

**FINANCE COMMISSION OF TEXAS**  
**AUDIT COMMITTEE MEETING**

Friday, October 16, 2015  
8:30 a.m.

Finance Commission Building  
William F. Aldridge Hearing Room,  
2601 N. Lamar Blvd.  
Austin, Texas 78705

*Public comment on any agenda item or issue under the jurisdiction of the Finance Commission agencies is allowed unless the comment is in reference to a rule proposal for which the public comment period has ended. However, upon majority vote of the Commission, public comment may be allowed related to final rule adoption.*

- A. Review and Approval of Minutes of the August 21, 2015, Audit Committee Meeting
- B. Audit Committee Review of Agencies' Activities
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' August 31, 2015 Investment Officer Reports
  - 1. Office of Consumer Credit Commissioner
  - 2. Texas Department of Banking
  - 3. Department of Savings and Mortgage Lending
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2015 Fourth Quarter Financial Statements
  - 1. Office of Consumer Credit Commissioner
  - 2. Texas Department of Banking
  - 3. Department of Savings and Mortgage Lending
- E. Report on Activities Relating to the Texas Financial Education Endowment Fund

**NOTE: The Audit Committee may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.**

**Meeting Accessibility:** Under the Americans with Disabilities Act, the Finance Commission will accommodate special needs. Those requesting auxiliary aids or services should notify the Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705, (512) 936-6222, as far in advance of the meeting as possible.

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**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
Friday, August 21, 2015  
8:00 a.m.**

The Audit Committee of the Finance Commission of Texas convened at 8:00 a.m. on August 21, 2015, with the following members present: Audit Committee Chair Cindy Lyons, Susan Burton, and Larry Patton. Members absent: Lori McCool.

Audit Committee Chair Lyons announced that there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present. *(0:07 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 19, 2015, Audit Committee Meeting	Susan Burton made a motion to approve the minutes. Larry Patton seconded and the motion passed.	0:16 start of discussion 0:56 vote
B. Audit Committee Review of Agencies' Activities	No Action Required	1:10 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' May 31, 2015 Investment Officer Reports:  1. Texas Department of Banking 2. Department of Savings and Mortgage Lending 3. Office of Consumer Credit Commissioner	Larry Patton made a motion to recommend approval of the Agencies' May 31, 2015 Investment Officer Reports. Susan Burton seconded and the motion passed.	3:55 start of discussion 14:25 vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Susan Burton made a motion to recommend approval of the Department of Savings and Mortgage Lending's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Larry Patton seconded and the motion passed.	15:20 start of discussion 21:43 vote

<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission approve the Office of Consumer Credit Commissioner's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Susan Burton made a motion to recommend approval of the Office of Consumer Credit Commissioner's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Larry Patton seconded and the motion passed.</p>	<p>41:50 start of discussion 42:02 vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2015 Third Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Larry Patton made a motion to recommend approval of the Agencies' 2015 Third Quarter Financial Statements. Susan Burton seconded and the motion passed.</p>	<p>42:20 start of discussion 48:50 vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2016 Operating Budgets</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Susan Burton made a motion to recommend approval of the Agencies' 2016 Operating Budgets. Larry Patton seconded and the motion passed.</p>	<p>49:45 start of discussion 1:28:07 vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve an Amount for the Upcoming 2016-17 Grant Cycle for the Texas Financial Education Endowment Fund</p>	<p>Larry Patton made a motion to recommend approval of \$250,000 for the Upcoming 2016-17 Grant Cycle for the Texas Financial Education Endowment Fund. Susan Burton seconded and the motion passed.</p>	<p>1:28:45 start of discussion 1:31:35 vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Revised Texas Financial Education Endowment Fund Grant Administration &amp; Advisory Policy Manual, 2016-17 Funding Priorities, and New Grant Advisory Committee Member</p>	<p>Larry Patton made a motion to recommend approval of the Revised Texas Financial Education Endowment Fund Grant Administration &amp; Advisory Policy Manual, 2016-17 Funding Priorities, and New Grant Advisory Committee Member, Eric Norrington. Susan Burton seconded and the motion passed.</p>	<p>1:32:50 start of discussion 1:42:42 vote</p>

There being no further business of the Audit Committee of the Finance Commission of Texas, Chair Cindy Lyons adjourned the meeting at 9:47 am (1:43:05 on audio file).

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Cindy Lyons, Chair of the Audit Committee  
Finance Commission of Texas

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Charles G. Cooper, Executive Director  
Finance Commission of Texas

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Anne Benites, Executive Assistant  
Finance Commission of Texas

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Office of Consumer Credit Commissioner

Outstanding Audit Findings Report as of 9/30/2015

Auditor	Garza / Gonzalez & Associates	Audit Report Date
Audit Area	Professional Licensing	Jun-14
Finding	Status Update	
Implement a quality control review process in which RMLO and Pawnshop Employee applications received are sampled and reviewed on a periodic basis.	<b><i>In progress.</i></b> The agency has modified its procedure to include a second level of review to address the finding. The agency is continuing to study whether a quality control process would be a more efficient and appropriate procedure. While the agency believes that it has addressed the finding, consideration of the recommendation is ongoing with a determination anticipated by December 2015.	

**Texas Department of Banking  
Outstanding Audit Findings Report as of October 16, 2015**

The agency has no outstanding audit issues.



## On-Site Consultation Report

Department of Banking

August 25, 2015

**Conducted By:**  
Christine Wright, PCP, Risk Manager





## STATE OFFICE OF RISK MANAGEMENT

WILLIAM P. CLEMENTS, JR. BUILDING, 6<sup>TH</sup> FLOOR  
P.O. BOX 13777, AUSTIN, TEXAS 78711  
(512) 475-1440

August 25, 2015

Mr. Charles G. Cooper  
Banking Commissioner  
Department of Banking  
2601 North Lamar Blvd., Third Floor  
Austin, TX 78705-4294

Re: On Site Consultation (OSC)

Agency #451

Dear Commissioner Cooper,

The State Office of Risk Management conducted an On-Site Consultation (OSC) of the Department of Banking (DOB) on August 18, 2015. The review was conducted under the authority of Texas Labor Code, Title V, Subtitle A, Chapter 412, and is designed to assist state agencies to develop and implement comprehensive risk management programs that meet Risk Management for Texas State Agencies (RMTSA) guidelines.

Mr. Vance Ivie, Staff Services Officer, Mr. Sami Chadli, Director of Administrative Services, and Ms. Lori Wright, Human Resources Manager, accompanied SORM and actively participated during the OSC.

