

FINANCE COMMISSION OF TEXAS
AUDIT COMMITTEE MEETING

Thursday, April 11, 2019

3:30 p.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. Finance Commission members who are not members of the Audit Committee may be present at this committee meeting creating a quorum of the Finance Commission.

- A. Review and Approval of the Minutes of the February 14, 2019, Audit Committee Meeting
- B. Review of Agencies' Activities
 - 1. Texas Department of Banking
 - 2. Department of Savings and Mortgage Lending
 - 3. Office of Consumer Credit Commissioner
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' February 28, 2019 Investment Officer Reports
 - 1. Texas Department of Banking
 - 2. Department of Savings and Mortgage Lending
 - 3. Office of Consumer Credit Commissioner
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's Internal Audit Report as Prepared and Presented by McConnell & Jones LLP Regarding the Investment Administration Controls of the Texas Financial Education Endowment Fund
- E. Report on Activities Relating to the Texas Financial Education Endowment Fund

This page left blank intentionally.

**MINUTES OF THE
AUDIT COMMITTEE MEETING
Thursday, February 14, 2019**

The Audit Committee of the Finance Commission of Texas convened at 3:30 p.m. on February 14, 2019 with the following members present:

Audit Committee Members in Attendance:

Molly Curl, Chair

Lori McCool

Paul Plunket (in Hector Cerna's absence)

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

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the October 19, 2018 Audit Committee Meeting	Paul Plunket made a motion to Approve the Minutes of the October 19, 2018 Audit Committee Meeting. Lori McCool seconded, and the motion passed.	00:01 start of discussion 00:38 vote
B. 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 Agencies' November 30, 2018 Investment Officer Reports <ol style="list-style-type: none">1. Department of Savings and Mortgage Lending2. Office of Consumer Credit Commissioner3. Texas Department of Banking	Lori McCool made a motion to Recommend that the Finance Commission Approve the Agencies' November 30, 2018 Investment Officer Reports. Paul Plunket seconded, and the motion passed.	10:02 start of discussion 20:46 vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission take Action on the Agencies' 2019 First Quarter Financial Statements <ol style="list-style-type: none">1. Department of Savings and Mortgage Lending2. Office of Consumer Credit Commissioner3. Texas Department of Banking	Paul Plunket made a motion to Recommend that the Finance Commission Approve the Agencies' 2019 First Quarter Financial Statements. Lori McCool seconded, and the motion passed.	21:11 start of discussion 29:54 vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
E. Report on Activities Relating to the Texas Financial Education Endowment Fund	No Action Required.	30:01 start of discussion

There being no further business of the Audit Committee of the Finance Commission of Texas, Molly Curl adjourned the meeting at 4:03 p.m. (33:09) *on the audio file*)

Molly Curl, Audit Committee Chair
Finance Commission of Texas

Charles G. Cooper, Executive Director
Finance Commission of Texas

Anne Benites, Executive Assistant
Finance Commission of Texas

Texas Department of Banking
Outstanding Audit Findings/Recommendations Report as of March 31, 2019

Auditor	<i>Texas Sunset Advisory Commission</i>	Audit Report Date	<i>September 2018</i>
Audit Area	<i>Agency Review</i>		
Findings	Status Update		
<i>Update complaint process in rule</i>	<i>On-going</i> – <i>The rule is being proposed at the June Finance Commission meeting.</i>		

Department of Savings and Mortgage Lending
Audit Activity Report as of March 31, 2019

Auditor	Sunset Commission	Audit Report Date
Audit Area	Sunset Review	4/29/2018
Recommendation	Status Update	
Modify the penalty matrix to ensure consistent application of administrative penalties.	Completed. Updated penlaty matrix implemented April 1, 2019.	
Develop updated complaint process in rule.	In progress. To be adopted by September 1, 2019.	

Auditor	Texas Workforce Commission	Audit Report Date
Audit Area	HR Policies and Procedures	N/A
Recommendation	Status Update	
N/A	Scheduled. Field visit to begin April 23, 2019.	

Office of Consumer Credit Commissioner
Status of Agency Activities and Outstanding Audit Findings as of April, 2019

Auditor Garza/Gonzales			Audit Report Date
Audit Area Property Tax Lender Examinations			August 2018
<i>Recommendation</i>	<i>Response</i>	<i>Status Update</i>	<i>Implementation Date</i>
Revise Annual Report template to enhance data quality and improve efficiency	Data Validation. The OCCC has a project for new functionality associated with annual reporting by licensees that will improve and enhance data validation.	In progress	08/31/2019

Auditor Sunset Review			Audit Report Date
Audit Area Management Action for OCCC			September 2018
<i>Recommendation</i>	<i>Response</i>	<i>Status Update</i>	<i>Implementation Date</i>
Evaluate and update agency key performance measures (2.2)	The OCCC is evaluating its key performance measures and working towards updated measures. These measures will be scheduled for implementation by September 1, 2019.	In progress	9/1/2019
Develop an updated complaint process in rule (5.11)	The OCCC's legal team is working with the consumer assistance department to develop rules that accurately reflect its processes and implement the statutory requirements for complaint processing. Rules will be presented in time for adoption by September 1, 2019.	In progress	9/1/2019

Future Items			
Entity	Activity	Status	Date
McConnell & Jones	Information Technology Change Management Audit	In progress	
McConnell & Jones	Efficiency Audit – Sunset Recommendations	In progress	
Texas Workforce Commission	Personnel Policies and Procedures Review	In progress	

Trust Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
December 1, 2018 to February 28, 2019

<u>Book</u> <u>Book Value at November 30, 2018</u>	<u>Interest Income</u> <u>Received</u>	<u>Trustee</u> <u>Fees Paid</u>	(1) <u>Other</u> <u>Deductions</u>	(2) <u>Other</u> <u>Additions</u>	<u>Book/Market</u> <u>Value at February 28, 2019</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued Interest</u> <u>on CDs</u>
\$1,328,475.47	\$6,715.37	\$125.36	\$18,995.96	\$545,495.97	\$1,861,565.49	--	--	\$2,068.01

Trust Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$1,136,112.35	3/1/2019	2.43%	
Veritex Community Bank, Dallas, Texas (CD)	\$240,927.45	12/14/2019	2.47%	\$1,255.40
State Bank of Texas, Dallas, Texas (CD)	\$240,000.00	12/16/2019	2.60%	\$158.99
Frontier Bank of Texas, Elgin, Texas (CD)	\$244,525.69	4/18/2020	2.43%	\$653.62
Subtotal	\$1,861,565.49			

(1) Other deductions include: (a) 1,955.68 payment to Texas Department of Banking for penalties owed by Timothy Gaffney and Lake Road Cemetery, Inc. who previously held PFC Permit Number 804; (b) \$2,775.90 and \$675.00 paid to Central Texas Heritage as payment for the funeral services of J. Boyles and L. Teater for illegal contracts sold by Timothy Gaffney; (c) \$1,662.67 and \$4,356.00 refunded to purchasers V. Hundley and M. McNally related to Timothy Gaffney; (d) \$1,866.60 withdrawal for two PFCs purchased by M. Michael (for himself and spouse) that were sold illegally by Tom G. Walker Funeral Home, who previously held PFC Permit Number 574; (e) \$4,118.61 escheated to the Comptroller's Office as abandoned property related to Marc Gonzalez (restitution checks previously issued were returned to Department unclaimed; and (f) \$599.65 escheated to the Comptroller's Office as abandoned property and \$985.85 restitution check reissued to a consumer related to Kevin Keeney and Howell-Doran Funeral Home for restitution checks previously issued to consumers that were returned to the Department unclaimed.

