

FINANCE COMMISSION OF TEXAS

AUDIT COMMITTEE MEETING

Friday, April 17, 2020

8:30 a.m.

Via Webinar

Due to Governor Greg Abbott's March 13, 2020 proclamation of a state of disaster affecting all counties in Texas due to the Coronavirus (COVID-19) and the Governor's March 16, 2020 suspension of certain provisions of the Texas Open Meetings Act, the April 17, 2020 meeting of the Finance Commission of Texas will be held by telephonic conference call, as authorized under Texas Government Code section 551.125.

Members of the public who would like to participate in this meeting will need to register at www.fc.texas.gov. An electronic copy of the agenda is now available at www.fc.texas.gov, and a copy of the meeting materials will be available on April 9, 2020 at www.fc.texas.gov. To access the recording visit www.fc.texas.gov after April 17, 2020.

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, 2020 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' Fiscal Year 2020 Internal Auditor's Risk Assessment and Audit Plan
 - 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 Agencies' February 29, 2020 Investment Officer Reports
 - 1. Texas Department of Banking
 - 2. Department of Savings and Mortgage Lending
 - 3. Office of Consumer Credit Commissioner
- E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 Second Quarter Financial Statements
 - 1. Texas Department of Banking
 - 2. Department of Savings and Mortgage Lending
 - 3. Office of Consumer Credit Commissioner
- F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Reduction of Assessment Rates, and the Reserve and Expenditure of Funds for Thrift Examination and Supervision for FY2020, as needed, in Connection with the Charles Schwab Bank, SSB and Charles Schwab Premier Bank, SSB Conversions
- G. 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, February 14, 2020

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m. on February 14, 2020 with the following members present:

Audit Committee Members in Attendance:

Molly Curl, Chairman

Hector Cerna

Lori McCool

Chairman Curl announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present. (:06 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the December 13, 2019 Audit Committee Meeting	Lori McCool made a motion to Approve the Minutes of the December 13, 2019 Audit Committee Meeting. Hector Cerna seconded and the motion passed.	:21 start of discussion :38 Vote
B. Review of Agencies' Activities 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	No Action Required.	:56 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' November 30, 2019 Investment Officer Reports 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission approve the Agencies' November 30, 2019 Investment Officer Reports. Lori McCool seconded and the motion passed.	1:35 start of discussion 7:03 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 First Quarter Financial Statements 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Lori McCool made a motion to recommend that the Finance Commission approve the Agencies' 2020 First Quarter Financial Statements. Hector Cerna seconded and the motion passed.	7:21 start of discussion 18:03 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
E. Report on Activities Relating to the Texas Financial Education Endowment Fund	No Action Required.	18:22 start of discussion
F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Final Selection of Organizations to Receive Grant Funds in an Aggregate Amount Not to Exceed \$300,000 From the Texas Financial Education Endowment Fund	<p>Lori McCool made a motion to recommend that the Finance Commission approve the Final Selection of Organizations to Receive Grant Funds in an Aggregate Amount of \$300,000 from the Texas Financial Education Endowment Fund.</p> <ul style="list-style-type: none"> • Girl Scouts of Northeast Texas – \$35,000 • Building Financial Capacity Coalition – \$27,000 • First Light Community Foundation – \$13,000 • Women’s Resource Center of Greater Houston – \$35,000 • Family Services Association of San Antonio, Inc. – \$30,000 • Foundation Communities – \$30,000 • Family Eldercare – \$30,000 • Easter Seals of Greater Houston – \$35,000 • Center for Transforming Lives – \$35,000 • Texas State Affordable Housing Corp. – \$30,000 <p>Hector Cerna seconded and the motion passed.</p>	<p>20:17 start of discussion</p> <p>28:47 Vote</p>

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Curl adjourned the meeting at 9:00 a.m. *(29:42 on the audio file)*.

Molly Curl, Chairman, Audit Committee
Finance Commission of Texas

Charles G. Cooper, Executive Director
Finance Commission of Texas

Brenda Medina, Executive Assistant
Finance Commission of Texas

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**Texas Department of Banking
Outstanding Audit Findings/Recommendations Report
as of March 31, 2020**

No outstanding items.

