Audit & Finance Committee

September 4, 2026

Workforce Solutions ALAMO

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Meeting Minutes – July 10, 2026

Fiscal Updates

Gabriela Navarro-Garcia, Controller

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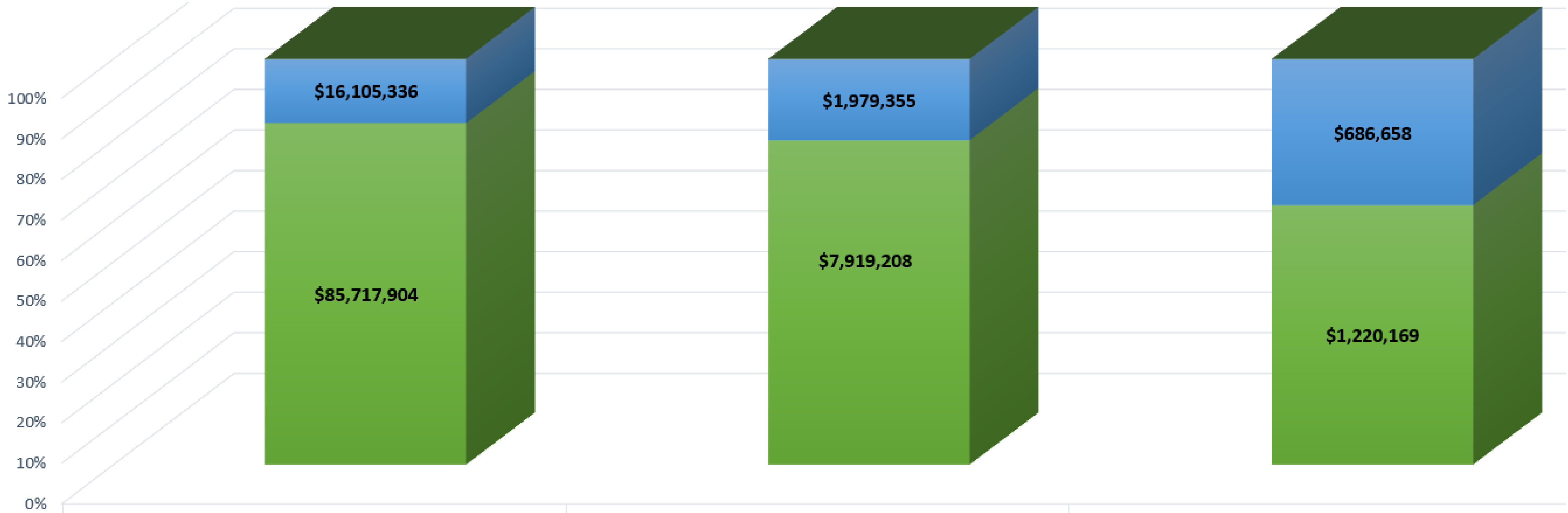
Financials

Budget to Actual Expenditures

June 2026 Budget to Actual Variance Analysis								
Budget Category		FY26 Budget Amendment #1		FY26 Actuals	% Expensed		Straight-Line Target (75%)	YTD Variance %
Corporate - Personnel	$	5,736,960	$	3,890,654	67.82%	$	4,302,720	7.18%
Corporate - Facilities	$	500,378	$	325,741	65.10%	$	375,284	9.90%
Corporate - Equipment Related	$	284,564	$	166,471	58.50%	$	213,423	16.50%
Corporate - General Office	$	516,208	$	266,097	51.55%	$	387,156	23.45%
Corporate - Professional Services	$	1,697,690	$	1,002,409	59.05%	$	1,273,268	15.95%
Corporate - Board of Directors	$	45,000	$	14,830	32.96%	$	33,750	42.04%
Corporate Total	**$**	**8,780,800**	**$**	**5,666,202**	**64.53%**	**$**	**6,585,600**	**10.47%**
Facilities	**$**	**6,386,802**	**$**	**4,361,343**	**68.29%**	**$**	**4,790,101**	**6.71%**
Projects - Special Initiatives	**$**	**771,825**	**$**	**245,782**	**31.84%**	**$**	**578,869**	**43.16%**
Service Delivery Total	**$**	**169,745,491**	**$**	**119,679,657**	**70.51%**	**$**	**127,309,119**	**4.49%**
Reserve	**$**	**14,111,623**	**$**	**-**	**0.00%**	**$**	**10,583,717**	**75.00%**
Total Budget	**$**	**199,796,541**	**$**	**129,952,984**	**65.04%**	**$**	**149,847,406**	**9.96%**

Service Delivery Comparison – Rural & Urban Counties



	Child Care	Adult Services	Youth
Rural (%)	16%	20%	36%
Urban (%)	84%	80%	64%
Rural	$16,105,336	$1,979,355	$686,658
Urban	$85,717,904	$7,919,208	$1,220,169

Key Variances – TWC Programs

TANF – 60.78% Expensed – The board continues to closely monitor expenditures to spend all funds by the end of the contract period.

Military to Civilian Employment Program – 72.29% The board is estimating $63,410.49 of unutilized funds due to lower participation that originally projected. Under the new grant, the board is strengthening outreach efforts to ensure eligible clients are reached and served, resulting in improved utilization of available funding.

National Dislocated Worker- Disaster Relief Grant – 24.45% Expenses are projected to materialize over the coming months, with approximately $230,000 in committed costs for currently active clients. The board expects to spend the funds by the end of the contract period.

