

Texas Workforce Commission

Annual Financial Report For the Year Ended
August 31, 2021



ANNUAL FINANCIAL REPORT

UNAUDITED

TEXAS WORKFORCE COMMISSION
Austin, Texas

Year Ended August 31, 2021

Texas Workforce Commission

A Member of Texas Workforce Solutions

Bryan Daniel, Chairman
Commissioner Representing
the Public

Julian Alvarez
Commissioner Representing
Labor

Aaron Demerson
Commissioner Representing
Employers

Edward Serna
Executive Director

November 20, 2021

The Honorable Greg Abbott, Governor
The Honorable Glenn Hegar, State Comptroller
John 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, 2021, 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.

In the Subsequent Events financial note 16, TWC discloses that \$7.2 billion was appropriated in the 87th Legislature, 3rd Special Session, to repay the federal treasury for funds borrowed to continue to fund state unemployment benefits. In the Risk Management financial note 17, TWC estimates that 1.33% of unemployment benefit payments were made to individuals arising from identity theft or imposter fraud claims in FY 2021.

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, 2021

	<u>Governmental Fund Types</u>		
	General Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1)	Governmental Funds Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	\$ 229,717.74	\$ -	\$ 229,717.74
Cash in Bank (Note 3)	329,562.69		329,562.69
Cash in State Treasury	222,519,539.59	0.41	222,519,540.00
Legislative Appropriations	127,223,221.45		127,223,221.45
Receivables:			
Federal Receivable (Note 24)	83,044,047.95		83,044,047.95
Interest and Dividends	45,441.84	0.25	45,442.09
Accounts Receivable (Note 24)	21,259,379.49		21,259,379.49
Interfund Receivable (Note 12)	2,322,581.97		2,322,581.97
Due from Other Funds (Note 12)	2,185,603.48		2,185,603.48
Due from Other Agencies (Note 12)	1,500,093.34		1,500,093.34
Consumable Inventories	959,734.57		959,734.57
Merchandise Inventories	216,029.83		216,029.83
Total Current Assets	<u>461,834,953.94</u>	<u>0.66</u>	<u>461,834,954.60</u>
Non-Current Assets:			
Accounts Receivable	1,180,753.01		1,180,753.01
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			
Total Non-Current Assets	<u>1,180,753.01</u>	<u>0.00</u>	<u>1,180,753.01</u>
Total Assets	<u>\$ 463,015,706.95</u>	<u>\$ 0.66</u>	<u>\$ 463,015,707.61</u>

<u>Capital Asset Adjustments</u>	<u>Long-Term Liabilities Adjustment</u>	<u>Statement of Net Assets</u>
		229,717.74
		329,562.69
		222,519,540.00
		127,223,221.45
		83,044,047.95
		45,442.09
		21,259,379.49
		2,322,581.97
		2,185,603.48
		1,500,093.34
		959,734.57
		216,029.83
<u>0.00</u>	<u>0.00</u>	<u>461,834,954.60</u>
		1,180,753.01
4,720,343.28		4,720,343.28
11,061,290.09		11,061,290.09
88,350.00		88,350.00
39,335,084.19		39,335,084.19
(34,807,893.45)		(34,807,893.45)
13,171,948.35		13,171,948.35
(10,251,268.35)		(10,251,268.35)
920,865.10		920,865.10
(917,199.26)		(917,199.26)
60,839,970.72		60,839,970.72
(31,762,553.40)		(31,762,553.40)
<u>52,398,937.27</u>	<u>0.00</u>	<u>53,579,690.28</u>
<u>\$ 52,398,937.27</u>	<u>\$ 0.00</u>	<u>\$ 515,414,644.88</u>

EXHIBIT I
COMBINED BALANCE SHEET / STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
 August 31, 2021

	<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	\$ 108,258,259.79	\$ 0.41	\$ 108,258,260.20
Payroll Payable	25,694,265.47		25,694,265.47
Interfund Payable (Note 12)	2,322,581.97		2,322,581.97
Unearned Revenues	267,456.18		267,456.18
Due to Other Funds (Note 12)	46,039,359.06		46,039,359.06
Due to Other Agencies (Note 12)	7,056,957.61		7,056,957.61
Other Current Liability	6,882.13		6,882.13
Employees Compensable Leave (Note 5)			
Total Current Liabilities	<u>189,645,762.21</u>	<u>0.41</u>	<u>189,645,762.62</u>
Non-Current Liabilities:			
Employees Compensable Leave (Note 5)			
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Deferred Inflows of Resources (Note 28)	<u>1,180,753.01</u>		<u>1,180,753.01</u>
Total Liabilities and Deferred Inflows of Resources	<u>190,826,515.22</u>	<u>0.41</u>	<u>190,826,515.63</u>
Fund Financial Statement-Fund Balances			
Fund Balances (Deficits):			
Non-Spendable	\$ 1,175,764.40	\$	1,175,764.40
Restricted	11,112,337.85	0.25	11,112,338.10
Committed	146,547,269.69		146,547,269.69
Assigned	113,385,610.01		113,385,610.01
Unassigned	(31,790.22)		(31,790.22)
Total Fund Balances	<u>272,189,191.73</u>	<u>0.25</u>	<u>272,189,191.98</u>
Total Liabilities and Fund Balance	<u>\$ 463,015,706.95</u>	<u>0.66</u>	<u>463,015,707.61</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>
\$	\$	\$ 108,258,260.20
		25,694,265.47
		2,322,581.97
		267,456.18
		46,039,359.06
		7,056,957.61
		6,882.13
	<u>15,631,803.42</u>	<u>15,631,803.42</u>
<u>0.00</u>	<u>15,631,803.42</u>	<u>205,277,566.04</u>
	<u>6,602,618.21</u>	<u>6,602,618.21</u>
<u>0.00</u>	<u>6,602,618.21</u>	<u>6,602,618.21</u>
		<u>1,180,753.01</u>
<u>0.00</u>	<u>22,234,421.63</u>	<u>213,060,937.26</u>
\$	\$	\$ 1,175,764.40
		11,112,338.10
		146,547,269.69
		113,385,610.01
		(31,790.22)
<u>0.00</u>	<u>0.00</u>	<u>272,189,191.98</u>
<u>0.00</u>	<u>22,234,421.63</u>	<u>485,250,129.24</u>
52,398,937.27		52,398,937.27
	<u>(22,234,421.63)</u>	<u>(22,234,421.63)</u>
<u>\$ 52,398,937.27</u>	<u>\$ (22,234,421.63)</u>	<u>\$ 302,353,707.62</u>

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

For the Year Ended August 31, 2021

	Governmental Fund Types		Governmental Funds Total
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	
REVENUES:			
Legislative Appropriations			
Original Appropriations (GR)	\$ 194,833,514.00	\$	\$ 194,833,514.00
Additional Appropriations (GR)	8,603,137.54		8,603,137.54
Federal Revenue	2,395,602,693.05		2,395,602,693.05
Federal Pass-Through Revenue	97,604,101.37		97,604,101.37
Licenses, Fees and Permits	130,462,221.04		130,462,221.04
Interest and Investment Income	210,596.83	3.48	210,600.31
Land Income	2,179.72		2,179.72
Sales of Goods and Services	1,739,311.57		1,739,311.57
Other Revenues	55,977,404.11	8,444.35	55,985,848.46
Settlement of Claims	454.48		454.48
Total Revenue	2,885,035,613.71	8,447.83	2,885,044,061.54
EXPENDITURES			
Salaries and Wages	247,397,849.03		247,397,849.03
Payroll Related Costs	109,561,926.58		109,561,926.58
Professional Fees and Services	51,002,715.87		51,002,715.87
Travel	292,769.82		292,769.82
Materials and Supplies	11,110,298.44		11,110,298.44
Communication and Utilities	65,169,815.98		65,169,815.98
Repairs and Maintenance	13,292,265.06		13,292,265.06
Rentals and Leases	8,207,729.27		8,207,729.27
Printing and Reproduction	126,094.38		126,094.38
Claims and Judgements	4,800.00		4,800.00
Federal Pass-Through Expenditures	84,621,433.96		84,621,433.96
State Grant Pass-Through Expenditures	2,731,039.50		2,731,039.50
Intergovernmental Payments	48,715,613.01		48,715,613.01
Public Assistance Payments	1,917,342,996.01	8,448.39	1,917,351,444.40
Other Operating Expenditures	139,599,453.36		139,599,453.36
Capital Outlay	23,539,107.54		23,539,107.54
Depreciation Expense (Note 2)			
Amortization Expense (Note 2)			
Total Expenditures	2,722,715,907.81	8,448.39	2,722,724,356.20
EXCESS (DEFICIT) OF REVENUES			
OVER EXPENDITURES	\$ 162,319,705.90	\$ (0.56)	\$ 162,319,705.34

<u>Capital Asset Adjustments</u>	<u>Long-Term Liabilities Adjustment</u>	<u>Statement of Activities</u>
\$	\$	\$ 194,833,514.00
		8,603,137.54
		2,395,602,693.05
		97,604,101.37
		130,462,221.04
		210,600.31
		2,179.72
		1,739,311.57
		55,985,848.46
		454.48
-	-	<u>2,885,044,061.54</u>
		1,542,647.26
		248,940,496.29
		109,561,926.58
		51,002,715.87
		292,769.82
		11,110,298.44
		65,169,815.98
		13,292,265.06
		8,207,729.27
		126,094.38
		4,800.00
		84,621,433.96
		2,731,039.50
		48,715,613.01
		1,917,351,444.40
		139,599,453.36
(23,539,107.54)		0.00
1,388,505.07		1,388,505.07
<u>4,279,706.16</u>		<u>4,279,706.16</u>
<u>(17,870,896.31)</u>	<u>1,542,647.26</u>	<u>2,706,396,107.15</u>
\$ 17,870,896.31	\$ (1,542,647.26)	\$ 178,647,954.39

**EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS**

For the Year Ended August 31, 2021

	<u>Governmental Fund Types</u>		
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	Governmental Funds Total
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	\$ 2,121.87	\$	\$ 2,121.87
Transfers In (Note 12)	311,037,762.04		311,037,762.04
Transfers Out (Note 12)	(688,452,340.30)		(688,452,340.30)
Gain (Loss) on Disposition of Capital Assets			
Legislative Financing Sources	-		-
Legislative Financing Uses	-		-
Total Other Financing Sources (Uses)	<u>(377,412,456.39)</u>	<u>0.00</u>	<u>(377,412,456.39)</u>
Net Change in Fund Balances / Net Position	<u>(215,092,750.49)</u>	<u>(0.56)</u>	<u>(215,092,751.05)</u>
Fund Financial Statement-Fund Balances			
Fund Balances, September 1, 2020	495,189,509.25	0.81	495,189,510.06
Appropriations Lapsed	(7,907,567.03)		(7,907,567.03)
FUND BALANCES - August 31, 2021	<u>\$ 272,189,191.73</u>	<u>\$ 0.25</u>	<u>\$ 272,189,191.98</u>
GOVERNMENT-WIDE STATEMENT-NET POSITION			
Change in Net Position			<u>272,189,191.98</u>
Net Position, September 1, 2020			
Restatement to Net Position (Note 14)			
Net Position, September 1, 2020, as restated			
Net Position, August 31, 2021	<u>\$</u>	<u>\$</u>	<u>\$ -</u>