**Department of Savings and Mortgage Lending
Audit Activity Report as of March 31, 2020**

No outstanding items.

Office of Consumer Credit Commissioner
Status of Agency Activities and Outstanding Audit Findings and Recommendations
as of March 31, 2020

Future Items			
Entity	Activity	Status	Date
State Office of Risk Management	Risk Management Program Review	Pending	June 8, 2020
Garza/Gonzalez & Associates	Internal Audit	Pending	TBD

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FINANCE COMMISSION

Austin, Texas

INTERNAL AUDIT PLAN

For Fiscal Year 2020



FINANCE COMMISSION

Austin, Texas

Internal Audit Plan
For Fiscal Year 2020

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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

Finance Commission and Audit Committee Members
Finance Commission of Texas
Austin, Texas

Enclosed is the Finance Commission's proposed Internal Audit Plan (Plan) that was prepared for audits and other functions to be performed in fiscal year 2020 for the Texas Department of Banking (DOB), Department of Savings and Mortgage Lending (SML), and the Office of Consumer Credit Commissioner (OCCC). This Plan determines the scope of internal audit activities and is the source for assignment and prioritization of internal audit responsibilities for fiscal year 2020. Specific planning for audit procedures is a naturally ongoing process; thus, the Plan is reviewed annually and may be revised by the Finance Commission or Audit Committee, as necessary.

This Plan has been prepared by Garza/Gonzalez & Associates, an independent Certified Public Accounting firm, following Generally Accepted Auditing Standards, International Standards for the Professional Practice of Internal Auditing, and the Institute of Internal Auditors' Code of Ethics contained in the Professional Practices Framework.

A handwritten signature in black ink that reads "Garza/Gonzalez & Associates". The signature is written in a cursive, flowing style.

April 2, 2020

FINANCE COMMISSION

Austin, Texas

Internal Audit Plan For Fiscal Year 2020

I. Methodology

The Finance Commission's fiscal year 2020 Internal Audit Plan (Plan) was prepared using a risk assessment process, where we reviewed various documents and questionnaires completed by the Audit Committee Chair, executive management, management, and other staff from each of the 3 agencies, as documented below.

These 3 agencies are considered financial regulatory agencies who were granted a self-directed, semi-independent (SDSI) status by the Legislature. With the SDSI status, these agencies are responsible for its costs of operation, prohibited from causing the general revenue fund to incur any cost, and removed from the legislative budgeting process. However, the Finance Commission is responsible for setting their spending authority or limits. Each agency's entire operating funds are generated from fees assessed to the businesses they regulate and are used to fund both, direct and indirect costs.

The following documents from the 3 agencies were reviewed and considered in our risk assessment process:

- Operating Budgets
- Organizational Charts
- Policies and Procedures
- Applicable Laws and Rules
- Audit and/or Monitoring Reports from Third Party Agencies
- Prior Internal Audit Reports

Questionnaires were developed for completion by the Audit Committee Chair, Commissioners, Deputy Commissioners, Audit Contacts, Division Directors, and other staff to update our understanding of each division, and its role within the overall scheme of the respective agency. The questionnaires included topics; such as, issues and/or concerns, recent changes in key personnel, time elapsed since last audit, status of past audit findings, and regulatory compliance requirements (i.e. TAC 202, *Information Security Standards* and contract management). Utilizing information obtained through the completed questionnaires and background information reviewed, audit areas for each of the 3 agencies were identified as potential audit topics. A risk analysis was completed for each individual audit topic and then compiled to develop an overall risk assessment for each of the 3 agencies.