Key Variances – Childcare

- Childcare Quality- 48.22% expensed: The board expects to spend the funds during the third and fourth quarters. Expenditures include purchase of quality materials for childcare centers.

- Quality Improvement Activity – 57.02%: The board continues 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.

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Key Variances – Other Funding

DOL Building Pathways

- $2M grant received for a 4-year period ending 09/30/2029
- 6.45% Expensed
- Expenditures will start increasing in the next months.

Ready to Work

- 3- Year Contract: 57.47% Reconciliation billings and expenditures are expected to be finalized by September 2026.
- 1-Year Renewal 75.09% Expenditures will continue to be reflected in the coming months as outstanding invoices come in for training started in the contract period.

Questions

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Client Expenditure Analysis

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Client Expenditures

TWC Funding

Client Expenditure Comparison - TWC Programs as of July 2026						
Category	FY24 Actuals	FY24 Allocation %	FY25 Actuals	FY25 Allocation %	FY26 Year-to-Date	FY26 Allocation %
Work Related	$ 30,205	5.59%	$ 105,232	11.38%	$ 82,846	9.89%
Rent	$ 201,270	37.27%	$ 389,776	42.16%	$ 369,563	44.10%
Utilities	$ 31,049	5.75%	$ 66,829	7.23%	$ 59,403	7.09%
Transportation	$ 194,106	35.95%	$ 251,816	27.24%	$ 249,268	29.74%
Incentives	$ 45,056	8.34%	$ 72,650	7.86%	$ 58,400	6.97%
Youth - Support Services	$ 38,313	7.10%	$ 38,247	4.14%	$ 18,600	2.22%
TOTAL:	**$ 539,999**	**100.00%**	**$ 924,550**	**100.00%**	**$ 838,081**	**100.00%**

Client Expenditures

Ready to Work Funding

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

County by County Expenditure Analysis

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County by County Comparison

TWC Programs

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

	Budget	Actual
Urban	75%	74%
Rural	25%	26%

County by County Comparison

Childcare

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

	Budget	Actual
Urban	83%	84%
Rural	17%	16%

County by County Comparison

Other Funding

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

	Budget	Actual
Urban	76%	79%
Rural	24%	21%

**Expenditures exclude Bexar County only funds which include: City of San Antonio, Non-Custodial Parent, Military Family, Student Hireability Navigator, and Training and Employment Navigator.*

Questions

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Financial Monitoring and Single Audit Desk Reviews

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Financial Monitoring

- TWC's Financial Manual for Grants and Contracts (FMGC) requires boards to complete a Financial Monitoring review for all subrecipients of TWC grants. The reviews are conducted by Christine Nguyen, CPA.
- The Financial Monitoring reports for C2 GPS, SERCO, and COSA have been completed and closed for FY 25-26. No major items where identified.
- Financial Monitoring review for Equus is ongoing and expected to be finalized by this month

Single Audit Desk Reviews

- TWC’s Financial Manual for Grants and Contracts (FMGC) requires boards to complete a single audit desk review for subrecipients that meet the $1M threshold on federal grants. The reviews were conducted by Christine Nguyen, CPA.
- Single Audit Desk Reviews have been completed for C2GPS, COSA, and Serco for their fiscal year end 2025.
- C2GPS and COSA qualified as a low-risk auditee.
- Serco did not qualify as a low-risk auditee. Significant deficiencies identified in Internal Controls over financial reporting did not pertain to WSA's Programs.

Questions

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Childcare System Updates

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TX3C Overview

- TWC launched **TX Child Care Connection (TX3C)** in January 2025, introducing a statewide, mobile-friendly child care system with a standardized family application process.
- Key changes included a statewide Parent Share of Cost (PSoC), consistent fees for families relocating within Texas until recertification, and advance payments to providers.
- Since implementation, ongoing challenges have occurred with payment processing, the 245 payment report, reconciliation of provider payments, and system workflow efficiencies.
- Boards continue working with TWC to address these issues and improve system performance.

Summary of Releases Deployed TWC 08/11/2026

- **37 items** were included in the release, focusing on attendance tracking, reporting, case management, messaging, and payment processing improvements.
- **Six items did not pass testing and will be carried forward to future releases:**
  - KTTX-941: TX New Children with/Without Child Care Report - CIN Column Data Format (PII)
  - KTTX-1131: Parent Message Alert Not Appearing in Intake > Alert
  - KTTX-1320: DFPS/Non-DFPS Report Displays Payments Different Compared to 245 Report
  - KTTX-2201: Family Fee Override of $0 Not Reflected Correctly
  - KTTX-2464: Reverse Changes to 245 and Return to Current PROD
  - KTTX-1609: Nonexistent Family Fee Deducted by Auto-Adjustment (Failed UAT)
- Release 4.41 Hotfix 1 addressed attendance and absence tracking issues and included no failed testing items.
- Release 4.40 Hotfix 6 resolved a payment adjustment issue occurring after case termination and included no failed testing items.

