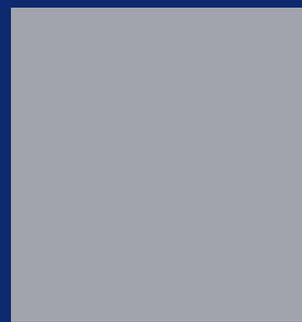
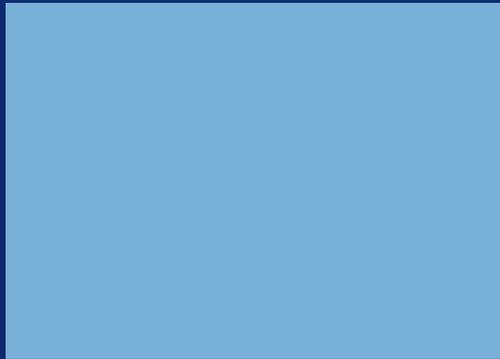


Annual Financial Report

For the Year Ended August 31, 2023



Segment Name	Segment Name	Segment Name	Trend
\$1,000,000.00	\$1,400,000.00	\$1,800,000.00	\$3,000,000.00
\$200,000.00	\$100,000.00	\$100,000.00	\$400,000.00
\$1,200,000.00	\$1,500,000.00	\$1,500,000.00	\$4,200,000.00
\$300,000.00	\$300,000.00	\$1,000,000.00	\$1,600,000.00
19%	19%	6%	100%
\$105,000.00	\$120,000.00	\$235,000.00	\$460,000.00
\$150,000.00	\$125,000.00	\$275,000.00	\$550,000.00
\$80,000.00	\$190,000.00	\$140,000.00	\$410,000.00
\$335,000.00	\$435,000.00	\$650,000.00	\$1,420,000.00
(\$35,000.00)	(\$135,000.00)	\$350,000.00	\$180,000.00
0%	0%	100%	100%



ANNUAL FINANCIAL REPORT

UNAUDITED

TEXAS WORKFORCE COMMISSION
Austin, Texas

Year Ended August 31, 2023

November 20, 2023

The Honorable Greg Abbott, Governor
The Honorable Glenn Hegar, State Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa R. Collier, State Auditor, State Auditor's Office

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Workforce Commission for the year ended August 31, 2023, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Chris Nelson, Chief Financial Officer, at (512) 463-1829.

Sincerely,



Edward Serna
Executive Director

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TEXAS WORKFORCE COMMISSION

EXHIBIT I**COMBINED BALANCE SHEET / STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS**

August 31, 2023

	<u>Governmental Fund Types</u>		<u>Governmental Funds Total</u>
	<u>General Funds (Exhibit A-1)</u>	<u>Special Revenue Funds (Exhibit B-1)</u>	
ASSETS			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	\$ 86,540.81	\$	\$ 86,540.81
Cash in Bank (Note 3)	371,603.40		371,603.40
Cash in State Treasury	382,090,941.35	1,721.50	382,092,662.85
Legislative Appropriations	152,051,588.68		152,051,588.68
Receivables:	0.00		
Federal Receivable (Note 24)	40,837,199.88		40,837,199.88
Interest and Dividends	542,484.84	1.59	542,486.43
Accounts Receivable (Note 24)	20,608,984.26		20,608,984.26
Interfund Receivable (Note 12)	1,996,051.81		1,996,051.81
Due from Other Funds (Note 12)	2,083,325.42		2,083,325.42
Due from Other Agencies (Note 12)	1,424,826.72		1,424,826.72
Consumable Inventories	439,471.34		439,471.34
Merchandise Inventories	214,309.20		214,309.20
Total Current Assets	<u>602,747,327.71</u>	<u>1,723.09</u>	<u>602,749,050.80</u>
Non-Current Assets:			
Accounts Receivable	3,191,866.12	0.00	3,191,866.12
Capital Assets (Note 2)			
Non-Depreciable			
Land and Land Improvements			
Construction in Progress			
Other Assets			
Depreciable			
Building and Building Improvements			
Accumulated Depreciation			
Furniture and Equipment			
Accumulated Depreciation			
Vehicles, Boats & Aircraft			
Accumulated Depreciation			
Amortizable - Intangible			
Computer Software			
Accumulated Depreciation			
Right to Use Assets			
Accumulated Amortization			
Right to Use Ssubscriptions			
Accumulated Amortization			
Total Non-Current Assets	<u>3,191,866.12</u>	<u>0.00</u>	<u>3,191,866.12</u>
Total Assets	<u>\$ 605,939,193.83</u>	<u>\$ 1,723.09</u>	<u>\$ 605,940,916.92</u>

Capital Asset Adjustments	Long-Term Liabilities Adjustment	Statement of Net Assets
		86,540.81
		371,603.40
		382,092,662.85
		152,051,588.68
		40,837,199.88
		542,486.43
		20,608,984.26
		1,996,051.81
		2,083,325.42
		1,424,826.72
		439,471.34
		214,309.20
<u>0.00</u>	<u>0.00</u>	<u>602,749,050.80</u>
0.00	0.00	3,191,866.12
4,376,822.45		4,376,822.45
37,826,542.16		37,826,542.16
88,350.00		88,350.00
38,286,538.51		38,286,538.51
(34,403,415.66)		(34,403,415.66)
13,674,758.10		13,674,758.10
(11,090,889.31)		(11,090,889.31)
1,057,637.39		1,057,637.39
(879,903.97)		(879,903.97)
57,894,285.20		57,894,285.20
(43,476,298.46)		(43,476,298.46)
18,963,669.81		18,963,669.81
(6,584,638.68)		(6,584,638.68)
23,255,364.83		23,255,364.83
(4,410,025.72)		(4,410,025.72)
<u>94,578,796.65</u>	<u>0.00</u>	<u>97,770,662.77</u>
<u>\$ 94,578,796.65</u>	<u>\$ 0.00</u>	<u>\$ 700,519,713.57</u>

EXHIBIT I
COMBINED BALANCE SHEET / STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
 August 31, 2023

	<u>Governmental Fund Types</u>		<u>Governmental Funds Total</u>
	<u>General Funds (Exhibit A-1)</u>	<u>Special Revenue Funds (Exhibit B-1)</u>	
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current Liabilities:			
Payables:			
Accounts Payable	\$ 58,375,499.24	\$ 1,721.50	\$ 58,377,220.74
Payroll Payable	28,523,230.14		28,523,230.14
Interest Payable			
Interfund Payable (Note 12)	1,996,051.81		1,996,051.81
Unearned Revenues	19,837,331.54		19,837,331.54
Due to Other Funds (Note 12)	9,568,011.10		9,568,011.10
Due to Other Agencies (Note 12)	14,514,261.32		14,514,261.32
Funds Held for Others			
Other Current Liability	8,508,914.91		8,508,914.91
Employees Compensable Leave (Note 5)			
Right to Use Lease Obligations (Note 5,8)			
Right to Use Subscription Obligations (Note 5,8)			
Total Current Liabilities	<u>141,323,300.06</u>	<u>1,721.50</u>	<u>141,325,021.56</u>
Non-Current Liabilities:			
Employees Compensable Leave (Note 5)			
Right to Use Lease Obligations (Note 5,8)			
Right to Use Subscription Obligations (Note 5,8)			
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Deferred Inflows of Resources (Note 28)	3,191,866.12		3,191,866.12
Total Liabilities and Deferred Inflows of Resources	<u>144,515,166.18</u>	<u>1,721.50</u>	<u>144,516,887.68</u>
Fund Financial Statement-Fund Balances			
Fund Balances (Deficits):			
Non-Spendable	\$ 653,780.54	\$	\$ 653,780.54
Restricted	12,209,550.05	1.59	12,209,551.64
Committed	311,202,357.32		311,202,357.32
Assigned	117,421,546.74		117,421,546.74
Unassigned	19,936,793.00		19,936,793.00
Total Fund Balances	<u>461,424,027.65</u>	<u>1.59</u>	<u>461,424,029.24</u>
Total Liabilities and Fund Balance	<u>\$ 605,939,193.83</u>	<u>\$ 1,723.09</u>	<u>\$ 605,940,916.92</u>
Government-wide Statement-Net Position			
Net Position:			
Inv. In Capital Assets, Net of Related Debt			
Unrestricted			
Total Net Position			

<u>Capital Asset Adjustments</u>	<u>Long-Term Liabilities Adjustment</u>	<u>Statement of Net Assets</u>
		58,377,220.74
		28,523,230.14
		1,996,051.81
		19,837,331.54
		9,568,011.10
		14,514,261.32
		8,508,914.91
	17,020,288.03	17,020,288.03
	3,329,322.35	3,329,322.35
	<u>3,577,210.89</u>	<u>3,577,210.89</u>
<u>0.00</u>	<u>23,926,821.27</u>	<u>165,251,842.83</u>
	7,169,907.27	7,169,907.27
	8,908,625.74	8,908,625.74
	<u>14,564,551.55</u>	<u>14,564,551.55</u>
<u>0.00</u>	<u>30,643,084.56</u>	<u>30,643,084.56</u>
		3,191,866.12
<u>0.00</u>	<u>54,569,905.83</u>	<u>199,086,793.51</u>
		653,780.54
		12,209,551.64
		311,202,357.32
		117,421,546.74
		<u>19,936,793.00</u>
<u>0.00</u>	<u>0.00</u>	<u>461,424,029.24</u>
<u>0.00</u>	<u>54,569,905.83</u>	<u>660,510,822.75</u>
94,578,796.65		94,578,796.65
	(54,569,905.83)	(54,569,905.83)
<u>\$ 94,578,796.65</u>	<u>\$ (54,569,905.83)</u>	<u>\$ 501,432,920.06</u>

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2023

	Governmental Fund Types		
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	Governmental Funds Total
REVENUES:			
Licenses, Fees and Permits	\$ 162,893,725.83	\$	\$ 162,893,725.83
Auxiliary Enterprises			0.00
Unemployment Assessment			0.00
Violations, Fines and Penalties			0.00
Land Income	44,857.60		44,857.60
Other Charges for Goods and Services	1,771,907.55		1,771,907.55
Federal Revenue	4,285,088,492.43		4,285,088,492.43
Federal Pass-Through Revenue	109,934,747.17		109,934,747.17
Other Operating Grant Revenue	0.00		0.00
Legislative Appropriations			
Original Appropriations (GR)	169,584,494.00		169,584,494.00
Additional Appropriations (GR)	12,045,721.28		12,045,721.28
Settlement of Claims	28,520.52		28,520.52
Interest, Dividend and Other Income	6,322,244.87	19.71	6,322,264.58
Other General Revenues	53,650,227.14	5,532.75	53,655,759.89
Total	<u>4,801,364,938.39</u>	<u>5,552.46</u>	<u>4,801,370,490.85</u>
EXPENDITURES			
Salaries and Wages	250,539,540.73		250,539,540.73
Payroll Related Costs	101,397,844.68		101,397,844.68
Professional Fees and Services	71,318,635.39		71,318,635.39
Cost of Goods Sold			
Travel	3,438,572.20		3,438,572.20
Materials and Supplies	15,182,163.18		15,182,163.18
Communication and Utilities	14,922,861.58		14,922,861.58
Repairs and Maintenance	19,198,439.51		19,198,439.51
Rentals and Leases	3,028,241.18		3,028,241.18
Printing and Reproduction	224,875.83		224,875.83
Claims and Judgements	0.00		0.00
Federal Pass-Through Expenditures	89,653,292.90		89,653,292.90
State Grant Pass-Through Expenditures	2,915,580.37		2,915,580.37
Intergovernmental Payments	67,639,814.62		67,639,814.62
Public Assistance Payments	3,843,216,481.46	5,551.51	3,843,222,032.97
Other Benefit Payments			
Other Operating Expenditures	179,715,283.62		179,715,283.62
Debt Service:			
Principal	8,678,090.94		8,678,090.94
Interest			
Capital Outlay	38,597,933.70		38,597,933.70
Depreciation Expense (Note 2)			
Amortization Expense (Note 2)			
Total Expenditures	<u>4,709,667,651.89</u>	<u>5,551.51</u>	<u>4,709,673,203.40</u>
EXCESS (DEFICIT) OF REVENUES			
OVER EXPENDITURES	<u>\$ 91,697,286.50</u>	<u>\$ 0.95</u>	<u>\$ 91,697,287.45</u>

Capital Asset Adjustments	Long-Term Liabilities Adjustment	Statement of Activities
\$	\$	\$ 162,893,725.83
		0.00
		0.00
		0.00
		44,857.60
		1,771,907.55
		4,285,088,492.43
		109,934,747.17
		0.00
		169,584,494.00
		12,045,721.28
		28,520.52
		6,322,284.29
		53,661,292.64
0.00	0.00	4,801,376,043.31
	1,715,031.37	252,254,572.10
		101,397,844.68
		71,318,635.39
		3,438,572.20
		15,182,163.18
		14,922,861.58
		19,198,439.51
		3,028,241.18
		224,875.83
		0.00
		89,653,292.90
		2,915,580.37
		67,639,814.62
		3,843,222,032.97
		179,715,283.62
	(8,678,090.94)	0.00
	(11,637.91)	(11,637.91)
(38,597,933.70)		0.00
1,111,242.86		1,111,242.86
13,692,873.86		13,692,873.86
(23,793,816.98)	(6,974,697.48)	4,678,904,688.94
\$ 23,793,816.98	\$ 6,974,697.48	\$ 122,471,354.37

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2023

	Governmental Fund Types		Governmental Funds Total
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	
OTHER FINANCING SOURCES (USES)			
Increase in Obligations - Leases	\$ 4,118,652.63	\$	\$ 4,118,652.63
Increase in Obligations - Subscriptions	23,255,364.83		23,255,364.83
Sale of Capital Assets	3,033,750.79		3,033,750.79
Transfers In (Note 12)	337,533,417.01		337,533,417.01
Transfers Out (Note 12)	(343,562,711.88)		(343,562,711.88)
Gain (Loss) on Disposition of Capital Assets			
Total Other Financing Sources (Uses)	24,378,473.38	0.00	24,378,473.38
Net Change in Fund Balances / Net Position	116,075,759.88	0.95	116,075,760.83
Fund Financial Statement-Fund Balances			
Fund Balances, September 1, 2022	346,598,268.09	0.64	346,598,268.73
Restatement to Fund Balances	(20.42)		(20.42)
Fund Balances as Restated, September 1, 2022	346,598,247.67	0.64	346,598,248.31
Appropriations Lapsed	(1,249,979.90)		(1,249,979.90)
FUND BALANCES - August 31, 2023	\$ 461,424,027.65	\$ 1.59	\$ 461,424,029.24
GOVERNMENT-WIDE STATEMENT-NET POSITION			
Change in Net Position	0.00	0.00	461,424,029.24
Net Position, September 1, 2022	0.00	0.00	0.00
Net Position, August 31, 2023	\$ 0.00	\$ 0.00	\$ 0.00

Capital Asset Adjustments	Long-Term Liabilities Adjustment	Statement of Activities
\$	\$ (4,118,652.63)	\$ 0.00
	(23,255,364.83)	0.00
(3,033,750.79)		0.00
		337,533,417.01
(1,127.91)		(343,563,839.79)
<u>2,571,874.64</u>		<u>2,571,874.64</u>
(463,004.06)	(27,374,017.46)	(3,458,548.14)
<u>23,330,812.92</u>	<u>(20,399,319.98)</u>	<u>119,007,253.77</u>
		346,598,268.73
(200,543.58)	114,501.22	(86,062.78)
<u>(200,543.58)</u>	<u>114,501.22</u>	<u>346,512,205.95</u>
		(1,249,979.90)
\$ <u>23,130,269.34</u>	\$ <u>(20,284,818.76)</u>	\$ <u>464,269,479.82</u>
<u>23,130,269.34</u>	<u>(20,284,818.76)</u>	<u>464,269,479.82</u>
71,448,527.31	(34,285,087.07)	37,163,440.24
\$ <u><u>94,578,796.65</u></u>	\$ <u><u>(54,569,905.83)</u></u>	\$ <u><u>501,432,920.06</u></u>