<u>Capital Asset Adjustments</u>	<u>Long-Term Liabilities Adjustment</u>	<u>Statement of Activities</u>
\$ (2,121.87)	\$	\$ 0.00
		311,037,762.04
		(688,452,340.30)
731.51		731.51
		0.00
		0.00
<u>(1,390.36)</u>	<u>-</u>	<u>(377,413,846.75)</u>
<u>17,869,505.95</u>	<u>(1,542,647.26)</u>	<u>(198,765,892.36)</u>
		495,189,510.06
		(7,907,567.03)
<u>\$ 17,869,505.95</u>	<u>\$ (1,542,647.26)</u>	<u>\$ 288,516,050.67</u>
<u>17,869,505.95</u>	<u>(1,542,647.26)</u>	<u>288,516,050.67</u>
34,860,168.24	(20,691,774.37)	14,168,393.87
<u>(330,736.92)</u>		<u>(330,736.92)</u>
<u>34,529,431.32</u>	<u>(20,691,774.37)</u>	<u>13,837,656.95</u>
<u>\$ 52,398,937.27</u>	<u>\$ (22,234,421.63)</u>	<u>\$ 302,353,707.62</u>

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

August 31, 2021

	Total Proprietary Funds (Exhibit F-1)
ASSETS	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 1,896,294.53
Cash in State Treasury	592,609.03
Restricted:	
Cash in Bank (Note 3)	665,176.10
Cash in State Treasury (Note 3)	83,518,746.73
Cash in Federal Treasury (Note 3)	980,326,145.36
Receivables:	
Federal Receivables (Note 24)	253,241,039.77
Interest and Dividends	18,906.56
Accounts Receivable (Note 24)	556,576,129.45
Due from Other Funds (Note 12)	361,658,098.48
Total Current Assets	<u>2,238,493,146.01</u>
Non-Current Assets:	
Receivables:	
Accounts Receivable (Note 24)	163,863,041.31
Total Non-Current Assets	<u>163,863,041.31</u>
Total Assets	<u>2,402,356,187.32</u>
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts Payable	167,611,862.39
Federal Payable	145,072,250.13
Due to Other Funds (Note 12)	317,804,342.90
Unearned Revenues	404,732,530.12
Notes & Loan Liability	6,915,964,929.05
Total Current Liabilities	<u>7,951,185,914.59</u>
Total Liabilities	<u>7,951,185,914.59</u>
NET POSITION	
Unrestricted	(5,548,829,727.27)
Total Net Position	<u>\$ (5,548,829,727.27)</u>

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

For the Year Ended August 31, 2021

	Total Proprietary Funds (Exhibit F-2)
OPERATING REVENUES	
Unemployment Assessment	\$ 2,034,679,530.05
Federal Revenue	21,211,552,698.74
Other Operating Revenue	644,068,228.42
Total Operating Revenue	<u>23,890,300,457.21</u>
OPERATING EXPENSES	
Unemployment Benefit Payments	26,084,926,544.01
Total Operating Expenses	<u>26,084,926,544.01</u>
OPERATING INCOME (LOSS)	<u>(2,194,626,086.80)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and Investment Income	157,512.31
Other Non-Operating Expenses	
Total Non-Operating Revenues (Expenses)	<u>157,512.31</u>
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS	<u>(2,194,468,574.49)</u>
OTHER REVENUES (EXPENSES), GAINS/ (LOSSES) AND TRANSFERS	
Transfers In (Note 12)	29,426,481,115.09
Transfers Out (Note 12)	<u>(29,051,745,645.69)</u>
Total Other Revenues (Expenses), Gains/(Losses) and Transfers	<u>374,735,469.40</u>
CHANGE IN NET POSITION	<u>(1,819,733,105.09)</u>
NET POSITION, September 1, 2020	(3,729,096,622.18)
NET POSITION, August 31, 2021	<u>\$ (5,548,829,727.27)</u>

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

For the Year Ended August 31, 2021

	Total Proprietary Funds (Exhibit F-3)
CASH FLOWS FROM OPERATING ACTIVITIES	
Unemployment Assessments	\$ 2,002,656,842.39
Proceeds from Federal Revenue	23,330,296,435.16
Proceeds from Other Revenue	654,128,043.59
Unemployment Benefit Payments	(28,479,509,347.87)
Net Cash Provided by Operating Activities	<u>(2,492,428,026.73)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Proceeds from Notes Payable	3,128,211,513.41
Transfers from Other Funds	29,921,076,393.24
Transfers to Other Funds	(29,548,167,030.41)
Net Cash Provided by Non-Capital Financing Activities	<u>3,501,120,876.24</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Investment Income	146,129.28
Net Cash Provided by Investing Activities	<u>146,129.28</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,008,838,978.79</u>
Cash and Cash Equivalents, September 1, 2020	58,159,992.96
Net Cash and Cash Equivalents, August 31, 2021	<u>\$ 1,066,998,971.75</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	<u>(2,194,628,982.74)</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	1,640,889,131.74
Increase (Decrease) in Payables	(2,057,836,839.01)
Increase (Decrease) in Deferred Revenue	119,148,663.28
Total Adjustments	<u>(297,799,043.99)</u>
Net Cash Provided by Operating Activities	<u>\$ (2,492,428,026.73)</u>

EXHIBIT VI
COMBINED STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
August 31, 2021

	Custodial Funds (Exhibit I-1)	TOTALS
ASSETS		
Cash and Cash Equivalents		
Cash on Hand	\$ 107,341.28	\$ 107,341.28
Cash in State Treasury	2,207,257.92	2,207,257.92
Receivables:		
Interest and Dividends	496.53	496.53
Accounts Receivable (Note 24)	555,843.94	555,843.94
Total Assets	<u>2,870,939.67</u>	<u>2,870,939.67</u>
LIABILITIES		
Payables:		
Accounts Payable	1,885,324.78	1,885,324.78
Interest Payable	27,753.27	27,753.27
Funds Held For Others	-	-
Total Liabilities	<u>1,913,078.05</u>	<u>1,913,078.05</u>
NET POSITION		
Held in Trust For:		
Individuals, Organizations, and Other Governments	<u>957,861.62</u>	<u>957,861.62</u>
Total Net Position	<u>\$ 957,861.62</u>	<u>\$ 957,861.62</u>

EXHIBIT VII
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended August 31, 2021

	Custodial Funds (Exhibit I-2)	TOTALS
ADDITIONS		
Investment Income		
From Investing Activities:		
Interest and Investment Income	\$ 10,738.84	\$ 10,738.84
Net Income From Investing Activities	10,738.84	10,738.84
Total Net Investment Income (Loss)	10,738.84	10,738.84
Other Additions		
Settlement of Claims	2,294,116.17	2,294,116.17
Other Revenue	164,719.63	164,719.63
Total Other Additions	2,458,835.80	2,458,835.80
Total Additions	2,469,574.64	2,469,574.64
DEDUCTIONS		
Employee/Participant Benefit Payments	(469,557.62)	(469,557.62)
Interest Expense	14,101.70	14,101.70
Claims and Judgement Expense	2,278,033.84	2,278,033.84
Other Operating Expense	9,551.16	9,551.16
Total Deductions	1,832,129.08	1,832,129.08
INCREASE (DECREASE) IN NET POSITION	637,445.56	637,445.56
Net Position, September 1, 2020	320,416.06	320,416.06
NET POSITION, August 31, 2021	\$ 957,861.62	\$ 957,861.62

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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 of 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.

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

No component units have been identified that should be blended into an appropriate 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 accounted for in other funds. 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. GOVT 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. GOVT 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. GOVT 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 vending facilities for the operation of vending machine facilities by blind persons. This fund was created by TEX. HUM. RES. CODE ANN §91.0014 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. GOVT 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 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, that the IAWP-TC maintains 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 obligation assessments. This fund was created by S.B. 280 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. § 203.022.

Unemployment Trust Fund Account (Fund 0938) holds money of this state collected under the Old Age and Survivors Insurance Act. 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 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, sec. 61.063.

The Business Enterprise Program 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 Enterprise 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, 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 basis of accrual. 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 judgements
- Full accrual revenues and expenses
- Pension amounts in governmental activities

Proprietary fund types (enterprise funds and internal service fund) 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 proceeds of enterprise fund, general obligation and revenue bonds, and 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 the governmental and proprietary fund types. The cost of these items is 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.

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.

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 09/01/20	Adjustments (Restatements)	Completed Construction In Progress	Reclassifications			Deletions	Balance 08/31/21	
				Increase Interagency Transfers	Decrease Interagency Transfers	Additions			
Governmental Activities:									
Non-Depreciable or Non-Amortizable Assets									
Land and Land Improvements	\$ 4,720,343.28	\$	\$	\$	\$	\$	\$	4,720,343.28	
*Construction In Progress	11,900,109.36	(330,736.91)	(14,941,312.36)			14,433,230.00		11,061,290.09	
Other Capital Assets	88,350.00							88,350.00	
Total Non-Depreciable or Non-Amortizable Assets:	16,708,802.64	(330,736.91)	(1,494,1312.36)	0.00	0.00	14,433,230.00	0.00	15,869,983.37	
Depreciable Assets:									
Buildings and Building Improvements	38,875,984.02					459,100.17		39,335,084.19	
Infrastructure	0.00							0.00	
Furniture and Equipment	11,974,280.37	10,951.00				1,380,948.52	(194,231.54)	13,171,948.35	
Vehicles, Boats & Aircraft	920,865.10							920,865.10	
Total Depreciable Assets at Historical cost	51,771,129.49	10,951.00	0.00	0.00	0.00	1,840,048.69	(194,231.54)	53,427,897.64	
Less Accumulated Depreciation For:									
Buildings and Building Improvements	(34,427,845.30)					(380,048.15)		(34,807,893.45)	
Infrastructure	0.00							0.00	
Furniture and Equipment	(9,428,085.11)	(10,951.00)				(1,005,073.40)	192,841.16	(10,251,268.35)	
Vehicles, Boats & Aircraft	(913,815.74)					(3,383.52)		(917,199.26)	
Total Accumulated Depreciation	(44,769,746.15)	(10,951.00)	0.00	0.00	0.00	(1,388,505.07)	192,841.16	(45,976,361.06)	
Depreciable Assets, Net	7,001,383.34	0.00	0.00	0.00	0.00	451,543.62	(1,390.38)	7,451,536.58	
Amortizable Assets – Intangible:									
Computer Software	38,632,829.52	(0.01)	14,941,312.36			7,265,828.85		60,839,970.72	
Total Amortizable Assets – Intangible	38,632,829.52	(0.01)	14,941,312.36	0.00	0.00	7,265,828.85	0.00	60,839,970.72	
Less Accumulated Amortization for:									
Computer Software	(27,482,847.24)					(4,279,706.16)		(31,762,553.40)	
Total Accumulated Amortization	(27,482,847.24)	0.00	0.00	0.00	0.00	(4,279,706.16)	0.00	(31,762,553.40)	
Amortizable Assets – Intangible, Net	11,149,982.28	(0.01)	14,941,312.36	0.00	0.00	2,986,122.69	0.00	29,077,417.32	
Governmental Activities Capital Assets, Net:	\$ 34,860,168.26	(330,736.92)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 17,870,896.31	\$ (1,390.38)	\$ 52,398,937.27	

The Construction in Progress balance of \$11 million is for the Unemployment Insurance System Modernization and Replacement (\$7.9 million), Eligible Training Provider Career Schools Database (\$1.7 million), Work Force Case Management (\$1.1 million) and miscellaneous data enhancement projects (\$.3 million).

NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

DEPOSITS OF CASH IN BANK

As of August 31, 2021, the carrying amount of deposits was \$994,738.79 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK – CARRYING AMOUNT	\$ 994,738.79
Total Cash in Bank per AFR	\$ 994,738.79
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	
Star of Texas Credit Union	40,925.92
Public Employees Credit Union	40,180.41
Governmental Cash in Bank per AFR	329,562.69
Business-Type Current Assets Cash in Bank - US Bank	665,176.10
Cash in Bank per AFR	\$ 994,738.79

As of August 31, 2021, the total bank balance was as follows.

Governmental and Business-Type Activities	\$ 991,033.54
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For the International Association of Workforce Professionals cash in bank, the annual conference accounts totaled \$56,574.41 and the White Cane Day Account totaled \$24,531.92. The Unemployment Compensation Benefit account paying unemployment benefits cash in bank totaled \$665,176.10.

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	\$ 415,176.10	\$ 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, 2021 were \$980,326,145.36. 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, 2021.

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).

Because of the significant amount of state benefits paid, the Texas Unemployment Trust Fund became insolvent on June 9, 2020. The Commission then began borrowing funds from the United States Treasury, under Title XII of the Social Security Act interest free through September 6, 2021. At year end the amount borrowed totaled \$6.9 billion. As discussed in Note 16 – Subsequent Events, the entire loan is expected to be paid off by November 30, 2021.

Governmental Activities	Balance 9/1/2020	Additions	Reductions	Balance 8/31/2021	Amount Due Within One Year
General Revenue Advances	\$ 0.00	\$ 311,027,904.32	\$ (311,027,904.32)	\$ 0.00	\$ 0.00
Total Governmental Activities	\$ 0.00	\$ 311,027,904.32	\$ (311,027,904.32)	\$ 0.00	\$ 0.00
Business-Type Activities	Balance 9/1/2020	Additions	Reductions	Balance 8/31/2021	Amount Due Within One Year
Title XII Advances	\$ 3,787,753,415.64	\$ 3,141,258,164.04	\$ (13,046,650.63)	\$ 6,915,964,925.05	\$ 6,915,964,925.05
Total Business-Type Activities	\$ 3,787,753,415.64	\$ 3,141,258,164.04	\$ (13,046,650.63)	\$ 6,915,964,925.05	\$ 6,915,964,925.05

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, 2021, 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.

The changes in Employee’s Compensable Leave are reflected in the table below.

Governmental Activities	Balance 09-01-20	Additions	Reductions	Balance 08-31-21	Amount Due Within One Year	Amount Due Thereafter
Compensable Leave	\$ 20,691,774.37	\$ 15,832,789.23	\$ (14,290,141.97)	\$ 22,234,421.63	\$ 15,631,803.42	\$ 6,602,618.21
Total Governmental Activities	\$ 20,691,774.37	\$ 15,832,789.23	\$ (14,290,141.97)	\$ 22,234,421.63	\$ 15,631,803.42	\$ 6,602,618.21

NOTE 6: BOND INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVES

Not Applicable.

NOTE 8: LEASES

Operating Leases

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases.

Fund Type	Amount
General Fund	\$ 5,400,348.15

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows.

Year Ended August 31	Amount
2022	\$ 4,395,560.54
2023	3,477,416.25
2024	2,732,471.22
2025	1,948,671.20
2026	1,192,035.49
2027-2032 (Future Years 6-10)	32,576.99
Total Minimum Future Lease Rental Payments	\$ 13,778,731.69

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, 2021, were as follows.

	INTERFUND RECEIVABLE	INTERFUND PAYABLE	PURPOSE
GENERAL			
Appd Fund 0001, D23 Fund 0001			
(Agency 320, Fund 5026)	\$	\$ 1,079,497.25	Allocation
Total Appropriated Fund 0001	0.00	1,079,497.25	
Appd Fund 0165, D23 Fund 0165			
(Agency 320, Fund 5026)		396,585.33	Allocation
Total Appropriated Fund 0165	0.00	396,585.33	
Appd Fund 0325, D23 Fund 0325			
(Agency 320, Fund 5026)		745,206.85	Allocation
Total Appropriated Fund 0325	0.00	745,206.85	
Appd Fund 0492, D23 Fund 0492			
(Agency 320, Fund 5026)		101,292.54	Allocation
Total Appropriated Fund 0492	0.00	101,292.54	
Appd Fund 5026, D23 Fund 5026			
(Agency 320, Fund 0001)	99,261.54		Allocation
(Agency 320, Fund 0165)	23,465.45		Allocation
(Agency 320, Fund 0492)	2,199,854.98		Allocation
Total Appropriated Fund 5026	2,322,581.97	0.00	
TOTAL CURRENT INTERFUND RECEIVABLE/PAYABLE	\$ 2,322,581.97	\$ 2,322,581.97	

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS	SOURCE
GENERAL			
Appd Fund 0001, Fund 0001			
(Agency 320, Fund 0925)	\$	\$ 2,185,603.48	Tuition Trust Fund Transfer
Total Appropriated Fund 0001	0.00	2,185,603.48	
Appd Fund 0165, D23 Fund 0165			
(Agency 320, Fund 0936)		13,124,609.79	UC Reimbursement
(Agency 320, Fund 0938)		30,729,145.79	
Total Appropriated Fund 0165	0.00	43,853,755.58	
Appd Fund 0925, D23 Fund 0925			
(Agency 320, Fund 0001)	2,185,603.48		Tuition Trust Transfer
Total Appropriated Fund 0925	2,185,603.48	0.00	
PROPRIETARY			
Appd Fund 0844, D23 Fund 0844			
(Agency 320, Fund 0936)	24,825,120.61		Error Correction
Total Appropriated Fund 0936	24,825,120.61		
Appd Fund 0936, D23 Fund 0936			
(Agency 320, Fund 0165)	13,124,609.79		UC Reimbursement
(Agency 320, Fund 0938)	51,191,425.83	24,825,120.61	Error Correction
Total Appropriated Fund 0936	64,316,035.62	24,825,120.61	
Appd Fund 0937, D23 Fund 0937			
(Agency 320, Fund 0938)		241,787,796.46	UI Trust Fund Transfer
Total Appropriated Fund 0937	0.00	241,787,796.46	
Appd Fund 0938, D23 Fund 0938			
(Agency 320, Fund 0165)	30,729,145.79		UI Trust Fund Transfer
(Agency 320, Fund 0937)	241,787,796.46	51,191,425.83	UI Trust Fund Transfer
Total Appropriated Fund 0938	272,516,942.25	51,191,425.83	
TOTAL DUE FROM/DUE TO OTHER FUNDS	\$ 363,843,701.96	\$ 363,843,701.96	

	DUE FROM OTHER AGENCIES	DUE TO OTHER AGENCIES	SOURCE
GENERAL			
Appd Fund 0001, D23 Fund 0001			
(Agency 529, Fund 0001)	\$ 129,768.46	\$	State Pass Through
(Agency 403, Fund 4113)	7,001.66		State Pass Through
(Agency 701, Fund 0148)		2,000,000.00	State Pass Through
(Agency 711, Fund 7999)		179,885.32	State Pass Through
(Agency 719, Fund 7999)		19,434.07	State Pass Through
(Agency 787, Fund 7999)		33,742.05	State Pass Through
Total Appropriated Fund 0001	136,770.12	2,233,061.44	
Appd Fund 0165, D23 Fund 0165			
(Agency 211, Fund 0001)	257.07		UC Reimbursement
(Agency 308, Fund 0001)	705.14		UC Reimbursement
(Agency 515, Fund 0001)	721.00		UC Reimbursement
(Agency 730, Fund 0001)	3,970.35		UC Reimbursement
(Agency 730, Fund 0225)	12,223.01		UC Reimbursement
(Agency 751, Fund 0001)	3,682.73		UC Reimbursement
(Agency 751, Fund 0257)	5,765.35		UC Reimbursement
(Agency 784, Fund 0268)	1,076.37		UC Reimbursement
(Agency 788, Fund 0268)	1,889.94		UC Reimbursement
Total Appropriated Fund 0165	30,290.96	0.00	
Appd Fund 5026, D23 Fund 5026			
(Agency 300, Fund 2143)		7,124.85	Federal Pass Through
(Agency 300, Fund 2144)		104,392.67	Federal Pass Through
(Agency 529, Fund 0001)	1,306,401.93		Federal Pass Through
(Agency 530, Fund 0037)		998,809.41	Federal Pass Through
(Agency 701, Fund 0148)	26,630.33	2,778,021.39	Federal Pass Through
(Agency 711, Fund 7999)		25,033.88	Federal Pass Through
(Agency 712, Fund 7999)		41,129.43	Federal Pass Through
(Agency 729, Fund 7999)		24,011.21	Federal Pass Through
(Agency 733, Fund 7999)		16,494.38	Federal Pass Through
(Agency 737, Fund 7999)		4,474.42	Federal Pass Through
(Agency 744, Fund 7999)		725,729.39	Federal Pass Through
(Agency 755, Fund 0001)		79,192.24	Federal Pass Through
(Agency 788, Fund 7999)		19,482.90	Federal Pass Through
Total Appropriated Fund 5026	1,333,032.26	4,823,896.17	
TOTAL DUE FROM/ DUE TO OTHER AGENCIES	\$ 1,500,093.34	\$ 7,056,957.61	