Backlog Summary
TWC 08/11/2026

Medium Priority

- Incorrect family fee display on adjustment transactions.
- Incorrect 245 report values when schedules are shortened.
- Parent CIN WPI enhancement.
- T-Sheet access errors.
- Missing SSNs from BridgeCare imports.
- BridgeCare waitlist PDF housing question issue.
- Deep East waitlist status enhancement

Critical Priority

- **Attendance Alert Issues**
  - Duplicate absence alerts being sent to sponsors.
  - Absence alert emails being sent to multiple families/providers after board transfers

Backlog Summary
TWC 08/11/2026

High Priority

- **245 Report & Payment Processing**
  - Multiple issues related to 245 report accuracy, payment calculations, allocation reporting, payment transfers, family fee calculations, and payment trace discrepancies.
  - Enhancement requests for redesigning and improving the 245 and Performance Reports.
- **Attendance & Case Management**
  - Enhance attendance tracking, absence calculations, and schedule management.
  - Improve child attendance reporting and cross-board case transfers.

Backlog Summary TWC 08/11/2026

High Priority

- **Provider & Family Management**
  - Improve provider transfers, suspensions, and quality rating management.
  - Strengthen family data synchronization and case/application integration.
- **Communication & Notifications**
  - Enhance alerts, messaging, notices, and communication tools.
  - Improve recertification and application notification processes.
- **Reporting & System Enhancements**
  - Develop new operational and management reports.
  - Improve audit logging, reporting functionality, search capabilities, and document management.

Questions

CEO Report

Adrian Lopez, Chief Executive Officer

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Childcare Analysis

Child Care Funding Allocation: Budget Impact

Analysis

Reduced Child Care's share of corporate & facility costs

Result

$1.53M

Shifted to other formula-funded programs

- **$656K** → Facility costs
- **$874K** → Corporate costs

Key Concern

Formula-funded programs are already facing **significant budget reductions**, further limiting resources for participant services and operations.

Facility Cost Options

1 — **Greater reduction:** Close **4 centers**

2 — **Lesser reduction:** Close **3 centers**

Bottom line: Reducing Child Care costs shifts the financial burden to other programs and requires **facility closures or additional funding adjustments**. This will have an effect on our 100k clients access to career centers.

Expenditure Analysis

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Expenditure Analysis, Support Services, Training, and Work Experience

Fiscal Years 2025 - 2026

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Summary

- An analysis of client-related service expenditures was performed by using 2025-2026 fiscal Information.
- 2025-2026 Support services, training, and work experience-related services were provided to 5,035 unique clients from the Alamo region for a total of $7,582,332 from October 2025 to July 2026.
- During this period, $3,221,690 of the total expenses were assigned to support training, work experience ($2,596,133), and support services ($1,764,510).

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Summary

- Rent and transportation service-related expenses added up to $763,366 and $509,715 respectively, making up $1,358 and $46 in monthly per client average expenses.
- Utilities and work-related support services added up to $127,693 and $190,743 respectively, making up $260 and $110 in monthly per client average expenses.
- ITAs accounted for a total of $2,661,771 of the client-related expenses and averaged $1,413 in dollar assistance per client per month. Finally, work experience expenses accounted for $2,596,133 of total expenses and averaged $1,252 in dollar assistance per client per month.

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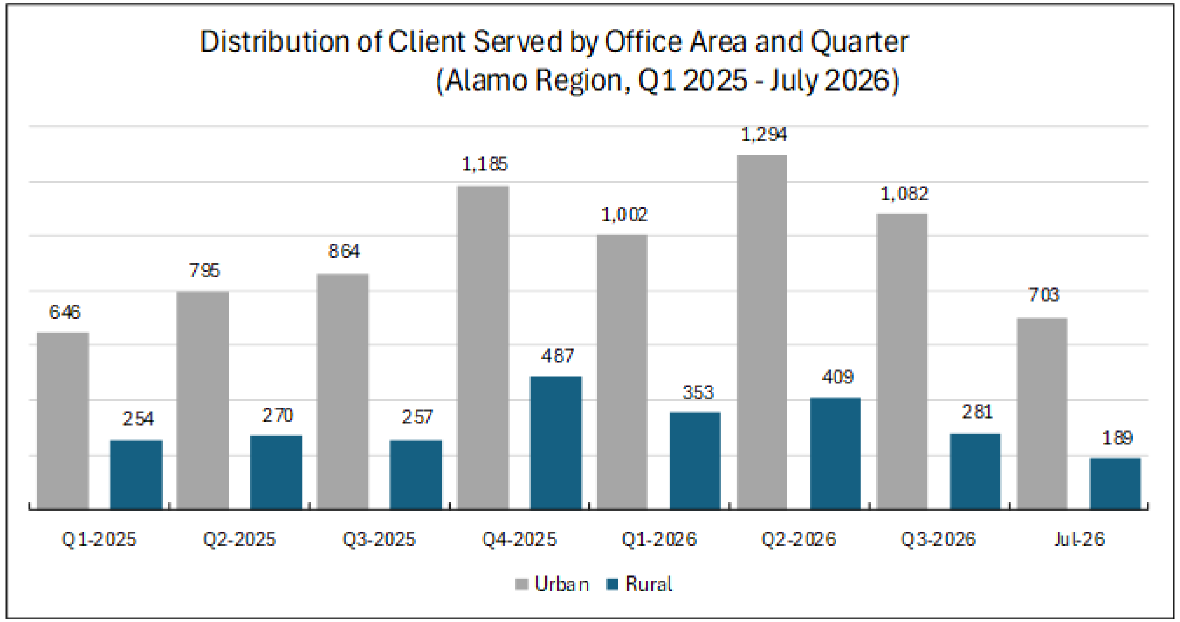
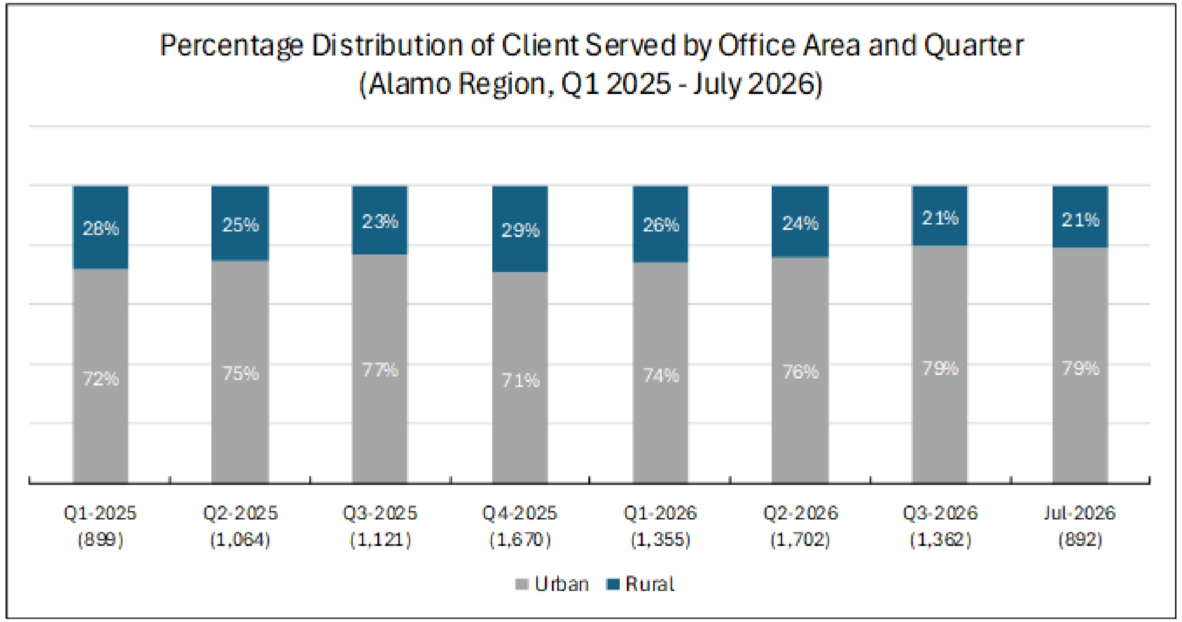
Clients Served and Total Expenses