(2) Other additions include: (a) \$1,162.00 restitution received from Mr. Kevin Keeney; (b) \$300.00 restitution received from Mr. Marc Gonzalez; (c) \$5,000.00 restitution and penalty received from Timothy Gaffney; (d) \$4,500.00 restitution received from R. Ritter / Heartfield-Ritter Funeral Home; (e) \$528,629.86 received from Billy F. Peel and Austin Peel and Son Funeral Home, Inc.; (f) \$200.00 restitution received from Roy and Kay Bryant dba Amarillo Family Funeral Home and Best Priced Caskets and Monuments; (g) \$1,585.50 stop payment of restitution checks issued to individuals related to Kevin Keeney and Howell-Doran Funeral Home that were not negotiated; and (h) \$4,118.61 stop payment of restitution checks issued to individuals related to Marc Gonzalez that were not negotiated.

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: /s/ Jesse Saucillo

Date: 3/20/19

Reviewed By: /s/ Stephanie Newberg

Date: 3/21/19

Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
December 1, 2018 to February 28, 2019

<u>Book</u> <u>Book Value at November 30, 2018</u>	<u>Interest Income</u> <u>Received</u>	<u>Trustee</u> <u>Fees Paid</u>	<u>Other</u> <u>Deductions</u>	(1) <u>Other</u> <u>Additions</u>	<u>Book/Market</u> <u>Value at February 28, 2019</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued Interest</u> <u>on CDs</u>
\$556,065.92	\$3,038.81	\$77.94		\$48,840.00	\$607,866.79			\$192.77
<u>Account Balances at Trustee/Depositories</u>								
					\$362,235.24	3/1/2019	2.43%	
					<u>\$245,631.55</u>	7/14/2019	1.98%	\$192.77
				Subtotal	<u>\$607,866.79</u>			

(1) Other additions include assessments collected from permit holders on new insurance-funded contracts.

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: /s/ Jesse Saucillo

Date: 3/20/19

Reviewed By: /s/ Stephanie Newberg

Date: 3/21/19

Department of Banking Quarterly Investment Report
December 1, 2018 to February 28, 2019

Seized Prepaid Funeral Funds	Book Value at November 30, 2018	Interest Income Received	Trustee Fees Paid	Other Deductions	Other Additions	Book Value at February 28, 2019	Financial Institution	Investment Type	Maturity Date	Interest Rate
Billy F. Peel and Austin Peel and Son Funeral Home, Inc.	\$3,849.13	\$0.35	\$0.00	\$3,849.48	\$0.00	\$0.00	funds were transferred from Wells Fargo Bank, N.A. to Texas Treasury Safekeeping in December 2018		N/A	N/A
Total Seized Funds	\$3,849.13	\$0.35	\$0.00	\$3,849.48	\$0.00	\$0.00				

Notes:

On August 1, 2018, the Department issued Emergency Order to Cease and Desist Activity, and to Seize Records and Funds to Billy F. Peel, individually and as President of Austin Peel and Son Funeral Home, Inc. (Peel and Son). Order No. 2018-019 was issued as a result of Peel and Son violating Section 154.101 of the Texas Finance Code by selling PFCs without a permit. On November 6, 2018, the Department issued Consent Order No. 2018-032 requiring Billy F. Peel to pay restitution of \$524,780.38 and a default penalty of \$520,000.00. Full restitution was received on February 28, 2019 along with a discounted penalty of \$250,000.00..

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

Prepared By: /s/ Jesse Saucillo

Date: 3/20/19

Reviewed By: /s/ Stephanie Newberg

Date: 3/21/19

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

Stephanie Newberg

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

February 8, 20195 hours

Austin, Texas

Patrick Shinkle
Center for Public Management
TSBPA CPE Sponsor 007716

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

Jesse Saucillo

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

February 8, 20195 hours

Austin, Texas

Patrick Shinkle
Center for Public Management
TSBPA CPE Sponsor 007716

Department of Savings and Mortgage Lending

Investment Officer Report as of February 28, 2019

Recovery Fund

	Beginning Balance 11/30/2018	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 2/28/2019
Cash & Cash Equivalents	\$4,130,005.36	\$17,872.21	\$13,091.50	(\$146.39)	\$4,160,822.68

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	4/1/2019	2.43%	\$1,175,759.51	\$79.21
TBK Bank	CD - 24 months	4/7/2019	1.56%	\$246,617.01	\$566.40
Angelina Savings Bank	CD - 24 months	5/5/2019	0.45%	\$240,000.00	\$1,992.00
Pioneer Bank SSB	CD - 24 months	6/14/2019	1.00%	\$250,000.00	\$1,791.96
TrustTexas Bank SSB	CD - 12 months	6/15/2019	1.77%	\$250,000.00	\$725.21
Austin Capital SSB	CD - 24 months	9/8/2019	1.20%	\$250,000.00	\$1,441.67
Cypress Bank SSB	CD - 24 months	10/2/2019	1.10%	\$250,000.00	\$3,926.39
First Fed Community Bank, SSB	CD - 24 months	12/13/2019	0.95%	\$248,446.16	\$2,779.84
Spirit of Texas, SSB	CD - 24 months	12/15/2019	1.35%	\$250,000.00	\$4,125.00
Third Coast Bank SSB	CD - 24 months	2/4/2020	0.70%	\$250,000.00	\$1,890.97
South Star Bank SSB	CD - 24 months	4/17/2020	1.05%	\$250,000.00	\$306.25
Dalhart Federal Savings	CD - 24 months	10/18/2020	2.50%	\$250,000.00	\$2,309.03
Horizon Bank SSB	CD - 24 months	1/31/2021	2.27%	\$250,000.00	\$441.39
				\$4,160,822.68	\$22,375.32

Investment Position:

The Fund is capable of meeting all known obligations.

Investment Officer: /s/Antonia Antov

Investment Officer: /s/Steven O'Shields

Investment Compliance:

The Department's Investment Policy has been followed.