	OPERATING TRANSFERS IN	OPERATING TRANSFERS OUT	PURPOSE
GOVERNMENTAL			
Appd Fund 0001, D23 Fund 0001			
(Agency 320, Fund 0925)	8,394.10		Tuition Transfer Trust
(Agency 320, Fund 7999)	1,463.62		Reimbursement from IAWP
(Agency 902, Fund 0001)		2,679,108.86	Transfer Lapsed Cash
Total Appropriated Fund 0001	9,857.72	2,679,108.86	
Appd Fund 0925, D23 Fund 0925			
(Agency 320, Fund 0001)		8,394.10	Tuition Trust Transfer
Total Appropriated Fund 0925	0.00	8,394.10	
Appd Fund 5026, D23 Fund 5026			
(Agency 903, Fund 5026)	311,027,904.32	311,027,904.32	CMIA Loan and Repayment
Total Appropriated Fund 5026	311,027,904.32	311,027,904.32	
Appd Fund 5128, D23 Fund 5128			
(Agency 320, Fund 0938)		374,735,469.40	ETIA Transfer to Trust Fund
Total Appropriated Fund 5128	0.00	374,735,469.40	
Appd Fund 7999, D23 Fund 7999			
(Agency 320, Fund 0001)		1,463.62	Reimbursement from IAWP
Total Appropriated Fund 7999	0.00	1,463.62	
PROPRIETARY			
Appd Fund 0936, D23 Fund 0936			
(Agency 320, Fund 5128)	374,735,469.40		UI Trust Fund Transfer
(Agency 320, Fund 0937)	174,075,000.00		UI Trust Fund Transfer
(Agency 320, Fund 0938)	51,191,425.83	3,039,271,383.33	UI Trust Fund Transfer
Total Appropriated Fund 0936	600,001,895.23	3,039,271,383.33	
Appd Fund 0937, D23 Fund 0937			
(Agency 320, Fund 0936)		174,075,000.00	UI Trust Fund Transfer
(Agency 320, Fund 0938)	25,545,420,040.07	241,787,796.46	UI Trust Fund Transfer
Total Appropriated Fund 0937	25,545,420,040.07	415,862,796.46	
Appd Fund 0938, D23 Fund 0938			
(Agency 320, Fund 0936)	3,039,271,383.33	51,191,425.83	UI Trust Fund Transfer
(Agency 320, Fund 0937)	241,787,796.46	25,545,420,040.07	UI Trust Fund Transfer
Total Appropriated Fund 0938	3,281,059,179.79	25,596,611,465.90	
TOTAL OPERATING TRANSFERS	\$ 29,737,518,877.13	\$ 29,740,197,985.99	

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 net position for Fund 9998, Capital Assets Basis Conversion, has been decreased by \$330,736.92. The Commission completed two internally generated computer software projects during FY2021 that failed to meet the capitalization threshold of \$1,000,000. These projects, WDIQ Data Warehouse Enhancement and the Texas CREWS IT, had been included in the FY2020 Construction in Progress total and thus, now must be removed to accurately reflect the Capital Asset Construction in Progress balance.

	Fund 9998	Total
Net Position September 1, 2020 as previously reported	\$34,860,168.24	\$34,860,168.24
Restatements	(330,736.92)	(330,736.92)
Net Position September 1, 2020 as Restated	\$34,529,431.32	\$34,529,431.32

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. It is unclear at this time what that amount of liability would be for overpayments.

The Commission was involved in several lawsuits touching on civil rights and unemployment discrimination at August 31, 2021. 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, 2021, 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.

As of August 31, 2021, the Commission has a contingency liability to the United States Department of Education, Rehabilitation Services Administration, for questioned costs related to construction expenses associated with the colocation of Vocational Rehabilitation Service staff within Workforce Solutions offices.

NOTE 16: SUBSEQUENT EVENTS

The Texas Workforce Commission began borrowing funds from the federal government on June 9, 2020, under Title XII of the Social Security act, in order to continue to fund state unemployment benefits. As reflected in Note 4, at August 31, 2021, the outstanding balance was \$6.9 billion. However, during September 2021 the Commission made \$1 billion in net repayments leaving the balance on September 30, 2021 at \$5.9 billion. Under Senate Bill 8 of the 3rd Legislative Special Session, \$7,245,419,946 was appropriated to the Comptroller of Public Accounts from funds received by Texas in the Coronavirus State Fiscal Recovery Fund existing in the United State Treasury. These funds are expected to be transferred to the credit of the unemployment compensation fund by November 30, 2021, at which time the Commission will repay the entire amount of federal advances.

Under the CARES act provisions and subsequent extensions, the federal advances were interest free through September 6, 2021. After that date interest began to accrue at the rate of 2.28% per annum. On September 30, 2021, federal fiscal year end, Fund 0844 paid \$8,951,577 in interest. The next interest payment is due on September 30, 2022.

On September 10, 2021, in accordance with Section 204.123(b) of the Labor Code \$104,409,412 was transferred from the Employment Training Investment Act (ETIA) Holding Fund to the Unemployment Trust Fund Account since the amount in the Unemployment Trust Fund Account was below 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, 2021.

NOTE 17: RISK MANAGEMENT

As a result of the COVID-19 pandemic, the amount of unemployment benefits paid by the Commission increased from \$2.1 billion in FY 2019 to \$30.1 billion in 2020 and \$26.1 billion in FY 2021. Higher benefits resulted not just from increased unemployment, but through new federal unemployment insurance programs, such as the Pandemic Unemployment Assistance (PUA) program, which paid self-employed individuals, the Federal Pandemic Unemployment Compensation (FPUC) program and the Lost Wages Assistance (LWA) program which both provided additional compensation to unemployed claimants. Finally, the Pandemic Emergency Unemployment Compensation program (PEUC) and the permanent Extended Benefit (EB) program provided for additional weeks of unemployment benefits after state benefits were no longer available.

Certain requirements of unemployed individuals, including the work search requirement, were waived in order to expedite payments to claimants. Additionally, the PUA program for self-employed individuals made it difficult for the Commission to confirm claimant's prior earnings. As a result of these factors, the number of fraudulent payments, particularly through identity theft, increased dramatically. The Commission estimates that unemployment benefit payments made to individuals arising from identity theft or imposter fraud claims may have been 1.33% of the \$26.1 billion unemployment insurance benefit payments made in FY 2021 and involved as many as 66,000 individuals. As the Commission became aware of the extent of the fraud, extensive proactive measures were taken to prevent payments to fraudsters and as a result the Commission believes that up to 10% in additional fraudulent payments was prevented.

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 2021 and 2020 were:

FY	Beginning Liability	Increase	Decrease	Ending Liability
2021	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2020	\$ 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 DISCUSSION AND ANALYSIS

In September 2020 the Texas unemployment rate was 7.9%. As the effects of the Covid-19 pandemic began to diminish the numbers of unemployed Texans decreased and by August 2021 the unemployment rate stood at 5.9%.

As the 2021 fiscal year began, many of the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES), which had been enacted on March 27, 2020, continued operating, including unemployment benefits for self-employed individuals, extended benefits for those claimants whose regular unemployment benefits had expired and added wages under the short-lived Lost Wages Assistance Program (LWA) administered by the Federal Emergency Management Agency (FEMA).

On December 27, 2020, the Continuing Assistance Act was enacted that extended until March 14, 2021 most of the provisions of the original CARES Act, which had been scheduled to end on December 31, 2021.

On March 11, 2021 the American Rescue Plan Act was enacted that extended most of the provisions of the original CARES act until September 4, 2021.

On May 17, 2021, however, Governor Greg Abbot notified the U.S. Department of Labor that the State of Texas would terminate its participation in most of the provisions of the COVID related relief laws effective June 26, 2021 citing the large number of unfilled job openings in Texas.

With the termination of most federal benefits, and the improving Texas economy, the amount of monthly unemployment benefits paid by the Commission dropped from \$2.42 billion in September 2020 to \$189 million in October 2021. The total unemployment benefits paid by the Commission during the 2021 fiscal year was \$26.1 billion compared to \$30.1 billion during the 2020 fiscal year.

As a result of the economic effects of the pandemic the Commission had begun borrowing interest free funds on June 9, 2020 from the Federal Government under Title XII of the Social Security Act to continue to pay state unemployment benefits. By August 31, 2021 the amount owed by the Commission was \$6.9 billion. As discussed in Note 16 – Subsequent events, by November 30, 2021 the Commission plans to pay back all the Title XII loans outstanding.

During FY2021, the Texas Workforce Commission received an additional \$5.4 billion of federal Child Care & Development Block Grant funds through the CRRSA Act and the ARP Act. During FY2021, \$1.09 billion of stimulus funds from CRRSA, ARP, as well as CARES were expended and/or obligated for 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 parents employed in service industries, and multiple initiatives to expand the supply and improve the quality of child care in the state.

NOTE 19: THE FINANCIAL REPORTING ENTITY

Not applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

As of October 28, 2021, management is unaware of any material violations of finance-related contract provisions. With regard to compliance and accountability there are the following:

- 1) No expenditures exceeded appropriations in individual funds.
- 2) There were no changes in accounting principles during the year.

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

Not Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE BALANCES

Receivables represent amounts due to the State at August 31, 2021, 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.

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	\$ 3,287,677.84	\$ (2,332,252.99)	\$ 955,424.85
Fund 0165 – Penalty & Interest	21,223,163.48	(7,889,886.63)	13,333,276.85
Fund 5128 – ETIA	7,498,199.88	(527,522.09)	6,970,677.79
Total General Funds	\$ 32,009,041.20	\$ (10,749,661.71)	\$ 21,259,379.49

Proprietary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0844 – Obligation Trust Fund	\$ 4,468,103.72	\$ (66,572.84)	\$ 4,401,530.88
Fund 0936 – Unemployment Assessment	351,861,318.05	(11,192,297.45)	340,669,020.60
Fund 0937 – Benefit Overpayments	603,523,487.87	(436,156,705.51)	167,366,782.36
Fund 0938 – Unemployment Trust Fund Account	44,138,795.61	(0.00)	44,138,795.61
Total Proprietary Funds	\$ 1,003,991,705.25	\$ (447,415,575.80)	\$ 556,576,129.45

Fiduciary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0894 – Payday Law Collections	\$ 25,355,789.11	\$ (24,799,945.17)	\$ 555,843.94
Total Fiduciary Funds	\$ 25,355,789.11	\$ (24,799,945.17)	\$ 555,843.94

B. Accounts Receivable Non-Current

General Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0165 – Penalty & Interest	\$ 2,212,173.11	\$ (1,613,908.34)	\$ 598,264.77
Fund 5128 – ETIA	873,532.37	(291,044.13)	582,488.24
Total General Funds	\$ 3,085,705.48	\$ (1,904,952.47)	\$ 1,180,753.01

Proprietary Funds:

Fund	Accounts Receivable	Allowance for Doubtful	Net Receivables
Fund 0844 – Obligation Trust Fund	\$ 81,251.09	\$ (2,630.22)	\$ 78,620.87
Fund 0936 – Unemployment Assessment	16,712,793.31	(5,138,524.06)	11,574,269.25
Fund 0937 – Benefit Overpayments	523,760,232.26	(371,550,081.07)	152,210,151.19
Total Proprietary Funds	\$ 540,554,276.66	\$ (376,691,235.35)	\$ 163,863,041.31

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 Agriculture	\$ 158,878.13	\$ 0.00	\$ 158,878.13
Department of Education	24,415,354.22	0.00	24,415,354.22
Department of Health and Human Services	39,834,632.06	0.00	39,834,632.06
Department of Labor	18,607,020.18	0.00	18,607,020.18
Department of Homeland Security	28,163.36	0.00	28,163.36
Total Federal Receivables	\$ 83,044,047.95	\$ 0.00	\$ 83,044,047.95

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	\$ 252,833,849.77	\$ 0.00	\$ 252,833,849.77
U.S. Department of Homeland Security	407,190.00	0.00	407,190.00
Total Federal Receivables	\$ 253,241,039.77	\$ 0.00	\$ 253,241,039.77

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 2021 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 \$1,180,753.01 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	\$ 1,180,753.01
Total	\$ 0.00	\$ 1,180,753.01

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Applicable.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Applicable.