**EXHIBIT III
COMBINED STATEMENT OF NET POSITION - PROPRIETARY FUNDS**

August 31, 2023

	Total Proprietary Funds (Exhibit F-1)
ASSETS	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 363,768.57
Cash in State Treasury	272,608.15
Restricted:	
Cash in Bank (Note 3)	476,959.18
Cash in State Treasury (Note 3)	58,538,987.39
Cash in Federal Treasury (Note 3)	2,378,693,460.36
Receivables:	
Federal Receivables (Note 24)	19,773,049.16
Interest and Dividends	21,159,154.50
Accounts Receivable (Note 24)	304,331,289.76
Due from Other Funds (Note 12)	652,422,042.79
Total Current Assets	3,436,031,319.86
Non-Current Assets:	
Receivables:	
Accounts Receivable (Note 24)	105,811,341.17
Total Non-Current Assets	105,811,341.17
Total Assets	3,541,842,661.03
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	45,259,035.02
Federal Payable	78,988,996.80
Due to Other Funds (Note 12)	644,937,357.11
Unearned Revenues	669,646,079.51
Total Current Liabilities	1,438,831,468.44
Total Liabilities	1,438,831,468.44
NET POSITION	
Restricted for Unemployment Trust Fund*	2,103,011,192.59
Total Net Position	\$ 2,103,011,192.59

*The funds in Fund 0844 will be transferred to Fund 0938 during FY 2024

EXHIBIT IV
COMBINED STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS

For the Year Ended August 31, 2023

	Total Proprietary Funds (Exhibit F-2)
OPERATING REVENUES	
Unemployment Assessment	\$ 1,999,289,038.39
Federal Revenue	120,138,447.43
Federal Pass-Through Revenue	(758,691,185.75)
Other Operating Revenue	116,761,261.96
Total Operating Revenue	<u>1,477,497,562.03</u>
OPERATING EXPENSES	
Unemployment Benefit Payments	2,383,821,517.91
Other Operating	5,869.06
Total Operating Expenses	<u>2,383,827,386.97</u>
OPERATING INCOME (LOSS)	<u>(906,329,824.94)</u>
NON-OPERATING REVENUES (EXPENSES)	
Federal Pass-Through Revenue	758,691,185.75
Interest and Investment Income	41,478,722.90
Total Non-Operating Revenues (Expenses)	<u>800,169,908.65</u>
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS	<u>(106,159,916.29)</u>
OTHER REVENUES (EXPENSES), GAINS/ (LOSSES) AND TRANSFERS	
Transfers In (Note 12)	7,566,960,261.70
Transfers Out (Note 12)	(7,566,960,261.70)
Total Other Revenues (Expenses), Gains/(Losses) and Transfers	<u>0.00</u>
CHANGE IN NET POSITION	<u>(106,159,916.29)</u>
NET POSITION, September 1, 2022	2,209,171,108.88
NET POSITION, August 31, 2023	<u>\$ 2,103,011,192.59</u>

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EXHIBIT V**COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

For the Year Ended August 31, 2023

	Total Proprietary Funds (Exhibit F-3)
CASH FLOWS FROM OPERATING ACTIVITIES	
Unemployment Assessments	\$ 2,265,257,031.53
Proceeds from Federal Revenue	18,011,132.73
Proceeds from Other Revenue	120,623,683.33
Unemployment Benefit Payments	(2,244,906,397.06)
Payments for Other Operating Expenses	(765,282,758.65)
Net Cash Provided by Operating Activities	<u>(606,297,308.12)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Proceeds of Federal Revenue	758,691,185.75
Transfers from Other Funds	7,387,003,519.21
Transfers to Other Funds	(7,386,520,596.17)
Payment of Interest	(19,762,144.64)
Net Cash Provided by Non-Capital Financing Activities	<u>739,411,964.15</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Investment Income	20,441,333.12
Net Cash Provided by Investing Activities	<u>20,441,333.12</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>153,555,989.15</u>
Cash and Cash Equivalents, September 1, 2022	2,284,789,794.50
Net Cash and Cash Equivalents, August 31, 2023	<u>\$ 2,438,345,783.65</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	<u>(906,329,824.94)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	217,390,125.22
Increase (Decrease) in Payables	(117,428,497.15)
Increase (Decrease) in Deferred Revenue	200,070,888.75
Total Adjustments	<u>300,032,516.82</u>
Net Cash Provided by Operating Activities	<u>\$ (606,297,308.12)</u>

EXHIBIT VI
COMBINED STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
August 31, 2023

	Custodial Funds (Exhibit I-1)	TOTALS
ASSETS		
Cash and Cash Equivalents		
Cash on Hand	\$ 271,092.71	\$ 271,092.71
Cash in State Treasury	2,528,963.06	2,528,963.06
Receivables:		
Interest and Dividends	13,670.55	13,670.55
Accounts Receivable (Note 24)	1,126,701.19	1,126,701.19
Total Assets	<u>3,940,427.51</u>	<u>3,940,427.51</u>
LIABILITIES		
Payables:		
Accounts Payable	3,147,696.66	3,147,696.66
Interest Payable	52,923.68	52,923.68
Funds Held For Others	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,200,620.34</u>	<u>3,200,620.34</u>
NET POSITION		
Held in Trust For:		
Individuals, Organizations, and Other Governments	<u>739,807.17</u>	<u>739,807.17</u>
Total Net Position	<u>\$ 739,807.17</u>	<u>\$ 739,807.17</u>

EXHIBIT VII
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2023

	Custodial Funds (Exhibit I-2)	TOTALS
ADDITIONS		
Investment Income		
From Investing Activities:		
Interest and Investment Income	\$ 127,719.69	\$ 127,719.69
Net Income From Investing Activities	127,719.69	127,719.69
Total Net Investment Income (Loss)	127,719.69	127,719.69
Other Additions		
Settlement of Claims	3,598,153.26	3,598,153.26
Other Revenue	165,220.73	165,220.73
Total Other Additions	3,763,373.99	3,763,373.99
Total Additions	3,891,093.68	3,891,093.68
DEDUCTIONS		
Employee/Participant Benefit Payments	404,212.00	404,212.00
Interest Expense	35,622.09	35,622.09
Claims and Judgement Expense	3,654,825.99	3,654,825.99
Other Operating Expense	0.00	0.00
Total Deductions	4,094,660.08	4,094,660.08
INCREASE (DECREASE) IN NET POSITION	(203,566.40)	(203,566.40)
Net Position, September 1, 2022	943,373.57	943,373.57
NET POSITION, August 31, 2023	\$ 739,807.17	\$ 739,807.17

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NOTES TO THE FINANCIAL STATEMENTS**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****ENTITY**

The Texas Workforce Commission (Commission) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The Commission was created by House Bill 1863 in 1995 to create and operate an integrated workforce development system for Texas. The legislation accomplished this through the consolidation of 28 job training, employment and employment-related educational programs from 10 different state entities into the new Workforce Commission. The first transition of programs began on March 1, 1996, and the Commission completed the consolidation and began full operation on June 1, 1996. In 2015, Senate Bill 208 moved the Vocational Rehabilitation, Business Enterprises of Texas and Older Blind Independent Living Services as well as the Criss Cole Rehabilitation Center from the Texas Department of Assistive and Rehabilitative Services (DARS) to the Commission effective September 1, 2016. The Rehabilitation Council of Texas was also included in the transfer.

Due to the statewide requirements embedded in *Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report is considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Component Units***Blended or Discretely Presented Component Units***

No component units have been identified that should be blended into an appropriated fund or discretely presented.

FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types & Government-wide Adjustment Fund Types***General Revenue Funds***

General Fund (Fund 0001) is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those required to be accounted for in another fund. This fund was created by various legal cites.

The following funds were considered agency funds in years past and have been incorporated into fund 0001.

Child Labor Penalty (Fund 1000) accumulates administrative penalties assessed under Sec. 51.033. of the Texas Labor Code until they are remitted to the Comptroller of Public Accounts for deposit in the general revenue fund.

Child Support Employee Deductions – Offset Account (Fund 8070) accumulates money withheld from the salaries of

state officers and employees for child support deductions for distribution to the statewide disbursement unit through a single direct deposit. This fund was created by TEX. GOV'T CODE ANN. § 403.011.

Departmental Suspense (Funds 0900, 9015 and 9016) provides a temporary depository for money held in suspense pending final disposition. This fund was created by TEX. GOV'T CODE ANN. § 403.035.

Direct Deposit Correction Account (Funds 0980 and 9014) is used to hold money returned by financial institutions which had been transmitted for direct deposit where problems prevented credit being given to individual depositors. This fund was created by H. B. 889, 67th Leg., R.S.

Consolidated Fund Accounts

Unemployment Compensation Special Administration (Fund 0165) receives penalties and interest collected under the Unemployment Compensation Act and is used for paying costs of administering the Act. This fund was created by TEX. LAB. CODE ANN. § 203.002, 203.003, 203.005, 203.201, 203.202, 203.203.

Coronavirus Relief Fund (Fund 0325) receives revenue and interest collected and is used for purposes identified in the applicable legislation to provide aid in response to the COVID-19 outbreak. This fund was created by TEX. GOV'T CODE ANN. sec. 403.011 and H.R. 748, Coronavirus Aid, Relief and Economic Security Act of 2020, //public Law No: 116-136.

Business Enterprise Program (Fund 0492) receives revenue and receipts from operation of vending facilities to carry out the business enterprise program. This program provides for the operations of vending machine facilities by blind persons. This fund was created by TEX. HUM. RES. CODE ANN §91.014 and TEX. LAB. CODE ANN § 355.011.

Career School or College Tuition Trust Fund (Fund 0925) holds in trust amounts related to the protection of career school or college tuition. This fund was created by TEX. EDUC. CODE ANN. § 132.2415, 132.242.

Workforce Commission Federal Fund (Fund 5026) records all transactions related to federal funds received by the Texas Workforce Commission. This fund was created by TEX. GOV'T CODE ANN. ch. 403.

Employment and Training Investment Holding (Fund 5128) is composed of employment and training investment assessments levied on employers. This fund was created by TEX. LAB. CODE ANN. § 204.122.

Jobs and Education For Texans (JET) (Fund 5143) was created to receive legislative appropriations, gifts, grants and donations. Used to provide grants to public junior colleges, independent and charter school districts, and public technical institutes under the Jobs and Education for Texans Grant Program. This fund was created by TEX. EDUC. CODE ANN. § 134.002.

International Association of Workforce Professionals - Texas Chapter Conference Account (Fund 7999). The IAWP-TC co-hosts the annual statewide Texas Workforce Conference and the White Cane Day with the Commission. Although the IAWP-TC is an organization legally separate from the Commission, the financial activities of the IAWP-TC Conference Account are included in the Annual Financial Report of the Commission since these activities are generally initiated and approved by Commission staff. A memo of understanding exists between the IAWP-TC and the Commission that outlines the roles and responsibilities of both parties. This fund is used to record the financial activity of the Conference Accounts and the White Cane Day Account maintained by the IAWP-TC in local bank accounts.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to be used for specified purposes.

The Endowment Fund for the Blind (Fund 0493) was established to receive gifts and grants from individuals, associations and corporations, plus depository interest earned for the purpose of providing direct client services and carrying out the provisions of ch. 91.031, Human Resources Code. State agencies may accept money from private and federal sources that is designated by the source as money to be used in establishing and equipping facilities for

assisting disabled people in becoming gainfully employed, in rehabilitating disabled people and in providing other services essential for better care and treatment of disabled people. Authority for accepting such donations is contained in TEX. HUM. RES. CODE Chapter 91.0301 and in TEX. CONST. Article XVI Section 6(b).

Capital Asset Adjustments Fund Type

Capital Assets Adjustment Fund (Fund 0099) is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long Term Liabilities Adjustments Fund Type

Long-Term Liabilities Adjustment Fund (Fund 0098) is used to convert governmental fund types' debt from modified accrual to full accrual.

Proprietary Fund Types

Enterprise Funds

Enterprise funds account for any activity for which a fee is charged to external users for goods or services. The Texas Workforce Commission accounts for its proprietary activities in five separate funds, some funds when combined, make up the Texas Unemployment Compensation Fund. These funds are discussed below.

Coronavirus Relief Fund (Fund 0325) is used for purposes identified in the applicable legislation to provide aid in response to the COVID-19 outbreak. This fund was created by TEX. GOV'T CODE ANN sec. 403.011 and H.R. 748, Coronavirus Aid, Relief and Economic Security Act of 2020, ///public Law No: 116-136.

Texas Workforce Commission Obligation Trust Fund (Fund 0844) is used to facilitate processing and reporting of revenues and expenditures from unemployment obligation assessments. This fund was created by S.B. 208 and H.B. 3318, 78th Leg., R.S.

Unemployment Compensation Clearance Account (Fund 0936) is a clearance fund for all money payable to the Unemployment Trust Fund Account (Fund 0938). This fund was created by TEX LAB. CODE ANN. § 203.022.

Unemployment Compensation Benefit Account (Fund 0937) holds such money as is requisitioned from this state's account in the Federal Unemployment Trust Fund (Fund 0938) for paying benefits under the Texas Unemployment Compensation Act. This fund was created by TEX LAB. CODE ANN. § 203.021 and 203.023.

Unemployment Trust Fund Account (Fund 0938) holds money of this state collected under the Old Age and Survivors Insurance Program. The balance of this fund is on deposit with the Treasurer of the United States of America to the credit of this State. This fund was created by TEX LAB. CODE ANN. § 203.021.

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in either a trustee capacity or in a custodial capacity for individuals, private organizations, other governmental units, and/or other funds. When assets are held in custody, are not a source of the agency's revenue or mandated nonexchange transactions and there is no formal trust agreement, a custodial fund is used.

Custodial Funds

Texas Workforce Commission Wage Determination Fund (Fund 0894) is used to deposit employer remittances from initial wage determinations and to hold in escrow, wages and penalties assessed by the Commission if the party required to pay said wages or penalties files a petition for judicial review in a court of competent jurisdiction contesting the final order. Claims that are not appealed are paid from this fund by processing separate claims through the Comptroller, plus any accrued interest. Appealed claims, after judicial review, are remitted to either the claimant or the party assessed the wage payment or the penalty plus the interest accrued on the escrowed amount. This fund was created by TEX. GOV'T CODE ANN. § 403.031(a) and TEX. LAB. CODE ANN. § 61.056 and sec. 61.063.

The Business Enterprises Program Trust Account (Fund 5043) was established to record receipts from vending machines located on federal property accruing to the state licensing agency. This trust fund is used for a retirement program for individuals licensed to operate vending facilities under the Business Enterprises Program. This fund was created by TEX. LAB. CODE ANN § 355.016.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual method basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion adjustment fund types convert modified accrued basis to full accrued basis of accounting. The following activities are recognized when the related liability is incurred. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- The outstanding debt service principal on long-term liabilities
- Capital leases
- Long-term claims and judgments
- Full accrual revenues and expenses
- Pension amounts in governmental activities

Proprietary fund types (enterprise funds and internal service funds) and fiduciary fund types (pension and other employee benefit trust funds, external investment trust funds, private-purpose trust funds and custodial funds) are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for the enterprise and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after fiscal year-end for which they were appropriated.

ASSETS, LIABILITIES AND FUND BALANCES/NET POSITION**Assets*****Cash and Cash Equivalents***

Short-term, highly-liquid investments with an original maturity of three months or less are considered cash equivalents.