Date: 3/7/2019

Date: 3/7/2019

**Office of Consumer Credit Commissioner
Fiscal Year 2019 - 2nd Quarter**

Residential Mortgage Loan Originator Recovery Trust Fund #3008

<u>Beginning Balance at 12/01/18</u>	<u>Additions / *(Deductions)</u>	<u>Interest Paid</u>	<u>Paid Bank Fees</u>	<u>Ending Balance at 02/28/19</u>	<u>Current Interest Rate</u>
\$ 150,186.89	\$ 875.00	\$ 864.97	\$ (45.15)	\$ 151,881.71	2.43%

Investment Officer: /s/ Christina Cuellar

Date: 03/25/19

Reviewed By: /s/ Leslie Pettijohn

Date: 03/25/19

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 2019 - 2nd Quarter**

Texas Financial Education Endowment Fund #3071

	Beginning Balance at 12/01/18	Additions	Interest Paid	Transfers	Grant Disbursements	Paid Bank Fees	Ending Balance at 02/28/19	Current Interest Rate
Cash	\$ 2,109,324.34	\$ 389,506.63	\$ 12,939.90	\$ (1,200,000.00)	\$ (4,391.87)	\$ (3,566.76)	\$ 1,303,812.24	2.43%
Invested Portfolio	Beginning Balance at 12/01/18	Additions	*Change in Value	Transfers	Transfer Out	Paid Fees	Ending Balance at 02/28/19	
Investments - STIF	\$ 411,811.91	\$ 17,670.09	\$ 244,074.14	\$ 1,200,000.00		\$ (3,561.12)	\$ 1,869,995.02	
Interest & Dividends Receivable	674.56		2,732.94				3,407.50	
Trade Receivables	-		-				-	
Investments - Equities	10,578.52		171.41				10,749.93	
Investments - Alternatives	3,660,809.31		(240,870.17)				3,419,939.14	
Investments - Fixed Income	334,259.77		70,614.34				404,874.11	
Investments - Futures	-		-				-	
Investments - SWAPS, at Fair Value	4,856.04		19,471.89				24,327.93	
Total Assets-Invested Portfolio	\$ 4,422,990.11	\$ 17,670.09	\$ 96,194.55	\$ 1,200,000.00	\$ -	\$ (3,561.12)	\$ 5,733,293.63	
Liabilities								
Accounts Payable	\$ (2,210.79)	\$ (246.36)	\$ -		\$ -	\$ -	\$ (2,457.15)	
Interest Payable	-	(1,596.81)					(1,596.81)	
Trade Payables	(1,307.03)	1,307.03					-	
Futures Contracts, at Fair Value	(1,069.43)	1,069.43					-	
Swaps, at Fair Value	(9,014.12)	8,084.74					(929.38)	
Total Liabilities	\$ (13,601.37)	\$ 8,618.03	\$ -	\$ -	\$ -	\$ -	\$ (4,983.34)	
Total Net Fiduciary Assets-Invested Portfolio	\$ 4,409,388.74						\$ 5,728,310.29	
Total Endowment Funds	\$ 6,518,713.08						\$ 7,032,122.53	

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

* Reflects redistributed amount among the asset classes in addition to market value adjustment.

Investment Officer: /s/ Christina Cuellar

Date: 03/25/19

Reviewed By: /s/ Leslie Pettijohn

Date: 03/25/19



OCCC

Texas Office of Consumer Credit Commissioner

Internal Audit Services

An Internal Audit of:

Investment Administration Controls

REPORT #19-002

March 27, 2019

This report provides management with information about the condition of risks and internal controls at a specific point in time. Future changes in environmental factors and actions by personnel will impact these risks and internal controls in ways that this report cannot anticipate.



McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

Section	Page Number
<i>1.0 Audit At A Glance</i>	<i>2</i>
<i>2.0 Introduction</i>	<i>3</i>
<i>3.0 Investment Administration Controls Compliance Audit Details</i>	<i>6</i>
<i>4.0 TFEE Grant Award and Administration</i>	<i>11</i>



March 27, 2019

Ms. Leslie Pettijohn, Commissioner
Office of Consumer Credit Commissioner
2602 N. Lamar Blvd.
Austin, Texas 78705

Dear Ms. Pettijohn:

Attached is internal audit report #19-002 Investment Administration Controls. This audit was performed as part of the approved FY 2019 Annual Internal Audit Plan.

We assessed the Office of Consumer Credit Commissioner's (OCCC) compliance with OCCC's Investment Policy Statement, Texas Government Code Chapter 2256 and OCCC's Texas Financial Education Endowment Grant Administration & Advisory Policy Manual. Our audit procedures determined that the agency is compliant with all requirements. Additionally, management's internal controls for investment processes, investment reporting and TFEF grant administration are effective and working as designed.

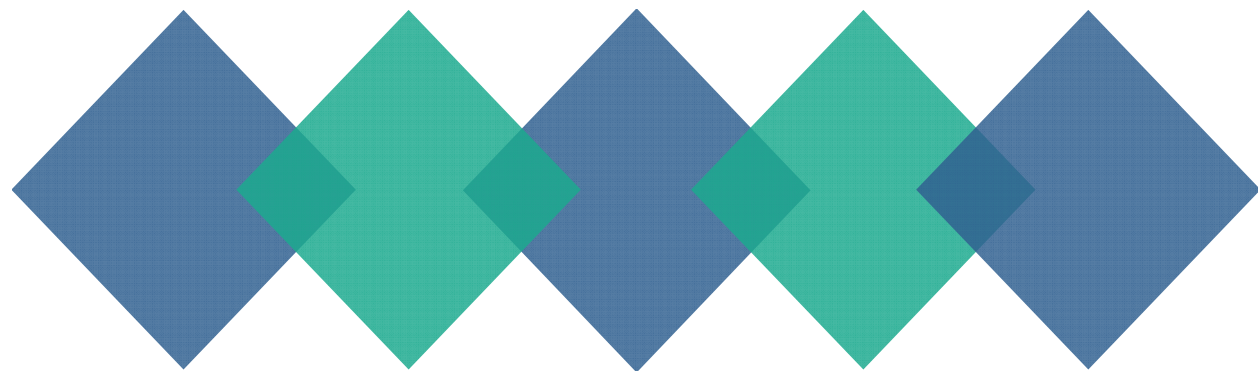
Please contact Darlene Brown at 281.740.0017 if you should have any questions about this audit report.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Odysseus Lanier'.

Odysseus Lanier, CPA
Partner

1.0 AUDIT AT A GLANCE



<u>Purpose</u>	<u>Scope</u>	<u>Focus</u>	<u>Internal Control Rating</u>	<u>Recommendations</u>
<ul style="list-style-type: none"> To assess OCCC's compliance with their Investment Policy Statement, PFIA specific requirements and TFEE grant award policies. 	<ul style="list-style-type: none"> OCCC Investment Policy Statement Texas Government Code 2256.005 - <i>Investment Policies, Investment Strategies; Investment Officer</i> Texas Government Code Sec. 2256.007 - <i>Investment Training; State Agency Board Members and Officers</i> Texas Government Code 2256.023 - <i>Internal Management Reports</i> TFEE Grant Policy 	<ul style="list-style-type: none"> Investment policy compliance. Investment officer and board member training. Investment reporting compliance and accuracy. 	<ul style="list-style-type: none"> OCCC is in compliance with internal policies and PFIA requirements. Internal controls over investment activities and reporting are effective. Internal controls over TFEE grant awards, disbursements and monitoring are effective. 	<p>OCCC should update Investment Policy Statement training section to include training requirements for members of the Texas Finance Commission.</p>

Number of Findings by Risk Rating

High	Medium	Low	Total
0	0	1	1

Acknowledgement

We wish to thank all staff involved in the audit for their time and efforts. Without their assistance, we would not have been able to complete this audit.