Noteworthy observations made during this consultation include the following:

- DOB fully implemented and closed all prior SORM recommendations;
- The DOB has four regional field offices located in Houston, San Antonio, Arlington and Lubbock in addition to the two offices located in Austin. DOB staff from the Austin office make regular visits to these locations to assist with the building safety inspections;
- The DOB completed all recommendations generated as a result of the HSB property inspection;
- The Department conducts regular fire drills and has best practices in place to alert the fire alarm monitoring company of the drill, alerting building occupants of the drill,

sweeping the building to ensure all occupants have vacated, designation of the safe rally point, as well as headcount procedures to ensure all building occupants are accounted for. Their last fire drill was timed at two minutes from start to the “all-clear”;

- DOB has purchased five Automated External Defibrillators (AED), all of which have been distributed to the regional locations, as well as the field office located in Austin. The main DOB location in Austin already has an AED onsite.

During the consultation, we discussed the previously submitted recommendations generated as a result of the Risk Management Program Review (RMPR) conducted on January 27, 2014. The following recommendations have been fully implemented and are now **closed**:

- 14-01-01 Policies/Procedures: Indoor Air Quality Plan**
- 14-01-02 Risk Management: Policies/Procedures**
- 14-01-03 Safety: Vending Machines**
- 14-01-04 Safety: Electrical**
- 14-01-05 Safety: Occupancy Load Posting**
- 14-01-06 Risk Management: Death Investigation**

Only one recommendation is being made to maintain the efficiency of your Risk Management Program:

**15-08-01 Insurance: Risk Financing Plans**

The DOB has potential loss exposures that were identified for employees that drive while in the course and scope of employment. While the DOB previously participated in SORM’s sponsored automobile insurance program, they opted not to renew coverage due to an increase in premium starting in FY15.

SORM recommends that the DOB determine maximum possible loss and maximum probable loss for automobile liability, and obtain an insurance quote to conduct a retention/risk transfer feasibility analysis. If the DOB chooses to retain the risk, then they should develop a risk financing plan that identifies funding sources that are set aside and readily available to pay for any incurred losses. Completing the Risk Financing Plan spreadsheet will demonstrate to the DOB, SORM and the Legislature, how it intends to handle its potential automobile losses.

A Risk Financing Plan spreadsheet with instructions has been included along with this report in order to assist the DOB with completing this recommendation (RiskTransferCostvsBenefitAnalysisTool.xls). Please contact Ms. Allyson Santos, Insurance Manager, at [allyson.santos@sorm.state.tx.us](mailto:allyson.santos@sorm.state.tx.us) or 512-936-1483 to obtain a quote for the recommended line of insurance.

*Reference: RMTSA Guidelines, Volume IV, Section One, Chapter 7, RMTSA Guidelines, Volume I, Section Two, Chapter 6 – Risk Financing, Texas Labor Code Chapter 412.053*

I would like to extend my sincerest appreciation to Mr. Vance Ivie, Mr. Sami Chadli and Ms. Lori Wright for their assistance and cooperation during the visit.

We request that the appropriate staff review this document, specify the actions that the DOB plans to take, and project the estimated date of completion for the recommendation. Please provide your updated action plan to me by **September 28, 2015** via US mail or email to [christine.wright@sorm.state.tx.us](mailto:christine.wright@sorm.state.tx.us).

If you have any questions or concerns regarding the information detailed in this report, please call me at 512-936-1571.

Sincerely,



Christine Wright, PCP  
Risk Manager  
State Office of Risk Management

cc: Mr. Vance Ivie, Staff Services Officer, Department of Banking  
Mr. Sami Chadli, Director of Administrative Services, Department of Banking  
Ms. Lori Wright, Human Resources Manager, Department of Banking  
Ms. Allyson Santos, Insurance Manager, State Office of Risk Management

# ACTION PLAN

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**Agency Name:** Department of Banking

**Date of Visit:** 8/18/2015

**Agency Number:** 451

**SORM Risk Manager:** Christine Wright

**Recommendation:** 15-08-01 Insurance: Risk Financing Plans

**Details:** The DOB has potential loss exposures that were identified for employees that drive while in the course and scope of employment. While the DOB previously participated in SORM's sponsored automobile insurance program, they opted not to renew coverage due to an increase in premium starting in FY15.

SORM recommends that the DOB determine maximum possible loss and maximum probable loss for automobile liability, and obtain an insurance quote to conduct a retention/risk transfer feasibility analysis. If the DOB chooses to retain the risk, then they should develop a risk financing plan that identifies funding sources that are set aside and readily available to pay for any incurred losses. Completing the Risk Financing Plan spreadsheet will demonstrate to the DOB, SORM and the Legislature, how it intends to handle its potential automobile losses.

A Risk Financing Plan spreadsheet with instructions has been included along with this report in order to assist the DOB with completing this recommendation (RiskTransferCostvsBenefitAnalysisTool.xls). Please contact Ms. Allyson Santos, Insurance Manager, at [allyson.santos@sorm.state.tx.us](mailto:allyson.santos@sorm.state.tx.us) or 512-936-1483 to obtain a quote for the recommended line of insurance.

*Reference: RMTSA Guidelines, Volume IV, Section One, Chapter 7, RMTSA Guidelines, Volume I, Section Two, Chapter 6 – Risk Financing, Texas Labor Code Chapter 412.053*

**Current Status of Recommendation** (check appropriate box and comment below):

- Recommendation has already been completed  
Completion Date: [Click here to enter a date.](#)
- Will implement with a target date of completion  
Target Date: [Click here to enter a date.](#)
- No Plans to implement

**Comments:**

We elected not to implement this recommendation as we have not incurred any automobile losses to date and our existing cash reserve is available to cover for potential losses.

**Name:** Sami Chadli

**Title/Position:** Director of Administrative Services

**Date:** 9/25/2015



**STATE OFFICE OF RISK MANAGEMENT  
WILLIAM P. CLEMENTS, JR. BUILDING, 6<sup>TH</sup> FLOOR  
P.O. BOX 13777, AUSTIN, TEXAS 78711  
(512) 475-1440**

September 25, 2015

Mr. Charles G. Cooper  
Banking Commissioner  
Department of Banking  
2601 North Lamar Blvd., Third Floor  
Austin, TX 78705-4294

Agency #451

Re: Action Plan Response

Dear Commissioner Cooper:

The State Office of Risk Management conducted an On-Site Consultation (OSC) at the Department of Banking. The OSC was conducted on August 18, 2015 under the authority of Texas Labor Code, Title V, Subtitle A, Chapter 412 as part of your agency's overall risk management program assessment.