Securities Lending Collateral

Investments are generally stated at fair value with certain exceptions in accordance with *GASB Statement No. 72 Fair Value Measurement and Application*.

Invested security lending collaterals are measured at fair value.

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses on the operating statement. These costs are reported at gross.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include certain proceeds of enterprise fund general obligation and revenue bonds, as well as certain revenues set aside for statutory or contractual requirements.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally using the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in both governmental and proprietary fund types. The costs of these items are expensed when the items are used or consumed.

Capital Assets

Assets that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. These assets are capitalized at cost if purchased, or at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets (such as works of art and historical treasures) are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Lease Receivables

Lease receivable is calculated as the present value of the lease receipts expected during the lease term. The lessor records a lease receivable and a deferred inflow of resources on its financial statements.

Other Receivables – Current and Noncurrent

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24.

Liabilities***Accounts Payable***

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Other Payables – Current and Noncurrent

The disaggregation of other payables as reported in the financial statements is disclosed in Note 24.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Lease Liabilities

Lease liability represents the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured whenever there is a change in lease payments or lease modification. Liabilities are reported separately as either current or noncurrent.

Subscription-based information technology arrangements (SBITAs) Liability

The initial subscription liability is measured as the present value of the total subscription payments expected to be made to the vendor during the subscription term. The total future payments are discounted using the interest rate implicit in the SBITA, or the estimated implicit incremental borrowing rate. Liabilities are reported separately as either current or noncurrent.

Fund Balance/Net Position

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements.

The resources are used in the following order. When both restricted and unrestricted resources are available, use restricted resources first and unrestricted resources (as they are needed). When only restricted resources are available for use in governmental funds, use committed resources first, assigned resources second and unassigned resources last.

Fund Balance Components

Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties - such as creditors, grantors, contributors, laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state's highest level of decision-making authority.

Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not restricted, committed or assigned to specific purposes within the general fund.

Net Investment in Capital Assets

Net investments in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.

Restricted for Unemployment Trust Fund represents designated funds available for payment of unemployment benefit claims.

Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

INTERFUND ACTIVITIES AND BALANCES

The agency has the following types of transactions between funds.

Transfers

Legally required transfers that are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Reimbursements

Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

Interfund Receivables and Payables

Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as 'current'. Balances for repayment due in two (or more) years are classified as 'noncurrent'.

The composition of the agency's interfund activities and transactions is presented in Note 12.

NOTE 2: CAPITAL ASSETS

	PRIMARY GOVERNMENT							
	Balance 09/01/2022	Adjustments (Restatements)	Reclassifications			Additions	Deletions	Balance 08/31/2023
			Completed Construction In Progress	Increase Interagency Transfers	Decrease Interagency Transfers			
Governmental Activities:								
Non-Depreciable or Non-Amortizable Assets								
Land and Land Improvements	\$ 4,720,343.28	\$	\$	\$	\$	\$	\$ (343,520.83)	\$ 4,376,822.45
*Construction In Progress	31,172,334.85	(176,471.88)	(2,933,229.01)			9,763,908.20		37,826,542.16
Other Capital Assets	88,350.00							88,350.00
Total Non-Depreciable or Non Amortizable Assets:	35,981,028.13	(176,471.88)	(2,933,229.01)	0.00	0.00	9,763,908.20	(343,520.83)	42,291,714.61
Depreciable Assets:								
Buildings and Building Improvements	39,335,084.19						(1,048,545.68)	38,286,538.51
Infrastructure	0.00							0.00
Furniture and Equipment	13,066,052.24	119,791.88				587,643.72	(98,729.74)	13,674,758.10
Vehicles, Boats & Aircraft	920,865.10					192,640.00	(55,867.71)	1,057,637.39
Total Depreciable Assets at Historical cost	53,322,001.53	119,791.88	0.00	0.00	0.00	780,283.72	(1,203,143.13)	53,018,934.00
Less Accumulated Depreciation For:								
Buildings and Building Improvements	(35,134,945.73)					(249,941.66)	981,471.73	(34,403,415.66)
Infrastructure	0.00							0.00
Furniture and Equipment	(10,313,679.18)	(29,526.57)				(846,112.30)	98,428.74	(11,090,889.31)
Vehicles, Boats & Aircraft	(920,582.78)					(15,188.90)	55,867.71	(879,903.97)
Total Accumulated Depreciation	(46,369,207.69)	(29,526.57)	0.00	0.00	0.00	(1,111,242.86)	1,135,768.18	(46,374,208.94)
Depreciable Assets, Net	6,952,793.84	90,265.31	0.00	0.00	0.00	(330,959.14)	(67,374.95)	6,644,725.06
Amortizable Assets – Intangible:								
Computer Software	54,281,331.87		2,933,229.01			679,724.32		57,894,285.20
Total Amortizable Assets – Intangible	54,281,331.87	0.00	2,933,229.01	0.00	0.00	679,724.32	0.00	57,894,285.20
Less Accumulated Amortization for:								
Computer Software	(37,666,888.36)					(5,809,410.10)		(43,476,298.46)
Total Accumulated Amortization	(37,666,888.36)	0.00	0.00	0.00	0.00	(5,809,410.10)	0.00	(43,476,298.46)
Amortizable Assets – Intangible, Net	16,614,443.51	0.00	2,933,229.01	0.00	0.00	(5,129,685.78)	0.00	14,417,986.74
Governmental Activities Capital Assets, Net:	\$ 59,548,265.48	(86,206.57)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,303,263.28	\$ (410,895.78)	\$ 63,354,426.41

The Construction in Progress balance of \$37.8 million is for the Unemployment Insurance System Modernization and Replacement (\$26.9 million), Eligible Training Provider Career Schools Database (\$2.5 million), Work Force Case Management (\$6.7 million), and miscellaneous data enhancement projects (\$1.7 million).

	PRIMARY GOVERNMENT				
	Balance 9/1/2022	Adjustments (Restatements)	Additions	Deletions	Balance 8/31/2023
Governmental Activities:					
Right to Use Assets - Amortizable					
Buildings and Building Improvements	\$ 15,332,360.45	\$ (157,209.64)	\$ 4,118,652.63	\$ (330,133.63)	\$ 18,963,669.81
Subscription-Based IT Arrangements (SBITA)			23,255,364.43		23,255,364.83
Total Amortizable Assets - IRTU	15,332,360.45	(157,209.64)	27,374,017.46	(330,133.63)	42,219,034.64
Less Accumulated Amortization for:					
Buildings and Building Improvements	(3,432,098.62)	42,872.63	(3,473,438.04)	278,025.35	(6,584,638.68)
Subscription-Based IT Arrangements (SBITA)			(4,410,025.72)		(4,410,025.72)
Total Accumulated Amortization	(3,432,098.62)	42,872.63	(7,883,463.76)	278,025.35	(10,994,664.40)
Amortizable Assets - Intangible, Net	11,900,261.83	(114,337.01)	19,490,553.70	(52,108.28)	31,224,370.24
Governmental Activities Intangible Assets - IRTU, Net:	<u>\$ 11,900,261.83</u>	<u>\$ (114,337.01)</u>	<u>\$ 19,490,553.70</u>	<u>\$ (52,108.28)</u>	<u>\$ 31,224,370.24</u>

NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

DEPOSITS OF CASH IN BANK

As of August 31, 2023, the carrying amount of deposits was \$848,562.58 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK – CARRYING AMOUNT	\$ 848,562.58
Total Cash in Bank per AFR	\$ 848,562.58
Governmental Funds Current Assets Cash in Bank – Travel Advance	\$ 248,456.36
Governmental Funds Current Assets Cash in Bank – International Association of Workforce Professionals - Texas Chapter Conference Account	82,845.93
Star of Texas Credit Union	40,301.11
Public Employees Credit Union	
Governmental Cash in Bank per AFR	371,603.40
Business-Type Current Assets Cash in Bank - US Bank	476,959.18
Cash in Bank per AFR	\$ 848,562.58

As of August 31, 2023, the total bank balance was as follows.

Governmental and Business-Type Activities	\$ 814,294.29
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For the International Association of Workforce Professionals cash in bank the annual conference accounts totaled \$109,455.72 and the White Cane Day Account totaled \$13,691.32. The Unemployment Compensation Benefit account paying unemployment benefits cash in bank totaled \$476,959.18.

Custodial Credit Risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Commission’s policy on FDIC coverage was not complied with during the fiscal year. The bank balance that was exposed to custodial credit risk is as follows.

Fund Type	GAAP Fund	Uninsured and uncollateralized	Uninsured and collateralized with securities help by the pledging financial institution	Uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent but not in the state’s name
05	0937	\$ 226,959.18	\$ 0.00	\$ 0.00

Restricted Cash in State Treasury

Warrants issued from Fund 0937 reduce the Restricted Cash in State Treasury account when they are issued. Funds to cover these warrants are not drawn down until they are presented for payment.

Cash in Federal Treasury

Deposits in the Federal Treasury at August 31, 2023 were \$2,378,693,460.36. Unemployment Compensation funds are deposited with the United States Secretary of the Treasury, to the credit of this State in the Unemployment Trust Fund, established and maintained pursuant to Section 904 of the Social Security Act.

FAIR VALUE MEASUREMENT

GASB 72 states fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. TWC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The agency has no recurring fair value measurements as of August 31, 2023.

NOTE 4: SHORT-TERM DEBT

During the 73rd Legislative Session, legislation was passed which addressed a federal fund cash flow problem affecting state agencies using federal program funds for payroll purposes. The legislation, as codified in Vernon’s Texas Code Annotated (V.T.C.A.), Government Code, Section 403.092, Chapter 449, Acts of the 73rd Legislature, R.S., provides authority for the Comptroller to make temporary transfers (loans) of general revenue under certain conditions to avoid interest liabilities related to the Cash Management Improvement Act (CMIA).

Governmental Activities	Balance 9/1/2022	Additions	Reductions	Balance 8/31/2023	Amount Due Within One Year
General Revenue Advances	\$0.00	\$317,196,524.01	(\$317,196,524.01)	\$0.00	\$0.00
Total Governmental Activities	\$0.00	\$317,196,524.01	(\$317,196,524.01)	\$0.00	\$0.00

GASB 88 requires disclosure of:

- unused lines of credit.
- assets pledged as collateral for debt.
- terms specified in debt agreements related to significant events of default, termination, or acceleration clauses.
- debt disclosures regarding direct borrowings and placement of debt from other debt.

The agency has none of the above lines of credit or debt.

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2023, the following changes occurred in liabilities reported in the general long-term debt account.

Employee’s Compensable Leave

If a state employee has had continuous employment with the state for at least six months, the state employee is entitled to payment for all unused vacation time accrued in the event of the employee’s resignation, dismissal, or separation from state employment. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the statement of net position. Both an expense and a liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting employees accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee’s salary or wage compensation was paid.

Leases/Subscription-Based IT Arrangements (SBITAs)

The Changes in Long-Term Liabilities are shown in the table below.

Governmental Activities	Balance 9/1/2022	Additions	Reductions	Balance 8/31/2023	Amount Due Within One Year	Amount Due Thereafter
Compensable Leave	\$22,475,163.93	\$17,358,008.42	\$(15,642,977.05)	\$24,190,195.30	\$17,020,288.03	\$7,169,907.27
Right to Use Lease Obligations	\$11,802,081.46	\$4,118,652.63	\$(3,682,786.00)	\$12,237,948.09	\$3,329,322.35	\$8,908,625.74
Right to Use Subscription Obligations		\$23,255,364.83	\$(5,113,602.39)	\$18,141,762.44	\$3,577,210.89	\$14,564,551.55
Total Governmental Activities	\$34,277,245.39	\$44,732,025.88	\$(24,439,365.44)	\$54,569,905.83	\$23,926,821.27	\$30,643,084.56

NOTE 6: BOND INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVES

Not Applicable.

NOTE 8: LEASES/SBITAs

Lease Liability

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under lease liability for 40 non-cancelable building lease agreements that range in terms up to 2038.

Fund Type Amount
 General Fund - \$ 3,664,366.65

Variable payments and leases that have not yet commence as August 31, 2023, are not included in the lease liabilities. The terms in excess of one year are as follows.

Year Ended Aug. 31, 2023

Primary Government			
Governmental Activities			
Year	Principal	Interest	Total
2024	\$ 3,329,322.35	\$ 201,811.03	\$ 3,531,133.38
2025	2,545,413.98	170,767.77	2,716,181.75
2026	1,754,654.63	136,306.56	1,890,961.19
2027	720,563.80	113,669.96	834,233.76
2028	672,460.53	95,833.70	768,294.23
2029-2033	2,932,382.47	225,878.86	3,158,261.33
2034-2038	283,150.33	4,715.28	287,865.61
Total	\$ 12,237,948.09	\$ 948,983.16	\$ 13,186,931.25

Subscription-Based IT Arrangements (SBITAs) Liability

Included in the expenditures reported in the financial statements are the following amounts of subscription fees paid under the noncancelable liability.

Fund Type Amount
 General Fund - \$ 5,140,274.44

TWC entered into various agreements for IT subscriptions services. Subscription services including Unisys Portal and licenses Services, Work-in-Texas and Labor Exchange Hosting, Apprenticeship and LMI Modules, and various IT service components provided by ConvergeOne. These agreements range in terms up to year 2028. In fiscal 2023,

Year Ended Aug. 31, 2023

Primary Government			
Governmental Activities			
Year	Principal	Interest	Total
2024	\$ 3,577,210.89	\$ 542,418.00	\$ 4,119,628.89
2025	3,480,924.13	436,755.19	3,917,679.32
2026	3,586,229.09	331,450.23	3,917,679.32
2027	3,693,473.44	224,205.88	3,917,679.32
2028	3,803,924.89	113,754.44	3,917,679.33
Total	\$ 18,141,762.44	\$ 1,648,583.74	\$ 19,790,346.18

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN

Not Applicable

NOTE 10: DEFERRED COMPENSATION

Not Applicable

NOTE 11: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Not Applicable

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

As explained in Note 1 on Interfund Transactions and Balances there are transactions between funds and agencies. At year end, amounts to be received or paid are reported as:

- ◆ Interfund Receivables or Interfund Payables
- ◆ Due From Other Agencies or Due To Other Agencies
- ◆ Due From Other Funds or Due To Other Funds
- ◆ Operating Transfers In or Operating Transfers Out
- ◆ Legislative Transfers In or Legislative Transfers Out

The agency experienced routine transfers between its funds, and with other state agencies, which included unemployment compensation reimbursements, transfers within the Unemployment Trust Fund, and transfers to record amortization costs.

Repayment of current interfund balances will occur within one year from the date of the financial statements.

Individual balances and activity at August 31, 2023, were as follows.

