

**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
Friday, October 21, 2016**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m. on October 21, 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  
Vince E. Puente

Audit Committee Chairman Curl announced that there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present.

<b>AGENDA ITEM</b>	<b>ACTION</b>	<b>LOCATION ON AUDIO FILE</b>
A. Review and Approval of the Minutes of the August 19, 2016 Audit Committee Meeting	Hector Cerna made a motion to approve the minutes of the August 19, 2016 Audit Committee Meeting. Lori McCool seconded and the motion passed.	00:03 start of discussion 00:11 vote
B. Audit Committee Review of Agencies' Activities	No Action Required.	00:30 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' August 31, 2016 Investment Officer Reports <ol style="list-style-type: none"><li>1. Office of Consumer Credit Commissioner</li><li>2. Texas Department of Banking</li><li>3. Department of Savings and Mortgage Lending</li></ol>	Lori McCool made a motion to recommend that the Finance Commission approve the Agencies' August 31, 2016 Investment Officer Reports. Hector Cerna seconded and the motion passed.	4:03 start of discussion 8:10 vote

<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take action on the Readoption of the Investment Policies for:</p> <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Texas Department of Banking</li> <li>3. Department of Savings and Mortgage Lending</li> </ol>	<p>Lori McCool made a motion to recommend that the Finance Commission approve the Readoption of the Agencies' Investment Policies. Hector Cerna seconded and the motion passed.</p>	<p>8:26 start of discussion 8:55 vote</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2016 Fourth Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Office of Consumer Credit Commissioner</li> <li>2. Texas Department of Banking</li> <li>3. Department of Savings and Mortgage Lending</li> </ol>	<p>Lori McCool made a motion to Recommend that the Finance Commission approve the Agencies' 2016 Fourth Quarter Financial Statements. Hector Cerna seconded and the motion passed.</p>	<p>9:12 start of discussion 9:56 vote</p>
<p>F. Report on Activities Relating to the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>10:19 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 8:45 a.m. (11:35) *on the 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