NOTE 31: TAX ABATEMENTS

Not Applicable.

NOTE 32: 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	\$32,730,345.33	TEX. LAB. CODE ANN. §§ 203.201	Special un employment compensation administration fund.
0325	0325	Restricted	\$17,270.41	Federal CFDA 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	\$216,029.83	TEX. LAB. CODE ANN §355.011	Blind vending facility initial stock and equipment.
0493	0493	Restricted	\$.25	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	\$959,734.57	TEX. GOVT CODE ANN. ch. 403	Supply inventory not in a spendable form.
5026	5026	Restricted	\$11,095,067.44	Federal CFDA 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	\$111,668,380.73	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, 2021, 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
Golf Academy of America	12/7/2019	1	150,000
ITT Technical Institute	9/6/2016	7	1,050,000
Retail Ready	6/9/2018	1	150,000
Virginia College	12/7/2019	2	150,000
Total Estimated Liability			3,450,000

EXHIBIT A-1
COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS
 August 31, 2021

	General Revenue (Fund 0001) U/F (0001, 0900, 0980, 1000, 8070, 9014, 9015)	Unemployment Compensation Special Admin (Fund 0165) U/F (0165, 9000)	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts	Consolidated Accounts
			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	\$ 74,992.47	\$ 51,841.15	\$	\$ 9,936.30	\$	
Cash in Bank (Note 3)						
Cash in State Treasury	1,172,395.34	63,626,443.49	18,096,245.01	32,148.26		2,264,396.52
Legislative Appropriations	127,223,221.45					
Receivables:						
Federal Receivables (Note 24)			18,523,717.78			
Interest and Dividends	5,765.32		38,940.51			
Accounts Receivable (Note 24)	955,424.85	13,333,276.85				
Interfund Receivable (Note 12)	99,261.54	23,465.45				
Due from Other Funds (Note 12)						2,185,603.48
Due from Other Agencies (Note 12)	136,770.12	30,290.96				
Consumable Inventories						
Merchandise Inventories				216,029.83		
Total Current Assets	<u>129,667,831.09</u>	<u>77,065,317.90</u>	<u>36,658,903.30</u>	<u>258,114.39</u>		<u>4,450,000.00</u>
Non-Current Assets:						
Accounts Receivable (Note 28)		598,264.77				
Total Non-Current Assets	<u>0.00</u>	<u>598,264.77</u>	<u>0.00</u>			<u>0.00</u>
Total Assets	\$ <u>129,667,831.09</u>	\$ <u>77,663,582.67</u>	\$ <u>36,658,903.30</u>	\$ <u>258,114.39</u>		\$ <u>4,450,000.00</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Payables:						
Accounts Payable	10,813,492.53	84,631.66	35,896,426.04	(27,417.76)		3,450,000.00
Payroll Payable	44,790.58					
Interfund Payable (Note 12)	1,079,497.25	396,585.33	745,206.85	101,292.54		
Unearned Revenues						
Due to Other Funds (Note 12)	2,185,603.48	43,853,755.58				
Due to Other Agencies (Note 12)	2,233,061.44					
Other Current Liability	6,882.13					
Total Current Liabilities	<u>16,363,327.41</u>	<u>44,334,972.57</u>	<u>36,641,632.89</u>	<u>73,874.78</u>		<u>3,450,000.00</u>
Total Liabilities	<u>16,363,327.41</u>	<u>44,334,972.57</u>	<u>36,641,632.89</u>	<u>73,874.78</u>		<u>3,450,000.00</u>
Deferred Inflows of Resources (Note 28)		598,264.77				
Total Liabilities and Def. Inflow of Res.	<u>16,363,327.41</u>	<u>44,933,237.34</u>	<u>36,641,632.89</u>	<u>73,874.78</u>		<u>3,450,000.00</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)	
\$ 92,947.82	\$	\$	\$ 81,106.33	\$ 229,717.74
248,456.36				329,562.69
31,095,434.40	105,083,932.94	1,148,543.63		222,519,539.59
				127,223,221.45
64,520,330.17				83,044,047.95
736.01				45,441.84
	6,970,677.79			21,259,379.49
2,199,854.98				2,322,581.97
				2,185,603.48
1,333,032.26				1,500,093.34
959,734.57				959,734.57
				216,029.83
<u>100,450,526.57</u>	<u>112,054,610.73</u>	<u>1,148,543.63</u>	<u>81,106.33</u>	<u>461,834,953.94</u>
	582,488.24			1,180,753.01
0.00	582,488.24	0.00	0.00	1,180,753.01
<u>\$ 100,450,526.57</u>	<u>\$ 112,637,098.97</u>	<u>\$ 1,148,543.63</u>	<u>\$ 81,106.33</u>	<u>\$ 463,015,706.95</u>
57,654,897.32	386,230.00			108,258,259.79
25,649,474.89				25,694,265.47
				2,322,581.97
267,456.18				267,456.18
				46,039,359.06
4,823,896.17				7,056,957.61
				6,882.13
<u>88,395,724.56</u>	<u>386,230.00</u>	<u>0.00</u>	<u>0.00</u>	<u>189,645,762.21</u>
88,395,724.56	386,230.00	0.00	0.00	189,645,762.21
	582,488.24			1,180,753.01
<u>88,395,724.56</u>	<u>968,718.24</u>	<u>0.00</u>	<u>0.00</u>	<u>190,826,515.22</u>

EXHIBIT A-1
COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS
 August 31, 2021

	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated 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)
Fund Financial Statement-Fund Balances					
Fund Balances (Deficits):					
Non-Spendable				216,029.83	
Restricted			17,270.41		
Committed		32,730,345.33		1,000,000.00	
Assigned	113,304,503.68				
Unassigned*				(31,790.22)	
Total Fund Balances	<u>113,304,503.68</u>	<u>32,730,345.33</u>	<u>17,270.41</u>	<u>184,239.61</u>	<u>1,000,000.00</u>
Total Liabilities and Fund Balance	\$ <u>129,667,831.09</u>	\$ <u>77,663,582.67</u>	\$ <u>36,658,903.30</u>	\$ <u>258,114.39</u>	\$ <u>4,450,000.00</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)	
959,734.57				1,175,764.40
11,095,067.44				11,112,337.85
	111,668,380.73	1,148,543.63		146,547,269.69
			81,106.33	113,385,610.01
				(31,790.22)
<u>12,054,802.01</u>	<u>111,668,380.73</u>	<u>1,148,543.63</u>	<u>81,106.33</u>	<u>272,189,191.73</u>
<u>\$ 100,450,526.57</u>	<u>\$ 112,637,098.97</u>	<u>\$ 1,148,543.63</u>	<u>\$ 81,106.33</u>	<u>\$ 463,015,706.95</u>

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2021

	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)	194,833,514.00				
Additional Appropriations (GR)	8,603,137.54				
Federal Revenue	0.00		805,441,894.23	600,000.00	
Federal Pass-Through Revenue	14,774,223.33				
Licenses, Fees and Permits	1,986,780.23	18,004,762.73		\$229.98	
Interest and Investment Income	105,533.00		87,368.09		
Land Income					
Sales of Goods and Services	100,465.87			613,375.27	
Other Revenues	55,919,135.18				
Settlement of Claims					
Total Revenue	276,322,789.15	18,004,762.73	805,529,262.32	1,213,605.25	-
EXPENDITURES					
Salaries and Wages	29,282,946.96	2,571,478.81	9,371,956.38	832,328.54	
Payroll Related Costs	9,459,922.97	5,664,536.17 **	3,242,340.04	361,976.41	
Professional Fees and Services	2,233,535.27	79,381.78	19,687,717.02	5,173.45	
Travel	189,497.03	6,623.37	2.62	487.28	
Materials and Supplies	2,042,863.37	62,828.63	13,562,732.48	35,806.68	
Communication and Utilities	5,077,735.05	197,289.35	40,869,249.35	7,607.86	
Repairs and Maintenance	1,880,464.10	69,762.36	1,946,425.94	64,028.86	
Rentals and Leases	3,700,801.13	41,008.49		35,573.29	
Printing and Reproduction	26,953.39	1,267.32			
Claims and Judgements	25.92				
Federal Pass-Through Expenditures					
State Grant Pass-Through Expenditures	2,731,039.50				
Intergovernmental Payments	24,888,281.11				
Public Assistance Payments	142,845,806.54		675,055,089.94		(8,394.10)
Other Operating Expenditures	7,005,515.75	507,734.95	41,785,063.24	75,266.90	
Capital Outlay	702,691.66	20,852.06		21,688.93	
Total Expenditures	232,068,079.75	9,222,763.29	805,520,577.01	1,439,938.20	(8,394.10)
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	44,254,709.40	8,781,999.44	8,685.31	(226,332.95)	8,394.10

*Expenditures totaling \$740,744.55 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.