	INTERFUND RECEIVABLE	INTERFUND PAYABLE	PURPOSE
GENERAL			
Appd Fund 0001, D23 Fund 0001			
(Agency 320, Fund 5026)	\$	\$ 1,626,191.86	Allocation
Total Appropriated Fund 0001	0.00	1,626,191.86	
Appd Fund 0165, D23 Fund 0165			
(Agency 320, Fund 5026)		351,953.38	Allocation
Total Appropriated Fund 0165	0.00	351,953.38	
Appd Fund 0325, D23 Fund 0325			
(Agency 320, Fund 5026)		17,906.57	Allocation
Total Appropriated Fund 0325	0.00	17,906.57	
Appd Fund 5026, D23 Fund 5026			
(Agency 320, Fund 0001)	1,626,191.86		Allocation
(Agency 320, Fund 0165)	351,953.38		Allocation
(Agency 320, Fund 0492)	17,906.57		Allocation
Total Appropriated Fund 5026	1,996,051.81	0.00	
TOTAL CURRENT INTERFUND RECEIVABLE/PAYABLE	\$ 1,996,051.81	\$ 1,996,051.81	

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS	SOURCE
GENERAL			
Appd Fund 0001, Fund 0001			
(Agency 320, Fund 0925)	\$	\$ 2,083,325.42	Tuition Trust Fund Transfer
Total Appropriated Fund 0001	0.00	2,083,325.42	
Appd Fund 0165, D23 Fund 0165			
(Agency 320, Fund 0936)		6,406,485.40	UC Reimbursement
(Agency 320, Fund 0938)		1,078,200.28	
Total Appropriated Fund 0165	0.00	7,484,685.68	
Appd Fund 0925, D23 Fund 0925			
(Agency 320, Fund 0001)	2,083,325.42		Tuition Trust Transfer
Total Appropriated Fund 0925	2,083,325.42	0.00	
PROPRIETARY			
Appd Fund 0844, D23 Fund 0844			
(Agency 320, Fund 0936)	18,547,840.71		
(Agency 320, Fund 0938)	0.03		
Total Appropriated Fund 0844	18,547,840.74	0.00	
Appd Fund 0936, D23 Fund 0936			
(Agency 320, Fund 0165)	6,406,485.40		UC Reimbursement
(Agency 320, Fund 0844)		18,547,840.71	Error Correction
(Agency 320, Fund 0938)	446,396,811.07		Tuition Trust Transfer
(Agency 320, Fund 9001)	877.34		Suspense Fund
Total Appropriated Fund 0936	452,804,173.81	18,547,840.71	
Appd Fund 0937, D23 Fund 0937			
(Agency 320, Fund 0938)		179,991,827.96	UI Trust Fund Transfer
Total Appropriated Fund 0937	0.00	179,991,827.96	
Appd Fund 0938, D23 Fund 0938			
(Agency 320, Fund 0165)	1,078,200.28		UI Trust Fund Transfer
(Agency 320, Fund 0937)	179,991,827.96		UI Trust Fund Transfer
(Agency 320, Fund 0936)		446,396,811.07	UI Trust Fund Transfer
(Agency 320, Fund 0844)		0.03	UI Trust Fund Transfer
(Agency 320, Fund 9001)		877.34	Suspense Fund
Total Appropriated Fund 0938	181,070,028.24	446,397,688.44	
TOTAL DUE FROM/DUE TO OTHER FUNDS	\$ 654,505,368.21	\$ 654,505,368.21	

	DUE FROM OTHER AGENCIES	DUE TO OTHER AGENCIES	SOURCE
GENERAL			
Appd Fund 0001, D23 Fund 0001			
(Agency 403, Fund 4113)		603,477.61	State Pass Through
(Agency 529, Fund 0001)		1,854,989.14	State Pass Through
(Agency 696, Fund 0991)		57,988.90	State Pass Through
(Agency 787, Fund 7999)		434,591.00	State Pass Through
(Agency 788, Fund 7999)		289,262.71	State Pass Through
Total Appropriated Fund 0001	0.00	3,240,309.36	
Appd Fund 0165, D23 Fund 0165			
(Agency 754, Fund 0001)	3,159.78		UC Reimbursement
(Agency 754, Fund 0260)	3,204.91		UC Reimbursement
Total Appropriated Fund 0165	6,364.69	0.00	
Appd Fund 0325, D23 Fund 0325			
(Agency 744, Fund 7999)		171,405.66	Federal Pass Through
Total Appropriated Fund 0325	0.00	171,405.66	
Appd Fund 5026, D23 Fund 5026			
(Agency 300, Fund 2146)		149,594.39	Federal Pass Through
(Agency 506, Fund 7999)		12,288.07	Federal Pass Through
(Agency 529, Fund 0001)		5,630,159.10	Federal Pass Through
(Agency 530, Fund 0037)	1,359,590.53	227,839.42	Federal Pass Through
(Agency 696, Fund 0991)		23,633.59	Federal Pass Through
(Agency 701, Fund 0148)	1,127.10	2,637,254.43	Federal Pass Through
(Agency 711, Fund 7999)	45.23	395,558.31	Federal Pass Through
(Agency 712, Fund 7999)	10,917.63	124,994.48	Federal Pass Through
(Agency 719, Fund 7999)		165,958.44	Federal Pass Through
(Agency 721, Fund 7999)	72.62	337,568.75	Federal Pass Through
(Agency 730, Fund 7999)		19,307.36	Federal Pass Through
(Agency 731, Fund 7999)		2,285.95	Federal Pass Through
(Agency 733, Fund 7999)	46,189.40	92,209.11	Federal Pass Through
(Agency 734, Fund 7999)		22,617.25	Federal Pass Through
(Agency 737, Fund 7999)		20,972.23	Federal Pass Through
(Agency 744, Fund 7999)		1,128,842.17	Federal Pass Through
(Agency 755, Fund 0001)		74,981.04	Federal Pass Through
(Agency 759, Fund 7999)	519.52	36,482.21	Federal Pass Through
Total Appropriated Fund 5026	1,418,462.03	11,102,546.30	
TOTAL DUE FROM/ DUE TO OTHER AGENCIES	\$ 1,424,826.72	\$ 14,514,261.32	

	OPERATING TRANSFERS IN	OPERATING TRANSFERS OUT	PURPOSE
GOVERNMENTAL			
Appd Fund 0001, D23 Fund 0001			
(Agency 320, Fund 0165)	74,100.00		Error Correction
(Agency 320, Fund 0925)		325,000.00	Tuition Trust Transfer
(Agency 320, Fund 5128)	19,936,793.00		ETIA Transfer to Skills
(Agency 902, Fund 0001)		6,029,294.87	Transfer Lapsed Cash
Total Appropriated Fund 0001	20,010,893.00	6,354,294.87	
Appd Fund 0165, D23 Fund 0165			
(Agency 320, Fund 0001)		74,100.00	
(Agency 320, Fund 5026)		1,000.00	Repayment to Fund 5026
Total Appropriated Fund 0165	0.00	75,100.00	
Appd Fund 0925, D23 Fund 0925			
(Agency 320, Fund 0001)	325,000.00		Tuition Trust Transfer
Total Appropriated Fund 0925	325,000.00	0.00	
Appd Fund 5026, D23 Fund 5026			
(Agency 320, Fund 0165)	1,000.00		Error Correction
(Agency 903, Fund 5026)	317,196,524.01	317,196,524.01	CMIA Loan and Repayment
Total Appropriated Fund 5026	317,197,524.01	317,196,524.01	
Appd Fund 5128, D23 Fund 5128			
(Agency 320, Fund 0001)		19,936,793.00	ETIA Transfer to Skills
Total Appropriated Fund 5128	0.00	19,936,793.00	
PROPRIETARY			
Appd Fund 0936, D23 Fund 0936			
(Agency 320, Fund 0937)	1,050,807,210.12		UI Trust Fund Transfer
(Agency 320, Fund 0938)		3,098,001,834.57	UI Trust Fund Transfer
Total Appropriated Fund 0936	1,050,807,210.12	3,098,001,834.57	
Appd Fund 0937, D23 Fund 0937			
(Agency 320, Fund 0936)		1,050,807,210.12	UI Trust Fund Transfer
(Agency 320, Fund 0938)	3,418,151,217.01		UI Trust Fund Transfer
Total Appropriated Fund 0937	3,418,151,217.01	1,050,807,210.12	
Appd Fund 0938, D23 Fund 0938			
(Agency 320, Fund 0936)	3,098,001,834.57		UI Trust Fund Transfer
(Agency 320, Fund 0937)		3,418,151,217.01	
Total Appropriated Fund 0938	3,098,001,834.57	3,418,151,217.01	
TOTAL OPERATING TRANSFERS	\$ 7,904,493,678.71	\$ 7,910,522,973.58	

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the *Texas Sunset Act*, the Commission will be abolished effective September 1, 2027, unless continued in existence by the 90th Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2028, to close out its operations.

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION

The beginning Fund Balance for Fund 0001, the General Revenue Fund has been decreased by \$20.42. The Commission corrected errors in appropriation related accounts from the prior fiscal year.

The beginning net position for Fund 9998, Capital Assets Basis Conversion, has been decreased by \$200,543.58. The Commission had previously reported an asset as construction in progress. Since the asset did not meet the capitalization threshold at completion, it was removed to accurately reflect the construction in progress asset balance.

A building lease previously reported to include lease improvements cost finance by the Lessor in the regular rent was adjusted to transition to market rate after the amortization of the lease improvements ended. This restatement also decreased the beginning net position for Fund 9997, Capital Assets Basis Conversion, by \$114,501.22 reducing the previously reported obligation.

	Fund 0001	Fund 9998	Fund 9997	Total
Net Position September 1, 2022, as previously reported	\$157,376,460.86	\$71,448,527.31	(\$34,285,087.07)	\$194,539,901.10
Restatements	(\$20.42)	(\$200,543.58)	\$114,501.22	(\$86,062.78)
Net Position September 1, 2022, as Restated	\$157,376,440.44	\$71,247,983.73	(\$34,170,585.85)	\$194,453,838.32

NOTE 15: CONTINGENCIES AND COMMITMENTS

Under the Lost Wage Assistance (LWA) program, the Commission paid an additional \$300 per week in unemployment benefits for weeks of unemployment beginning August 1, 2020 and ending September 5, 2020. The program had been established through a presidential memorandum signed by President Trump on August 8, 2021. The funds for the LWA program came from the Federal Emergency Management Agency (FEMA). A small percentage of the unemployment benefits paid under LWA program were sent to individuals who may not have been entitled to receive them whether by error or by fraudulent activities, including identity theft. This amount is estimated to be \$4.2 million. It is uncertain if this amount will eventually be remitted to the Federal Emergency Management Agency (FEMA).

The Commission was involved in several lawsuits touching on civil rights and unemployment discrimination at August 31, 2023. For all cases, management feels it is unlikely that the outcome for these claims will exceed \$25,000 or materially affect the financial position of the Commission.

The Career School or College Tuition Trust Fund (0925) provides refunds to students when the school or college they are attending closes and alternative training cannot be obtained. At the end of the year the Commission accrues a liability for these potential refunds, if any, and reflects them in Exhibit A-1. However, in some cases the Commission has been unable to obtain any records from certain closed schools. Because the likelihood of refunding tuition in these situations is uncertain, the potential liability to these students is considered contingent. At year end, there were no contingent liabilities.

The Commission, as an administrator of federal funds, awards contracts to subgrantees. The costs incurred by each subgrantee under contract are the responsibility of the Commission. Consequently, the Commission becomes contingently liable for any questioned costs that are ultimately disallowed by the granting federal agency. Although the Commission pursues aggressive debt collection for the subgrantees, collection cannot be assured. As of August 31, 2023, records of the Audit Resolution Unit indicate that federal grantor agency audits identified no subgrantee questionable costs for which the Texas Workforce Commission is contingently liable.

NOTE 16: SUBSEQUENT EVENTS

During November 2023, in accordance with Section 204.123(a) of the Labor Code \$28,448,161 will be transferred from the Employment Training Investment Act (ETIA) Holding Fund to the Skills Development Program since the amount in the Unemployment Trust Fund Account was above the statutorily defined floor as computed under Section 201.061, that is, one percent of total taxable wages for the four calendar quarters ending June 30, 2023.

The International Association of Workforce Professionals - Texas Chapter (Conference Account Fund 7999) co-hosts the annual statewide Texas Workforce Conference and the White Cane Day with the Commission. Although the IAWP-TC is an organization legally separate from the Commission, the financial activities of the IAWP-TC Conference Account are included in the Annual Financial Report of the Commission since these activities are generally initiated and approved by Commission staff. A memo of understanding exists between the IAWP-TC and the Commission that outlines the roles and responsibilities of both parties. This fund is used to record the financial activity of the Conference Accounts and the White Cane Day Account maintained by the IAWP-TC in local bank accounts. The MOU with IAWP-TC was terminated during October 2023, and the remaining funds in the local bank accounts were remitted to the Commission. These funds were deposited to the State Treasury on November 3, 2023, and all future conferences and events will be administered by TWC.

NOTE 17: RISK MANAGEMENT

The Texas Workforce Commission is exposed to a variety of civil claims resulting from the performance of its duties. It is agency policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The agency assumes substantially all risks associated with tort and liability claims due to the performance of its duties. The agency does carry commercial automobile insurance for its vehicle fleet, but the agency is not involved in any risk pools with other government entities.

The agency’s liabilities are reported when it is both probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. Changes in the balances of the agency’s claims liabilities during fiscal 2023 were:

FY	Beginning Liability	Increase	Decrease	Ending Liability
2023	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past four years.

NOTE 18: MANAGEMENT’S DISCUSSION AND ANALYSIS

Despite projections of a recession the Texas economy remained resilient during FY 2023. The unemployment rate remained at close to 4% the entire year as compared to an average of 4.5% in the prior year. Unemployment benefits paid, however, increased to 2.38 billion as compared to \$1.96 billion in FY 2022. This was a result of the average weekly benefit increasing from \$420.81 per week in FY 2022 to \$455.25 in FY 2023. In addition, the percentage of unemployed Texans eligible for unemployment benefits, sometimes referred to as the insured unemployment rate, increased slightly in FY 2023, which is typical during an economic recovery. Even with the increased payout in FY2023, the Unemployment Insurance Trust Fund balance was at \$2.4 billion and projected to be above the Trust Fund floor on October 1, 2023.

By the close of FY2023, the Texas Workforce Commission had obligated \$5.9 billion, representing 100% of federal Child Care & Development Block Grant funds provided through various pandemic related grant awards. These stimulus funds provided child care relief funds paid directly to providers, child care business coaching, enhanced reimbursement rates to subsidized child care providers, supplemental distributions to local workforce development boards to serve more low-income families, and multiple initiatives to expand the supply and improve the quality of child care in the state. In 2023 TWC made COVID Provider Relief payments to over 10,500 unique child care providers.

NOTE 19: THE FINANCIAL REPORTING ENTITY

Not applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Effective in fiscal 2023, GASB Statement No. 96, Subscription-based information technology arrangements (SBITAs) for government end users (governments), except paragraphs 6, 9-11, 15-16 and 60 defines SBITAs as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction

The Statement:

- establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability;
- provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and
- requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

Not Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables represent amounts due to the State at August 31, 2023, which will be collected in the future. Receivables do not include accounts that have been deemed uncollectible and are recorded in the accompanying Exhibits net of allowances for doubtful amounts. Payables represent amounts the State owes at August 31, 2023, which will be paid in the future. There is no disaggregation of payables.

The disaggregation of those amounts is as follows.