2.0 INTRODUCTION

McConnell & Jones LLP (MJ) serving as the outsourced internal audit function (Internal Audit) for the Office of Consumer Credit Commissioner (OCCC) performed an internal audit of OCCC's Investment Administration Controls and compliance with Texas Government Code Chapter 2256 Public Funds Investment, commonly referred to as the Public Funds Investment Act (PFIA).

The Texas Legislature enacted the Texas Financial Education Endowment (TFEE) Fund in 2011. TFEE is administered by OCCC and is funded from Credit Access Business (CAB) license fee set asides for the purposes of providing financial literacy education activities to the public. OCCC invests TFEE revenues through the Texas Treasury Safekeeping Trust Company (TTSTC or Texas Trust). TFEE funds are distributed to authorized entities by OCCC through a grant award process.

OCCC has established an Investment Policy Statement that is reviewed and approved by the Texas Finance Commission each year. This investment statement serves as OCCC's investment policy and outlines investment authority, objectives, requirements, reporting and training requirements. OCCC's Investment Policy Statement also aligns with PFIA requirements.

Government Code Chapter 2256 Section 2256.005 Investment Policies, Investment Strategies; Investment Officer subsection (n) requires that at least once every two years a state agency arranges for a compliance audit of management controls on investments and adherence to the agency's established investment policies to be performed by their internal auditor or a private auditor. The audit resulting audit reports must be reported to the state auditor no later than January 1st of each even numbered year.

OCCC's Investment Standard

All investments shall be made with the judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

OCCC's Investment Principals

- ✓ Preservation of principal;
- ✓ Maintenance of liquidity as appropriate to the identified need;
- ✓ Procurement of an appropriate yield;
- ✓ Diversification of investment portfolio; and,
- ✓ Marketability of the investment if the need arises to liquidate the investment before maturity.

December 31, 2018 Investment Account Balances

The Office of Consumer Credit Commissioner has a total of \$6.64 million in the TFEE Fund as of December 31, 2018:

- ✓ Cash and Cash Equivalents - \$2,273,027
- ✓ Investments - \$4,364,416

We performed this audit in compliance with PFIA timing requirements and as part of the approved FY 2019 Annual Internal Audit Plan. This audit was conducted in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained accomplishes that requirement.

Pertinent information has not been omitted from this report. This report summarizes the audit objective and scope, our assessment based on our audit objectives and the audit approach.

Objectives and Scope

The purpose of this audit was to assess management's processes and controls in place to ensure compliance with OCCC's Investment Policy Statement, internal policies, procedures and the PFIA's specific requirements. In doing so, we also evaluated management controls in place to ensure that the agency's funds are invested according to their investment policy and that the investment reports are accurately compiled and distributed in a timely manner. We also assessed compliance with TFEЕ grant policies.

Texas Government Code Chapter 2256 Public Funds Investment sections applicable to OCCC are:

- ✓ Section 2256.005 Investment Policies, Investment Strategies; Investment Officer
- ✓ Sec. 2256.007 Investment Training; State Agency Board Members and Officers
- ✓ Section 2256.023 Internal Management Reports

Audit activities performed included:

- ✓ Conducted interviews with OCCC's Commissioner and Accounting Manager.
- ✓ Reviewed TFEЕ investment statements.
- ✓ Reconciled TFEЕ investment reports to investments statements, bank statements and trial balance reports.
- ✓ Reconciled OCCC's Investment Policy Statement to PFIA requirements.
- ✓ Reviewed investment training documentation.
- ✓ Reviewed TFEЕ grant awards.

The scope period was April 1, 2017 through December 31, 2018.

Conclusion

The Office of Consumer Credit Commissioner is in compliance with its Investment Policy Statement and all applicable requirements of Texas Government Code Chapter 2256 Public Funds Investment. Additionally, management's internal controls for investment activities, grant awards and reporting are **effective and working as designed**. **Figure 1** describes the internal control rating. We did note that OCCC's Investment Policy Statement training section does not include requirements for members of the Texas Finance Commission. However, we confirmed that the PFIA required training had been received and appropriately documented. We recommend that OCCC update the Investment Policy

Statement to include a requirement for all members of the Texas Finance Commission to obtain investment officer training in accordance with PFIA requirements.

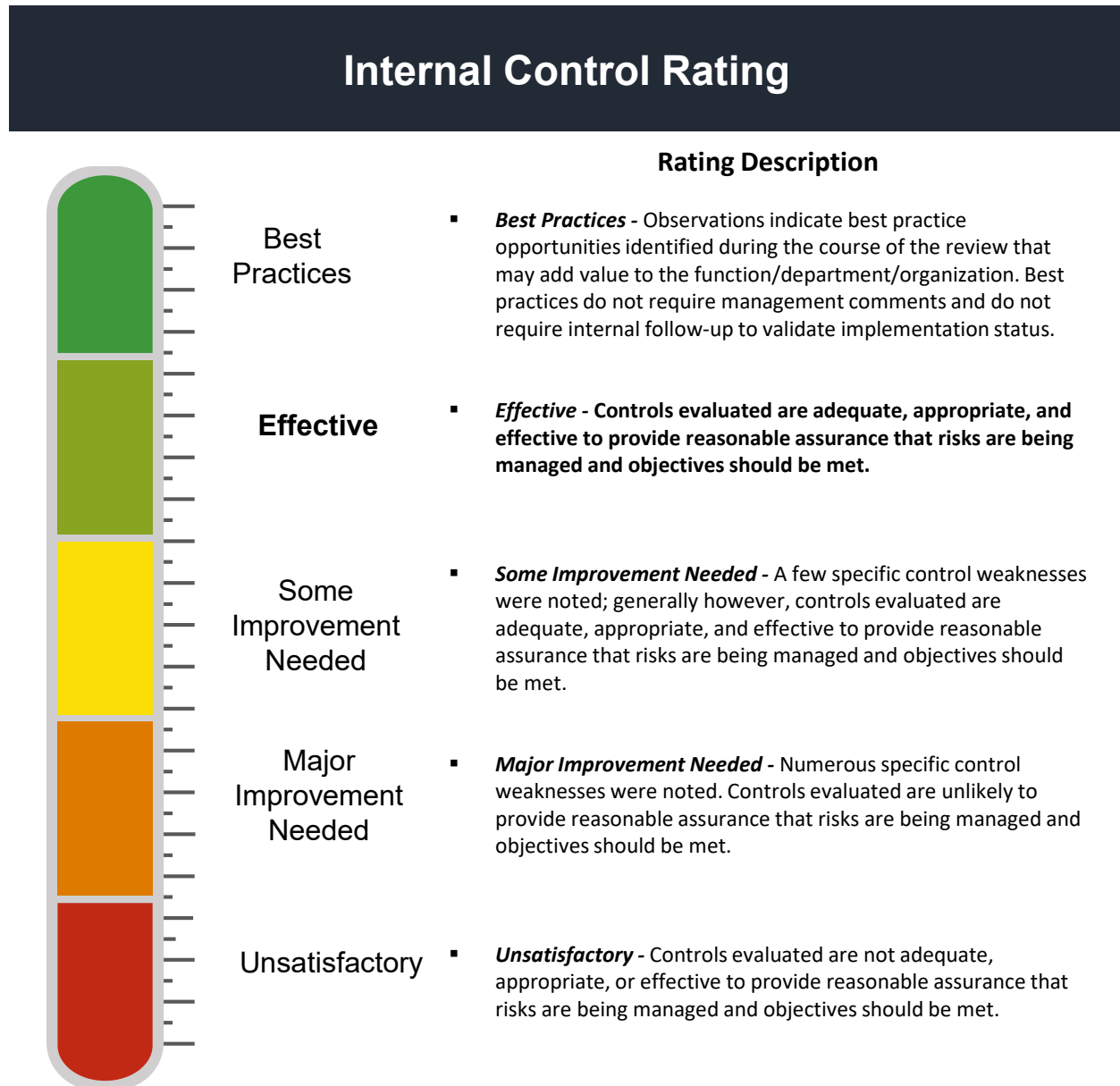


Figure 1 Internal control rating description.