We received your plan of action addressing all observations and recommendations discussed in the OSC Report. Your plan is approved with the understanding that the risk management process is a continuous undertaking and that progress will be made on any uncompleted recommendations.

Thank you for your cooperation, courtesy, and assistance during the consultation. Please contact me at (512) 936-1571 or [christine.wright@sorm.state.tx.us](mailto:christine.wright@sorm.state.tx.us) if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christine Wright".

Christine Wright, PCP  
Risk Manager  
State Office of Risk Management

cc: Mr. Vance Ivie, Staff Services Officer, Department of Banking  
Mr. Sami Chadli, Director of Administrative Services, Department of Banking  
Ms. Lori Wright, Human Resources Manager, Department of Banking  
Ms. Allyson Santos, Insurance Manager, State Office of Risk Management

**Department of Savings and Mortgage Lending  
Outstanding Audit Issues Report as of September 30, 2015**

None.

**Office of Consumer Credit Commissioner  
Fiscal Year 2015 - 4th Quarter**

**Residential Mortgage Loan Originator Recovery Trust Fund #3008**

Beginning Balance at 06/01/15	Additions	Interest Paid	Paid Claims	Paid Bank Fees	Ending Balance at 08/31/15	Current Interest Rate
\$ 120,368.12	\$ 875.00	\$ 19.35	\$ -	\$ (14.10)	\$ 121,248.37	.087%

Investment Officer: Christina Cuth

Date: 10/1/15

Reviewed By: [Signature]

Date: 10.2.15

Note: These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.  
The above investments are in compliance with the agency's investment policy.

Office of Consumer Credit Commissioner  
Fiscal Year 2015 - 4th Quarter

**Texas Financial Education Endowment Fund #3071**

	Beginning Balance at 06/01/15	Additions	Interest Paid	Grant Disbursements	Paid Bank Fees	Ending Balance at 08/31/15	Current Interest Rate
<b>Cash</b>	\$ 1,085,238.91	\$ 4,743.25	\$ 174.15	\$ (1,331.02)	\$ (1,543.25)	\$ 1,087,282.04	.087%
<b>Invested Portfolio</b>	Beginning Balance at 06/01/15	Additions	Change in Value		Paid Fees	Ending Balance at 08/31/15	
Investments - STIF	\$ 50,513.64	\$ 3,272.44	\$ 5,271.78	\$ -	\$ (1,540.28)	\$ 57,517.58	
Interest & Dividends Receivable	3.80		1.86			5.66	
Trade Receivables	329.69		(329.69)			-	
Investments - Equities	29,594.89		11,310.93			40,905.82	
Investments - Alternatives	1,831,732.19		(67,554.91)			1,764,177.28	
Investments - Fixed Income	161,875.34		(16,735.01)			145,140.33	
Invested Portfolio	\$ 2,074,049.55	\$ 3,272.44	\$ (68,035.04)	\$ -	\$ (1,540.28)	\$ 2,007,746.67	
<b>Total Endowment Funds</b>	\$ 3,159,288.46					\$ 3,095,028.71	

Note: These funds are invested with the Texas Treasury Safekeeping Trust Company.  
The above investments are in compliance with the agency's investment policy.

Investment Officer: 

Date: 10/1/15

Reviewed By: 

Date: 10.2.15

**Trust Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report  
June 1, 2015 to August 31, 2015**

<u>Book Value at May 31, 2015</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>(1) Other Deductions</u>	<u>(2) Other Additions</u>	<u>Book/Market Value at August 31, 2015</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,287,840.06	\$2,214.60	\$52.71	\$5,160.00	\$8,975.00	\$1,293,816.95	--	--	\$1,164.68

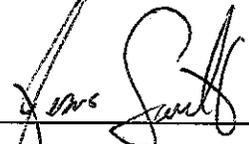
Trust Account Balances at Trustee/Depositories

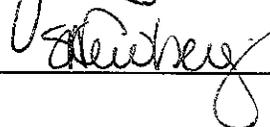
Texas Treasury Safekeeping Trust Company *	\$323,386.31	9/1/2015	0.09%	
First Bank and Trust of Childress (CD)	\$240,000.00	12/11/2015	0.85%	\$172.01
First State Bank of Yoakum (CD)	\$240,000.00	12/17/2015	0.85%	\$475.32
Citizens State Bank, Buffalo, TX (CD)	\$246,303.84	12/26/2015	0.97%	\$517.35
Pilgrim Bank (money market)	<u>\$244,126.80</u>	n/a	0.63%	
Subtotal	\$1,293,816.95			

(1) Other deductions include: (a) \$3,900.00 Guaranty Fund claim paid to the estate of C. Martinez related to a PFC sold by Walker-Mora Funeral Home, PFC permit number 546; and (b) a \$1,260.00 Guaranty Fund claim paid to servicing funeral home Allcom Funeral and Cremation Services related to a PFC sold by Tom G. Walker Funeral Home.

(2) Other additions include: (a) \$600.00 restitution received from Lonnie D. Wright; (b) \$100.00 restitution received from Mr. Dan L. Brothers; (c) \$1,675.00 restitution received from Mr. Kevin Keeney; (d) \$1,500.00 received from Mr. Marc Gonzalez; (e) \$100.00 received from DJ Turner; and (f) \$5,000.00 received from Timothy Gaffney.

Note: \* These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.  
The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

Prepared By:  Date: 9/11/15

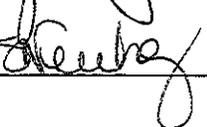
Reviewed By:  Date: 9/11/15

**Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report  
June 1, 2015 to August 31, 2015**

<u>Book Value at May 31, 2015</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>Other Deductions</u>	<u>(1) Other Additions</u>	<u>Book/Market Value at August 31, 2015</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
\$330,295.97	\$53.71	\$26.29			\$330,323.39	1-Sep-2015	0.09%

Note: These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements. The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

Prepared By:  Date: 9/11/15

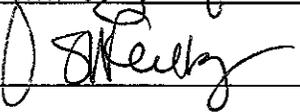
Reviewed By:  Date: 9/12/15

Department of Banking Quarterly Investment Report  
 June 1, 2015 to August 31, 2015