A. Accounts Receivable Current

General Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0001 – General	\$ 9,383,043.59	\$ (2,334,280.05)	\$ 7,048,763.54
Fund 0165 – Penalty & Interest	20,330,864.92	(9,478,960.00)	10,851,904.92
Fund 5128 – ETIA	3,564,489.72	(856,173.92)	2,708,315.80
Total General Funds	\$ 33,278,398.23	\$ (12,669,413.97)	\$ 20,608,984.26

Proprietary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0936 – Unemployment Assessment	230,595,202.07	(15,040,137.24)	215,555,064.83
Fund 0937 – Benefit Overpayments	827,027,475.11	(751,162,301.61)	75,865,173.50
Fund 0938 – Unemployment Trust Fund Account	12,911,051.43	(0.00)	12,911,051.43
Total Proprietary Funds	\$ 1,070,533,728.61	\$ (766,202,438.85)	\$ 304,331,289.76

Fiduciary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0894 – Payday Law Collections	\$ 20,353,593.65	\$ (19,226,892.46)	\$ 1,126,701.19
Total Fiduciary Funds	\$ 20,353,593.65	\$ (19,226,892.46)	\$ 1,126,701.19

B. Accounts Receivable Non-Current

General Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0165 – Penalty & Interest	\$ 3,997,374.80	\$ (1,873,419.36)	\$ 2,123,955.44
Fund 5128 – ETIA	1,298,151.25	(230,240.57)	1,067,910.68
Total General Funds	\$ 5,295,526.05	\$ (2,103,659.93)	\$ 3,191,866.12

Proprietary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0936 – Unemployment Assessment	23,348,137.71	(3,949,189.17)	19,398,948.54
Fund 0937 – Benefit Overpayments	807,793,504.10	(721,381,111.47)	86,412,392.63
Total Proprietary Funds	\$ 831,141,641.81	\$ (725,330,300.64)	\$ 105,811,341.17

C. Federal Receivables

Federal receivables, as reported in the General and Consolidated Funds (Exhibit I), are detailed by program as follows:

Federal Receivable Program	Federal Receivable	Allowance for Doubtful	Net Federal Receivable
Department of Education	3,696,445.08	0.00	3,696,445.08
Department of Health and Human Services	16,409,507.75	0.00	16,409,507.75
Department of Labor	20,198,291.55	0.00	20,198,291.55
Housing and Urban Development	532,955.50	0.00	532,955.50
Total Federal Receivables	\$ 40,837,199.88	\$ 0.00	\$ 40,837,199.88

Federal receivables, as reported in the Proprietary Funds (Exhibit III), are detailed by program as follows:

Federal Receivable Program	Federal Receivables	Allowance for Doubtful	Net Federal Receivable
Department of Labor	\$ 19,773,049.16	\$ 0.00	\$ 19,773,049.16
Total Federal Receivables	\$ 19,773,049.16	\$ 0.00	\$ 19,773,049.16

NOTE 25: TERMINATION BENEFITS

Not Applicable.

NOTE 26: SEGMENT INFORMATION

Not Applicable.

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Applicable.

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In fiscal 2023 the deferred inflow of resources in governmental activities reflected in Exhibit I and Exhibit A-1 represent accounts receivables arising from tax and penalties assessed for Fund 5128, the Employment and Training Investment Holding Fund, and Fund 0165, the Unemployment Compensation Special Admin Fund, respectively, which are not considered available at fiscal year-end. That is, the \$3,191,866.12 recorded as Deferred Inflows of Resources in those exhibits represents amounts earned that will not be available to pay current liabilities.

Governmental Funds	Deferred Outflows of Resources	Deferred Inflows of Resources
Revenue Earned but Not Available	\$ 0.00	\$ 3,191,866.12
Total	\$ 0.00	\$ 3,191,866.12

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Applicable.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable.

NOTE 31: TAX ABATEMENTS

Not Applicable.

NOTE 32: GOVERNMENTAL FUND BALANCES

The following restrictions/covenants cause fund balances to be committed and restricted.

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Comments
0165	0165	Committed	\$58,582,003.22	TEX. LAB. CODE ANN. §§ 203.201	Special unemployment compensation administration fund.
0325	0325	Restricted	\$3,811,736.06	Federal AL 17.225, 17.277, 93.575, 97.050	As reflected in the Schedule of Expenditures of Federal Awards, the TWC administers 4 separate federal grants. The fund restrictions are externally imposed by federal government agencies on the spending of these awards.
0492	0492	Non-Spendable	\$214,309.20	TEX. LAB. CODE ANN §355.011	Blind vending facility initial stock and equipment.
0492	0492	Committed	\$436,944.65	TEX. HUM. RES. CODE ANN §91.014 & TEX. LAB. CODE ANN. §355.016	Proceeds to supply blind vending facility operators with initial stock and equipment to begin business.
0493	0493	Restricted	\$1.59	TEX. HUM.RES.CODE Chapter 91 & TEX. CONST. Article XVI Section 6(b)	Funds received for the specific purpose of assisting persons with a disability in becoming gainfully employed.
0925	0925	Committed	\$1,000,000.00	TEX. EDUC. CODE ANN. §132.2415, 132.242	Fund may help students receive reimbursement on payments made to closed career schools or colleges for tuition.
5026	5026	Non-Spendable	\$439,471.34	TEX. GOV'T CODE ANN. ch. 403	Supply inventory not in a spendable form.
5026	5026	Restricted	\$8,397,813.99	Federal AL 10.561, 14.401, 17.002, 17.207, 17.225, 17.235, 17.245, 17.258, 17.259, 17.261, 17.271, 17.273, 17.277, 17.278, 17.281, 17.285, 84.002, 84.126, 84.177, 84.187, 93.558, 93.575, 93.596, 93.630, 93.667	As reflected in the Schedule of Expenditures of Federal Awards, the TWC administers 25 separate federal grants. The fund restrictions are externally imposed by federal government agencies on the spending of these awards.
5128	5128	Committed	\$250,034,865.81	TEX. LAB. CODE ANN. §204.122	Trust fund for employment and training.
5143	5143	Committed	\$1,148,543.63	TEX. EDUC. CODE ANN. §134.002	Dedicated to administer the Jobs and Education for Texans (JET) program.

Note 33: CAREER SCHOOL LIABILITY

During FY 2020 several large career schools closed creating a significant liability for Fund 0925, the Career School or College Tuition Trust Account. When career schools or colleges close the Texas Workforce Commission attempts to arrange for the students of the closed school to attend another career school. If the student cannot be placed in another school, the student's tuition and fees can be refunded from Fund 0925, subject to a limitation of \$150,000 per campus. At August 31, 2023, the Commission was liable to the former students of the following career schools/campuses that have closed.

School Name	Closed Date	Campuses	Estimated Liability
Brightwood College	12/7/2019	13	1,950,000
Virginia College	12/7/2019	1	150,000
Golf Academy of America	12/7/2019	1	150,000
Retail Ready	6/9/2018	1	50,000
ITT Technical Institute	9/6/2016	7	350,000
Vista College	10/08/2021	6	900,000
Quest College	12/06/2022	1	150,000
Total Estimated Liability			3,700,000

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EXHIBIT A-1
COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS
 August 31, 2023

	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts
General Revenue (Fund 0001) U/F (0001, 0900, 0980, 1000, 8070, 9014, 9015)	Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Coronavirus Relief Fund (Fund 0325) U/F (0325)	Business Enterprise Program Fund (Fund 0492) U/F (0492, 8492)	Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
ASSETS				
Current Assets:				
Cash and Cash Equivalents				
Cash on Hand	\$ 56,464.48	\$ 19,128.36	\$	\$
Cash in Bank (Note 3)				
Cash in State Treasury	8,553,412.32	55,599,549.99	13,638,928.97	511,184.48
Legislative Appropriations	152,051,588.68			2,616,674.58
Receivables:				
Federal Receivables (Note 24)			11,186,327.70	
Interest and Dividends	252,409.87		260,173.40	
Accounts Receivable (Note 24)	7,048,763.54	10,851,904.92		
Interfund Receivable (Note 12)				
Due from Other Funds (Note 12)				2,083,325.42
Due from Other Agencies (Note 12)		6,364.69		
Consumable Inventories				
Merchandise Inventories			214,309.20	
Total Current Assets	<u>167,962,638.89</u>	<u>66,476,947.96</u>	<u>25,085,430.07</u>	<u>725,493.68</u>
Non-Current Assets:				
Accounts Receivable (Note 28)		2,123,955.44		
Total Non-Current Assets	<u>0.00</u>	<u>2,123,955.44</u>	<u>0.00</u>	<u>0.00</u>
Total Assets	\$ <u>167,962,638.89</u>	\$ <u>68,600,903.40</u>	\$ <u>25,085,430.07</u>	\$ <u>725,493.68</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables:				
Accounts Payable	15,224,207.23	58,305.67	14,716,085.77	74,239.83
Payroll Payable	44,497.41			3,700,000.00
Interfund Payable (Note 12)	1,626,191.86	351,953.38	17,906.57	
Unearned Revenues			6,258,401.01	
Due to Other Funds (Note 12)	2,083,325.42	7,484,685.68		
Due to Other Agencies (Note 12)	3,240,309.36		171,405.66	
Funds Held for Others			109,895.00	
Other Current Liability	8,508,914.91			
Total Current Liabilities	<u>30,727,446.19</u>	<u>7,894,944.73</u>	<u>21,273,694.01</u>	<u>74,239.83</u>
Total Liabilities	<u>30,727,446.19</u>	<u>7,894,944.73</u>	<u>21,273,694.01</u>	<u>74,239.83</u>
Deferred Inflows of Resources (Note 28)		2,123,955.44		
Total Liabilities and Def. Inflow of Res.	<u>30,727,446.19</u>	<u>10,018,900.17</u>	<u>21,273,694.01</u>	<u>74,239.83</u>

<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>TOTALS</u>
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
\$ 10,947.97	\$	\$	\$ 123,147.04	\$ 86,540.81
248,456.36				371,603.40
52,696,097.37	247,326,550.01	1,148,543.63		382,090,941.35
				152,051,588.68
				0.00
29,650,872.18				40,837,199.88
29,901.57				542,484.84
	2,708,315.80			20,608,984.26
1,996,051.81				1,996,051.81
				2,083,325.42
1,418,462.03				1,424,826.72
439,471.34				439,471.34
				214,309.20
<u>86,490,260.63</u>	<u>250,034,865.81</u>	<u>1,148,543.63</u>	<u>123,147.04</u>	<u>602,747,327.71</u>
	1,067,910.68			3,191,866.12
0.00	1,067,910.68	0.00	0.00	3,191,866.12
<u>\$ 86,490,260.63</u>	<u>\$ 251,102,776.49</u>	<u>\$ 1,148,543.63</u>	<u>\$ 123,147.04</u>	<u>\$ 605,939,193.83</u>
24,602,660.74				58,375,499.24
28,478,732.73				28,523,230.14
				1,996,051.81
13,469,035.53				19,727,436.54
				9,568,011.10
11,102,546.30				14,514,261.32
				109,895.00
				8,508,914.91
<u>77,652,975.30</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>141,323,300.06</u>
<u>77,652,975.30</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>141,323,300.06</u>
	1,067,910.68			3,191,866.12
<u>77,652,975.30</u>	<u>1,067,910.68</u>	<u>0.00</u>	<u>0.00</u>	<u>144,515,166.18</u>

EXHIBIT A-1
COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS
 August 31, 2023

	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	
Fund Financial Statement-Fund Balances	General Revenue (Fund 0001) U/F (0001, 0900, 0980, 1000, 8070, 9014, 9015)	Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Coronavirus Relief Fund (Fund 0325) U/F (0325)	Business Enterprise Program Fund (Fund 0492) U/F (0492, 8492)	Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
Fund Balances (Deficits):					
Non-Spendable				214,309.20	
Restricted			3,811,736.06		
Committed		58,582,003.23		436,944.65	1,000,000.00
Assigned	117,298,399.70				
Unassigned*	19,936,793.00				
Total Fund Balances	<u>137,235,192.70</u>	<u>58,582,003.23</u>	<u>3,811,736.06</u>	<u>651,253.85</u>	<u>1,000,000.00</u>
Total Liabilities and Fund Balance	\$ <u><u>167,962,638.89</u></u>	\$ <u><u>68,600,903.40</u></u>	\$ <u><u>25,085,430.07</u></u>	\$ <u><u>725,493.68</u></u>	\$ <u><u>4,700,000.00</u></u>

<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>TOTALS</u>
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
439,471.34				653,780.54
8,397,813.99				12,209,550.05
	250,034,865.81	1,148,543.63		311,202,357.32
			123,147.04	117,421,546.74
				19,936,793.00
<u>8,837,285.33</u>	<u>250,034,865.81</u>	<u>1,148,543.63</u>	<u>123,147.04</u>	<u>461,424,027.65</u>
\$ <u>86,490,260.63</u>	\$ <u>251,102,776.49</u>	\$ <u>1,148,543.63</u>	\$ <u>123,147.04</u>	\$ <u>605,939,193.83</u>

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2023

	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	
	General Revenue (Fund 0001) U/F (0001, 0900, 0980, 1000, 8070, 9014, 9015) *	Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Coronavirus Relief Fund (Fund 0325) U/F (0325)	Business Enterprise Program Fund (Fund 0492) U/F (0492, 8492)	Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
REVENUES:					
Legislative Appropriations					
Original Appropriations (GR)	\$ 169,584,494.00	\$	\$	\$	\$
Additional Appropriations (GR)	12,045,721.28				
Federal Revenue			2,577,838,300.44		
Federal Pass-Through Revenue	19,511,360.52				
Licenses, Fees and Permits	2,954,524.99	24,609,708.19		427.59	
Interest and Investment Income	1,903,089.41		4,152,871.62		
Land Income					
Sales of Goods and Services	63,752.04			947,364.61	
Other Revenues	54,743,835.36			6,391.78	
Settlement of Claims	28,111.48				
Total Revenue	<u>260,834,889.08</u>	<u>24,609,708.19</u>	<u>2,581,991,172.06</u>	<u>954,183.98</u>	<u>0.00</u>
EXPENDITURES					
Salaries and Wages	34,652,620.39	3,020,428.08	5,519,149.16		
Payroll Related Costs	10,961,013.40	(51,277.26) **	1,799,353.95	(199.45)	
Professional Fees and Services	2,970,226.59	238,187.96	10,651,655.01	46,726.05	
Travel	1,263,165.68	35,482.09	28,968.29	41,649.42	
Materials and Supplies	969,912.46	143,460.84	5,362,450.36	80,327.67	
Communication and Utilities	4,347,481.71	331,059.39	5,447,801.69	55,799.17	
Repairs and Maintenance	1,546,133.49	103,504.29	956,252.19	358,534.16	
Rentals and Leases	2,980,771.34	79,097.73	1,478,055.46	(20,301.44)	
Printing and Reproduction	56,064.28	2,794.61	1,358.05		
Claims and Judgements					
Federal Pass-Through Expenditures			1,387,828.21		
State Grant Pass-Through Expenditures	2,915,580.37				
Intergovernmental Payments	39,453,481.74		363,061.49		
Public Assistance Payments	183,749,163.11	4.19	2,402,237,493.12		325,000.00
Other Operating Expenditures	7,290,096.52	448,357.00	143,070,381.70	46,064.98	
Debt Service:					
Principal	98,406.53	17,662.34		49,008.87	
Interest					
Capital Outlay	199,486.34	10,427.30	20,407.74	20,517.47	
Total Expenditures	<u>293,453,603.95</u>	<u>4,379,188.56</u>	<u>2,578,324,216.42</u>	<u>678,126.90</u>	<u>325,000.00</u>
EXCESS (DEFICIT) OF REVENUES					
OVER EXPENDITURES	<u>(32,618,714.87)</u>	<u>20,230,519.63</u>	<u>3,666,955.64</u>	<u>276,057.08</u>	<u>(325,000.00)</u>

*Expenditures totaling \$701,169.41 along with revenues collected from the Texas Industries for the Blind, are included in Fund 0001 of the accompanying financial statements, related to the Purchasing from People with Disabilities Program.

** Negative expenditures are the result of prior fiscal year adjustments of Unemployment Insurance payments made to former state employees on behalf of other state agencies.

Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	TOTALS
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
\$	\$	\$	\$	\$
				169,584,494.00
				12,045,721.28
1,707,250,191.99				4,285,088,492.43
90,423,386.65				109,934,747.17
150,453.13	134,465,611.93		713,000.00	162,893,725.83
266,019.96			263.88	6,322,244.87
44,857.60				44,857.60
686,193.19			74,597.71	1,771,907.55
(1,100,000.00)				53,650,227.14
409.04				28,520.52
<u>1,797,721,511.56</u>	<u>134,465,611.93</u>	<u>0.00</u>	<u>787,861.59</u>	<u>4,801,364,938.39</u>
207,347,343.10				250,539,540.73
88,688,954.04				101,397,844.68
57,366,520.68			45,319.10	71,318,635.39
2,067,394.99			1,911.73	3,438,572.20
7,720,882.65	386,230.00		518,899.20	15,182,163.18
4,724,909.62			15,810.00	14,922,861.58
16,234,015.38				19,198,439.51
(1,711,752.95)			222,371.04	3,028,241.18
148,660.12			15,998.77	224,875.83
				0.00
88,265,464.69				89,653,292.90
0.00				2,915,580.37
27,823,271.39				67,639,814.62
1,256,904,821.04				3,843,216,481.46
28,850,688.07			9,695.35	179,715,283.62
8,513,013.20				8,678,090.94
<u>38,347,094.85</u>				<u>38,597,933.70</u>
<u>1,831,291,280.87</u>	<u>386,230.00</u>	<u>0.00</u>	<u>830,005.19</u>	<u>4,709,667,651.89</u>
<u>(33,569,769.31)</u>	<u>134,079,381.93</u>	<u>0.00</u>	<u>(42,143.60)</u>	<u>91,697,286.50</u>

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2023

	<u>Consolidated</u> <u>Accounts</u>	<u>Consolidated</u> <u>Accounts</u>	<u>Consolidated</u> <u>Accounts</u>	<u>Consolidated</u> <u>Accounts</u>
General Revenue (Fund 0001) U/F (0001, 0900, 0980, 1000, 8070, 9014, 9015) *	Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Coronavirus Relief Fund (Fund 0325) U/F (0325)	Business Enterprise Program Fund (Fund 0492) U/F (0492, 8492)	Career School or College Tuition Trust Account (Fund 0925) U/F (0925)
OTHER FINANCING SOURCES (USES)				
Increase in Obligations - Leases	\$	\$	\$	\$
Increase in Obligations - Subscriptions	15,170.43	9,644.78		13,917.47
Sale of Capital Assets	55,678.47			
Transfers In (Note 12)	20,010,893.00			325,000.00
Transfers Out (Note 12)	(6,354,294.87)	(75,100.00)		
Legislative Financing Sources				
Legislative Financing Uses				
Total Other Financing Sources (Uses)	<u>13,727,447.03</u>	<u>(65,455.22)</u>	-	<u>13,917.47</u>
Net Change in Fund Balances	<u>(18,891,267.84)</u>	<u>20,165,064.41</u>	<u>3,666,955.64</u>	<u>289,974.55</u>
Fund Financial Statement-Fund Balances				
Fund Balances, September 1, 2022	157,376,460.86	38,416,938.82	144,780.42	361,279.30
Restatement to Fund Balances (Note 14)	(20.42)			
Fund Balances as Restated, September 1, 2022	<u>157,376,440.44</u>	<u>38,416,938.82</u>	<u>144,780.42</u>	<u>361,279.30</u>
Appropriations Lapsed	(1,249,979.90)			
FUND BALANCES - August 31, 2023	<u>\$ 137,235,192.70</u>	<u>\$ 58,582,003.23</u>	<u>\$ 3,811,736.06</u>	<u>\$ 651,253.85</u>
				<u>\$ 1,000,000.00</u>

Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	TOTALS
Workforce Commission Federal (Fund 5026) U/F (5026)	Employment and Training Investment Holding (Fund 5128) U/F (5128)	Jobs and Education for Texans (JET) (Fund 5143) U/F (5143)	International Association of Workforce Professionals Texas Chapter Conference Account (Fund 7999) U/F (9999)	
\$ 4,104,735.16	\$	\$	\$	\$ 4,118,652.63
23,230,549.62				23,255,364.83
2,978,072.32				3,033,750.79
317,197,524.01				337,533,417.01
(317,196,524.01)	(19,936,793.00)			(343,562,711.88)
				-
				-
30,314,357.10	(19,936,793.00)	-	-	24,378,473.38
(3,255,412.21)	114,142,588.93	-	(42,143.60)	116,075,759.88
12,092,697.54	135,892,276.88	1,148,543.63	165,290.64	346,598,268.09
				(20.42)
<u>12,092,697.54</u>	<u>135,892,276.88</u>	<u>1,148,543.63</u>	<u>165,290.64</u>	<u>346,598,247.67</u>
				(1,249,979.90)
\$ <u>8,837,285.33</u>	\$ <u>250,034,865.81</u>	\$ <u>1,148,543.63</u>	\$ <u>123,147.04</u>	\$ <u>461,424,027.65</u>

EXHIBIT B-1
COMBINING BALANCE SHEET
SPECIAL REVENUE FUND
 August 31, 2023

Endowment Fund
 For the Blind
 (Fund 0493)
U/F (0493,8493)

ASSETS

Cash and Cash Equivalents	
Cash on Hand	
Cash in State Treasury	\$ 1,721.50
Interest and Dividends Receivables	1.59
Total Assets	<u>1,723.09</u>

LIABILITIES

Payables:	
Accounts Payable	1,721.50
Total Liabilities	<u>1,721.50</u>

Fund Balances

Restricted	1.59
Total Fund Balances	<u>1.59</u>
Total Liabilities and Fund Balance	<u>\$ 1,723.09</u>

EXHIBIT B-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - SPECIAL REVENUE FUND
 For the Year Ended August 31, 2023

Endowment Fund
 For the Blind
 (Fund 0493)
U/F (0493,8493)

REVENUES:

Interest, Dividend and Other Income	\$	19.71
Other Revenue		5,532.75
Total Revenue		<u>5,552.46</u>

EXPENDITURES:

Public Assistance Payments	5,551.51
Total Expenditures	<u>5,551.51</u>

**EXCESS (DEFICIT) REVENUES
 OVER EXPENDITURES**

	<u>0.95</u>
--	-------------

OTHER FINANCING SOURCES (USES)

Transfers Out	
Total Other Financing Sources (Uses)	-

Fund Financial Statement - Fund Balances

Fund Balance September 1, 2022		0.64
Fund Balance August 31, 2023	\$	<u><u>1.59</u></u>

EXHIBIT F-1

COMBINING STATEMENT OF NET POSITION - ENTERPRISE FUNDS

August 31, 2023

	Corona Virus Relief Fund Proprietary (Fund 0938) U/F (1325)	TWC Obligation Trust Fund (Func 0844) U/F (0844)
ASSETS		
Current Assets:		
Cash and Cash Equivalents		
Cash on Hand	\$	\$
Cash in State Treasury		
Restricted:		
Cash in Bank (Note 3)		
Cash in State Treasury (Note 3)	18,693.39	390,479.33
Cash in Federal Treasury (Note 3)		
Receivables:		
Federal Receivables (Note 24)		
Interest and Dividends	3.79	1,579.91
Accounts Receivable (Note 24)		
Due from Other Funds (Note 12)	0.00	18,547,840.74
Total Current Assets	<u>18,697.18</u>	<u>18,939,899.98</u>
Non-Current Assets:		
Receivables:		
Accounts Receivable (Note 24)	0.00	0.00
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>
Total Assets	<u>18,697.18</u>	<u>18,939,899.98</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts Payable		
Federal Payable	18,621.00	
Due to Other Funds (Note 12)		
Unearned Revenues		
Total Current Liabilities	<u>18,621.00</u>	<u>0.00</u>
Total Liabilities	<u>\$ 18,621.00</u>	<u>\$ 0.00</u>
NET POSITION		
Restricted for Unemployment Trust Fund*	76.18	18,939,899.98
Total Net Position	<u>\$ 76.18</u>	<u>\$ 18,939,899.98</u>

*The funds in Fund 0844 will be transferred to Fund 0938 during FY 2024

Unemployment Compensation Clearance Account (Fund 0936) U/F (0936, 9001)	Unemployment Compensation Benefit Account (Fund 0937) U/F (0937)	Unemployment Trust Fund Account (Fund 0938) U/F (0938)	TOTALS
\$ 108,512.37	\$ 255,256.20	\$	\$ 363,768.57
272,608.15			272,608.15
	476,959.18		476,959.18
	58,129,814.67		58,538,987.39
		2,378,693,460.36	2,378,693,460.36
		19,773,049.16	19,773,049.16
54,612.52	229,662.80	20,873,295.48	21,159,154.50
215,555,064.83	75,865,173.50	12,911,051.43	304,331,289.76
452,804,173.81	0.00	181,070,028.24	652,422,042.79
<u>668,794,971.68</u>	<u>134,956,866.35</u>	<u>2,613,320,884.67</u>	<u>3,436,031,319.86</u>
19,398,948.54	86,412,392.63	0.00	105,811,341.17
<u>19,398,948.54</u>	<u>86,412,392.63</u>	<u>0.00</u>	<u>105,811,341.17</u>
<u>688,193,920.22</u>	<u>221,369,258.98</u>	<u>2,613,320,884.67</u>	<u>3,541,842,661.03</u>
	41,377,431.02	3,881,604.00	45,259,035.02
		78,970,375.80	78,988,996.80
18,547,840.71	179,991,827.96	446,397,688.44	644,937,357.11
669,646,079.51			669,646,079.51
<u>688,193,920.22</u>	<u>221,369,258.98</u>	<u>529,249,668.24</u>	<u>1,438,831,468.44</u>
\$ 688,193,920.22	\$ 221,369,258.98	\$ 529,249,668.24	\$ 1,438,831,468.44
0.00	0.00	2,084,071,216.43	2,103,011,192.59
<u>0.00</u>	<u>0.00</u>	<u>2,084,071,216.43</u>	<u>2,103,011,192.59</u>

EXHIBIT F-2**COMBINING STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS**

For the Year Ended August 31, 2023

	Corona Virus Relief Fund Proprietary (Fund 0938) U/F (1325)*	TWC Obligation Trust Fund (Func 0844) U/F (0844)
OPERATING REVENUES		
Unemployment Assessment	\$ 0.00	\$ 1,180,256.31
Federal Revenue	(6,571,911.00)	
Federal Pass-Through Revenue		
Other Operating Revenue		
Total Operating Revenue	<u>(6,571,911.00)</u>	<u>1,180,256.31</u>
OPERATING EXPENSES		
Unemployment Benefit Payments	(6,571,911.00)	
Other Operating		
Total Operating Expenses	<u>(6,571,911.00)</u>	<u>0.00</u>
OPERATING INCOME (LOSS)	<u>0.00</u>	<u>1,180,256.31</u>
NON-OPERATING REVENUES (EXPENSES)		
Federal Pass-Through Revenue		
Interest and Investment Income	76.18	378,852.75
Total Non-Operating Revenues (Expenses)	<u>76.18</u>	<u>378,852.75</u>
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS	<u>76.18</u>	<u>1,559,109.06</u>
OTHER REVENUES (EXPENSES), GAINS/ (LOSSES) AND TRANSFERS		
Transfers In (Note 12)		
Transfers Out (Note 12)	0.00	0.00
Total Other Revenues (Expenses), Gains/(Losses) and Transfers	<u>0.00</u>	<u>0.00</u>
CHANGE IN NET POSITION	<u>76.18</u>	<u>1,559,109.06</u>
NET POSITION, September 1, 2022	0.00	17,380,790.92
NET POSITION, August 31, 2023	\$ <u>76.18</u>	\$ <u>18,939,899.98</u>

* The revenue and expenses for Fund 1325, which accounts for the Lost Wage Assistance Program administered by FEMA, is negative because current activity only relates to the recovery of overpayments previously made to claimants.

Unemployment Compensation Clearance Account (Fund 0936) U/F (0936, 9001)	Unemployment Compensation Benefit Account (Fund 0937) U/F (0937)	Unemployment Trust Fund Account (Fund 0938) U/F (0938)	TOTALS
\$ 1,998,108,782.08	\$ 0.00	\$ 0.00	\$ 1,999,289,038.39
		126,710,358.43	120,138,447.43
(758,691,185.75)			(758,691,185.75)
48,496,492.78	207,843.17	68,056,926.01	116,761,261.96
<u>1,287,914,089.11</u>	<u>207,843.17</u>	<u>194,767,284.44</u>	<u>1,477,497,562.03</u>
	2,368,960,131.68	21,433,297.23	2,383,821,517.91
5,869.06			5,869.06
<u>5,869.06</u>	<u>2,368,960,131.68</u>	<u>21,433,297.23</u>	<u>2,383,827,386.97</u>
1,287,908,220.05	(2,368,752,288.51)	173,333,987.21	(906,329,824.94)
758,691,185.75			758,691,185.75
595,218.65	1,408,281.62	39,096,293.70	41,478,722.90
<u>759,286,404.40</u>	<u>1,408,281.62</u>	<u>39,096,293.70</u>	<u>800,169,908.65</u>
<u>2,047,194,624.45</u>	<u>(2,367,344,006.89)</u>	<u>212,430,280.91</u>	<u>(106,159,916.29)</u>
1,050,807,210.12	3,418,151,217.01	3,098,001,834.57	7,566,960,261.70
(3,098,001,834.57)	(1,050,807,210.12)	(3,418,151,217.01)	(7,566,960,261.70)
<u>(2,047,194,624.45)</u>	<u>2,367,344,006.89</u>	<u>(320,149,382.44)</u>	<u>0.00</u>
(0.00)	0.00	(107,719,101.53)	(106,159,916.29)
0.00	0.00	2,191,790,317.96	2,209,171,108.88
\$ <u>(0.00)</u>	\$ <u>0.00</u>	\$ <u>2,084,071,216.43</u>	\$ <u>2,103,011,192.59</u>

EXHIBIT F-3**COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**

For the Year Ended August 31, 2023

	Corona Virus Relief Fund Proprietary (Fund 0938) U/F (1325)	TWC Obligation Trust Fund (Func 0844) U/F (0844)
CASH FLOWS FROM OPERATING ACTIVITIES		
Unemployment Assessments	\$ 0.00	\$ 2,644,988.06
Proceeds From Federal Revenue		
Proceeds From Other Revenue	6,571,911.00	
Unemployment Benefit Payments	0.00	
Payments for Other Operating Expenses	(6,553,290.00)	
Net Cash Provided By Operating Activities	<u>18,621.00</u>	<u>2,644,988.06</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds of Federal Revenue	\$ 0.00	\$ 0.00
Transfers From Other Funds		
Transfers To Other Funds		(18,547,840.74)
Payment of Interest		(19,762,144.64)
Net Cash Provided by Non-Capital Financing Activities	<u>0.00</u>	<u>(38,309,985.38)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Investment Income	\$ 72.39	\$ 435,235.81
Net Cash Provided by Investing Activities	<u>72.39</u>	<u>435,235.81</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>18,693.39</u>	<u>(35,229,761.51)</u>
Cash and Cash Equivalents - September 1, 2022	0.00	35,620,240.84
Net Cash and Cash Equivalents - August 31, 2023	<u>18,693.39</u>	<u>390,479.33</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 0.00	\$ 1,180,256.31
Operating Income and Cash Flow Categories		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	0.00	1,464,731.75
Increase (Decrease) in Payables	18,621.00	
Increase (Decrease) in Deferred Income	-	
Total Adjustments	<u>18,621.00</u>	<u>1,464,731.75</u>
Net Cash Provided by Operating Activities	<u>\$ 18,621.00</u>	<u>\$ 2,644,988.06</u>