FINANCE COMMISSION

Internal Audit Plan

The following 8 risk factors were considered for each potential audit topic:

- | | |
|---|--|
| 1. Materiality | Measure of the auditable unit's <i>financial</i> materiality based on the dollar amount per year of assets, receipts, or disbursements for which the unit is responsible; or, <i>non-financial</i> materiality based on the number of licensees for which the unit is responsible, or the magnitude of its responsibility related to the agency's primary mission. |
| 2. Time since Last Audit or Review | Measure of the number of years between the date of the previous audit or review and the date of the risk assessment. |
| 3. Results of Last Audit or Review | Measure of the results of the previous audit or review. |
| 4. Adequacy of Staffing Levels | Measure of the adequacy of the staffing level of the auditable unit as it relates to the achievement of its objectives. |
| 5. Policies and Procedures | Measure of the existence of policies and procedures documenting the auditable unit's activities. |
| 6. Compliance with Contracts, Laws, and Regulations | Measure of the magnitude of contracts, laws, and/or regulations for which the auditable unit is responsible for complying. |
| 7. Susceptibility of Theft or Fraud | Measure of the auditable unit's risk and controls in place as it relates to theft or fraud. |
| 8. Issues or Concerns | Measure of issues or concerns expressed by executive management, the Finance Commission, or Audit Committee. |

II. Audit Scope

In accordance with the **International Standards for the Professional Practice of Internal Auditing**, the audit scope will encompass the examination and evaluation of the adequacy and effectiveness of the respective agency's system of internal control and the quality of performance in carrying out assigned responsibilities. The audit scope, as applicable, considers the following objectives:

- **Reliability and Integrity of Financial and Operational Information** – Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- **Compliance with Policies, Procedures, Laws, Regulations, and Contracts** – Review the systems established to ensure compliance with those policies, procedures, laws, regulations, and contracts which could have a significant impact on operations and reports, and determine whether the organization is in compliance.
- **Safeguarding of Assets** – Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- **Effectiveness and Efficiency of Operations and Programs** – Appraise the effectiveness and efficiency with which resources are employed.
- **Achievement of the Organization's Strategic Objectives** – Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

FINANCE COMMISSION

Internal Audit Plan

III. Texas Department of Banking

Internal Audit Plan

In addition to performing the 2020 risk assessment for preparation of this Internal Audit Plan (Plan), this Plan also includes 2 audits to be performed; a follow-up of the prior year audit recommendations; other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management during the year; and, preparation of the Annual Internal Audit Report for fiscal year 2020.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 16 audit areas were identified as potential audit topics. A risk analysis utilizing the 8 risk factors, mentioned in section I of this report, was completed for each of the 16 potential audit topics and then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 16 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Management Information Systems	Revenue Accounting Process	Travel
	IT Examinations	Trust Examinations
	Payroll & Human Resources	Corporate Activities
	Prepaid Funeral Guaranty Fund	Imaging & Records Management
	Procurement/Contract Management/HUB	Money Service Businesses
	Bank Examinations	Financial Reporting
	Fixed Asset Management	Perpetual Care Cemeteries
		Prepaid Funeral Contracts

This report includes the “Risk Assessment Summary” as Attachment A-1; and, the “History of Areas Audited” as Attachment B-1, which identifies audits and/or reviews performed from fiscal year 2010 through 2019 for the above 16 potential audit topics. In the prior 3 years, *internal audits* were performed in the following areas:

Fiscal Year 2019¹:

- Information Technology Change Management Program
- Fines, Penalties, and Restitution Processes Fixed Asset Management
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2018:

- Prepaid Funeral Guaranty Fund
- Trust Examinations
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2017:

- Fixed Asset Management
- Bank Examinations
- Follow-Up of the Prior Year Internal Audits

¹ Performed by McConnell & Jones LLP.

FINANCE COMMISSION

Internal Audit Plan

The areas recommended for internal audits and other functions to be performed for fiscal year 2020 are as follows:

1. Completion of the Fiscal Year 2020 Risk Assessment and Preparation of this Internal Audit Plan

2. Revenue Accounting Process

The planned audit procedures include the following:

- a. Review and obtain an understanding of the applicable rules, laws and regulations of the Texas Administrative Code, Texas Finance Code, and Texas Government Code as related to the various fees, fines, and penalties (fees) assessed by DOB.
- b. Obtain and review written policies and procedures, collect available documentation, and conduct interviews to document formal/informal processes and controls related to the assessment, collection, and accounting for such fees.
- c. Test for the completeness of assessments and collection of selected fees during the audit period.
- d. Test for timeliness of payment and deposit of selected fees; and, that the assessment was properly supported and accurately computed in accordance with applicable rules, laws and regulations
- e. Perform analytical procedures to determine that reported revenues for various fees were reasonable and consistent with actual operations.
- f. Other procedures that may be deemed necessary during audit fieldwork.