Seized Prepaid Funeral Funds	Book Value at May 31, 2015	Interest Income Received	Trustee Fees Paid	Other Deductions	Other Additions	Book Value at August 31, 2015	Trustee	Investment Type	Maturity Date	Interest Rate
Shaw's Funeral Home, Inc., PFC Number 1076	\$38,244.02	\$4.28	\$0.00	\$14,258.70	\$1,200.00	\$25,189.60	Legend Bank, Bowie, Texas	savings	9/1/2015	0.05%
<b>Total Seized Funds</b>	\$38,244.02	\$4.28	\$0.00	\$14,258.70	\$1,200.00	\$25,189.60				

**Notes:**  
 The records and funds related to Permit Number 1076 were seized as a result of the funeral home going-out-of business and not being able to service its outstanding PFCs. Agreed Order Number 2015-010 issued on April 29, 2015 ordered the seizure of the funds and records of the PFCs. The depository was advised on the same day. On June 12, 2015, an invitation to bid on the PFCs sold by Shaw's Funeral Home, Inc. was sent to area funeral homes. One bid offer was received in August 2015 and is currently under review by the Department. The amount reflected under the additions column

The above investments are in compliance with the investment strategies of Administrative Memorandum 2027.

Prepared By:  Date: 9/11/15  
 Reviewed By:  Date: 9/11/15

**Department of Savings and Mortgage Lending**  
**Mortgage Recovery Trust Fund**

**Investment Officer Report as of August 31, 2015**

**Current Investments/Securities as of August 31, 2015**

Purchase Date	Beginning Market Value	Ending Market Value	Accrued Interest - Estimated	Interest Rate	Maturity Date	Description	Fin. Institution
9/5/2013	244,097.34	244,951.68	857.33	0.35%	9/5/2015	CD - 24 months	Austin Capital SSB
10/2/2013	250,000.00	250,000.00	2,543.75	1.10%	10/2/2015	CD - 24 months	Cypress Bank SSB
12/13/2013	240,000.00	240,000.00	3,338.67	0.80%	12/13/2015	CD - 24 months	First Fed Community Bank, S
12/15/2013	246,271.00	249,424.78	453.47	0.85%	12/15/2015	CD - 24 months	Spirit of Texas, SSB
2/4/2014	248,867.74	251,231.98	1,378.98	0.95%	2/4/2016	CD - 24 months	Third Coast Bank SSB
4/17/2014	248,443.47	251,462.86	328.30	1.00%	4/17/2016	CD - 24 months	South Star Bank SSB
6/15/2014	245,093.07	248,384.59	-	1.14%	6/15/2016	CD - 24 months	TrustTexas Bank SSB
8/4/2014	240,000.00	240,000.00	112.00	0.70%	8/4/2016	CD - 24 months	First Bank SSB
4/9/2015	245,000.00	245,000.00	980.00	1.00%	10/9/2016	CD - 18 months	Capital Bank
10/18/2014	249,786.42	250,000.00	668.40	1.75%	10/18/2016	CD - 24 months	Dalhart Federal Savings
1/31/2015	250,000.00	250,000.00	150.00	0.80%	1/31/2015	CD - 24 months	Horizon Bank SSB
4/7/2015	240,000.00	240,000.00	1,022.00	1.05%	4/7/2017	CD - 24 months	Triumph SSB
4/29/2015	240,000.00	240,000.00	165.33	0.20%	4/29/2017	CD - 24 months	Angelina Savings Bank
6/14/2015	250,000.00	250,000.00	650.00	1.20%	6/14/2017	CD - 24 months	Pioneer Bank SSB
Totals	<u>3,437,559.04</u>	<u>3,450,455.89</u>	<u>11,998.23</u>				

**Department of Savings and Mortgage Lending**  
**Mortgage Recovery Trust Fund**

**Investment Officer Report as of August 31, 2015 (continued)**

<b>Fund Position for the Quarter Ended August 31, 2015</b>		
<b>Beginning Cash Balance as of May 31, 2015</b>	<b>\$</b>	<b>64,602.27</b>
<b>Receipts</b>		
Licensees' Remittances	23,062.94	
Interest from CDs	5,270.20	
Interest from overnight repos	13.46	
CD - Principal and Interest - Maturity	251,444.09	
<b>Total Received</b>	<b>\$</b>	<b>279,790.69</b>
<b>Disbursements</b>		
CD - Purchase	-	
Transfer of excess to Operating Fund	(11,043.37)	
Bank Fees and Charges	-	
<b>Total Disbursed</b>	<b>\$</b>	<b>(11,043.37)</b>
<b>Total Cash Balance in Trust and Treasury</b>		<b>333,349.59</b>
<b>Reserve</b>		
Reserved for Potential Payment of Claims w/in 90 days	\$	(39,800.00)
<b>Available Cash Balance as of August 31, 2015</b>		<b>293,549.59</b>
<b>Total Amount of Investments</b>		<b>3,450,455.89</b>
<b>Accrued Receivables</b>		<b>12,518.23</b>
<b>Accrued Payables</b>		<b>(16.59)</b>
<b>Fund Balance as of August 31, 2015</b>	<b>\$</b>	<b>3,796,307.12</b>

<b>Claim Payment History</b>		
Fiscal Year	Total Amount \$	# of Payments
2000-2006	121,243.68	5
2007	87,824.08	4
2008	25,488.14	3
2009	100,000.00	10
2010	147,033.52	16
2011	22,225.00	5
2012	1,300.00	1
2013	1,465.13	1
2014	-	0
2015	1,039.50	1
<b>Totals</b>	<b>507,619.05</b>	<b>46</b>



Antonia Antov, Investment Officer

9/28/2015

Date

Investment Position: The Fund is capable of meeting all known obligations.  
Investment Compliance: The Department's Investment Policy has been followed.

