

**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
Friday, August 19, 2016  
8:00 a.m.**

The Audit Committee of the Finance Commission of Texas convened at 8:00 a.m. on August 19, 2016, with the following members present:

**Audit Committee Members in Attendance:**

Molly Curl, Chairman  
Hector Cerna  
Lori McCool

**Additional Members in Attendance:**

Stacy G. London  
Jay Shands  
Bob Borochoff  
Phillip Holt  
Will Lucas  
Matt Moore  
Paul Plunket

Audit Committee Chairman Curl announced that there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present. *(00:14 on audio file).*

<b>AGENDA ITEM</b>	<b>ACTION</b>	<b>LOCATION ON AUDIO FILE</b>
A. Review and Approval of Minutes of the June 10, 2016 Audit Committee Meeting	Lori McCool made a motion to approve the minutes of the June 10, 2016 Audit Committee Meeting. Hector Cerna seconded and the motion passed.	00:38 start of discussion 00:46 vote
B. Audit Committee Review of Agencies' Activities	No Action Required.	00:52 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's Fiscal Year 2016 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Lori McCool made a motion to recommend that the Finance Commission approve the Department of Savings and Mortgage Lending's Fiscal Year 2016 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Hector Cerna seconded and the motion passed.	9:21 start of discussion 21:04 vote

<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take action on the Agencies' May 31, 2016 Investment Officer Reports</p>	<p>Lori McCool made a motion to recommend that the Finance Commission approve the Agencies' May 31, 2016 Investment Officer Reports. Hector Cerna seconded and the motion passed.</p>	<p>21:26 start of discussion 39:12 vote</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2016 Third Quarter Financial Statements</p>	<p>Hector Cerna made a motion to Recommend that the Finance Commission approve the Agencies' 2016 Third Quarter Financial Statements. Lori McCool seconded and the motion passed.</p>	<p>39:34 start of discussion 51:14 vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2017 Operating Budgets</p>	<p>Lori McCool made a motion to Recommend that the Finance Commission Approve the Agencies' Fiscal Year 2017 Operating Budgets. Hector Cerna seconded and the motion passed.</p>	<p>51:34 start of discussion 1:59:51 vote</p>
<p>G. Report on Activities Relating to the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>2:00:15 start of discussion</p>

There being no further business of the Audit Committee of the Finance Commission of Texas, Molly Curl adjourned the meeting at 10:03 a.m. (2:00:37) *on audio file*)

/s/Molly Curl

Molly Curl, Audit Committee Chair  
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Executive Director  
Finance Commission of Texas

/s/Anne Benites

Anne Benites, Executive Assistant  
Finance Commission of Texas