

Workforce Solutions Capital Area

MONTHLY FINANCIAL SUMMARY

September 2026 (Fiscal Year-End September 2026)

Prepared October 22, 2026 | Sandy Guzmán, YPTC



FINANCIAL DISCUSSIONS

Fiscal Year-End Financial Statements Remain Preliminary

September marks WFSCA's fiscal year-end. Financial statements remain preliminary as year-end closeout activities continue and will be finalized following completion of the annual financial audit, scheduled for Spring 2027.

Year-End Fiscal Priorities

The fiscal team is focused on completing year-end closeout activities, advancing grant closeouts, and preparing for the annual financial audit, while continuing efforts to strengthen processes, reporting, and accountability.

TWC Monitoring and Corrective Action Update

Staff continue to work with the Texas Workforce Commission (TWC) to address remaining items from the prior monitoring review. Current efforts are focused on completing and documenting procurement-related corrective actions under the approved Corrective Action Plan (CAP), while preparing for TWC's upcoming monitoring review.

HIGHLIGHTS AND ANALYSIS

- **Comparative Statements of Financial Position**
 - Cash and Grant Refundable Advance balances remain above prior-year levels, reflecting Travis County funding received in advance of program expenditures and held in escrow accounts.
- **Statements of Activities – Budget vs Actual**
 - Grant revenue remained above prior-year levels, reflecting expanded Travis County funding and increased program activity.
 - Overall financial performance remained stable, with total expenditures ending below budget, primarily due to lower spending across several program and initiative areas.
 - Higher spending in select operating and facility-related areas was offset by favorable variances across payroll and several administrative categories, contributing to overall expenditures remaining below budget at year-end.

- **Statement of Cash Flows**

- Cash balances increased during the year, primarily reflecting advance program funding received ahead of related expenditures. Changes in receivables, prepaid expenses, and accounts payable reflect the timing of grant billing, vendor payments, and other year-end activity.

UPDATES AND RECOMMENDATIONS

- TWC's year-end KinderTrack reconciliation remains in progress, affecting multiple workforce boards statewide. The fiscal team is monitoring developments and coordinating with TWC as needed.
- The fiscal team is advancing enhanced financial and management reporting for the new fiscal year, including improved budget-to-actual reporting, to strengthen departmental oversight, decision-making, and accountability.

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 SEPTEMBER 2026 AND 2025

	<u>September 30, 2026</u>	<u>September 30, 2025</u>
ASSETS		
Cash	\$ 10,062,864	\$ 2,985,533
Grants Receivables	1,807,618	564,665
Other Receivables	9,604,568	6,232,203
Prepaid Expenses	1,077,330	809,158
Other Assets	130	130
Property and Equipment, Net	547,537	322,242
ROU Assets, Net	<u>4,528,453</u>	<u>6,024,512</u>
TOTAL ASSETS	<u><u>\$ 27,628,500</u></u>	<u><u>\$ 16,938,443</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 3,400,864	\$ 3,863,720
Grant Refundable Advance	18,505,731	6,072,099
Loan Payable	-	-
Other Liabilities	-	35,611
ROU Lease Liabilities	<u>4,867,265</u>	<u>6,379,396</u>
Total Liabilities	<u>26,773,860</u>	<u>16,350,826</u>
Net Assets		
Net Assets Without Donor Restrictions	249,242	207,513
Investment in Fixed Assets [1]	<u>605,398</u>	<u>380,104</u>
Total Net Assets	<u>854,640</u>	<u>587,616</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 27,628,500</u></u>	<u><u>\$ 16,938,443</u></u>

[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 TWELVE MONTHS ENDED SEPTEMBER 2026