**University of North Texas Center for Public Management**

and

Government Treasurers' Organization of Texas

**Co Sponsored by Texas Higher Education Coordinating Board**

Certificate of Attendance

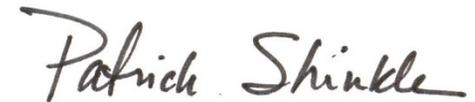
presented to

*Antonia Antov*

For completion of training on the Texas Public Funds Investment Act and related investment issues

August 14, 2015 ..... 5 hours

Austin, Texas



Patrick Shinkle  
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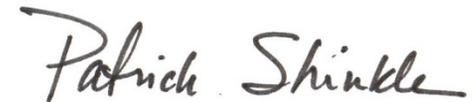
presented to

*Steven O'Shields*

For completion of training on the Texas Public Funds Investment Act and related investment issues

August 14, 2015 ..... 5 hours

Austin, Texas



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**OFFICE OF CONSUMER CREDIT COMMISSIONER**  
**OPERATING STATEMENT & BUDGET ANALYSIS**  
*For the Period Ended August 31, 2015*

100%

	FY 2014 ACTUAL	FY 2015 BUDGET	FY 2015 PERFORMANCE			
			YTD BUDGET	YTD ACTUAL	(OVER)/UND BUDGET	PERCENT BUDGET
<b>REVENUES:</b>						
Regulated Lenders	\$ 1,075,765	\$ 1,787,413	\$ 1,787,413	\$ 1,766,773	\$ 20,640	98.8%
Pawn Industry	611,313	890,280	890,281	967,515	(77,234)	108.7%
MV Industry	2,206,465	3,472,036	3,472,036	3,596,172	(124,136)	103.6% (1)
Credit Access Industry	2,139,745	2,100,130	2,100,130	1,829,820	270,310	87.1% (2)
Penalties & Late Filing Fees	780,764	-	-	723,238	(723,238)	100.0% (3)
Debt Management Services	44,487	44,880	44,880	38,735	6,145	86.3%
RAL Assessment	36,150	32,500	32,500	45,575	(13,075)	140.2%
Precious Metals	89,475	76,450	76,450	55,850	20,600	73.1%
Tax Liens	63,817	66,436	66,436	66,968	(532)	100.8%
Sale of Publications	1,692	-	-	879	(879)	100.0%
Creditor Registration	102,470	80,531	80,531	100,520	(19,989)	124.8%
Mortgage Loan Originators	131,550	113,600	113,600	95,900	17,700	84.4%
Other Revenue	6,931	-	-	(376)	376	100.0%
Investment / Interest Income	2,262	-	-	3,853	(3,853)	100.0%
<b>TOTAL REVENUES</b>	<b>\$ 7,292,886</b>	<b>\$ 8,664,256</b>	<b>\$ 8,664,257</b>	<b>\$ 9,291,422</b>	<b>\$ (627,165)</b>	<b>107.2%</b>
<b>EXPENDITURES:</b>						
Salaries and Wages-						
Base Pay	\$ 4,190,671	\$ 4,931,455	\$ 4,931,455	\$ 4,773,686	\$ 157,769	96.8% (4)
Benefit Replacement Pay	9,498	8,250	8,250	7,188	1,062	87.1%
Longevity	61,400	72,250	72,250	63,700	8,550	88.2%
	<b>\$ 4,261,569</b>	<b>\$ 5,011,955</b>	<b>\$ 5,011,955</b>	<b>\$ 4,844,574</b>	<b>\$ 167,381</b>	<b>96.7%</b>
Travel-						
Public Transportation, Lodging, Meals & Mileage	844,860	970,512	970,512	911,287	59,225	93.9%
	<b>\$ 844,860</b>	<b>\$ 970,512</b>	<b>\$ 970,512</b>	<b>\$ 911,287</b>	<b>\$ 59,225</b>	<b>93.9%</b>
Other Expenditures-						
Professional Services & Fees	299,800	433,500	433,500	422,702	10,798	97.5%
Consumable Supplies	27,707	30,300	30,300	22,315	7,985	73.6%
Postage & Freight	46,143	49,400	49,400	47,512	1,888	96.2%
Telephone & Communications	62,093	84,000	84,000	62,689	21,311	74.6% (5)
Bldg. & Utilities	63,873	119,000	119,000	72,998	46,002	61.3% (6)
Publication / Printing & Reproduction	4,835	2,000	2,000	3,321	(1,321)	166.1%
Other Operating	85,529	305,550	305,550	258,555	46,995	84.6% (7)
	<b>\$ 589,980</b>	<b>\$ 1,023,750</b>	<b>\$ 1,023,750</b>	<b>\$ 890,092</b>	<b>\$ 133,658</b>	<b>86.9%</b>
Acquisition of Info Technology	\$ 144,182	\$ 145,500	\$ 145,500	\$ 69,882	\$ 75,618	48.0% (8)
Development in Progress	-	450,000	450,000	-	450,000	0.0% (9)
Employee Benefits	1,274,432	1,516,110	1,516,110	1,543,542	(27,432)	101.8%
SWCAP Reimb to Unapp Gr 0001	31,682	30,000	30,000	40,111	(10,111)	133.7%
SORM Assessment	4,855	6,000	6,000	4,984	1,016	83.1%
Unemployment Benefits	3,703	5,000	5,000		5,000	0.0%
	<b>\$ 1,458,854</b>	<b>\$ 2,152,610</b>	<b>\$ 2,152,610</b>	<b>\$ 1,658,519</b>	<b>\$ 494,091</b>	<b>77.0%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,155,263</b>	<b>\$ 9,158,827</b>	<b>\$ 9,158,827</b>	<b>\$ 8,304,472</b>	<b>\$ 854,355</b>	<b>90.7%</b>
<b>EXCESS REVENUES</b>	<b>\$ 137,623</b>	<b>\$ (494,571)</b>	<b>\$ (494,570)</b>	<b>\$ 986,950</b>	<b>\$ (1,481,519)</b>	

## Office of Consumer Credit Commissioner

### Overview of Budget Variances for 4<sup>th</sup> qtr. FY 2015

#### Revenues- 107% of budget

- 1.) Fees for new Motor Vehicle licenses, transfers and amendments exceeded original estimates by \$70,000 or 46%. More than \$40,000 of this revenue was collected in the final two months of the fiscal year. Renewal assessments exceeded original projections by \$78,000 or 2.4%, which reflects a higher retention or renewal rate of motor vehicle licenses than originally expected.
- 2.) Credit Access Business Industry is below budget due to a decline in the number of licenses. This is due in part to the industry uncertainty related to municipal ordinances and anticipated federal regulations.
- 3.) The Penalty Revenue is comprised of approximately 37% Penalties and 63% late filing fees.

#### Expenditures- 91% of budget

- 4.) Personnel & Employee Benefit costs are slightly below budget due to the staged hiring of vacant positions and turnover.
- 5.) Telephone & Communications Fees is under budget due to budgeting estimates for telephone and online legal services being higher than actual costs by 7.76% and 28.4%, respectively.
- 6.) Building & Utilities is below budget due to budget being higher than actual for utilities by 8.7%. The agency also did not spend as much as anticipated on building and maintenance, budget exceeds actual expenses by 12.4%.
- 7.) Other Operating is under budget because the agency budgeted maintenance for the ALECS system for the entire year. The agency actually did not go into maintenance until about 2 months into the year. Also, the agency did not spend all of its budget for registration fees for the year.
- 8.) Acquisition of Information Technology is below budget due to the delay of the purchase of replacement servers. Also, the agency did not purchase all of the budgeted amount of computers and scanners.
- 9.) Development in Progress is under budget due to the postponement of Phase II of the ALECS system until Fiscal Year 16.

