Workforce Solutions Capital Area

MONTHLY FINANCIAL SUMMARY

May 2026 (Fiscal Year-End September 2026)
Prepared June 18, 2026 | Sandy Guzmán, YPTC

FINANCIAL DISCUSSIONS

FY2027 Budget Development
The FY2027 budget is currently being developed and will continue to be refined over the coming months. The process includes coordination across departments to align programmatic priorities, funding expectations, and operational needs. The proposed budget will be finalized and presented to the Board for review and approval at the August board meeting.

Post-Audit Fiscal Priorities and Focus
With the financial audit complete, the fiscal team is refocusing on strengthening accountability across staff and contractors, with clear expectations for deadlines and deliverables. The team will prioritize process and reporting improvements, including enhancing reporting in MIP and advancing electronic file storage, workflow efficiencies, and grant management practices.

Travis County ReWorkNow Update
ReWorkNow remains in its final phase, with continued coordination with Travis County to resolve outstanding questioned costs. The team is actively working toward alignment with the County to bring all remaining items to resolution and formally conclude the program.

HIGHLIGHTS AND ANALYSIS

- **Comparative Statements of Financial Position**
    - Pre-funding of Travis County initiatives through escrow accounts continues to drive the year-over-year increases in Cash and Grant Refundable Advance, with current balances reflecting the timing of funds received ahead of program expenditures and contributing to the overall growth in total assets and liabilities.

- **Statements of Activities – Budget vs Actual**
    - Grant revenue remains higher than the prior year, driven by expanded funding under Travis County childcare contracts and increased overall program activity.
    - Payroll and related costs are aligning with expectations, as previously vacant roles have been largely filled and staffing levels stabilize.
    - Subrecipient expenses are higher year over year, driven primarily by increased Child Care Services activity and expanded program delivery.

    - Spending in discretionary categories (e.g., Training, Consultants, and Contracts) continues to occur unevenly throughout the year and remains within expected budget patterns.

- **Statement of Cash Flows**
    - Cash growth year to date reflects ongoing pre-funding by Travis County through escrow accounts, aligned with anticipated program expenditures.

UPDATES AND RECOMMENDATIONS

- TWC's year-end reconciliation in KinderTrack is ongoing, with closeout now expected in June; the issue impacts multiple boards across the state.
- Audit submission to TWC is underway following completion of the financial audit, with closeout documentation being finalized amid complex, overlapping grant requirements.

ATTACHMENTS

- **Comparative Statements of Financial Position**
- **Statements of Activities – Budget vs Actual**
- **Statement of Cash Flows**

WORKFORCE SOLUTIONS CAPITAL AREA
COMPARATIVE STATEMENTS OF FINANCIAL POSITION
AS OF MAY 2026 AND 2025

	May 31, 2026	May 31, 2025
ASSETS		
Cash	$ 9,597,659	$ 4,458,392
Grants Receivables	1,393,402	1,231,261
Other Receivables	10,338,179	4,060,905
Prepaid Expenses	3,064,938	343,234
Other Assets	130	150,940
Property and Equipment, Net	547,537	438,680
ROU Assets, Net	4,974,386	6,548,935
TOTAL ASSETS	$ 29,916,231	$ 17,232,348
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	$ 2,915,809	$ 1,613,166
Grant Refundable Advance	20,923,983	8,012,706
Loan Payable	-	-
Other Liabilities	-	11,667
ROU Lease Liabilities	5,333,781	6,884,698
Total Liabilities	29,173,573	16,522,237
Net Assets		
Net Assets Without Donor Restrictions	137,260	330,007
Investment in Fixed Assets **[1]**	605,398	380,104
Total Net Assets	742,658	710,111
TOTAL LIABILITIES AND NET ASSETS	$ 29,916,231	$ 17,232,348

[1] *Investment in Fixed Assets is a component of net assets without donor restrictions, broken out here as it is in the Statement of Cash Flows.*