	ACTUALS	BUDGET COMPARATIVE		PRIOR YEAR COMPARATIVE	
	Year-To-Date	Annual	% of Budget	Year-To-Date	\$ Variance
REVENUES		[1]			
Grant Revenue	\$ 79,384,530			\$ 67,815,162	\$ 11,569,369
Interest Income	27,905			31,424	(3,519)
Other Income	536,029			576,788	(40,759)
TOTAL REVENUES	79,948,464			68,423,373	11,525,091
EXPENSES					
WORKFORCE BOARD					
Payroll and Related Expenses					
Salaries	3,432,791	\$ 3,631,809	95%	3,087,816	344,975
Employee Benefits	388,543	549,719	71%	354,930	33,613
Workers Compensation	(1,222)	2,770	-44%	(1,258)	36
Workforce Pension Plan	122,999	145,922	84%	117,359	5,640
Unemployment Insurance	25,500	25,350	101%	18,404	7,096
FICA Matching	254,212	277,931	91%	227,221	26,992
Payroll and Related Expenses Subtotal	4,222,822	4,633,501	91%	3,804,471	418,351
Consultants and Contracts	357,592	345,300	104%	423,374	(65,782)
Office Supplies	5,406	46,000	12%	9,339	(3,933)
Printing	293	3,000	10%	-	293
Postage and Freight	819	1,500	55%	1,501	(683)
Dues, Memberships, and Subscriptions	38,087	25,935	147%	41,960	(3,873)
Travel - Staff	6,409	18,000	36%	17,824	(11,415)
Training - Staff	55,832	56,900	98%	38,451	17,381
Training - Board	14,573	30,970	47%	20,287	(5,714)
Advertising/Legal	99	100	99%	-	99
Equipment Rental/Maintenance	6,196	6,000	103%	12,848	(6,652)
Data and Phones	22,290	28,500	78%	26,796	(4,506)
Insurance	84,250	88,889	95%	76,059	8,190
Software Licensing and Upgrades	37,079	65,185	57%	74,442	(37,363)
Other Operating Expenses	65,131	44,630	146%	158,354	(93,223)
Outreach	-	-		27,213	(27,213)
Building Lease/Occupancy	243,670	274,851	89%	189,504	54,166
TOTAL EXPENSES WORKFORCE BOARD	5,160,547	5,669,262	91%	4,922,424	238,124
SUBRECIPIENT/INITIATIVES EXPENSES					
Career Centers - C2GPS	9,609,668	11,683,547	82%	7,029,114	2,580,554
Child Care Services - BakerRipley	60,856,394	75,144,638	81%	49,935,863	10,920,531
Youth - Goodwill	12,101	-		2,492,294	(2,480,194)
WERC Partners	-	-		(7,188)	7,188
Community Workforce Plan[2]	60,915	-		173,440	(112,525)
Special Projects[2]	566,202	1,416,566	40%	645,792	(79,590)
Occupancy Centers	1,273,014	1,572,783	81%	1,487,153	(214,140)
Occupancy Child Care	328,472	317,500	103%	271,751	56,721
Occupancy Vocational Rehabilitation	294,315	309,717	95%	270,259	24,056
Outreach/Comms	430,219	417,595	103%	323,657	106,562
Network/IT	1,314,889	1,719,631	76%	984,489	330,400
Contingencies	-	1,663,644	0%	-	-
TOTAL SUBRECIPIENT/INITIATIVES EXPENSES	74,746,188	94,245,620	79%	63,606,625	11,139,563
TOTAL EXPENSES	79,906,735	\$ 99,914,881	80%	68,529,049	11,377,686
ADJUSTED NET INCOME (LOSS)	\$ 41,729			\$ (105,676)	\$ 147,405

[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 TWELVE MONTHS ENDED SEPTEMBER 2026

	<u>September 30, 2026</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (Loss) Before Adjustments	\$ 267,024
Investment in Fixed Asset Adjustments	<u>(225,295) [1]</u>
Adjusted Net Income (Loss)	41,729
Adjustments to Reconcile Total Net Income (Loss) to Net Cash Provided/(Used) by Operating Activities:	
Changes in Assets and Liabilities:	
Grants Receivables	(1,242,954)
Other Receivables	(3,372,365)
Prepaid Expenses	(268,172)
Other Assets	-
ROU Assets, Net	1,496,059
Accounts Payable	(462,855)
Grant Refundable Advance	12,433,631
Other Liabilities	(35,611)
ROU Liabilities	<u>(1,512,131)</u>
Net Cash Provided/(Used) by Operating Activities	<u>7,077,332</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on Loan Payable	<u>-</u>
Net Cash Provided/(Used) by Financing Activities	<u>-</u>
CHANGE IN CASH	7,077,332
Cash, Beginning of Period	<u>2,985,533</u>
Cash, End of Period	<u><u>\$ 10,062,864</u></u>

[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.