**Office of Consumer Credit Commissioner  
Changes in Cash Balance  
For the Quarter Ending Aug 31, 2015**

	<b>Actual</b>
Cash at Beginning of Period	\$ 8,192,541.89
Revenues Over (Under) Expenditures CY	1,598,468.00
Increase (Decrease) in Payables	33,475.21
(Increase) Decrease in Receivables	32,137.06
Cash at End of Period	\$ 9,856,622.16
<b>Restricted Cash Balance</b>	
Payroll and Payroll Related Payables	\$ 693,999.66
Reserve for Building	5,000,000.00
<b>Total Restricted Cash Balance</b>	<b>\$ 5,693,999.66</b>
<b>Assigned Cash Balance</b>	
Retirement	75,182.00
Information Technology	350,000.00
Future Operations	3,737,440.50
<b>Total Assigned Cash Balance</b>	<b>\$ 4,162,622.50</b>
Total Restricted and Assigned Cash Balance	\$ 9,856,622.16
Assigned Cash Balance / FY 2016 Monthly Budget	4.61

**Texas Department of Banking  
Operating Statement and Budget Analysis  
For Period Ending August 2015**

	FY 2014 ACTUAL	FY 2015 BUDGET	QUARTER PERFORMANCE				FY 2015 PERFORMANCE				
			4th Quarter BUDGET	4th Quarter ACTUAL	(OVER)/UNDER BUDGET	PERCENT BUDGET	YTD BUDGET	YTD ACTUAL	(OVER)/UNDER BUDGET	PERCENT BUDGET	
<b>REVENUE:</b>											
Bank & Trust Regulation	\$22,629,774.91	\$22,675,128.00	\$5,772,407.00	\$5,070,896.88	\$701,510.12	87.8%	\$22,675,128.00	\$21,989,406.54	\$685,721.46	97.0%	
Nonbank Regulation	2,738,492.14	2,855,678.23	533,802.43	198,656.53	335,145.90	37.2%	2,855,678.23	2,901,040.57	(45,362.34)	101.6%	
Miscellaneous Revenues	10,911.72	7,560.00	2,140.00	3,330.02	(1,190.02)	155.6%	7,560.00	11,103.86	(3,543.86)	146.9%	
<b>TOTAL REVENUES:</b>	<b>\$25,379,178.77</b>	<b>\$25,538,366.23</b>	<b>\$6,308,349.43</b>	<b>\$5,272,883.43</b>	<b>\$1,035,466.00</b>	<b>83.6%</b>	<b>\$25,538,366.23</b>	<b>\$24,901,550.97</b>	<b>\$636,815.26</b>	<b>97.5%</b>	
<b>EXPENDITURES:</b>											
Salaries and Wages											
Exempt Salaries	\$224,683.34	\$233,007.96	\$58,251.99	\$55,250.00	\$3,001.99	94.8%	\$233,007.96	\$229,000.00	\$4,007.96	98.3%	
Classified Salaries	15,340,173.83	16,396,119.26	4,295,630.82	4,252,600.07	43,030.75	99.0%	16,396,119.26	16,104,213.94	291,905.32	98.2%	
Longevity	196,880.00	207,000.00	53,920.00	49,680.00	4,240.00	92.1%	207,000.00	203,620.00	3,380.00	98.4%	
Other	241,741.88	209,859.95	139,490.74	123,656.38	15,834.36	88.6%	209,859.95	259,249.17	(49,389.22)	123.5%	
Payroll Health Ins/Retire Contrib	215,476.94	248,267.66	64,138.99	56,530.70	7,608.29	88.1%	248,267.66	228,193.58	20,074.08	91.9%	
	<b>\$16,218,955.99</b>	<b>\$17,294,254.83</b>	<b>\$4,611,432.54</b>	<b>\$4,537,717.15</b>	<b>\$73,715.39</b>	<b>98.4%</b>	<b>\$17,294,254.83</b>	<b>\$17,024,276.69</b>	<b>\$269,978.14</b>	<b>98.4%</b>	
Travel											
In-State	\$1,497,385.37	\$1,583,275.06	\$478,966.64	\$387,628.16	\$91,338.48	80.9%	\$1,583,275.06	\$1,361,209.11	\$222,065.95	86.0%	
Out-of-State	560,051.71	639,734.00	230,674.78	200,212.27	30,462.51	86.8%	639,734.00	609,531.22	30,202.78	95.3%	
	<b>\$2,057,437.08</b>	<b>\$2,223,009.06</b>	<b>\$709,641.42</b>	<b>\$587,840.43</b>	<b>\$121,800.99</b>	<b>82.8%</b>	<b>\$2,223,009.06</b>	<b>\$1,970,740.33</b>	<b>\$252,268.73</b>	<b>88.7%</b>	
Other Expenditures											
Professional Fees & Services	\$114,086.06	\$118,240.00	\$67,810.00	\$41,755.80	\$26,054.20	61.6%	\$118,240.00	\$74,282.17	\$43,957.83	62.8%	
Postage	12,238.51	14,985.00	4,495.00	3,913.40	581.60	87.1%	14,985.00	\$13,198.53	1,786.47	88.1%	
Consumable Supplies	235,156.81	199,444.00	51,794.66	39,919.01	11,875.65	77.1%	199,444.00	\$179,041.01	20,402.99	89.8%	
Telephone	224,621.86	225,222.83	47,967.45	50,440.62	(2,473.17)	105.2%	225,222.83	\$250,370.38	(25,147.55)	111.2%	
Utilities	47,261.46	48,516.00	4,619.00	4,212.31	406.69	91.2%	48,516.00	\$47,246.06	1,269.94	97.4%	
Rent - Buildings	295,911.96	303,361.51	60,418.50	53,674.28	6,744.22	88.8%	303,361.51	\$291,374.53	11,986.98	96.0%	
Rent - Machinery & Other	35,445.48	39,768.00	12,942.00	7,908.44	5,033.56	61.1%	39,768.00	\$30,901.34	8,866.66	77.7%	
Other Operating	356,673.66	453,861.00	259,592.00	180,429.18	79,162.82	69.5%	453,861.00	\$387,556.68	66,304.32	85.4%	
Subscriptions	16,216.63	17,687.00	3,995.00	4,999.92	(1,004.92)	125.2%	17,687.00	\$18,218.31	(531.31)	103.0%	
Employee Training / Reg. Fees	162,908.91	256,732.75	94,280.25	64,936.97	29,343.28	68.9%	256,732.75	\$229,377.87	27,354.88	89.3%	
Claims/SORM Assessment	15,877.25	18,200.00	0.00	0.00	0.00	0.0%	18,200.00	\$29,087.73	(10,887.73)	159.8%	
Capital / Other IT Expenditures	35,115.44	97,679.43	53,369.00	46,144.47	7,224.53	86.5%	97,679.43	90,393.73	7,285.70	92.5%	
	<b>\$1,551,514.03</b>	<b>\$1,793,697.52</b>	<b>\$661,282.86</b>	<b>\$498,334.40</b>	<b>\$162,948.46</b>	<b>75.4%</b>	<b>\$1,793,697.52</b>	<b>\$1,641,048.34</b>	<b>\$152,649.18</b>	<b>91.5%</b>	
Employee Benefits (Less BRP)	\$3,833,622.37	\$4,227,404.82	\$1,127,728.80	\$1,063,210.61	\$64,518.19	94.3%	\$4,227,404.82	\$4,158,951.86	\$68,452.96	98.4%	
<b>TOTAL EXPENDITURES:</b>	<b>\$23,661,529.47</b>	<b>\$25,538,366.23</b>	<b>\$7,110,085.62</b>	<b>\$6,687,102.59</b>	<b>\$422,983.03</b>	<b>94.1%</b>	<b>\$25,538,366.23</b>	<b>\$24,795,017.22</b>	<b>\$743,349.01</b>	<b>97.1%</b>	
<b>EXPENDITURES (OVER) / UNDER REVENUE:</b>	<b>\$1,717,649.30</b>	<b>\$0.00</b>	<b>(\$801,736.19)</b>	<b>(\$1,414,219.16)</b>	<b>\$612,482.97</b>		<b>\$0.00</b>	<b>\$106,533.75</b>	<b>(\$106,533.75)</b>		