** This amount includes \$4,724,227.87 in Unemployment Insurance payments made to former state employees on behalf of other 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)	
				194,833,514.00
				8,603,137.54
1,589,560,798.82				2,395,602,693.05
82,829,878.04				97,604,101.37
95,275.73	110,370,722.37		4,450.00	130,462,221.04
17,593.02			102.72	210,596.83
2,179.72				2,179.72
927,060.67			98,409.76	1,739,311.57
58,268.93				55,977,404.11
454.48				454.48
<u>1,673,491,509.41</u>	<u>110,370,722.37</u>	<u>-</u>	<u>102,962.48</u>	<u>2,885,035,613.71</u>
205,339,138.34				247,397,849.03
90,833,150.99				109,561,926.58
28,995,808.35			1,100.00	51,002,715.87
96,159.52				292,769.82
(4,625,195.15)			31,262.43	11,110,298.44
19,017,934.37				65,169,815.98
9,331,583.80				13,292,265.06
4,010,697.13	386,230.00		33,419.23	8,207,729.27
91,936.24			5,937.43	126,094.38
4,774.08				4,800.00
84,621,433.96				84,621,433.96
				2,731,039.50
23,827,331.90				48,715,613.01
1,099,450,493.63				1,917,342,996.01
90,216,652.52			9,220.00	139,599,453.36
22,793,874.89				23,539,107.54
<u>1,674,005,774.57</u>	<u>386,230.00</u>	<u>-</u>	<u>80,939.09</u>	<u>2,722,715,907.81</u>
(514,265.16)	109,984,492.37	-	22,023.39	162,319,705.90

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2021

	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated Accounts</u>	<u>Consolidated 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)				
Sale of Capital Assets	2,121.87			
Transfers In (Note 12)	9,857.72			
Transfers Out (Note 12)	(2,679,108.86)			(8,394.10)
Legislative Financing Sources				
Legislative Financing Uses				
Total Other Financing Sources (Uses)	<u>(2,667,129.27)</u>	-	-	<u>(8,394.10)</u>
Net Change in Fund Balances	<u>41,587,580.13</u>	<u>8,781,999.44</u>	<u>8,685.31</u>	<u>(226,332.95)</u>
Fund Financial Statement-Fund Balances				
Fund Balances, September 1, 2020	79,624,490.58	23,948,345.89	8,585.10	410,572.56
Appropriations Lapsed	(7,907,567.03)			
FUND BALANCES - August 31, 2021	<u>113,304,503.68</u>	<u>32,730,345.33</u>	<u>17,270.41</u>	<u>184,239.61</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)	
311,027,904.32				2,121.87
(311,027,904.32)	(374,735,469.40)		(1,463.62)	311,037,762.04 (688,452,340.30)
				-
-	(374,735,469.40)	-	(1,463.62)	(377,412,456.39)
(514,265.16)	(264,750,977.03)	-	20,559.77	(215,092,750.49)
12,569,067.17	376,419,357.76	1,148,543.63	60,546.56	495,189,509.25
				(7,907,567.03)
12,054,802.01	111,668,380.73	1,148,543.63	81,106.33	272,189,191.73

EXHIBIT B-1
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
 August 31, 2021

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

ASSETS

Cash and Cash Equivalents	
Cash on Hand	
Cash in State Treasury	0.41
Interest and Dividends Receivables	0.25
Total Assets	<u>0.66</u>

LIABILITIES

Payables:	
Accounts Payable	0.41
Total Liabilities	<u>0.41</u>

Fund Balances

Restricted	<u>0.25</u>
Total Fund Balances	<u>0.25</u>
Total Liabilities and Fund Balance	<u>\$ 0.66</u>

EXHIBIT B-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - SPECIAL REVENUE FUND
For the Year Ended August 31, 2021

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

REVENUES:

Interest, Dividend and Other Income	3.48
Other Revenue	8,444.35
Total Revenue	8,447.83

EXPENDITURES:

Public Assistance Payments	8,448.39
Total Expenditures	8,448.39

EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(0.56)
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OTHER FINANCING SOURCES (USES)

Transfers Out	
Total Other Financing Sources (Uses)	-

Fund Financial Statement - Fund Balances	
Fund Balance September 1, 2020	0.81
Fund Balance August 31, 2021	0.25

EXHIBIT F-1

COMBINING STATEMENT OF NET POSITION - ENTERPRISE FUNDS

August 31, 2021

	Corona Virus Relief Fund Proprietary (Fund 0325) <u>U/F (0325,1325)</u>	TWC Obligation Trust Fund (Func 0844) <u>U/F (0844)</u>
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)		
Cash in Federal Treasury (Note 3)		
Receivables:		
Federal Receivables (Note 24)	407,190.00	
Interest and Dividends		
Accounts Receivable (Note 24)		4,401,530.88
Due from Other Funds (Note 12)		24,825,120.61
Total Current Assets	<u>407,190.00</u>	<u>29,226,651.49</u>
Non-Current Assets:		
Receivables:		
Accounts Receivable (Note 24)		78,620.87
Total Non-Current Assets	<u>0.00</u>	<u>78,620.87</u>
Total Assets	<u>407,190.00</u>	<u>29,305,272.36</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts Payable	407,190.00	
Federal Payable		
Due to Other Funds (Note 12)		
Unearned Revenues		
Notes & Loans Liability		
Total Current Liabilities	<u>407,190.00</u>	<u>0.00</u>
Total Liabilities	<u>407,190.00</u>	\$ <u>0.00</u>
NET POSITION		
Unrestricted	0.00	29,305,272.36
Total Net Position	\$ <u>0.00</u>	\$ <u>29,305,272.36</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
1,100,447.12	795,847.41		1,896,294.53
592,609.03			592,609.03
	665,176.10		665,176.10
	83,518,746.73		83,518,746.73
		980,326,145.36	980,326,145.36
		252,833,849.77	253,241,039.77
944.72	17,961.84		18,906.56
340,669,020.60	167,366,782.36	44,138,795.61	556,576,129.45
64,316,035.62		272,516,942.25	361,658,098.48
406,679,057.09	252,364,514.44	1,549,815,732.99	2,238,493,146.01
11,574,269.25	152,210,151.19		163,863,041.31
11,574,269.25	152,210,151.19	0.00	163,863,041.31
418,253,326.34	404,574,665.63	1,549,815,732.99	2,402,356,187.32
	162,786,869.17	4,417,803.22	167,611,862.39
		145,072,250.13	145,072,250.13
24,825,120.61	241,787,796.46	51,191,425.83	317,804,342.90
393,428,205.73		11,304,324.39	404,732,530.12
		6,915,964,929.05	6,915,964,929.05
418,253,326.34	404,574,665.63	7,127,950,732.62	7,951,185,914.59
418,253,326.34	404,574,665.63	7,127,950,732.62	7,951,185,914.59
		(5,578,134,999.63)	(5,548,829,727.27)
0.00	0.00	(5,578,134,999.63)	(5,548,829,727.27)

EXHIBIT F-2

COMBINING STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS

For the Year Ended August 31, 2021

	Corona Virus Relief Fund Proprietary (Fund 0325) U/F (0325, 1325)	TWC Obligation Trust Fund (Func 0844) U/F (0844)
OPERATING REVENUES		
Unemployment Assessment	\$	\$
Federal Revenue	901,779,840.00	29,305,272.36
Other Operating Revenue		
Total Operating Revenue	<u>901,779,840.00</u>	<u>29,305,272.36</u>
OPERATING EXPENSES		
Unemployment Benefit Payments	901,779,840.00	
Total Operating Expenses	<u>901,779,840.00</u>	
OPERATING INCOME (LOSS)	<u>0.00</u>	<u>29,305,272.36</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Expense		
Interest and Investment Income	(2,895.94)	
Other Non-Operating Expenses		
Total Non-Operating Revenues (Expenses)	<u>(2,895.94)</u>	<u>0.00</u>
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS	<u>(2,895.94)</u>	<u>29,305,272.36</u>
OTHER REVENUES (EXPENSES), GAINS/ (LOSSES) AND TRANSFERS		
Transfers In (Note 12)		
Transfers Out (Note 12)		
Total Other Revenues (Expenses), Gains/(Losses) and Transfers	<u>0.00</u>	<u>0.00</u>
CHANGE IN NET POSITION	<u>(2,895.94)</u>	<u>29,305,272.36</u>
NET POSITION, August 31, 2020	2,895.94	0.00
NET POSITION, August 31, 2021	\$ <u><u>0.00</u></u>	\$ <u><u>29,305,272.36</u></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
2,005,374,257.69	\$	\$	2,034,679,530.05
		20,309,772,858.74	21,211,552,698.74
433,858,914.71	2,693,045.99	207,516,267.72	644,068,228.42
2,439,233,172.40	2,693,045.99	20,517,289,126.46	23,890,300,457.21
	25,132,374,382.15	50,772,321.86	26,084,926,544.01
0.00	25,132,374,382.15	50,772,321.86	26,084,926,544.01
2,439,233,172.40	(25,129,681,336.16)	20,466,516,804.60	(2,194,626,086.80)
			0.00
36,315.70	124,092.55		157,512.31
			0.00
36,315.70	124,092.55	0.00	157,512.31
2,439,269,488.10	(25,129,557,243.61)	20,466,516,804.60	(2,194,468,574.49)
600,001,895.23	25,545,420,040.07	3,281,059,179.79	29,426,481,115.09
(3,039,271,383.33)	(415,862,796.46)	(25,596,611,465.90)	(29,051,745,645.69)
(2,439,269,488.10)	25,129,557,243.61	(22,315,552,286.11)	374,735,469.40
0.00	0.00	(1,849,035,481.51)	(1,819,733,105.09)
0.00	0.00	(3,729,099,518.12)	(3,729,096,622.18)
0.00	\$ 0.00	\$ (5,578,134,999.63)	\$ (5,548,829,727.27)

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

For the Year Ended August 31, 2021

	Corona Virus Relief Fund Proprietary (Fund 0325) U/F (0325, 1325)	TWC Obligation Trust Fund (Func 0844) U/F (0844)
CASH FLOWS FROM OPERATING ACTIVITIES		
Unemployment Assessments	\$ -	\$ -
Proceeds From Federal Revenue	2,316,756,420.00	-
Proceeds From Other Revenue	-	-
Unemployment Benefit Payments	(2,316,756,420.00)	-
Net Cash Provided By Operating Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds From Note Payable	\$ -	\$ -
Transfers From Other Funds	-	-
Transfers To Other Funds	-	-
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Investment Income	\$ -	\$ -
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, September 1, 2020	-	-
Net Cash and Cash Equivalents, August 31, 2021	<u>-</u>	<u>-</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (2,895.94)	\$ 29,305,272.36
Operating Income and Cash Flow Categories Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	1,414,979,475.94	(29,305,272.36)
Increase (Decrease) in Payables	(1,414,976,580.00)	-
Increase (Decrease) in Deferred Income	-	-
Total Adjustments	<u>2,895.94</u>	<u>(29,305,272.36)</u>
Net Cash Provided by Operating Activities	<u>\$ 0.00</u>	<u>\$ -</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
\$ 2,002,656,842.39	\$ -	\$ -	\$ 2,002,656,842.39
-	-	21,013,540,015.16	23,330,296,435.16
461,969,827.72	2,693,045.98	189,465,169.89	654,128,043.59
-	(26,098,808,485.91)	(63,944,441.96)	(28,479,509,347.87)
<u>2,464,626,670.11</u>	<u>(26,096,115,439.93)</u>	<u>21,139,060,743.09</u>	<u>(2,492,428,026.73)</u>
\$ -	\$ -	\$ 3,128,211,513.41	\$ 3,128,211,513.41
552,888,388.01	26,357,918,302.19	3,010,269,703.04	29,921,076,393.24
(3,016,173,728.22)	(174,075,000.00)	(26,357,918,302.19)	(29,548,167,030.41)
<u>(2,463,285,340.21)</u>	<u>26,183,843,302.19</u>	<u>(20,219,437,085.74)</u>	<u>3,501,120,876.24</u>
\$ 39,951.02	\$ 106,178.26		\$ 146,129.28
<u>39,951.02</u>	<u>106,178.26</u>	<u>-</u>	<u>146,129.28</u>
1,381,280.92	87,834,040.52	919,623,657.35	1,008,838,978.79
311,775.23	(2,854,270.28)	60,702,488.01	58,159,992.96
<u>1,693,056.15</u>	<u>84,979,770.24</u>	<u>980,326,145.36</u>	<u>1,066,998,971.75</u>
\$ 2,439,233,172.40	\$ (25,129,681,336.16)	\$ 20,466,516,804.60	(2,194,628,982.74)
(134,655,523.63)	(191,673,714.73)	581,544,166.52	1,640,889,131.74
-	(774,760,389.04)	131,900,130.03	(2,057,836,839.01)
160,049,021.34	-	(40,900,358.06)	119,148,663.28
<u>25,393,497.71</u>	<u>(966,434,103.77)</u>	<u>672,543,938.49</u>	<u>(297,799,043.99)</u>
<u>\$ 2,464,626,670.11</u>	<u>\$ (26,096,115,439.93)</u>	<u>\$ 21,139,060,743.09</u>	<u>\$ (2,492,428,026.73)</u>

