Longer Deducted After No Changes
Support	KTTX-1754	No TEA ID Assigned for Some Children
Support	KTTX-1757	Allocation changes not updating on 245 report or payment summary
Support	KTTX-1765	245 report displays generic program name instead of allocation name
Support	KTTX-1766	245 report showing incorrect payment amounts
Support	KTTX-1767	245 shows calendar year instead of the BCY
Support	KTTX-1768	Waitlist ranking discrepancies
Bug	KTTX-1779	245 Report- Duplicate lines and incorrect payment amount
Support	KTTX-1781	Incorrect Adjustment Logic
Bug	KTTX-1795	\$0 Payment Adjustment- Case #6099966
Bug	KTTX-1798	\$1 PSoC recouped on Case with no PSoC
Support	KTTX-1799	Incorrect payments caused by Default Calendar not updated

Support	KTTX-1802	Payments Generated with Wrong Program
Bug	KTTX-1806	KT Error When Selecting Certain Payments
Bug	KTTX-1808	Audit showing incorrect rate while payments use correct amount
Support	KTTX-1818	Payments still generating after schedule was shortened
Bug	KTTX-1822	UAT - 245 Report - fund_unit_care_qy & fund_unit_bill_qy columns are displaying incorrect values when schedule is shortened
Bug	KTTX-1829	Cannot Override Payment ID 5591685; Reverts to \$0
Support	KTTX-1830	Spontaneous Payment Generation
Enhancement	KTTX-1832	Duplicate Case Creation from Intake
Bug	KTTX-1833	Payment Missing from Payment Matrix Report
Bug	KTTX-1865	System adjustment triggered by deletion of Recertification/Discontinue Notice
Bug	KTTX-1866	System is creating Zero adjustments
Support	KTTX-1873	Run TX State-Wide ACF801 Report for Jan - Dec 2024 and 2025
Bug	KTTX-1881	System calculating negative Family Share of Cost
Enhancement	KTTX-1914	Refactor 245 Report
Bug	KTTX-1917	Inconsistent payment search results when selecting vs. unselecting provider types
Support	KTTX-1921	Primary and Secondary Parent Display Incorrect on Family > Parent Page for DFPS referrals
Support	KTTX-1932	Discontinue notice with future effective date does not set status to "Termination Pending"-dbo.fnFamilyStatusGet2
Bug	KTTX-1934	Adjustments incorrectly after TRS rating modification
Support	KTTX-1942	Discrepancy between TX license Number and HHSC Operation Number for Provider
Support	KTTX-1969	Provider rate discrepancy-4th and Elm Cornerstone Christian Preschool (#877707)
Support	KTTX-1982	Adjustment not Created with Program Change
Enhancement	KTTX-1986	One-Time Update - Child Care Workers

Bug	KTTX-1988	245 Report – Incorrect “Unit” Values
Bug	KTTX-2007	245 Report includes only active authorization dates and counts units from other providers or programs
Support	KTTX-2010	INT-Response_JSON showing “Null” for test case ID 50390067 in Tarrant County
Support	KTTX-2043	Secondary work for KTTX-1981
Support	KTTX-2060	Incorrect Family Fees
Support	KTTX-2064	Recertification Auto and Manual Process
Bug	KTTX-2066	Incorrect results in Payment Processing when searched with Payment worker
Support	KTTX-2069	Application Missing "Training" node information
Bug	KTTX-2141	Performance Report missing PayRateDesignator column required by AC#2 of trace/report refactor
Bug	KTTX-2144	TX QA - When a notice is deleted, payment adjustment is not created
Report	KTTX-2165	Update Reports to Pull TX License Number
Enhancement	RA-230	TX - Add "Hours Needed" and "Days Needed" from DFPS Referral to the Family > Notes Page

Critical/High/Medium Backlog

Issue Type	Issue Key	Summary	Priority
	KTTX-1402	Duplicate Absence Alert sent to Sponsor	Critical
Bug	KTTX-1694	Case Type disappearing and Board is unable to fix	High
Enhancement	KTTX-1762	Create WPI for Parent CIN	Medium
Report	KTTX-1474	Create Child Attendance 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-1634	“Teen Parent 19 Highschool” Priority group	High
Enhancement	KTTX-1212	Automated payments adjustments - Family Fee	High

Issue Type	Issue Key	Summary	Priority
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
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
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

Issue Type	Issue Key	Summary	Priority
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
Bug	KTTX-1131	Parent Message Alert Not appearing in Intake> Alert - parent sent message in Intake but no alert to caseworker	Medium
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
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

Issue Type	Issue Key	Summary	Priority
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
	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	
	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
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
Enhancement	KTTX-1943	SSN Validation Process Report (Transport mechanism code change tasks)	Critical
Support	KTTX-1820	Incorrect Business Hours Calculation for 24-Hour Centers	Highest
Support	KTTX-1817	Program Name changes	Critical
Support	KTTX-1531	Inconsistent Receipt of Recertification Invitation Link	Critical
Support	KTTX-1424	KT TX UAT Not importing Waitlist Application	Critical
Support	KTTX-1391	Error: "File not found" when downloading documents from the intake	Critical
Bug	KTTX-1200	Cannot create discontinue notice after creating adjusted payments	High
Support	KTTX-977	Intake Applications are not showing up in KinderTrack	Critical



MEMORANDUM

To: Audit and Finance Committee

From: Adrian Lopez, CEO

Presented By: Elizabeth Lutz, Chair

Date: May 29, 2026

Subject: Board Retreat

Summary: The Audit and Finance Committee breakout discussion focused on financial sustainability, operational efficiency, service accessibility, accountability, and data management priorities for Workforce Solutions Alamo (WSA).

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

Goal 1: Texas Talent Experts Build a statewide network of Texas Talent Experts to support workforce development by identifying skill gaps, advising employers and job seekers, and promoting talent recruitment and retention across Texas.

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.

Goal 3: Partnership Managers: Strengthen and expand strategic partnerships among TWC, employers, educational institutions, and community-based organizations to deliver coordinated and innovative workforce development solutions.

Analysis: Discussion included federal funding impacts, reducing operational costs, expanding partnerships and co-locations, improving outreach efforts, strengthening accountability, and enhancing data accuracy and performance tracking to support compliance and risk mitigation.

Alternatives:

- Maintain current practices.
- Implement phased operational and data management improvements.
- Expand partnerships and co-location strategies incrementally.

Fiscal Impact: Potential cost savings through operational efficiencies and shared resources. Some initiatives may require future funding support.



Board Responsibilities: Provide fiscal oversight, ensure compliance with TWC requirements, monitor performance, and support strategic and operational improvements.

Recommendation: Continue evaluating cost-saving opportunities, partnership expansion, outreach strategies, and performance management improvements.

Next Steps: Review financial safeguards, assess operational efficiencies, explore partnership opportunities, and improve data tracking and reporting processes.

Attachments: NA