## **Texas Department of Banking**

**Overview of Budget Variances for the Fourth Quarter of Fiscal Year 2015** - (Variances in excess of \$1,000 and 5% from budget are reported).

**Bank & Trust Regulation** – Actual revenues were less than budgeted due to the reduction of fourth quarter bank assessments by 13% or approximately \$700,000. Year to date bank & trust regulation revenue is at 97.0% of budget.

**Nonbank Regulation** – Actual revenues were less than budgeted due to forgiven fourth quarter assessments. Year to date nonbank regulation revenue is at 101.6% of budget.

**Miscellaneous Revenues** – The variance for the quarter relates to higher interest payments from the Treasury than budgeted.

**Salaries and Wages, Exempt Salaries** – The positive variance relates to a budget error in the reimbursement percentages from SML and OCCC for the executive director position.

**Salaries and Wages, Longevity** – The positive variance relates to unexpected staff retirements that eliminated longevity payments.

**Salaries and Wages, Other** – The positive variance relates to budgeted retirement lump sum payments that did not occur. However, other unexpected retirements during the fiscal year account for the year to date negative variance.

**Payroll Health Insurance/Retirement Contribution** – The positive variance relates to vacant staff positions and certain salary amounts being exempt from the 1.5% calculation.

**In-State Travel** – The positive variance relates to lower than budgeted expenditures. This is due to: (1) vacant examiner positions; (2) rotating review examiner travel that did not occur; (3) training related travel that did not occur; (4) examinations moved to fiscal year 2016; and (5) overall efficient use of staff.

**Out-of-State Travel** – The positive variance is due to: (1) budgeted training related travel that did not occur; (2) an examination that did not materialize as the bank merged out; and (3) two MSB examinations where we accepted other states' reports in lieu of performing an examination.

**Professional Fees and Services** – The positive variance relates to: (1) lower expenditures than budgeted for Attorney General fees, building related Outside Counsel fees, and Administrative Law Judge fees; (2) lower than contracted internal auditor fees; and (3) unspent Bank Secrecy Act (BSA) speaker fees due to postponed training.

**Consumable Supplies** – The positive variance is due to: (1) workstation additions that were not purchased; (2) regional office furniture that was not purchased; and (3) overall lower than projected headquarters expenditures.

**Telephone** – The negative variance is due to the unbudgeted purchase of Blackboard Connect – a mass notification service.

**Rent - Buildings** – The positive variance is due to: (1) one town hall meeting held instead of four and (2) postponed BSA training.

**Rent – Machinery and Other** – The positive variance is due to audio visual expenditures that were not incurred for the town hall events previously discussed and the postponed BSA training.

**Other Operating** – The positive variance is due to: (1) lower than budgeted investigator fees (\$51,000); (2) lower cost than estimated for the Department's annual report printing and staff awards; (3) lower than budgeted audio/video equipment for Finance Commission meetings; and (4) lower than budgeted building related repairs.

**Subscriptions** – The negative variance relates to higher than anticipated subscription renewal fees.

**Employee Training** – The positive variance is due to: (1) examiner vacancies; (2) training classes that did not materialize or were postponed to fiscal year 2016; and (3) a higher than expected Federal Reserve Bank training reimbursement.

**Capital/Other IT Expenditures** – The positive variance is due to postponing the door lock system and using a part of this budgeted amount to buy other computer equipment.

**TEXAS DEPARTMENT OF BANKING**

**Changes in Cash Balance**

**For the Quarter Ending August 31, 2015**

	<u>Actual</u>
Cash at Beginning of Period	\$14,909,589.31
Revenues Over (Under) Expenditures	(\$1,414,219.16)
Increase (Decrease) in Payables/Encumbrances	\$388,888.08
(Increase) Decrease in Receivables	<u>(\$131,652.19)</u>
Cash at End of Period	<u><u>\$ 13,752,606.04</u></u>
Restricted Cash Balance:	
Payroll and Related Payables	\$2,314,233.46
Reserve for Building	<u>5,000,000.00</u>
<b>Total Restricted Cash Balance</b>	<u><u>\$ 7,314,233.46</u></u>
Assigned Cash Balance:	
Retirements	\$634,675.15
Future Operations	<u>5,803,697.43</u>
<b>Total Assigned Cash Balance</b>	<u><u>\$ 6,438,372.58</u></u>
<b>Total Restricted and Assigned Cash Balance</b>	<b>\$ 13,752,606.04</b>
Assigned Cash Balance/FY2016 Monthly Budget	2.81 months