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EXHIBIT I-1
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
August 31, 2021

	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	\$ 107,341.28	\$	\$ 107,341.28
Cash in State Treasury	1,249,575.19	957,682.73	2,207,257.92
Receivables:			
Interest and Dividends	317.64	178.89	496.53
Accounts Receivable (Note 24)	555,843.94		555,843.94
Total Assets	<u>1,913,078.05</u>	<u>957,861.62</u>	<u>2,870,939.67</u>
LIABILITIES			
Payables:			
Accounts Payable	1,885,324.78		1,885,324.78
Interest Payable	27,753.27		27,753.27
Total Liabilities	<u>1,913,078.05</u>	<u>-</u>	<u>1,913,078.05</u>
NET POSITION			
Held in Trust For:			
Individuals, Organizations, and Other Governments	-	957,861.62	957,861.62
Total Net Position	<u>\$ -</u>	<u>\$ 957,861.62</u>	<u>\$ 957,861.62</u>

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

For the Year Ended August 31, 2021

	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	\$ 7,570.53	\$ 3,168.31	\$ 10,738.84
Total Investment Income (Loss)	7,570.53	3,168.31	10,738.84
Other Additions			
Settlement of Claims	2,294,116.17		2,294,116.17
Other Revenue		164,719.63	164,719.63
Transfer In			0.00
Total Other Additions	2,294,116.17	164,719.63	2,458,835.80
Total Additions	2,301,686.70	167,887.94	2,469,574.64
DEDUCTIONS			
Employee/Participant Benefit Payments		(469,557.62)	(469,557.62)
Interest Expense	14,101.70		14,101.70
Claims and Judgement Expense *	2,278,033.84		2,278,033.84
Other Operating Expense	9,551.16		9,551.16
Total Deductions	2,301,686.70	(469,557.62)	1,832,129.08
INCREASE DECREASE IN			
NET POSITIONS	0.00	637,445.56	637,445.56
Net Position September 1, 2020	0.00	320,416.06	320,416.06
Net Position August 31, 2021	\$ 0.00	\$ 957,861.62	\$ 957,861.62

* In addition to the amount shown above for Settlement of Claims, the Texas Workforce Commission was instrumental in resolving another \$1,258,456.37 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, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	AL Number	Pass-Through From		
		Agency/ Univ. #	Identifying Number	Agencies or Univ 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			
Pass-Through To:				
Other Non-State Entities				
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				
Hurricane Harvey Additional Funding	17.286			
Pass-Through To:				
Other Non-State Entities				
Subtotal, Non-Clustered Programs			0.00	0.00
Employment Services Cluster				
U.S. Department of Labor				
Direct Program:				
Employment Service	17.207			
Pass-Through To:				
Texas Tech University				
University of Houston - Downtown				
Other Non-State Entities				
Disabled Veterans Outreach Program	17.801			
Pass-Through From:				
Texas Veterans Commission		403	1,367,398.39	
Pass-Through To:				
Other Non-State Entities				

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		
1,893,988.48	1,893,988.48				1,893,988.48	1,893,988.48
1,893,988.48	1,893,988.48		0.00	0.00	1,893,988.48	1,893,988.48
3,279,995.67	3,279,995.67				3,279,995.67	3,279,995.67
5,172,719,280.38	5,172,719,280.38				5,172,719,280.38	5,172,719,280.38
10,017,192.38	10,017,192.38			10,017,192.38		10,017,192.38
20,373,322,468.82	20,373,322,468.82				20,373,322,468.82	20,373,322,468.82
41,817.41	41,817.41				41,817.41	41,817.41
3,957,472.22	3,957,472.22			3,957,472.22		3,957,472.22
3,119,560.26	3,119,560.26				3,119,560.26	3,119,560.26
3,247,368.49	3,247,368.49			3,247,368.49		3,247,368.49
1,098,658.06	1,098,658.06				1,098,658.06	1,098,658.06
17,689.65	17,689.65			17,689.65		17,689.65
9,806.21	9,806.21				9,806.21	9,806.21
386,625.81	386,625.81			386,625.81		386,625.81
970,298.18	970,298.18				970,298.18	970,298.18
717,869.53	717,869.53				717,869.53	717,869.53
7,142.24	7,142.24			7,142.24		7,142.24
49,369.51	49,369.51				49,369.51	49,369.51
3,140,531.66	3,140,531.66			3,140,531.66		3,140,531.66
89,063.04	89,063.04				89,063.04	89,063.04
14,407,569.34	14,407,569.34			14,407,569.34		14,407,569.34
583,895.52	583,895.52				583,895.52	583,895.52
1,004,344.51	1,004,344.51			1,004,344.51		1,004,344.51
(2,382.85)	(2,382.85)			(2,382.85)		(2,382.85)
25,592,185,636.04	25,592,185,636.04		0.00	36,183,553.45	25,556,002,082.59	25,592,185,636.04
45,490,261.14	45,490,261.14				45,490,261.14	45,490,261.14
147,370.21	147,370.21	733	147,370.21			147,370.21
382.02	382.02	784	382.02			382.02
12,756,569.22	12,756,569.22			12,756,569.22		12,756,569.22
	1,367,398.39					
				1,367,398.39		1,367,398.39

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	AL Number	Pass-Through From			
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount	Non-State Entities Amount
Subtotal, Employment Services Cluster				1,367,398.39	0.00
Workforce Investment Act / Workforce Innovation and Opportunity Act Cluster					
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:					
Other Non-State Entities					
WIA/WIOA Dislocated Worker Formula Grants	17.278				
Pass-Through To:					
Office of the Governor					
Texas A & M Engineering Experiment Station					
University of Texas - San Antonio					
Texas State University					
Lamar State College - Orange					
Other Non-State Entities					
Subtotal, Workforce Investment Act Cluster				0.00	0.00
Total, U.S. Department of Labor				1,367,398.39	0.00
U.S. Department of Education					
Adult Education - Basic Grants to States	84.002A				
Pass-Through To:					
Texas A&M University					
Other Non-State Entities					
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126A				
Pass-Through To:					
Health and Human Services Commission					
Rehabilitation Services - Independent Living for Older Individuals Who are	84.177				
Supported Emp. Services for Individuals with the Most Significant Disabiliti	84.187				
COVID Business Enterprises Financial Relief and Restoration Payments	84.426				
Total, U.S. Department of Education				0.00	0.00
U.S. Department of Health & Human Services					
Social Services Block Grant	93.667				
Pass-Through From:					
Health and Human Services Commission		529		1,992,703.28	
Pass-Through To:					
Other Non-State Entities					
Subtotal, Non-Clustered Programs				1,992,703.28	0.00
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				

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		
58,394,582.59	59,761,980.98		147,752.23	14,123,967.61	45,490,261.14	59,761,980.98
720,749.81	720,749.81				720,749.81	720,749.81
548,927.19	548,927.19	701	548,927.19			548,927.19
64,340,849.64	64,340,849.64			64,340,849.64		64,340,849.64
9,597,252.87	9,597,252.87				9,597,252.87	9,597,252.87
54,121,455.44	54,121,455.44			54,121,455.44		54,121,455.44
789,351.92	789,351.92				789,351.92	789,351.92
533,086.40	533,086.40	300	533,086.40			533,086.40
84,790.76	84,790.76	712	84,790.76			84,790.76
(5,432.44)	(5,432.44)	743	(5,432.44)			(5,432.44)
14,243.55	14,243.55	754	14,243.55			14,243.55
80,441.00	80,441.00	787	80,441.00			80,441.00
65,920,191.57	65,920,191.57			65,920,191.57		65,920,191.57
196,745,907.71	196,745,907.71		1,256,056.46	184,382,496.65	11,107,354.60	196,745,907.71
25,847,326,126.34	25,848,693,524.73		1,403,808.69	234,690,017.71	25,612,599,698.33	25,848,693,524.73
2,774,543.31	2,774,543.31				2,774,543.31	2,774,543.31
1,132,510.91	1,132,510.91	711	1,132,510.91			1,132,510.91
60,319,658.76	60,319,658.76			60,319,658.76		60,319,658.76
243,847,722.05	243,847,722.05				243,847,722.05	243,847,722.05
5,328,703.02	5,328,703.02	529	5,328,703.02			5,328,703.02
2,996,714.59	2,996,714.59			2,996,714.59		2,996,714.59
1,471,020.00	1,471,020.00			1,471,020.00		1,471,020.00
1,257,790.00	1,257,790.00			1,257,790.00		1,257,790.00
319,128,662.64	319,128,662.64		6,461,213.93	60,319,658.76	252,347,789.95	319,128,662.64
	1,992,703.28					
0.00	1,992,703.28		0.00	1,992,703.28	0.00	1,992,703.28
13,249,440.30	13,249,440.30				13,249,440.30	13,249,440.30
24,404,179.84	24,404,179.84	529	24,404,179.84			24,404,179.84
32,959,497.53	32,959,497.53	530	32,959,497.53			32,959,497.53
15,629,325.31	15,629,325.31	701	15,629,325.31			15,629,325.31
3,341,771.26	3,341,771.26	744	3,341,771.26			3,341,771.26
455,173,906.52	455,173,906.52			455,173,906.52		455,173,906.52
508,432,367.01	508,432,367.01				508,432,367.01	508,432,367.01