3. Imaging & Records Management (Area)

The planned audit procedures include the following:

- a. Review and obtain an understanding of state and federal laws and regulations, and other requirements established by the Texas State Library and Archives Commission (TSLAC), as applicable to records management.
- b. Obtain and review DOB's written policies and procedures, and conduct interviews, to obtain an understanding of controls, processes, and current practices in place over the Area, and to evaluate whether such controls adequately ensure compliance with applicable requirements identified in procedure a. above.
- c. Review DOB's organizational structure (i.e. Records Management Officer (RMO), Data Owners and Data Custodians) to assess adequacy of the records management program.
- d. Review DOB's certified records retention schedule (RRS) and Form SLR 104, *Designation of State Agency Records Management Officer (RMO)*, to verify proper and timely submission.
- e. Review DOB's current RRS to ensure compliance with applicable sections of the Texas Government Code and the Texas Administrative Code.

FINANCE COMMISSION

Internal Audit Plan

- f. Assess the oversight and management of user accounts for the systems used in the records management program.
 - g. Randomly select records from a listing of records deleted during the audit period to determine whether they were destroyed in accordance with the RRS and DOB's internal procedures; and, destruction method was appropriate for the classification (public, confidential, etc.).
 - h. Randomly select records from a listing of records imaged/scanned during the audit period to observe the image quality and verify accuracy of the index.
 - i. Review various records to ensure they are retained at the security level appropriate for the record type; and, if applicable, record has been transferred to TSLAC either for archiving or for archival review.
 - j. Other procedures that may be deemed necessary during audit fieldwork.
4. Follow-up of Prior Year Internal Audits and Prepare the 2020 Annual Internal Audit Report
Perform follow-up procedures to determine the status of prior year comments that were not fully implemented as of the fiscal year ended August 31, 2019 and prepare the 2020 Annual Internal Audit Report. The audit procedures will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete or Ongoing; or, (4) Not Implemented.
5. Other Tasks
Other tasks as may be assigned by the Finance Commission, Audit Committee, or executive management during the year.

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Internal Audit Plan

IV. Department of Savings and Mortgage Lending

Internal Audit Plan

In addition to performing the 2020 risk assessment for preparation of this Internal Audit Plan (Plan), this Plan also includes 1 audit to be performed; a follow-up of the prior year audit recommendations; other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management during the year; and, preparation of the Annual Internal Audit Report for fiscal year 2020.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 12 audit areas were identified as potential audit topics. A risk analysis utilizing the 8 risk factors, mentioned in section I of this report, was completed for each of the 12 potential audit topics and then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 12 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Management Information Systems Payroll and Human Resources Records Management	Legal and Enforcement Mortgage Examinations (Includes Training) Thrift Examinations Thrift Supervision and Compliance	Procurement/ Contract Management/ HUB & Travel Revenue Accounting Process Mortgage Licensing and Registration Consumer Protection Financial Reporting (includes Fixed Assets)

This report includes the “Risk Assessment Summary” as Attachment A-2; and, the “History of Areas Audited” as Attachment B-2, which identifies audits and/or reviews performed from fiscal year 2010 through 2019 for the above 12 potential audit topics. In the prior 3 years, *internal audits* were performed in the following areas:

Fiscal Year 2019¹:

- Information Technology Change Management
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2018:

- Thrift Supervision and Compliance
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2017:

- Thrift Examinations
- Follow-Up of the Prior Year Internal Audits

¹ Performed by McConnell & Jones LLP.