**DEPARTMENT OF SAVINGS AND MORTGAGE LENDING**

OPERATING STATEMENT AND BUDGET ANALYSIS

*For the Period Ended August 31, 2015*

	FY 2014 EXPENDED	FY 2015 BUDGET	FY 2015 PERFORMANCE			
			YTD BUDGET	YTD EXPENDED*	(OVER)/UNDER BUDGET	PERCENT BUDGET
<b>REVENUE:</b>						
Annual Assessment	1,153,876	1,146,354	1,146,354	1,190,853	(\$44,499)	103.9%
Thrift Application Fees	20,600	20,000	20,000	12,850	7,150	64.3%
Licensing Fees	4,308,955	3,747,325	3,747,325	4,244,341	(497,016)	113.3%
Fines and Penalties	472,330	155,000	155,000	827,886	(672,886)	534.1%
Recovery Fund Offset	12,984	15,000	15,000	11,043	3,957	0.0%
Depository Interest	2,179	2,000	2,000	4,053	(2,053)	202.7%
Miscellaneous	6,752	3,000	3,000	5,044	(2,044)	168.1%
Judgments and Settlements	0	0	0	60,000	(60,000)	0.0%
<b>TOTAL REVENUE</b>	<b>5,977,676</b>	<b>5,088,679</b>	<b>5,088,679</b>	<b>6,356,071</b>	<b>(1,267,392)</b>	<b>124.9%</b>
<b>EXPENDITURES:</b>						
Salaries and Wages-						
Exempt	192,392	190,000	190,000	190,000	0	100.0%
Classified	3,615,890	3,873,154	3,873,154	3,504,448	368,706	90.5%
Other Personnel Costs	178,738	101,790	101,790	107,170	(5,380)	105.3%
	3,987,020	4,164,944	4,164,944	3,801,618	363,326	91.3%
Travel-						
Transportation & Mileage	386,395	394,000	394,000	322,949	71,051	82.0%
	386,395	394,000	394,000	322,949	71,051	82.0%
Other Expenditures-						
Professional Services/Fees	41,450	57,950	57,950	54,109	3,841	93.4%
Consumable Supplies	10,752	11,000	11,000	11,174	(174)	101.6%
Utilities	24,015	23,117	23,117	24,296	(1,179)	105.1%
Rent-Space & Equipment	4,317	6,000	6,000	3,697	2,303	61.6%
Other Operating Expenses	255,898	244,982	244,982	230,107	14,875	93.9%
	336,432	343,049	343,049	323,383	19,666	94.3%
Other Agency Costs						
Employee Benefits	1,032,190	1,196,774	1,196,774	1,030,884	165,890	86.1%
SWCAP Indirect Costs	18,480	19,404	19,404	28,881	(9,477)	148.8%
	1,050,670	1,216,178	1,216,178	1,059,765	156,413	87.1%
<b>TOTAL EXPENDITURES</b>	<b>5,760,517</b>	<b>6,118,171</b>	<b>6,118,171</b>	<b>5,507,715</b>	<b>610,456</b>	<b>90.0%</b>
<b>EXPENDITURES (OVER)/ UNDER REVENUE</b>	<b>217,159</b>	<b>(1,029,492)</b>	<b>(1,029,492)</b>	<b>848,356</b>	<b>(\$1,877,848)</b>	<b>N/A</b>

\* Amounts include accruals and encumbrances.

## Department of Savings and Mortgage Lending

### Budget Variance Analysis as of August 31, 2015

#### Revenues:

Overall revenues are at 125% of budget.

Licensing Revenues – Revenues from license and registration fees are 13% over budget. The overage is mostly due to very high volume of new individual license applications.

Fines and Penalties – Actual amounts collected are 534% over budget due to collections of penalties assessed for unlicensed activities.

Judgments and Settlements – In June, the Department received a \$60,000 as a part of the New Day Financial settlement; they will be added to the amounts earmarked for Mortgage Enforcement.

#### Expenditures:

Overall expenditures are at 90% of budget.

Employees' Salaries and Related Benefits – These categories are at 89% of budget, due to multiple vacancies.

Travel – This category is at 82% of budget due to lower travel costs incurred.

SWCAP Indirect Costs – The category is over budget due to the allocation amount being higher than budgeted. The trend will continue throughout the year.

**DEPARTMENT OF SAVINGS AND MORTGAGE LENDING**

**CHANGES IN CASH BALANCE**

*For the Quarter Ending August 31, 2015*

	Actual
Cash at Beginning of Period	\$ 9,991,733
Revenues Over (Under) Expenditures CY	\$ (532,416)
(Increase) Decrease in Receivables	\$ (5,763)
Increase (Decrease) in Payables/Encumbrances	\$ 70,245
<b>Cash at End of Period</b>	<b>\$ 9,523,799</b>
Restricted Cash Balance:	
Payroll Payable	\$ 441,559
Other Payables (Net of Receivables)	\$ 61,747
Building	\$ 5,000,000
<b>Total Restricted Cash Balance</b>	<b>\$ 5,503,306</b>
Assigned Cash Balance:	
Retirements	\$ 100,000
Mortgage Enforcement Funds	\$ 559,320
Future Operations	\$ 3,361,172
<b>Total Assigned Cash Balance</b>	<b>\$ 4,020,493</b>
<b>Total Restricted and Assigned Cash Balance</b>	<b>\$ 9,523,799</b>
Assigned Cash Balance/FY2016 Monthly Budget	7.6 months

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## **Texas Financial Education Endowment Report**

October 2015

The Grant Coordinator hosted a webinar for potential grantees to discuss the history of the grant program and the application process on September 8. Sixty-four participants registered for the webinar.

Grant applications were due September 30, 2015. There were twenty-one (21) applications submitted. The Grant Coordinator received, tracked, and reviewed each grant application for the 2016-2017 funding period. Staff is currently preparing a summary of the application highlights and will upload them with their respective applications and supplemental documents to the TFEЕ website for the Grant Advisory Committee (GAC) to review and score. The Grant Coordinator and GAC will meet to discuss selected proposals to recommend to the Audit Committee for Finance Commission approval for a December 2015 award.

The Grant Advisory Committee has one vacancy in the position designated for an individual with grant administration expertise. The Grant Coordinator is working to identify qualified replacement(s) to recommend to the GAC, Audit Committee, and Finance Commission for approval.

Three grantees remain from the 2014 grant period that will complete their two year grant funding in December 2015.

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