Unemployment Compensation Clearance Account (Fund 0936) U/F (0936, 9001)	Unemployment Compensation Benefit Account (Fund 0937) U/F (0937)	Unemployment Trust Fund Account (Fund 0938) U/F (0938)	TOTALS
2,262,612,043.47	\$ 0.00	\$ 0.00	\$ 2,265,257,031.53
		18,011,132.73	18,011,132.73
48,086,570.59	207,843.17	65,757,358.57	120,623,683.33
(758,729,468.65)	(2,224,560,719.37)	(20,345,677.69)	(2,244,906,397.06)
<u>1,551,969,145.41</u>	<u>0.00</u>	<u>63,422,813.61</u>	<u>(765,282,758.65)</u>
	<u>(2,224,352,876.20)</u>		<u>(606,297,308.12)</u>
758,691,185.75	\$ 0.00	\$ 0.00	\$ 758,691,185.75
767,385,534.42	3,418,151,217.01	3,201,466,767.78	7,387,003,519.21
(3,079,453,993.86)	(1,154,272,143.33)	(3,134,246,618.24)	(7,386,520,596.17)
<u>(1,553,377,273.69)</u>	<u>2,263,879,073.68</u>	<u>67,220,149.54</u>	<u>(19,762,144.64)</u>
			<u>739,411,964.15</u>
559,714.50	\$ 1,223,312.20	\$ 18,222,998.22	\$ 20,441,333.12
<u>559,714.50</u>	<u>1,223,312.20</u>	<u>18,222,998.22</u>	<u>20,441,333.12</u>
(848,413.78)	40,749,509.68	148,865,961.37	153,555,989.15
1,229,534.30	18,112,520.37	2,229,827,498.99	2,284,789,794.50
<u>381,120.52</u>	<u>58,862,030.05</u>	<u>2,378,693,460.36</u>	<u>2,438,345,783.65</u>
1,287,908,220.05	\$ (2,368,752,288.51)	\$ 173,333,987.21	\$ (906,329,824.94)
53,279,649.72	143,520,997.56	19,124,746.19	217,390,125.22
-	878,414.75	(118,325,532.90)	(117,428,497.15)
<u>210,781,275.64</u>	<u>144,399,412.31</u>	<u>(10,710,386.89)</u>	<u>200,070,888.75</u>
<u>264,060,925.36</u>		<u>(109,911,173.60)</u>	<u>300,032,516.82</u>
<u>1,551,969,145.41</u>	<u>(2,224,352,876.20)</u>	<u>63,422,813.61</u>	<u>(606,297,308.12)</u>

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EXHIBIT I-1
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
August 31, 2023

	Payday Law Wage Determination Fund (Fund 0894) U/F (0894, 1894)	Business Enterprises Program Fund (Fund 5043) U/F (0043, 5043)	TOTALS
ASSETS			
Cash and Cash Equivalents			
Cash on Hand	\$ 271,092.71	\$ 0.00	\$ 271,092.71
Cash in State Treasury	1,790,864.29	738,098.77	2,528,963.06
Receivables:			
Interest and Dividends	10,484.98	3,185.57	13,670.55
Accounts Receivable (Note 24)	1,126,701.19		1,126,701.19
Total Assets	3,199,143.17	741,284.34	3,940,427.51
LIABILITIES			
Payables:			
Accounts Payable	3,146,219.49	1,477.17	3,147,696.66
Interest Payable	52,923.68		52,923.68
Total Liabilities	3,199,143.17	1,477.17	3,200,620.34
NET POSITION			
Held in Trust For:			
Individuals, Organizations, and Other Governments	0.00	739,807.17	739,807.17
Total Net Position	\$ 0.00	\$ 739,807.17	\$ 739,807.17

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EXHIBIT I-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

For the Year Ended August 31, 2023

	Payday Law Wage Determination Fund (Fund 0894) U/F (0894, 1894)	Business Enterprises Program Fund (Fund 5043) U/F (0043, 5043)	TOTALS
ADDITIONS			
Investment Income			
From Investing Activities			
Interest and Investment Income	\$ 92,294.82	\$ 35,424.87	\$ 127,719.69
Total Investment Income (Loss)	92,294.82	35,424.87	127,719.69
Other Additions			
Settlement of Claims	3,598,153.26		3,598,153.26
Other Revenue		165,220.73	165,220.73
Transfer In	0.00	0.00	0.00
Total Other Additions	3,598,153.26	165,220.73	3,763,373.99
Total Additions	3,690,448.08	200,645.60	3,891,093.68
DEDUCTIONS			
Employee/Participant Benefit Payments		404,212.00	404,212.00
Interest Expense	35,622.09		35,622.09
Claims and Judgement Expense *	3,654,825.99		3,654,825.99
Total Deductions	3,690,448.08	404,212.00	4,094,660.08
INCREASE DECREASE IN			
NET POSITIONS	0.00	(203,566.40)	(203,566.40)
Net Position September 1, 2022	0.00	943,373.57	943,373.57
Net Position August 31, 2023	\$ 0.00	\$ 739,807.17	\$ 739,807.17

* In addition to the amount shown above for Settlement of Claims, the Texas Workforce Commission was instrumental in resolving another \$3,205,266.72 in claims where the claimant was paid directly by the employer.

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	AL Number	Pass-Through From			
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount	Non-State Entities Amount
U.S. Department of Housing and Urban Development					
Direct Programs:					
Fair Housing Assistance Program State and Local	14.401				
Total, U.S. Department of Housing and Urban Development				0.00	0.00
U.S. Department of Labor					
Direct Programs:					
Labor Force Statistics	17.002				
Unemployment Insurance	17.225				
Pass-Through To:					
Other Non-State Entities					
COVID Unemployment Insurance	17.225				
Senior Community Service Employment Program	17.235				
Pass-Through To:					
Other Non-State Entities					
Trade Adjustment Assistance	17.245				
Pass-Through To:					
Other Non-State Entities					
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261				
Re-entry Employment Opportunities	17.270				
Pass-Through To:					
Other Non-State Entities					
Work Opportunity Tax Credit Program	17.271				
Temporary Labor Certification For Foreign Workers	17.273				
Pass-Through To:					
Other Non-State Entities					
WIA/WIOA - National Emergency Grants	17.277				
Pass-Through To:					
Other Non-State Entities					
COVID WIA/WIOA - National Emergency Grants	17.277				
Pass-Through To:					
Other Non-State Entities					
Apprenticeship USA Grants	17.285				
Pass-Through To:					
Other Non-State Entities					
Subtotal, Non-Clustered Programs				0.00	0.00
<u>Employment Services Cluster</u>					
U.S. Department of Labor					
Direct Program:					
Employment Service	17.207				
Pass-Through To:					
Texas State Technical College System					
Texas Tech University					
Texas A&M University at San Antonio					
Other Non-State Entities					
Disabled Veterans Outreach Program	17.801				
Pass-Through From:					
Texas Veterans Commission		403		1,938,201.16	
Pass-Through To:					
Other Non-State Entities					
Subtotal, Employment Services Cluster				1,938,201.16	0.00
<u>Workforce Investment Act / Workforce Innovation and Opportunity Act Cluster</u>					
U.S. Department of Labor					
Direct Programs:					
WIA/WIOA - Adult Program	17.258				
Pass-Through To:					
Texas Education Agency					
Other Non-State Entities					
WIA/WIOA - Youth Activities	17.259				
Pass-Through To:					

Direct Program Amount	Total PT from & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agency Univ. #	State Agency or Univ Amount	Non-State Entities Amount		
2,428,984.93	2,428,984.93				2,428,984.93	2,428,984.93
2,428,984.93	2,428,984.93		0.00	0.00	2,428,984.93	2,428,984.93
3,877,229.90	3,877,229.90				3,877,229.90	3,877,229.90
2,432,864,173.88	2,432,864,173.88				2,432,864,173.88	2,432,864,173.88
12,840,790.98	12,840,790.98			12,840,790.98		12,840,790.98
156,461,856.79	156,461,856.79				156,461,856.79	156,461,856.79
41,493.05	41,493.05				41,493.05	41,493.05
4,387,974.22	4,387,974.22			4,387,974.22		4,387,974.22
3,509,644.97	3,509,644.97				3,509,644.97	3,509,644.97
1,234,089.23	1,234,089.23			1,234,089.23		1,234,089.23
614,276.62	614,276.62				614,276.62	614,276.62
40,432.33	40,432.33				40,432.33	40,432.33
81,820.52	81,820.52			81,820.52		81,820.52
1,606,309.54	1,606,309.54				1,606,309.54	1,606,309.54
877,690.41	877,690.41				877,690.41	877,690.41
41,474.58	41,474.58			41,474.58		41,474.58
94,110.27	94,110.27				94,110.27	94,110.27
3,722,751.89	3,722,751.89			3,722,751.89		3,722,751.89
74,017.04	74,017.04				74,017.04	74,017.04
6,588,145.87	6,588,145.87			6,588,145.87		6,588,145.87
686,899.71	686,899.71				686,899.71	686,899.71
3,195,717.45	3,195,717.45			3,195,717.45		3,195,717.45
2,632,840,899.25	2,632,840,899.25		0.00	32,092,764.74	2,600,748,134.51	2,632,840,899.25
48,799,904.97	48,799,904.97				48,799,904.97	48,799,904.97
321,077.21	321,077.21	719	321,077.21			321,077.21
316,754.84	316,754.84	733	316,754.84			316,754.84
59,553.13	59,553.13	749	59,553.13			59,553.13
13,405,634.03	13,405,634.03			13,405,634.03		13,405,634.03
	1,938,201.16					
				1,938,201.16		1,938,201.16
62,902,924.18	64,841,125.34		697,385.18	15,343,835.19	48,799,904.97	64,841,125.34
1,646,219.41	1,646,219.41				1,646,219.41	1,646,219.41
918,901.59	918,901.59	701	918,901.59			918,901.59
65,004,056.97	65,004,056.97			65,004,056.97		65,004,056.97
8,640,797.36	8,640,797.36				8,640,797.36	8,640,797.36

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	AL Number	Pass-Through From			
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount	Non-State Entities Amount
Other Non-State Entities					
WIA/WIOA Dislocated Worker Formula Grants	17.278				
Pass-Through To:					
Office of the Governor					
Texas State Technical College System					
Lamar State College - Orange					
Other Non-State Entities					
Subtotal, Workforce Investment Act Cluster				0.00	0.00
Total, U.S. Department of Labor				1,938,201.16	0.00
U.S. Department of Education					
Direct Programs					
Adult Education - Basic Grants to States	84.002A				
Pass-Through To:					
Texas Department of Criminal Justice					
Texas A&M University					
University of Texas at Austin					
Texas Tech University					
Other Non-State Entities					
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126A				
Pass-Through To:					
Health and Human Services Commission					
Rehab. Services - Independent Living for Older Ind. Who are Blind	84.177				
Supported Emp. Services for Ind. with the Most Significant Disab.	84.187				
VR Disability Innovation Fund	84.421D				
Pass-Through To:					
University of North Texas					
Total, U.S. Department of Education				0.00	0.00
U.S. Department of Health & Human Services					
Direct Programs:					
ESSA Preschool Dev Grant 0-5	93.434				
Pass-Through To:					
Department of Family and Protective Services					
University of Texas at Austin					
University of Texas Health Science Center at Houston					
Temporary Assistance for Needy Families	93.558				
Pass-Through From:					
Health and Human Services Commission		529		8,844,843.99	
Pass-Through To:					
University of Texas M. D. Anderson Cancer Center		529		19,585.87	
University of Texas at Austin		529		98,976.41	
University of Texas Southwestern Medical Center		529		121,682.42	
University of Houston		529		89,900.93	
Texas Woman's University		529		35,944.61	
Texas Tech University		529		(0.02)	
Lamar University		529		94,387.59	
Angelo State University		529		27,428.38	
University of North Texas		529		130,714.16	
Stephen F Austin State University		529		99,560.00	
University of Houston - Clear Lake		529		44,669.09	
Lamar State College - Orange		529		3,159.00	
Other Non-State Entities		529		78,801,415.02	
Social Services Block Grant	93.667				
Pass-Through From:					
Health and Human Services Commission		529		1,998,434.30	
Pass-Through To:					
Other Non-State Entities					
Subtotal, Non-Clustered Programs				90,410,701.75	0.00

Direct Program Amount	Total PT from & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agency/ Univ. #	State Agency or Univ Amount	Non-State Entities Amount		
68,443,030.22	68,443,030.22			68,443,030.22		68,443,030.22
4,488,142.25	4,488,142.25				4,488,142.25	4,488,142.25
855,749.86	855,749.86	300	855,749.86			855,749.86
419,041.30	419,041.30	719	419,041.30			419,041.30
115,768.00	115,768.00	787	115,768.00			115,768.00
66,144,088.26	66,144,088.26			66,144,088.26		66,144,088.26
216,675,795.22	216,675,795.22		2,309,460.75	199,591,175.45	14,775,159.02	216,675,795.22
2,912,419,618.65	2,914,357,819.81		3,006,845.93	247,027,775.38	2,664,323,198.50	2,914,357,819.81
3,150,038.72	3,150,038.72				3,150,038.72	3,150,038.72
83,885.48	83,885.48	696	83,885.48			83,885.48
2,422,350.98	2,422,350.98	711	2,422,350.98			2,422,350.98
719,081.64	719,081.64	721	719,081.64			719,081.64
312,354.77	312,354.77	733	312,354.77			312,354.77
72,862,710.57	72,862,710.57			72,862,710.57		72,862,710.57
320,635,086.49	320,635,086.49				320,635,086.49	320,635,086.49
7,651,497.69	7,651,497.69	529	7,651,497.69			7,651,497.69
5,082,830.67	5,082,830.67			5,082,830.67		5,082,830.67
1,509,238.00	1,509,238.00			1,509,238.00		1,509,238.00
53,750.54	53,750.54			53,750.54		53,750.54
706,131.49	706,131.49	752	706,131.49			706,131.49
415,188,957.04	415,188,957.04		11,895,302.05	72,862,710.57	330,430,944.42	415,188,957.04
206,138.56	206,138.56				206,138.56	206,138.56
797,775.43	797,775.43	530	797,775.43			797,775.43
59,661.52	59,661.52	721	59,661.52			59,661.52
26,219.40	26,219.40	744	26,219.40			26,219.40
	8,844,843.99				8,844,843.99	8,844,843.99
	19,585.87	506	19,585.87			19,585.87
	98,976.41	721	98,976.41			98,976.41
	121,682.42	729	121,682.42			121,682.42
	89,900.93	730	89,900.93			89,900.93
	35,944.61	731	35,944.61			35,944.61
	(0.02)	733	(0.02)			(0.02)
	94,387.59	734	94,387.59			94,387.59
	27,428.38	737	27,428.38			27,428.38
	130,714.16	752	130,714.16			130,714.16
	99,560.00	755	99,560.00			99,560.00
	44,669.09	759	44,669.09			44,669.09
	3,159.00	787	3,159.00			3,159.00
	78,801,415.02			78,801,415.02		78,801,415.02
	1,998,434.30					1,998,434.30
				1,998,434.30		1,998,434.30
1,089,794.91	91,500,496.66		1,649,664.79	80,799,849.32	9,050,982.55	91,500,496.66