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	AL Number	Pass-Through From			
		Agency/ Univ. #	Identifying Number	Agencies or Univ Amount	Non-State Entities Amount
Pass-Through To: 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
TANF Cluster					
U.S. Department of Health & Human Services					
Temporary Assistance for Needy Families	93.558				
Pass-Through From: Health and Human Services Commission		529		6,912,185.12	
Pass-Through To:					
Texas A&M University		529		47,458.26	
University of Texas Southwestern Medical Center		529		29,795.44	
Texas Tech University		529		59,494.65	
Angelo State University		529		33,349.10	
Stephen F Austin State University		529		99,738.12	
University of Houston - Clear Lake		529		20,216.39	
Lamar State College - Port Arthur		529		131,585.44	
Other Non-State Entities		529		73,503,352.24	
Subtotal, TANF Cluster				80,837,174.76	0.00
Total, U.S. Dept. of Health & Human Services				82,829,878.04	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		796,711.93	
Pass-Through To:					
Other Non-State Entities		529		12,610,113.01	
Total, U. S. Department of Agriculture				13,406,824.94	0.00
U.S. Department of Homeland Security					
COVID Presidential Declared Disaster Lost Wages Assistance	97.050				
Total, U.S. Department of Homeland Security				0.00	0.00
TOTAL, FEDERAL FINANCIAL ASSISTANCE				97,604,101.37	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		
153,171,811.63	153,171,811.63			153,171,811.63		153,171,811.63
204,355,250.77	204,355,250.77			204,355,250.77		204,355,250.77
1,410,717,550.17	1,410,717,550.17		76,334,773.94	812,700,968.92	521,681,807.31	1,410,717,550.17
	6,912,185.12				6,912,185.12	6,912,185.12
	47,458.26	711	47,458.26			47,458.26
	29,795.44	729	29,795.44			29,795.44
	59,494.65	733	59,494.65			59,494.65
	33,349.10	737	33,349.10			33,349.10
	99,738.12	755	99,738.12			99,738.12
	20,216.39	759	20,216.39			20,216.39
	131,585.44	788	131,585.44			131,585.44
	73,503,352.24			73,503,352.24		73,503,352.24
0.00	80,837,174.76		421,637.40	73,503,352.24	6,912,185.12	80,837,174.76
1,410,717,550.17	1,493,547,428.21		76,756,411.34	888,197,024.44	528,593,992.43	1,493,547,428.21
	796,711.93				796,711.93	796,711.93
	12,610,113.01			12,610,113.01		12,610,113.01
0.00	13,406,824.94		0.00	12,610,113.01	796,711.93	13,406,824.94
901,846,565.46	901,846,565.46				901,846,565.46	901,846,565.46
901,846,565.46	901,846,565.46		0.00	0.00	901,846,565.46	901,846,565.46
28,480,912,893.09	28,578,516,994.46		84,621,433.96	1,195,816,813.92	27,298,078,746.58	28,578,516,994.46

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2021

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	\$	2,395,602,693.05
Federal Pass-Through Revenues		97,604,101.37
Federal Revenues - Proprietary		21,211,552,698.74
Subtotal		<u>23,704,759,493.16</u>

RECONCILING ITEMS

State UI funds		4,873,373,845.26
* Federal Fixed Fee & Other Contracts		(997,700.00)
Program Income & Non-Grant Expenditures		1,381,356.04
Per Federal Schedule	\$	<u>28,578,516,994.46</u>

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	\$	244,816,987.05
COVID UI Admin Grant Funds		128,095,250.53
Subtotal Administration	\$	<u>372,912,237.58</u>
COVID - PUC - \$600 Increase		8,577,424,132.27
COVID - Emergency Benefits (PEUC)		6,065,851,056.81
State UI Benefits Paid		4,873,373,845.26
COVID - PUA Self Employed		3,676,753,234.70
COVID - Extended Benefit (EB)		1,707,384,563.48
COVID - Waiting Week		117,531,664.00
COVID - 50% Fund Reim Employers		42,711,193.03
COVID - Short Term Compensation		57,571,374.00
Former Federal Employees		65,556,504.21
TRA Federal Benefits		1,244,427.77
Disaster Unemployment Assistance		(49,964.16)
Recoveries from Discontinued Federal Programs		(2,205,327.37)
Subtotal Benefits	\$	<u>25,183,146,704.00</u>
Total	\$	<u>25,556,058,941.58</u>

Expenditure Amount		25,546,041,749.20
Pass-Through to Non-State Entity Amount (RESEA)		10,017,192.38
Total expenditures reported for CFDA 17.225 on Schedule 1A	\$	<u>25,556,058,941.58</u>

The expenditures in CFDA 97.050 consists of the following:

COVID - Presidential Declared Disaster Lost Wages Assist. Admin		66,725.46
COVID - Presidential Declared Disaster Lost Wages Assist. Bene.		901,779,840.00
Total	\$	<u>901,846,565.46</u>

* 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.

Note 6 - Not Applicable

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2021

Note 7 - Federal Deferred Revenue

Program	CFDA	Federal Deferred	Increase	Federal Deferred
		Revenue	(Decrease)	Revenue
		August 31, 2020		August 31, 2021
Fair Housing Program: State and Local	14.401	718,115.18	(718,115.18)	-
Unemployment Insurance	17.225	52,204,682.45	(40,900,358.06)	11,304,324.39
E & T Administration Pilots	17.261	12,894.75	22,043.47	34,938.22
Re-entry Employment Opportunities	17.270	3,338.69	(3,338.69)	-
Work Opportunity Tax Credit	17.271	12,523.38	(12,523.38)	-
Temporary Labor Certification	17.273	13,435.27	(13,435.27)	-
Supported Employment Serv	84.187	41,743.59	-	41,743.59
CC Man & Mtch Fnd of the CCDF	93.596	1,219,055.24	(1,028,280.87)	190,774.37
Total Deferred Revenue		<u>54,225,788.55</u>	<u>(42,654,007.98)</u>	<u>11,571,780.57</u>

CFDA 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.

Notes 8-10 - Not Applicable

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SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2021

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		12,610,113.01	796,711.93	13,406,824.94	
Fair Housing Assistance Program: State and Local	14.401			1,893,988.48	1,893,988.48	
Labor Force Statistics	17.002			3,279,995.67	3,279,995.67	
Employment Service	17.207	147,752.23	12,756,569.22	45,490,261.14	58,394,582.59	
Unemployment Insurance	17.225		10,017,192.38	234,799,794.67	244,816,987.05	
COVID Unemployment Insurance	17.225			128,095,250.53	128,095,250.53	
Senior Community Service Employment Program	17.235		3,957,472.22	41,817.41	3,999,289.63	
Trade Adjustment Assistance	17.245		3,247,368.49	3,119,560.26	6,366,928.75	
WIA/WIOA - Adult Program	17.258	548,927.19	64,340,849.64	720,749.81	65,610,526.64	
WIA/WIOA - Youth Activities	17.259		54,121,455.44	9,597,252.87	63,718,708.31	
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261		17,689.65	1,098,658.06	1,116,347.71	
Re-entry Employment Opportunities	17.270		386,625.81	9,806.21	396,432.02	
Work Opportunity Tax Credit Program	17.271			970,298.18	970,298.18	
Temporary Labor Certification For Foreign Workers	17.273		7,142.24	717,869.53	725,011.77	
WIOA National DW Grants / WIA National Emergency Grants	17.277		3,140,531.66	49,369.51	3,189,901.17	
COVID WIOA National DW Grants / WIA National Emergency Grant	17.277		14,407,569.34	89,063.04	14,496,632.38	
WIA/WIOA - Dislocated Worker Formula Grants	17.278	707,129.27	65,920,191.57	789,351.92	67,416,672.76	
Apprenticeship USA Grants	17.285		1,004,344.51	583,895.52	1,588,240.03	
Hurricane Harvey-Add'l Funding	17.286		(2,382.85)		(2,382.85)	
Disabled Veterans Outreach Program	17.801		1,367,398.39		1,367,398.39	
Adult Education - Basic Grant	84.002A	1,132,510.91	60,319,658.76	2,774,543.31	64,226,712.98	
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126A	5,328,703.02		243,847,722.05	249,176,425.07	
Rehabilitation Services - Independent Living for Older Individuals Who are Blind	84.177			2,996,714.59	2,996,714.59	
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			1,471,020.00	1,471,020.00	
COVID Business Enterprises Financial Relief and Restoration	84.426			1,257,790.00	1,257,790.00	
Temporary Assistance for Needy Families	93.558	421,637.40	73,503,352.24	6,912,185.12	80,837,174.76	
Child Care and Development Block Grant	93.575	76,334,773.94	455,173,906.52	13,249,440.30	544,758,120.76	
COVID Child Care and Development Block Grant	93.575		153,171,811.63	508,432,367.01	661,604,178.64	
Child Care and Development Fund	93.596		204,355,250.77		204,355,250.77	
Social Services Block Grant	93.667		1,992,703.28		1,992,703.28	
COVID Presidential Declared Disaster Lost Wages Assistance	97.050			66,725.46	66,725.46	
Total			84,621,433.96	1,195,816,813.92	1,213,152,202.58	2,493,590,450.46

Federal Revenue (Preadjustment)	2,395,602,693.05
Federal PassThrough	97,604,101.37
Program Income	1,381,356.04
Fixed Fee Contract (Differential)	(997,700.00)
Total	2,493,590,450.46

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SCHEDULE 1B
SCHEDULE OF STATE PASS-THROUGH GRANT FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2021

Pass-Through To Other Agencies:

Apprenticeship	
Lamar State College - Orange (Agency 787)	329,479.00
Subtotal	\$ <u>329,479.00</u>
Skills Development	
Lamar State College - Orange (Agency 787)	402,187.68
Texas Engineering Extension Service (Agency 716)	17,756.76
Texas State Technical College System (Agency 719)	326,899.20
Subtotal	\$ <u>746,843.64</u>
Jobs and Education for Texans Program (JET)	
Texas State Technical College System (Agency 719)	184,623.50
Lamar State College - Port Arthur (Agency 788)	20,000.00
Lamar Institute of Technology (Agency 789)	245,955.00
Subtotal	\$ <u>450,578.50</u>
State Leadership - Adult Education & Literacy	
Texas A&M University (Agency 711)	1,204,138.36
Subtotal	\$ <u>1,204,138.36</u>
Total Pass-Through To Other Agencies	\$ <u><u>2,731,039.50</u></u>

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ADDENDA
ORGANIZATION, RESPONSIBILITIES AND GENERAL COMMENTS
 For the Year Ended August 31, 2021

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, 2021 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
Julian Alvarez III (Commissioner Representing Labor)	February 2023 Appointed February 2016	Austin
Aaron Demerson (Commissioner Representing Employers)	January 2027 Appointed August 2019	Austin

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

The Commission had a total of 5,813 full-time employees at August 31, 2021.

On March 13, 2020 the Governor's Office declared a state of disaster for the State due to Covid-19. TWC has temporarily hired an additional 1140 contract workers to help address the increased workload resulting from a significant increase in unemployment claims and appeals.

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