FINANCE COMMISSION

Internal Audit Plan

The area recommended for internal audit and other functions to be performed for fiscal year 2020 are as follows:

1. Completion of the Fiscal Year 2020 Risk Assessment and Preparation of this Internal Audit Plan

2. Records Management (Area)

The planned audit procedures include the following:

- a. Review and obtain an understanding of state and federal laws and regulations, and other requirements established by the Texas State Library and Archives Commission (TSLAC), as applicable to records management.
- b. Obtain and review SML's written policies and procedures, and conduct interviews, to obtain an understanding of controls, processes, and current practices in place over the Area, and to evaluate whether such controls adequately ensure compliance with applicable requirements identified in procedure a. above.
- c. Review SML's organizational structure (i.e. Records Management Officer (RMO), Data Owners and Data Custodians) to assess adequacy of the records management program.
- d. Review SML's certified records retention schedule (RRS) and Form SLR 104, *Designation of State Agency Records Management Officer (RMO)*, to verify proper and timely submission.
- e. Review SML's current RRS to ensure compliance with applicable sections of the Texas Government Code and the Texas Administrative Code.
- f. Assess the oversight and management of user accounts for the systems used in the records management program.
- g. Randomly select records from a listing of records deleted during the audit period to determine whether they were destroyed in accordance with the RRS and SML's internal procedures; and, destruction method was appropriate for the classification (public, confidential, etc.).
- h. Randomly select records from a listing of records imaged/scanned, as applicable, during the audit period to observe the image quality and verify accuracy of the index.
- i. Review various records to ensure they are retained at the security level appropriate for the record type; and, if applicable, record has been transferred to TSLAC either for archiving or for archival review.
- j. Other procedures that may be deemed necessary during audit fieldwork.

3. Follow-up of Prior Year Internal Audits and Preparation of the 2020 Annual Report

Perform follow-up procedures to determine the status of prior year comments that were not fully implemented as of the fiscal year ended August 31, 2019 and prepare the 2020 Annual Internal Audit Report. The audit procedures will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete or Ongoing; or, (4) Not Implemented.

4. Other Tasks

Other tasks as may be assigned by the Finance Commission, Audit Committee, or executive management during the year.

FINANCE COMMISSION

Internal Audit Plan

V. Office of Consumer Credit Commissioner

Internal Audit Plan

In addition to performing the 2020 risk assessment for preparation of this Internal Audit Plan (Plan), this Plan also includes 1 audit to be performed; a follow-up of the prior year audit recommendations; other tasks that may be assigned by the Finance Commission, Audit Committee, or executive management during the year; and, preparation of the Annual Internal Audit Report for fiscal year 2020.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 17 audit areas were identified as potential audit topics. A risk analysis utilizing the 8 risk factors, mentioned in section I of this report, was completed for each of the 17 potential audit topics and then compiled to develop an overall risk assessment.

Following are the results of the risk assessment performed for the 17 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
TFEE Fund Investment Portfolio Administration	Billing and Collection of Fees	Property Tax Lender Examinations
Fiscal Division (Includes Purchasing, Travel, Payroll and Fixed Assets)	Legal and Enforcement	Human Resources
Management Information Systems	Complaint Intake and Investigation	Business Licensing
	TFEE Fund Grants Management	Business Registration
	Motor Vehicle Sales Finance Examinations	Professional Licensing (Pawnshop Employees & RMLO)
	Regulated Lenders Examinations	
	Records Management	
	Credit Access Business Examinations	
	Pawn Examinations	

This report includes the “Risk Assessment Summary” as Attachment A-3; and, the “History of Areas Audited” as Attachment B-3, which identifies audits and/or reviews performed from fiscal year 2010 through 2019 for the above 17 potential audit topics. In the prior 3 years, *internal audits* were performed in the following areas:

Fiscal Year 2019¹:

- Investment Administration Controls
- Information Technology Change Management Program
- Follow-Up of the Prior Year Internal Audits

¹ Performed by McConnell & Jones LLP.