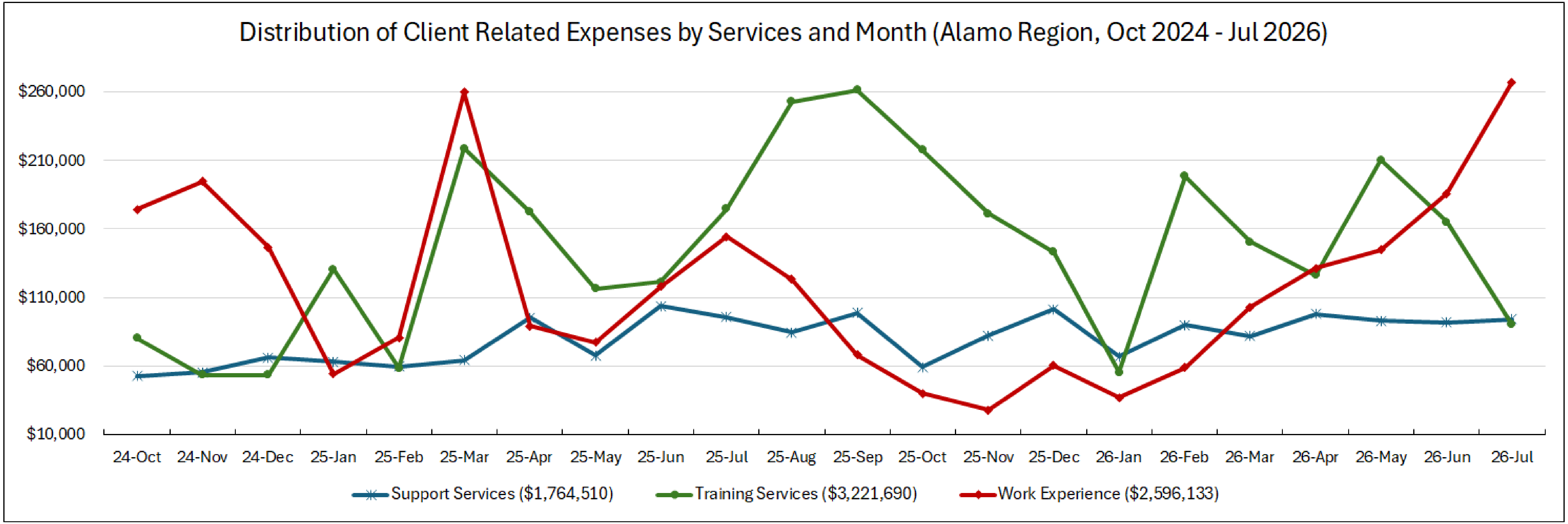




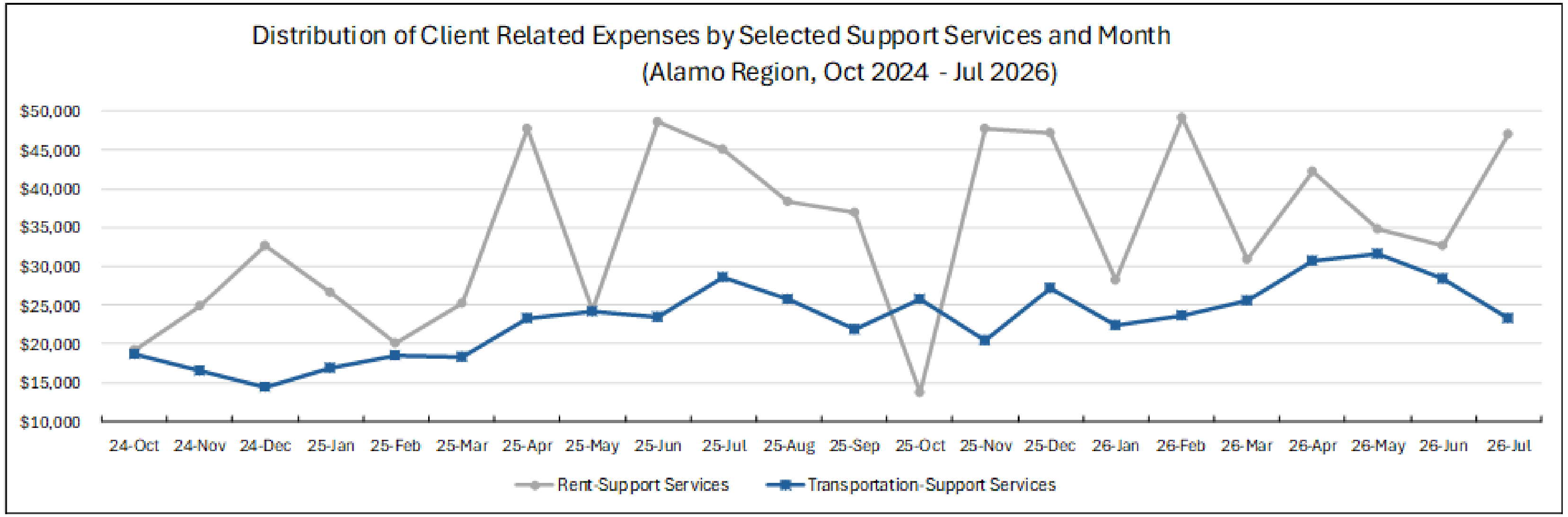
Distribution of Clients and Total Expenses by Grant (Alamo Region, Oct 2024- Jul 2026)

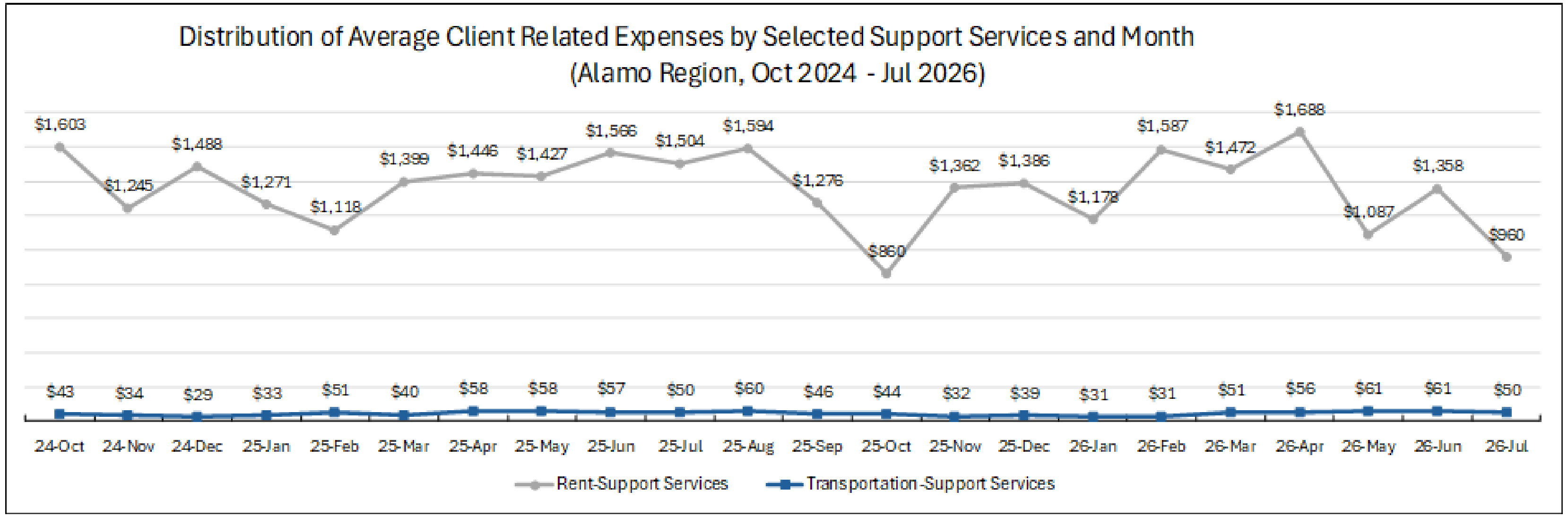
Grant	Unique Clients	Total Expenses
ADULT	1,015	$ 1,779,191
DW	814	$ 1,527,494
SNAP	886	$ 315,343
TANF	1,316	$ 1,384,180
YOUTH	801	$ 2,182,582
Other Grants	203	$ 393,543
Total	5,035	$ 7,582,332