3.0 INVESTMENT ADMINISTRATION CONTROLS COMPLIANCE AUDIT DETAILS

The Office of Consumer Credit Commissioner maintains TFEF Funds in the state's Texas Treasury Safekeeping Trust Company. OCCC's Accounting Manager prepares account reconciliations each month and also provides the Texas Finance Commission with a quarterly investment report. We determined that OCCC's Investment Policy Statement is aligned to the applicable PFIA requirements and OCCC is following their internal policies. Therefore, this report focuses on OCCC's compliance with PFIA requirements and OCCC's TFEF grant administration processes.







A. INVESTMENT POLICY

The PFIA requires state agencies that invest public funds to have a written investment policy that is reviewed at least once per year by the governing body. Section 2256.005 Investment Policies, Investment Strategies; Investment Officer lists specific topics that must be included in the agency's investment policy.

Audit procedures applied to determine compliance with these requirements included:

- ✓ Reviewed OCCC's Investment Policy Statement and compared it to requirements listed in Section 2256.005.

Figure IP1 compares Section 2256.005 requirements to OCCC's Investment Policy Statement.

Texas Government Code Sec. 2256.005 Section	PFIA Investment Policy Requirements	OCCC Investment Policy Statement Meets Requirement
(b)(2)	Primarily emphasize safety of principal and liquidity.	
(b)(3)	Address investment diversification, yield, and maturity and the quality and capability of investment management.	
(b)(4)(A)	Include a list of the types of authorized investments in which the investing entity's funds may be invested.	
(b)(4)(B)	Include the maximum allowable stated maturity of any individual investment owned by the entity.	
(b)(4)(C)	Include for pooled fund groups, the maximum dollar weighted average maturity allowed based on the stated maturity date for the portfolio.	N/A - OCCC does not invest in pooled fund groups.
(b)(4)(D)	Include methods to monitor the market price of investments acquired with public funds.	
(b)(4)(E)	Include a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis.	





Texas Government Code Sec. 2256.005 Section	PFIA Investment Policy Requirements	OCCC Investment Policy Statement Meets Requirement
(b)(4)(F)	Include procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021 .	N/A - OCCC uses TTSTC for investments. TTSTC monitors rating changes.
(d)	As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance: (1) understanding of the suitability of the investment to the financial requirements of the entity; (2) preservation and safety of principal; (3) liquidity; (4) marketability of the investment if the need arises to liquidate the investment before maturity; (5) diversification of the investment portfolio; and (6) yield.	
(e)	The governing body of an investing entity shall review its investment policy and investment strategies not less than annually	
(e)	The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.	
(f)	Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity.	

Figure IP1 Section 2256.005 requirements and OCCC's compliance.

Legend:



Internal controls are effective and OCCC is in compliance with requirement; no observations noted.



OCCC is not in compliance with requirements; observation noted and discussed in this report.

Conclusion (Low Risk)

OCCC is in compliance with Section 2256.005 Investment Policies, Investment Strategies; Investment Officer. We noted that although OCCC ensures that individual members of the Texas Finance Commission required to obtain investment officer training meet the requirements of Section 2256.005, the actual training requirement is not written into OCCC's Investment Policy Statement.

Recommendation

OCCC should update its Investment Policy Statement training section to include the training requirements for members of the Texas Finance Commission.

Management's Response


Management agrees with the recommendation. While the training requirement for members of the Finance Commission is currently within the Policies and Procedures of the Finance Commission under the Training section, management will ensure that the training requirement is also included in the OCCC Investment Policy.

B. INVESTMENT OFFICER, STATE AGENCY BOARD MEMBER AND OFFICER TRAINING

The PFA Section 2256.007 lists specific training requirements for the agency investment officers, board members and officers.

- ✓ Audit procedures applied to determine compliance with these requirements included:
- ✓ Reviewed OCCC's investment training records to determine compliance with Section 2256.007 requirements.
- ✓ Reviewed OCCC's Investment Policy Statement determine compliance with Section 2256.007 requirements.
- ✓ Reviewed quarterly investment reports and reports on Subchapter A, Chapter 2256, provided to OCCC's governing body.

Figure IT1 compares Section 2256.007 training requirements to OCCC's records of investment officer training completed.

Texas Government Code Sec. 2256.007 Section	Investment Training; State Agency Board Members and Officers	OCCC Investment Officer and Officers Training Meet Requirements
(a)	Each member of the governing board of a state agency and its investment officer shall attend at least one training session relating to the person's responsibilities under this chapter within six months after taking office or assuming duties.	
(b)	The Texas Higher Education Coordinating Board shall provide the training under this section.	N/A




Texas Government Code Sec. 2256.007 Section	Investment Training; State Agency Board Members and Officers	OCCC Investment Officer and Officers Training Meet Requirements
(c)	Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.	
(d)	An investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency.	
(d)	The investment officer shall prepare a report on this subchapter and deliver the report to the governing body of the state agency not later than the 180th day after the last day of each regular session of the legislature.	

Figure IT1 Texas Government Code training requirements compared to OCCC's training completed.

Legend:



Internal controls are effective and OCCC is in compliance with requirement; no observations noted.



OCCC is not in compliance with requirements; observation noted and discussed in this report.

Conclusion

OCCC is in compliance with Section 2256.007. Investment officers and Texas Finance Commission members received their investment officer training within the required timeframe.

Recommendation

No recommendations are made for this compliance requirement.

Management's Response

Management response is not required as the agency did ensure all required individuals completed their investment officer training.

C. MANAGEMENT REPORTS

The PFIA requires state agencies that invest public funds provide investment management reports to its governing body. Section 2256.023 Internal Management Reports lists specific information that must be included in the investment management reports.









OCCC prepares investment reports each quarter for the Texas Finance Commission and posts the Texas Finance Commission meeting materials to its website.

Audit procedures applied to determine compliance with Section 2256.023 requirements included:

- ✓ Reviewed investment reports for completion, accuracy and content compliance with Section 2256.023.

- ✓ Compared monthly investment reports provided by Texas Treasury Safekeeping Trust Company to the monthly reconciliations to determine completeness and accuracy.
- ✓ Reviewed internal procedures to determine existence and completeness.

Figure MRI compares the Section 2256.023 investment management report requirements to OCCC's investment reports.