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	AL Number	Pass-Through From			
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount	Non-State Entities Amount
Child Care Cluster					
U.S. Department of Health & Human Services					
Child Care and Development Block Grant	93.575				
Pass-Through To:					
Health and Human Services Commission					
Department of Family and Protective Services					
Texas Education Agency					
University of Texas Health Science Center at Houston					
Other Non-State Entities					
COVID Child Care and Development Block Grant	93.575				
Pass-Through To:					
Health and Human Services Commission					
University of Texas Health Science Center at Houston					
Other Non-State Entities					
Child Care and Development Fund	93.596				
Pass-Through To:					
Other Non-State Entities					
Subtotal, Child Care Cluster				0.00	0.00
Total, U.S. Dept. of Health & Human Services				90,410,701.75	0.00
SNAP Cluster					
U.S. Department of Agriculture					
Direct Programs:					
State Admin. Match for Supplemental Nutrition Assist Prog.	10.561				
Pass-Through From:					
Health and Human Services Commission		529		1,122,113.93	
Pass-Through To:					
Other Non-State Entities		529		16,451,045.43	
Total, U. S. Department of Agriculture				17,573,159.36	0.00
U.S. Department of Homeland Security					
Direct Programs:					
COVID Presidential Declared Disaster Lost Wages Assistance	97.050				
Total, U.S. Department of Homeland Security				0.00	0.00
U.S. Department of the Treasury					
Direct Programs:					
COVID Coronavirus Relief Fund	21.019				
Pass-Through From:					
Office of the Governor		300		758,691,185.75	
COVID Coronavirus State and Local Fiscal Recovery Funds	21.027				
Pass-Through From:					
Comptroller - State Fiscal		902		(758,691,185.75)	
Total, U.S. Department of the Treasury				0.00	0.00
Research and Development Cluster					
U.S. Department of Labor					
Direct Programs:					
WIA/WIOA - Adult Program	17.258				
Pass-Through To:					
Texas A&M Engineering Experiment Station					
U.S. Department of Health & Human Services					
Temporary Assistance for Needy Families	93.558				
Pass-Through From:					
Health and Human Services Commission		529			
Pass-Through To:					
Texas A&M University		529		10,940.44	
Texas A&M Engineering Experiment Station		529		1,744.46	
Subtotal, Research and Development Cluster				12,684.90	0.00
TOTAL, FEDERAL FINANCIAL ASSISTANCE				109,934,747.17	0.00

Direct Program Amount	Total PT from & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agency Univ. #	State Agency or Univ Amount	Non-State Entities Amount		
27,702,495.75	27,702,495.75				27,702,495.75	27,702,495.75
19,992,584.03	19,992,584.03	529	19,992,584.03			19,992,584.03
34,775,612.51	34,775,612.51	530	34,775,612.51			34,775,612.51
12,372,900.40	12,372,900.40	701	12,372,900.40			12,372,900.40
4,418,771.50	4,418,771.50	744	4,418,771.50			4,418,771.50
387,277,709.72	387,277,709.72			387,277,709.72		387,277,709.72
2,100,550,016.54	2,100,550,016.54				2,100,550,016.54	2,100,550,016.54
814,214.00	814,214.00	529	814,214.00			814,214.00
573,614.21	573,614.21	744	573,614.21			573,614.21
422,446,987.51	422,446,987.51			422,446,987.51		422,446,987.51
337,163,897.42	337,163,897.42			337,163,897.42		337,163,897.42
3,348,088,803.59	3,348,088,803.59		72,947,696.65	1,146,888,594.65	2,128,252,512.29	3,348,088,803.59
3,349,178,598.50	3,439,589,300.25		74,597,361.44	1,227,688,443.97	2,137,303,494.84	3,439,589,300.25
	1,122,113.93				1,122,113.93	1,122,113.93
	16,451,045.43			16,451,045.43		16,451,045.43
0.00	17,573,159.36		0.00	16,451,045.43	1,122,113.93	17,573,159.36
(6,571,911.00)	(6,571,911.00)				(6,571,911.00)	(6,571,911.00)
(6,571,911.00)	(6,571,911.00)		0.00	0.00	(6,571,911.00)	(6,571,911.00)
	758,691,185.75				758,691,185.75	758,691,185.75
0.03	0.03				0.03	0.03
	(758,691,185.75)				(758,691,185.75)	(758,691,185.75)
0.03	0.03		0.00	0.00	0.03	0.03
141,098.58	141,098.58	712	141,098.58			141,098.58
	10,940.44	711	10,940.44			10,940.44
	1,744.46	712	1,744.46			1,744.46
141,098.58	153,783.48		153,783.48	0.00	0.00	153,783.48
6,672,785,346.73	6,782,720,093.90		89,653,292.90	1,564,029,975.35	5,129,036,825.65	6,782,720,093.90

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2023

Note 1 - Not Applicable

Note 2 - Reconciliation

Below is a reconciliation of the total federal pass-through and federal expenditures as reported on the Schedule of Expenditures of Federal Awards to the total federal revenues and federal pass-through revenues as reported in the general purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities
 Governmental Fund Types (Exhibit II) and Combined Statement of Revenues, Expenses and Changes in Net Assets - Enterprise Funds (Exhibit IV)

Federal Revenues - Governmental	\$	4,285,088,492.43
Federal Pass-Through Revenues		109,934,747.17
Federal Revenues - Proprietary		120,138,447.43
Federal Pass-Through Revenues Proprietary		0.00
Subtotal		4,515,161,687.03

RECONCILING ITEMS

State UI funds	2,263,683,070.46
* Federal Fixed Fee & Other Contracts	(837,890.00)
Program Income & Non-Grant Expenditures	4,713,226.41
Per Federal Schedule	\$ 6,782,720,093.90

Notes 3a and 3b - Not Applicable

Note 5 - Unemployment Insurance Funds

The expenditures in CFDA 17.225 consists of the following:

UI Administrative Grant Funds	\$	168,189,990.00
COVID UI Admin Grant Funds		43,583,402.78
Subtotal Administration	\$	211,773,392.78

State UI Benefits Paid	2,263,683,070.46
COVID - PUC - \$600 Increase	61,269,403.11
Former Federal Employees	39,100,413.31
COVID - Emergency Benefits (PEUC)	29,805,327.43
COVID - Extended Benefit (EB)	7,687,961.04
TRA Federal Benefits	1,159,800.31
COVID - 50% Fund Reim Employers	1,131,923.79
COVID - Short Term Compensation	495,912.36
Disaster Unemployment Assistance	(75,267.62)
Recoveries from Discontinued Federal Programs	(13,865,115.32)
Subtotal Benefits	\$ 2,390,393,428.87

Total	\$ 2,602,166,821.65
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Expenditure Amount	2,589,381,081.74
Pass-Through to Non-State Entity Amount (RESEA)	12,785,739.91
Total expenditures reported for CFDA 17.225 on Schedule 1A	\$ 2,602,166,821.65

The expenditures in CFDA 21.019 consists of the following:

COVID - Coronavirus Relief Fund	758,691,185.75
Title XII Advance Repayment	
Total	\$ 758,691,185.75

The expenditures in CFDA 21.027 consists of the following:

COVID - Coronavirus State and Local Fiscal Recovery Funds	
Title XII Advance Repayment	(758,691,185.75)
COVID - Coronavirus State and Local Fiscal Recovery Funds	
UI Benefit Payments	0.03
Total	\$ (758,691,185.72)

The expenditures in CFDA 97.050 consists of the following:

COVID - Presidential Declared Disaster Lost Wages Assist.	0.00
COVID - Presidential Declared Disaster Lost Wages Assist.	(6,571,911.00)
Total	\$ (6,571,911.00)

* The Civil Rights Division of the Texas Workforce Commission conducts investigations arising from complaints regarding employment. The Equal Employment Opportunity Commission (EEOC) pay for these investigations on a fixed fee basis.

Per the provisions of OMB Uniform Guidance 2 CFR Part 200, "a Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors." The Texas Comptroller of Public Accounts has interpreted this statement to mean that fixed fee contracts are not Federal awards, and therefore, not subject to the provisions of OMB Uniform Guidance 2 CFR Part 200. Thus, the fixed fee contracts that TWC maintains with EEOC is not considered a federal award, and therefore, are not included in the Schedule of Federal Financial Assistance.

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2023

Note 6 - Not Applicable

Note 7 - Federal Deferred Revenue

Program	ALN	Federal Deferred	Increase	Federal Deferred
		Revenue	(Decrease)	Revenue
		August 31, 2022		August 31, 2023
COVID Unemployment Insurance	17.225	12,569,344.20	(10,894,848.08)	1,674,496.12
Trade Adj Assistance - Workers	17.245	13,673.07	(13,673.07)	-
E & T Administration Pilots	17.261	67,578.91	(9,191.42)	58,387.49
Re-entry Employment Opportunities	17.270	-	2,681.80	2,681.80
Voc Rehab Grants to States	84.126A	-	11,294,069.86	11,294,069.86
Rehabilitation Svc	84.177	-	439,400.27	439,400.27
Supported Employment Serv	84.187	41,743.59	(41,743.59)	-
Child Care & Develop Block Gnt	93.575	27,284.86	6,231,116.15	6,258,401.01
CC Man & Mtch Fnd of the CCDF	93.596	2,122,935.38	(2,122,935.38)	-
Total Deferred Revenue		14,842,560.01	4,884,876.53	19,727,436.54

AL 17.225 represents funds provided by the U.S. Department of Labor for Emergency Unemployment Compensation Administration, through the federal CARES act, to respond to the COVID pandemic. It also includes funds provided by the U.S. Department of Labor for the ongoing implementation of Unemployment Insurance Short Term Compensation benefits. AL 84.126A represents excess funds as a result of a late year method of finance adjustment of expenditures from federal to non federal funds. AL 93.575 represents excess funds as a result of a late year method of finance adjustment of expenditures between federal funds.

Notes 8-11 - Not Applicable

Note 12 - Funding Sources within the Child Care Development Fund Cluster

Program	ALN	FY2023
		Expended
Child Care and Development Bloack Grant (CCDBG)	93.575	486,540,073.91
CCDF Disaster Relief	93.575	-
CCDF Coronavirus Aid, Relidf. and Economic Security (CARES)	93.575	-
CCDF Coronavirus Response and Relief Sup. Approp. (CRRSA)	93.575	455,188,609.06
CCDF American Rescue Plan (ARP) Supplemental	93.575	680,543,856.76
CCDF ARP Child Care Stabilization Funds	93.575	1,388,652,366.44
Total Assistance Listing Number 93.575		3,010,924,906.17

Program	ALN	FY2023
		Expended
CCDF Mandatory	93.596	62,017,829.80
CCDF Matching	93.596	275,146,067.62
Total Assistance Listing Number 93.596		337,163,897.42

Note 13 - Not Applicable

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SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2023

Note 11 - Summary of Federal Reimbursable Grants

Program Title	AL Number	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		State Agency or Univ Amount	Non-State Entities Amount		
State Admin. Match for Supplemental Nutrition Assist Prog.	10.561		16,451,045.43	1,122,113.93	17,573,159.36
Fair Housing Assistance Program: State and Local	14.401			2,428,984.93	2,428,984.93
Labor Force Statistics	17.002			3,877,229.90	3,877,229.90
Employment Service	17.207	697,385.18	13,405,634.03	48,799,904.97	62,902,924.18
Unemployment Insurance	17.225		12,840,790.98	155,349,199.02	168,189,990.00
COVID Unemployment Insurance	17.225			43,583,402.78	43,583,402.78
Senior Community Service Employment Program	17.235		4,387,974.22	41,493.05	4,429,467.27
Trade Adjustment Assistance	17.245		1,234,089.23	3,509,644.97	4,743,734.20
WIA/WIOA - Adult Program	17.258	918,901.59	65,004,056.97	1,646,219.41	67,569,177.97
WIA/WIOA - Youth Activities	17.259		68,443,030.22	8,640,797.36	77,083,827.58
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261			614,276.62	614,276.62
Re-entry Employment Opportunities	17.270		81,820.52	40,432.33	122,252.85
Work Opportunity Tax Credit Program	17.271			1,606,309.54	1,606,309.54
Temporary Labor Certification For Foreign Workers	17.273		41,474.58	877,690.41	919,164.99
WIOA National DW Grants / WIA National Emergency Grants	17.277		3,722,751.89	94,110.27	3,816,862.16
COVID WIOA National DW Grants / WIA National Emergency Grant	17.277		6,588,145.87	74,017.04	6,662,162.91
WIA/WIOA - Dislocated Worker Formula Grants	17.278	1,531,657.74	66,144,088.26	4,488,142.25	72,163,888.25
Apprenticeship USA Grants	17.285		3,195,717.45	686,899.71	3,882,617.16
Disabled Veterans Outreach Program	17.801		1,938,201.16		1,938,201.16
Adult Education - Basic Grant	84.002A	3,537,672.87	72,862,710.57	3,150,038.72	79,550,422.16
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126A	7,651,497.69		320,635,086.49	328,286,584.18
Rehabilitation Services - Independent Living for Older Individuals Who are Blind	84.177			5,082,830.67	5,082,830.67
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			1,509,238.00	1,509,238.00
VR Disability Innovation Fund	84.421D	706,131.49		53,750.54	759,882.03
ESSA Preschool Dev Grant 0-5	93.434	883,656.35		206,138.56	1,089,794.91
Temporary Assistance for Needy Families	93.558	778,693.34	78,801,415.02	8,844,843.99	88,424,952.35
Child Care and Development Block Grant	93.575	71,559,868.44	387,277,709.72	27,702,495.75	486,540,073.91
COVID Child Care and Development Block Grant	93.575	1,387,828.21	422,446,987.51	2,100,550,016.54	2,524,384,832.26
Child Care and Development Fund	93.596		337,163,897.42		337,163,897.42
Social Services Block Grant	93.667		1,998,434.30		1,998,434.30
Total		89,653,292.90	1,564,029,975.35	2,745,215,307.75	4,398,898,576.00

Federal Revenue (Preadjustment)	4,285,088,492.43
Federal PassThrough	109,934,747.17
Program Income	4,713,226.40
Fixed Fee Contract (Differential)	(837,890.00)
Total	4,398,898,576.00

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**SCHEDULE 1B
SCHEDULE OF STATE PASS-THROUGH GRANT FROM/TO STATE AGENCIES**

For the Year Ended August 31, 2023

Pass-Through To Other Agencies:

Apprenticeship	
Lamar State College - Orange (Agency 787)	261,943.00
Subtotal	\$ <u>261,943.00</u>
Skills Development	
Lamar State College - Orange (Agency 787)	9,538.10
Texas Engineering Extension Service (Agency 716)	8,635.00
Texas State Technical College System (Agency 719)	30,067.83
Lamar Institute of Technology (Agency 789)	272,787.00
Subtotal	\$ <u>321,027.93</u>
Jobs and Education for Texans Program (JET)	
Lamar State College - Orange (Agency 787)	525.00
Subtotal	\$ <u>525.00</u>
State Leadership - Adult Education & Literacy	
Texas A&M University (Agency 711)	695,594.45
Subtotal	\$ <u>695,594.45</u>
Workforce Development - HB939	
Texas Department of Criminal Justice (696)	773,689.00
Lamar State College - Orange (Agency 787)	434,066.00
Lamar State College - Port Arthur (Agency 788)	428,734.99
Subtotal	\$ <u>1,636,489.99</u>
Total Pass-Through To Other Agencies	\$ <u><u>2,915,580.37</u></u>

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ADDENDA
ORGANIZATION, RESPONSIBILITIES AND GENERAL COMMENTS
 For the Year Ended August 31, 2023

The Texas Workforce Commission was created by the 74th Legislature with the passage of House Bill 1863. The Commission is comprised of three full-time members appointed by the Governor, with the advice and consent of the Senate, to serve six-year overlapping terms. Board members serving the Commission at August 31, 2023 are as follows:

<u>Commission Member</u>	<u>Term End Date</u>	<u>Hometown</u>
Bryan Daniel (Chair and Commissioner Representing the Public)	February 2025 Appointed July 29, 2019 (Named Chairman August 20, 2019)	Georgetown
Alberto Treviño III (Commissioner Representing Labor)	February 2029 Appointed January 2023	Harlingen
Aaron Demerson (Commissioner Representing Employers)	Resignation effective November 3, 2023 Appointed August 2019	Austin
Jose Esparza (Commissioner Representing Employers)	February 2027 Appointed November 7, 2023	Elgin

Edward Serna was named Executive Director on August 27, 2019.

The Commission had a total of 4,537 full-time employees at August 31, 2023.

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