Client Related Expenses by Month

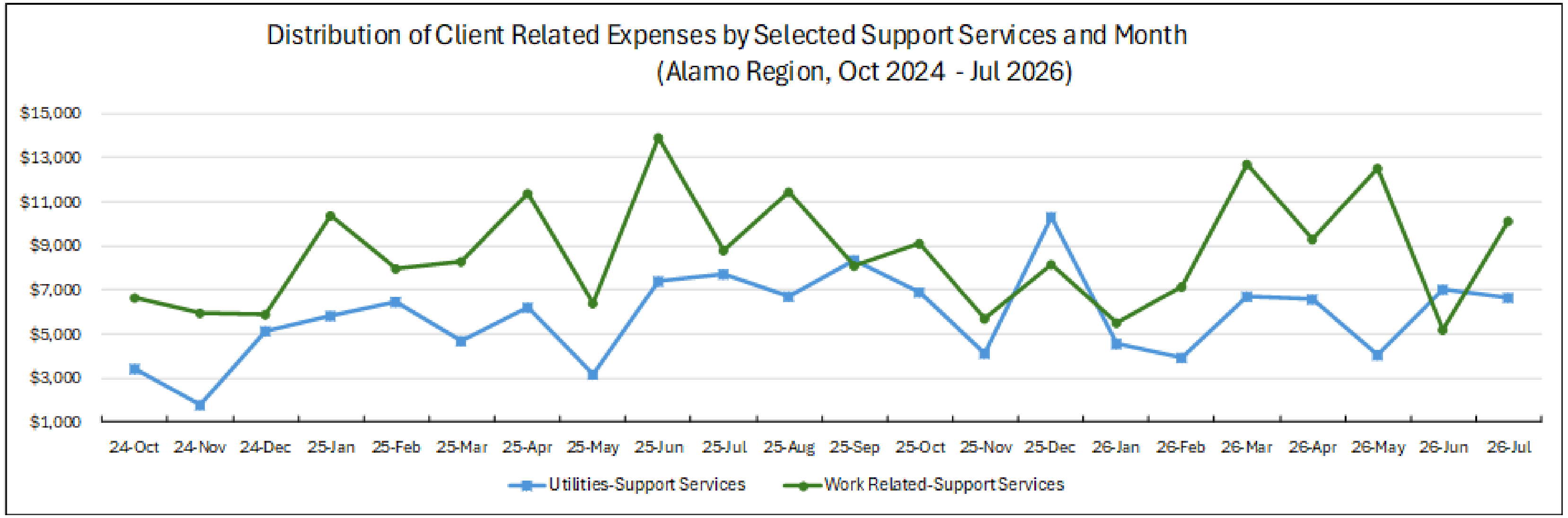


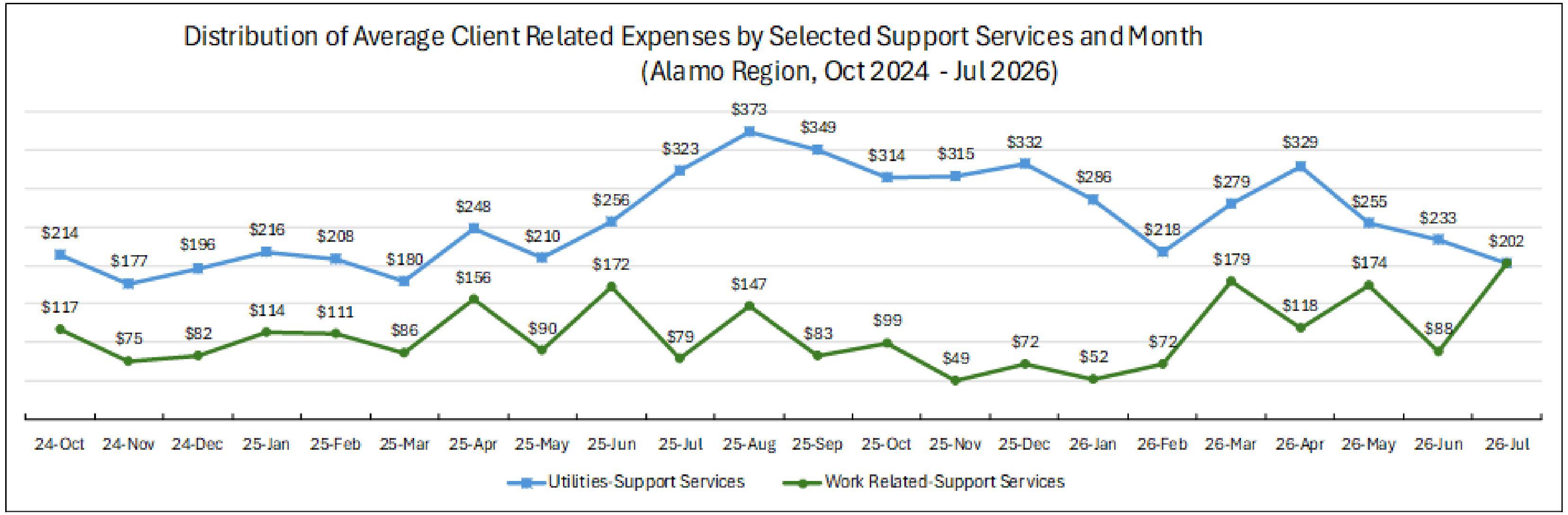
Support Services by Month



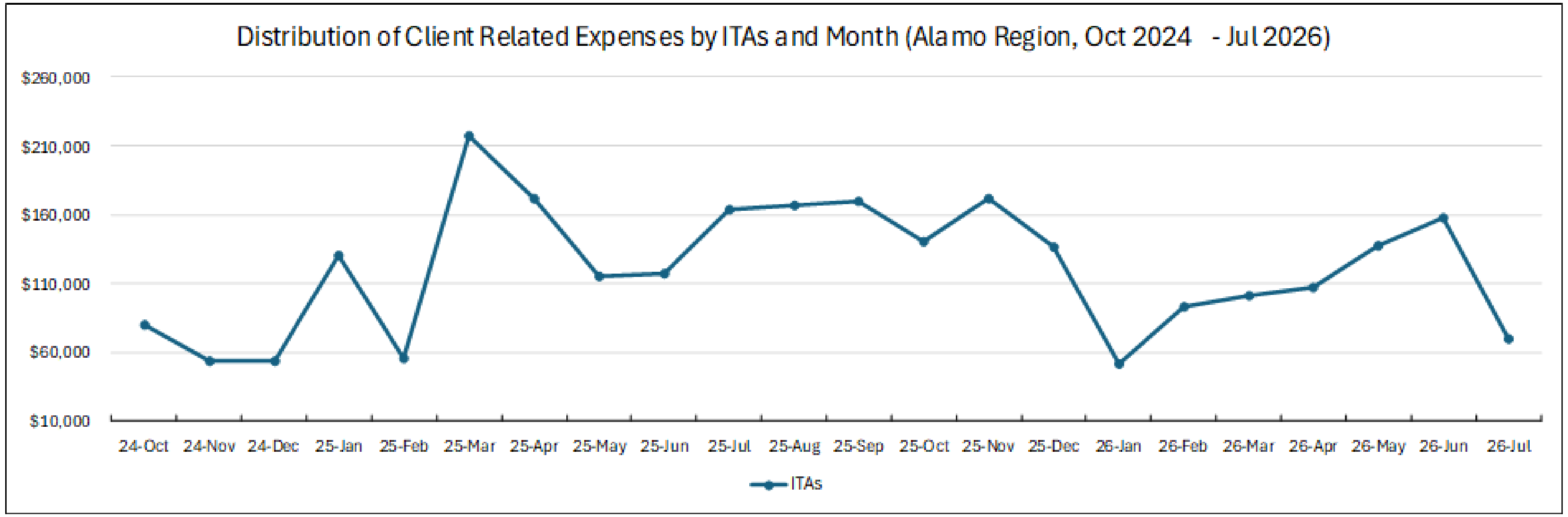