Internal Management Reports		
(a)	Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.	
(b)(1)(2)(3)	The report must: (1) describe in detail the investment position of the entity on the date of the report; (2) be prepared jointly by all investment officers of the entity; (3) be signed by each investment officer of the entity;	
(b)(4)	contain a summary statement of each pooled fund group that states the: (A) beginning market value for the reporting period; (B) ending market value for the period; and (C) fully accrued interest for the reporting period;	
(b)(5)	state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;	
(b)(6)	state the maturity date of each separately invested asset that has a maturity date;	
(b)(7)	state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired;	
(b)(8)	state the compliance of the investment portfolio of the state agency or local government as it relates to: (A) the investment strategy expressed in the agency's or local government's investment policy; and (B) relevant provisions of this chapter.	
(c)	The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.	
(d)	If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or	N/A However, Internal Audit reviews

Texas Government Code Sec. 2256.023 Section	Internal Management Reports	OCCC Investment Reports Meet Requirements
	similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.	compliance with PFIA requirements every two fiscal years

Figure MR1 Texas Government Code reporting requirements compared to OCCC's management reports.

Legend:



Internal controls are effective and OCCC is in compliance with requirement; no observations noted.



OCCC is not in compliance with requirements; observation noted and discussed in this report.

Conclusion

OCCC's investment reports are in compliance with Section 2256.023. Additionally, the investment reports were accurate and complete.

Recommendation

No recommendations are made for this compliance requirement.

Management's Response

Management response is not required as no observations were noted for this compliance requirement.

4.0 TFEЕ GRANT AWARD AND ADMINISTRATION

OCCC established the Texas Financial Education Endowment Grant Administration & Advisory Policy Manual (approved June 16, 2017) to govern TFEЕ grant awards and administration. OCCC staff use this comprehensive manual as policy and procedures for administering TFEЕ grants.

OCCC administered nine TFEЕ grants totaling \$250,000 between April 1, 2017 and December 31, 2018. **Figure TG1** provides a summary of TFEЕ grant awards.A

TFEЕ Grant Awards Awarded between April 1, 2017 December 31, 2018:				
Grant Cycle	Grantee Name	Date Awarded	Grant Term	Award Amount
3rd Cycle	Building Financial Capacity Coalition	1/1/2018	Two Years	\$ 33,000
3rd Cycle	Center for Transforming Lives	1/1/2018	Two Years	\$ 33,000
3rd Cycle	Family Service Association of San Antonio	1/1/2018	Two Years	\$ 33,000
3rd Cycle	First Light Community Foundation	1/1/2018	Two Years	\$ 16,000
3rd Cycle	Goodwill Industries of Central Texas	1/1/2018	Two Years	\$ 33,000
3rd Cycle	Harris County Department of Education	1/1/2018	Two Years	\$ 19,000
3rd Cycle	Trinity Basin Preparatory	1/1/2018	Two Years	\$ 17,000
3rd Cycle	Wesley Mission Center	1/1/2018	Two Years	\$ 33,000
3rd Cycle	Women's Resource of Greater Houston	1/1/2018	Two Years	\$ 33,000

Figure TG1 TFEЕ Grant Awards April 1, 2017 through December 31, 2018

Audit procedures applied to determine compliance with OCCC's Texas Financial Education Endowment Grant Administration & Advisory Policy Manual requirements included:

- ✓ Reviewed grant applications and score sheets for compliance with Texas Financial Education Endowment Grant Administration & Advisory Policy Manual.
- ✓ Reviewed grantee semi-annual and final reports for compliance with Texas Financial Education Endowment Grant Administration & Advisory Policy Manual.
- ✓ Reviewed pre-and-post survey data for compliance with Texas Financial Education Endowment Grant Administration & Advisory Policy Manual.

Conclusion

OCCC's awarded and administered TFEE grants in accordance with the Texas Financial Education Endowment Grant Administration & Advisory Policy Manual (approved June 16, 2017).

Recommendation

No recommendations are made for this compliance requirement.

Management's Response

Management response is not required as no observations were noted for this compliance requirement.



TEXAS FINANCIAL EDUCATION ENDOWMENT

TFEE Report – March 29, 2019

Juan V. Garcia, Program Director

Since the last Finance Commission update, the TFEE Grant Coordinator has reviewed and processed the semi-annual grant reports submitted in January 2019. These reports detail the successes and challenges faced by the grantees during the second reporting period. The grant coordinator produced the Semi-Annual Grant Report No. 2 which summarizes program activities from the second reporting period.

Grant activities have continued and the third reporting period will end on June 30, 2019.

Additionally, the Grant Advisory Committee will meet on May 17, 2019 to discuss and review the application process and forms for the upcoming 2020-21 TFEE Grant Cycle.

TEXAS FINANCIAL EDUCATION ENDOWMENT 2018-19 GRANT CYCLE

SEMI-ANNUAL GRANT REPORT No. 2

JULY 1, 2018 – DECEMBER 31, 2018



Contents

SUMMARY	1
BUILDING FINANCIAL CAPACITY COALITION	2
CENTER FOR TRANSFORMING LIVES	3
FAMILY SERVICE ASSOCIATION OF SAN ANTONIO	4
FIRSTLIGHT COMMUNITY FOUNDATION	5
GOODWILL INDUSTRIES OF CENTRAL TEXAS	6
HARRIS COUNTY DEPARTMENT OF EDUCATION	7
MANSFIELD MISSION CENTER	8
TRINITY BASIN PREPARATORY	9
WOMEN’S RESOURCE OF GREATER HOUSTON	10





Grant Advisory Committee:

Lori McCool, Finance Commission Representative
Vince E. Puente, Sr., Finance Commission Representative
Eric Norrington, Credit Access Business Industry Representative
Steven O'Shields, Department of Savings and Mortgage Lending Representative
Laura Rosen, Consumer Advocate Representative

Grant Coordinator:

Deandra Sullivan, Office of Consumer Credit Commissioner

2018-19 TFEE Grant Recipients:

Building Financial Capacity Coalition	K-12 Financial Education & Capability
Center for Transforming Lives	Financial Coaching
Family Services Association of San Antonio	Financial Coaching
FirstLight Community Foundation	K-12 Financial Education & Capability
Goodwill Industries of Central Texas	Adult Financial Education & Capability
Harris County Department of Education	K-12 Financial Education & Capability
Mansfield Mission Center	Financial Coaching
Trinity Basin Preparatory	K-12 Financial Education & Capability
Women's Resource of Greater Houston	Adult Financial Education & Capability

Summary

Background

The Texas Financial Education Endowment (TFEE) Grant Program awarded nine organizations an aggregate amount of \$250,000 in grant funds for program activities during the 2018-19 grant cycle. These organizations strive to increase and promote the financial capability of all Texas consumers.

Program Highlights

During the second reporting period (July 1, 2018 – December 31, 2018), TFEE funds provided 3,364 hours of direct financial education training to 5,687 Texas consumers through group presentations and one-on-one financial coaching sessions. In addition, 60 teachers were trained to be better prepared to provide financial education to their students in accordance with Texas standards.