WORKFORCE SOLUTIONS CAPITAL AREA
STATEMENTS OF ACTIVITIES – BUDGET VS ACTUAL
FOR THE EIGHT MONTHS ENDED MAY 2026

	ACTUALS	BUDGET COMPARATIVE		PRIOR YEAR COMPARATIVE	
	Year-To-Date	Annual	% of Budget	Year-To-Date	$ Variance
REVENUES		**[1]**			
Grant Revenue	$ 50,167,914			$ 42,323,398	$ 7,844,516
Interest Income	19,468			20,124	(656)
Other Income	198,732			312,079	(113,347)
TOTAL REVENUES	50,386,113			42,655,601	7,730,513
EXPENSES					
WORKFORCE BOARD					
Payroll and Related Expenses					
Salaries	2,266,223	$ 3,696,809	61%	2,056,107	210,116
Employee Benefits	253,460	580,944	44%	238,118	15,342
Workers Compensation	-	2,770	0%	-	-
Workforce Pension Plan	81,667	147,872	55%	78,863	2,805
Unemployment Insurance	25,200	25,350	99%	34,761	(9,560)
FICA Matching	167,304	282,806	59%	151,211	16,093
Payroll and Related Expenses Subtotal	2,793,855	4,736,551	59%	2,559,059	234,796
Consultants and Contracts	198,254	345,300	57%	243,859	(45,605)
Office Supplies	3,810	46,000	8%	8,159	(4,349)
Printing	293	3,000	10%	-	293
Postage and Freight	564	1,500	38%	1,195	(630)
Dues, Memberships, and Subscriptions	10,930	25,935	42%	38,960	(28,030)
Travel - Staff	4,231	18,000	24%	12,794	(8,563)
Training - Staff	45,628	45,850	100%	27,813	17,815
Training - Board	14,273	30,970	46%	18,079	(3,806)
Advertising/Legal	81	100	81%	-	81
Equipment Rental/Maintenance	6,311	6,000	105%	5,660	652
Data and Phones	16,382	28,500	57%	17,015	(633)
Insurance	55,942	66,889	84%	47,525	8,417
Software Licensing and Upgrades	17,888	65,185	27%	62,260	(44,372)
Other Operating Expenses	47,169	34,630	136%	20,645	26,524
Outreach	-	-		4,668	(4,668)
Building Lease/Occupancy	174,113	214,851	81%	101,182	72,931
TOTAL EXPENSES WORKFORCE BOARD	3,389,722	5,669,261	60%	3,168,871	220,851
SUBRECIPIENT/INITIATIVES EXPENSES					
Career Centers - C2GPS	5,154,771	8,773,866	59%	3,958,838	1,195,934
Child Care Services - BakerRipley	38,731,184	75,588,365	51%	31,386,672	7,344,512
Youth - Goodwill	1,171	-		1,495,403	(1,494,231)
WERC Partners	-	-		(7,188)	7,188
Community Workforce Plan**[2]**	60,915	-		84,272	(23,358)
Special Projects**[2]**	469,851	897,731	52%	421,449	48,402
Occupancy Centers	874,223	1,572,783	56%	1,002,636	(128,412)
Occupancy Child Care	204,155	317,500	64%	162,620	41,535
Occupancy Vocational Rehabilitation	194,764	309,717	63%	180,480	14,284
Outreach/Comms	334,859	275,000	122%	156,181	178,678
Network/IT	1,040,751	1,554,631	67%	628,549	412,202
Contingencies	-	1,434,265	0%	-	-
TOTAL SUBRECIPIENT/INITIATIVES EXPENSES	47,066,644	90,723,858	52%	39,469,911	7,596,733
TOTAL EXPENSES	50,456,366	$ 96,393,119	52%	42,638,782	7,817,584
ADJUSTED NET INCOME (LOSS)	$ (70,253)			$ 16,818	$ (87,071)

[1] *WFSCA does not budget revenue .*

[2] *Subrecipient/Initiative Expenses have been difficult to validate given the chart of accounts structure and how budgets have historically been tracked outside of the accounting system. These numbers are based on the best information we have available from WFSCA staff .*

WORKFORCE SOLUTIONS CAPITAL AREA
STATEMENT OF CASH FLOWS
FOR THE EIGHT MONTHS ENDED MAY 2026

	May 31, 2026	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss) Before Adjustments	$ 155,042	
Investment in Fixed Asset Adjustments	(225,295)	**[1]**
Adjusted Net Income (Loss)	(70,253)	
Adjustments to Reconcile Total Net Income (Loss) to Net Cash Provided/(Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Grants Receivables	(828,737)	
Other Receivables	(4,105,976)	
Prepaid Expenses	(2,255,780)	
Other Assets	-	
ROU Assets, Net	1,050,125	
Accounts Payable	(947,910)	
Grant Refundable Advance	14,851,884	
Other Liabilities	(35,611)	
ROU Liabilities	(1,045,616)	
Net Cash Provided/(Used) by Operating Activities	6,612,126	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Loan Payable	-	
Net Cash Provided/(Used) by Financing Activities	-	
CHANGE IN CASH	6,612,126	
Cash, Beginning of Period	2,985,533	
Cash, End of Period	$ 9,597,659	

[1] *Due to grant billing requirements - fixed asset purchases are coded against net assets as investments in net assets when purchased. YPTC will continue to work on presentation of this unique treatment to be in accordance with GAAP.*