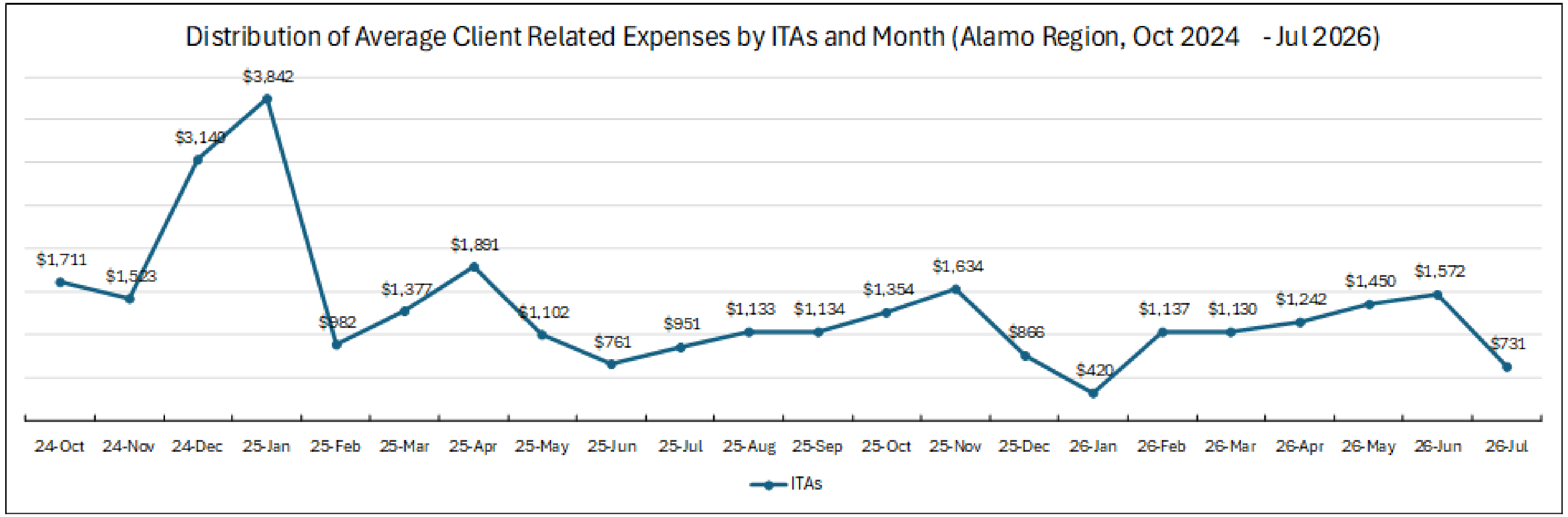
Support Services by Month



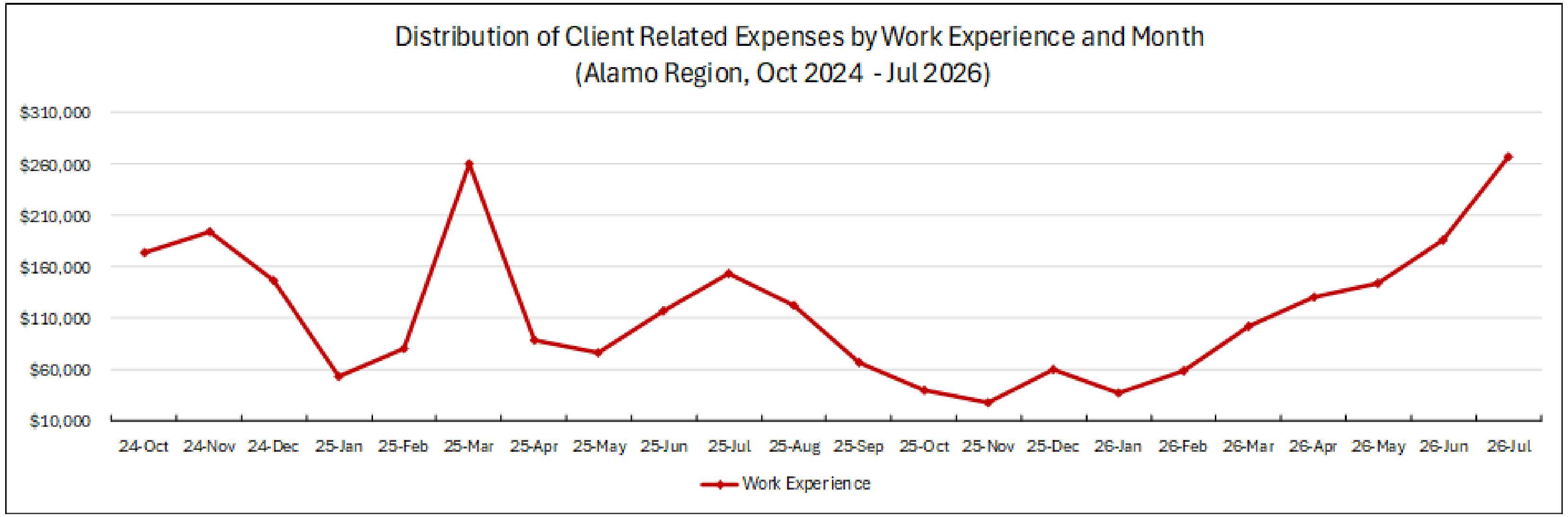


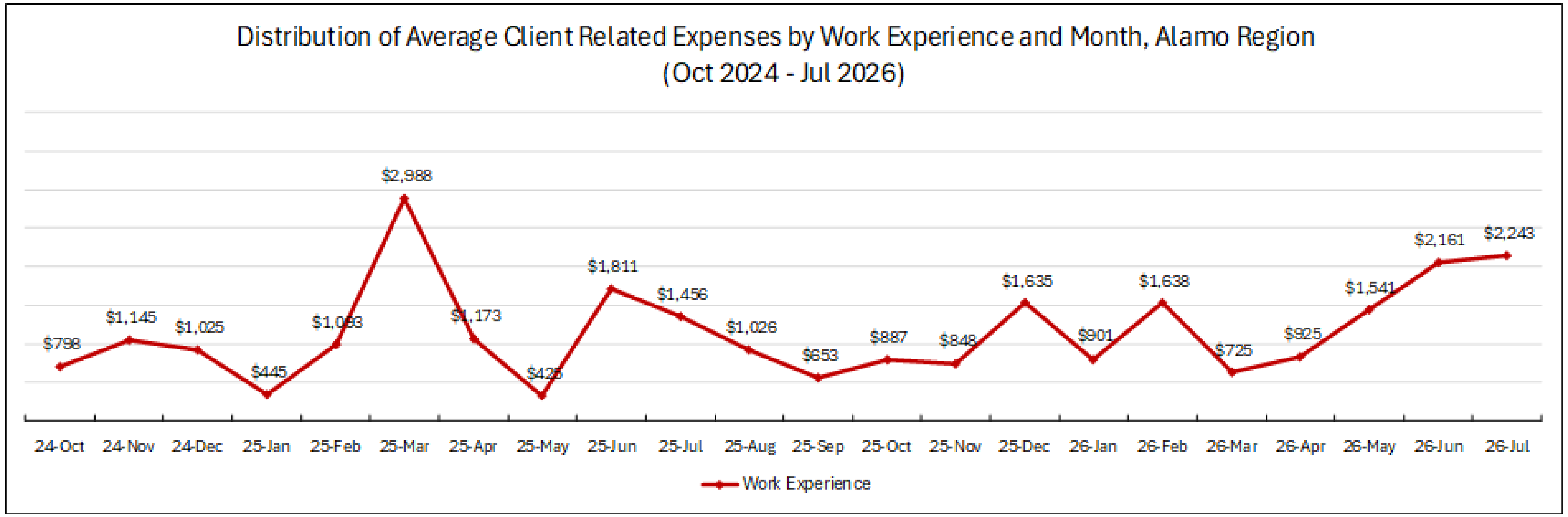
Training Services by Month





Work Experience by Month





Questions

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Chair Report

Elizabeth Lutz, Committee Chair

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Questions

Thank you!