However, Grantees have continuously expressed difficulty with pre/post survey implementation, collection, and data analyzation. Most programs have utilized electronic survey strategies to encourage participant participation in post-training surveying. Several grantees have noted that requiring participants to complete pre/post surveys before they are able to participate in additional services has increased survey participation.

Harris County Department of Education and Trinity Basin Preparatory have not utilized grant funds.

Financial Status

Amount Awarded:	\$250,000.00
Previous Reimbursement totals:	
No. 1 (January 1, 2018 – June 30, 2018)	\$44,598.76
Reimbursement Requests (No. 1 January 1, 2018 – June 30, 2018)	
Building Financial Capacity Coalition*	*
Center for Transforming Lives	\$10,932.85
Family Service Association of San Antonio	\$10,080.93
FirstLight Community Foundation	\$4,000.00
Goodwill Industries of Central Texas	\$8,262.20
Harris County Department of Education	\$0.00
Mansfield Mission Center	\$10,623.40
Trinity Basin Preparatory	\$0.00
Women's Resource of Greater Houston	\$8,697.52
Total Requested Amount for Reimbursement Request No. 1:	\$52,596.90
Total Requested Amount to Date:	\$97,195.66
% of Funds Expended to Date:	38.9%
Amount Of Funds Remaining	\$152,804.34
*Reimbursement Report pending review	

Building Financial Capacity Coalition (BFCC)

The Building Financial Capacity Coalition's mission is to foster community prosperity for the Rio Grande Valley by enhancing the knowledge and skills needed for improved financial decision making.

The BFCC Money Smart Ambassador Program was created to teach young adults the importance and the basics of personal finances. BFCC partners with local high schools to embed the curriculum into required classes and holds an Annual Financial Literacy Summit in partnership with congressional representatives from the area.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$19,000

FUNDS REQUESTED: - | TOTAL REIMBURSED YTD: \$0.00

Program Update:

BFCC did not request reimbursement during the first reporting period due to budget restructuring. Additional documentation is required for approval of the second reimbursement request.

Program activities as reported from the first two reporting period are summarized below.

Reporting Period Update (January 1, 2018 – December 31, 2018)

Program Activities

- Restructured the program budget to better utilize TFEE funds
- Facilitates annual Financial Education Summit in the Rio Grande Valley reaching 1,000+ students each year

Major Achievements

- Trained teachers reached over 3,000 students
- Provided train-the-trainer program for 132 teachers
- Provided 92 hours of direct financial education services to participants
- Secured Congressman Filemon Vela's support for upcoming Financial Summit

Biggest Challenges

- Teacher availability – the program will strategically schedule training sessions and continuously follow-up through email and phone calls

Center for Transforming Lives (CTL)

Center for Transforming Lives helps homeless and impoverished women, children, and families move from poverty to independence through homeless services (an emergency shelter for women and housing assistance for families), Early Childhood Development (providing free or subsidized early childhood education to impoverished and homeless families), and Financial Empowerment Services (individual financial coaching and other programs to promote financial self-sufficiency).

The goal for this program is to empower participants to develop financial self-sufficiency, credit improvement, and asset building through one-on-one, long term financial coaching.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$33,000

FUNDS REQUESTED: \$5,567.15 | TOTAL REIMBURSED YTD: \$5,567.15

Program Status to Date:

During the second reporting period, CTL provided 72 participants with one-on-one financial coaching. Of those 72 participants, 88% completed more than one coaching session and 64% completed four coaching sessions. CTL believes that truly improving financial stability requires more than one individual financial coaching session.

Additionally, 12 participants' credit score increased by an average of 50 points, 14 participants' savings increased by an average of \$101, and 6 participants' debt decreased by an average of \$758. CTL has continued to use the pre/post survey as a teaching tool. This allows for better data collection regarding post-training success.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- Providing one-on-one financial coaching and small group classes to form long-term financial habits
- Director regularly participates in the Financial Awareness Committee of Tarrant County (FACT) and Arlington Financial Stability Initiative to help stimulate additional participation and network with other organizations

Major Achievements

- Provided a total of 72 participants with financial education services (group classes and one-on-one counseling)
- Dedicated 226 direct hours of service to participants
- 6 participants' debt decreased by an average of \$758

Biggest Challenges

- Previous challenges with data collection were resolved with new data collection process in place

Family Service Association of San Antonio (FSASA)

Family Service Association of San Antonio seeks to increase economic opportunities for low-income families and individuals. The Financial Empowerment Services program provides San Antonio residents financial education and capability services through one-on-one financial counseling. The focus is on reducing debt, increasing credit scores, savings, banking, and wealth building.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$33,000

FUNDS REQUESTED: \$10,080.93 | TOTAL REIMBURSED YTD: \$21,687.52

Program Status to Date:

During the second reporting period, FSASA provided 722 participants with 1,083 direct contact hours of one-on-one financial coaching sessions. FSASA pairs financial coaching with employment case management services in order to guide participants in achieving long-term goals. FSASA has found that accountability is key to affecting behaviors, attitudes, and perceptions. FSASA creates measureable goals, a timeline, and follow-up communication regarding the participant's progress.

In addition, the program has maintained level staffing and created long-term sustainability through other funding sources. For FSASA, meeting the demand for financial education in San Antonio consistently remains the program's biggest challenge.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- Successfully integrated financial counseling into long-term employment case management in order to achieve financial stability and economic stability
- Creates financial plan with measureable goals and a timeline to assist participants in reaching large, long-term goals
- Program leaders have been involved in the local Asset Funders Advisory Board in order to help inform others of the financial capability issues affecting the city

Major Achievements

- Provided 4,202 financial coaching sessions in 2018
- Provided 722 participants with financial education
- Dedicated 1,083 direct hours of services to participants
- Assisted 109 participants in increasing their savings by 2%
- Provided 132 participants with pre-homeownership education

Biggest Challenges

- Meeting the demand for services – typically participants must be placed on a three to four week waiting list in order to enter financial counseling
 - Triage is done during the initial appointment to identify emergency situations

FirstLight Community Foundation (FLCF)

FirstLight Community Foundation strives to help youth and families in the El Paso and Las Cruces communities improve their lives by achieving financial independence. FLCF has focused on the Brighter U Financial Literacy Program which provides implementation of financial education into El Paso Independent School District High Schools. Brighter U is an engaging, online resource that uses video, animations and interactive activities to bring complex financial concepts to life for students.

The FLCF is a 501(c)(3) charitable foundation that was founded in 2015, in order to do more for and give back to the underserved communities. FLCF has incorporated financial literacy and scholarships as a focus for the foundation, in order to help the youth and families achieve financial independence.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$16,000

FUNDS REQUESTED: \$4,000.00 | TOTAL REIMBURSED YTD: \$8,000.00

Program Status to Date:

During the second reporting period, FLCF reached 547 students through a total of 1,490 direct hours of learning. FLCF's Brighter U Program performed 6,355 modules in 12 high schools in north Texas in 2018. Nine additional schools have received program training and four additional schools have committed to utilizing the program in the upcoming school years.

However, FLCF faces challenges coordinating with teachers' schedules and workloads. FLCF expects the majority of the participation to come during spring semesters due to teachers' increased availability.

Moving forward, FLCF will explore additional schools in order to increase utilization of Brighter U in the neighboring districts.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- Trained nine additional schools on Brighter U Program
- Secured four additional schools to utilize Brighter U Program in the upcoming school years

Major Achievements

- Provided 547 participants with financial education
- Dedicated 1,490 direct hours of service to participants
- Provided services to 12 high schools
- Secured partnerships with 13 additional schools for the upcoming school years
- Created website for Foundation to help raise public awareness

Biggest Challenges

- Teacher commitment and communication – to help counter this challenge, FLCF has focused initial outreach efforts primarily to administration to allow them to contact their teachers

Goodwill Industries of Central Texas

Goodwill Industries of Central Texas strives to increase the financial knowledge and capability of low-income clients, leading to increased self-sufficiency and economic security. Goodwill has developed a strong curriculum that clients enjoy, combining didactic elements and the relevant information clients need to achieve financial capability. Goodwill generates lifelong connections to work, where clients have access to meaningful employment and educational opportunities.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$33,000

FUNDS REQUESTED: \$8,262.20 | TOTAL REIMBURSED YTD: \$16,450.00

Program Status to Date:

During the second reporting period, Goodwill Industries focused on training an additional financial coach and implementing a new surveying process. In addition, Goodwill Industries has updated their budgeting series. Goodwill has incorporated real-life event stimulating activities into the training sessions to encourage critical thinking and habit building.

Goodwill has partnered with several social service organizations in the area including United Way, Foundation Communities, the City of Austin, State of Texas agencies, and SafePlace to provide financial empowerment and education to different populations and improve the knowledge and financial ‘habittudes’ of their participants.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- Trained new financial coach
- Updated the Budgeting Series to include real-life activities and examples allowing participants to get hands-on experience with budgeting
- Incorporated new surveying process to streamline data collection
- Planning to update all program series by the end of 2020

Major Achievements

- Provided 172 participants with financial education
- Hosted 77 group presentations
- Assisted five participants in establishing or increasing their savings

Biggest Challenges

- Post-class follow-up communication and pre/post survey collection – electronic survey implementation has helped but not solved this issue
 - Most recently, Goodwill has incorporated an “error message” for clients who are attending trainings but not providing pre/post data. Goodwill is confident this will increase their post-class data collection participation.

Harris County Department of Education (HCDE)

Harris County Department of Education (HCDE) collaborates with 25 school districts in Harris County to provide specialized services that school districts are unable to provide. For example, HCDE provides therapy services, staff development training for teachers and administration, adult education, after-school programs, and other services. In addition, through the 2018-19 TFEF Grant Cycle, HCDE plans to train 70 High School mathematics, social studies, and career and technical educators how to implement the Texas State Board of Education's newly adopted career and technology course, Financial Mathematics.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$19,000

FUNDS REQUESTED: \$0.00 | TOTAL REIMBURSED YTD: \$0.00

Program Status to Date:

HCDE did not request reimbursement for program expenses during the first or second reporting period. Program activities and expenses will commence in the next reporting period.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- No program updates for this reporting period

Mansfield Mission Center (MMC)

Mansfield Mission Center is a non-profit organization committed to holistic family development in Mansfield Independent School District and surrounding areas. MMC interrupts financial crisis for families and helps them create a long-term plan to turn their financial situation around. MMC's wrap-around approach helps ensure families are safe by being able to afford to stay in their homes, keeping utilities turned on and food in the fridge. Once stable, coaches give clients the support and resources to create and implement long-term financial and employment goals.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$33,000

FUNDS REQUESTED: \$10,623.40 | TOTAL REIMBURSED YTD: \$17,650.86

Program Status to Date:

During the second reporting period, MMC provided 565 direct service hours to 241 participants through one-on-one financial coaching. MMC offered financial assistance with GED class expenses to students who attended financial coaching outside of class. This program was successful. Moving forward, MMC will continue to strategically integrate financial education and employment or education services.

In addition, based on challenges faced during the last reporting, MMC utilized a new survey collection technique involving mobile texting, follow-up calls and emails, and gift card giveaways. MMC has seen success with the new collection process. MMC would like to hire a program coordinator to help enable the program to reach more people.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- Provides a Working Family Success (WFS) model which has three core categories: income support, employment and education services, and financial coaching
- Partnered with local community college to provide financial education program in conjunction with GED certificate course

Major Achievements

- Provided 241 participants with long-term financial counseling
- Provided 565 direct service hours to participants
- 23 participants reported reducing their usage of consumer loan products or other debt
- Participants saw an average savings increase of \$75

Biggest Challenges

- Participants' constant state of severe crisis – MMC offers financial coaching and financial support to fulfill education and employment goals to help combat these challenges

Trinity Basin Preparatory (TBP)

Trinity Basin Preparatory is an open enrollment charter school that has been awarded funding in order to expand the BizKid\$ Entrepreneur Contest to 24 classrooms, or all of the 7th and 8th grade classes. Each classroom will work as a team to compete in the contest. The contest gives the students a hands-on opportunity to become more financially literate and work on critical thinking, reading, writing, mathematics, and team work.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$17,000

FUNDS REQUESTED: \$0.00 | TOTAL REIMBURSED YTD: \$0.00

Program Status to Date:

TBP did not request reimbursement for program expenses during the first or second reporting period. Program activities and expenses will commence in the next reporting period.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- No program updates for this reporting period

Women's Resource of Greater Houston

The Women's Resource of Greater Houston provides services that help to ensure that women from all walks of life can become financially stable and self-sufficient by acquiring essential financial knowledge, skills, and confidence needed to make sound financial decisions. By fostering strong partnerships with other social service agencies, and offering services free of charge and at a convenient time and place, Women's Resource has found an excellent way to reach people who would not otherwise have access to their programs and services. Women's Resources offers two programs for our adult clients - YourLife Finance Classes (group presentations) and YourLife Possibility Groups (small group counseling).

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$33,000.00

FUNDS REQUESTED: \$8,697.52 | TOTAL REIMBURSED YTD: \$16,907.28

Program Status to Date:

During the second reporting period, Women's Resource provided a total of 2,432 participants with financial education through group classes and small group financial counseling. Most of the participants seeking services are low-income, in a state of transition, and are often hard to contact. To solve the challenge noted in the last report, WRGH developed its own curriculum focused on the basics of budgeting on a limited income, credit repair and recovery, how to prioritize bill paying, and how to set future financial goals.

WRGH provides group courses in partnership with a workforce development group. The most recent programs have been in collaboration with groups of women in construction. The first group of ten women participated in a 16-week program, collectively saved \$8,362, and paid down \$23,000 in debt. Another group of 14 women completed a 12-week program, collectively paid off \$16,655 in debt, and saved over \$2,500.

Reporting Period Update (July 1, 2018 – December 31, 2018)

Program Activities

- Produced financial education curriculum specialized for program
- Held six volunteer training sessions over new curriculum

Major Achievements

- Provided 2,432 participants with financial education services
- Provided 224 financial education classes
- 45% of participants attended two or more classes
- 33% of participants reported that they would attend another class
- Trained 68 new volunteers

Biggest Challenges

- Training – new curriculum requires all 100+ volunteers to be retrained before they may continue instructing