FINANCE COMMISSION

Internal Audit Plan

Fiscal Year 2018:

- Property Tax Lender Examinations
- Follow-Up of the Prior Year Internal Audits

Fiscal Year 2017:

- Registration
- Texas Financial Education Endowment Fund
- Follow-Up of the Prior Year Internal Audits

The area recommended for internal audit and other functions to be performed for fiscal year 2020 are as follows:

1. Completion of the Fiscal Year 2020 Risk Assessment and Preparation of this Internal Audit Plan

2. Records Management (Area)

The planned audit procedures include the following:

- a. Review and obtain an understanding of state and federal laws and regulations, and other requirements established by the Texas State Library and Archives Commission (TSLAC), as applicable to records management.
- b. Obtain and review OCCC's written policies and procedures, and conduct interviews, to obtain an understanding of controls, processes, and current practices in place over the Area, and to evaluate whether such controls adequately ensure compliance with applicable requirements identified in procedure a. above.
- c. Review OCCC's organizational structure (i.e. Records Management Officer (RMO), Data Owners and Data Custodians) to assess adequacy of the records management program.
- d. Review OCCC's certified records retention schedule (RRS) and Form SLR 104, *Designation of State Agency Records Management Officer (RMO)*, to verify proper and timely submission.
- e. Review OCCC's current RRS to ensure compliance with applicable sections of the Texas Government Code and the Texas Administrative Code.
- f. Assess the oversight and management of user accounts for the systems used in the records management program.
- g. Randomly select records from a listing of records deleted during the audit period to determine whether they were destroyed in accordance with the RRS and OCCC's internal procedures; and, destruction method was appropriate for the classification (public, confidential, etc.).
- h. Randomly select records from a listing of records imaged/scanned, as applicable, during the audit period to observe the image quality and verify accuracy of the index.
- i. Review various records to ensure they are retained at the security level appropriate for the record type; and, if applicable, record has been transferred to TSLAC either for archiving or for archival review.
- j. Other procedures that may be deemed necessary during audit fieldwork.

FINANCE COMMISSION

Internal Audit Plan

3. Follow-up of Prior Year Internal Audits and Preparation of the 2020 Annual Report
Perform follow-up procedures to determine the status of prior year comments that were not fully implemented as of the fiscal year ended August 31, 2019 and prepare the 2020 Annual Internal Audit Report. The audit procedures will result in a determination that the recommendation is (1) Fully Implemented; (2) Substantially Implemented; (3) Incomplete or Ongoing; or, (4) Not Implemented.
4. Other Tasks
Other tasks as may be assigned by the Finance Commission, Audit Committee, or executive management during the year.

ATTACHMENTS

Risk Factor Rating:

1 - Low Risk
2 - Moderate Risk
3 - High Risk

DEPARTMENT OF SAVINGS AND MORTGAGE LENDING
Risk Assessment Summary
For Fiscal Year 2020

RISK FACTOR WEIGHT																	
10.00%		16.50%		16.00%		15.00%		12.50%		12.00%		8.00%		10.00%			
RISK FACTORS																	
1		2		3		4		5		6		7		8			
Materiality		Time Since Last Audit or Review		Results of Last Audit or Review		Adequacy of Staffing Levels		Policies and Procedures		Compliance with Contracts, Laws & Regulations		Susceptibility of Theft or Fraud		Issues or Concerns		Total	
	2	20.00	1	16.50	2	32.00	1	15.00	1	12.50	3	36.00	2	16.00	1	10.00	158.00
	3	30.00	2	33.00	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	156.50
	1	10.00	3	49.50	1	16.00	1	15.00	2	25.00	1	12.00	1	8.00	2	20.00	155.50
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	144.00
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	144.00
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	144.00
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	144.00
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	140.00
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	2	16.00	1	10.00	140.00
	2	20.00	1	16.50	1	16.00	1	15.00	2	25.00	2	24.00	1	8.00	1	10.00	134.50
	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	122.00
	1	10.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	112.00

OFFICE OF CONSUMER CREDIT COMMISSIONER
Risk Assessment Summary
For Fiscal Year 2020

RISK FACTOR WEIGHT																	
10.00%			16.50%		16.00%		15.00%		12.50%		12.00%		8.00%		10.00%		
RISK FACTORS																	
1			2		3		4		5		6		7		8		
Materiality			Time Since Last Audit or Review		Results of Last Audit or Review		Adequacy of Staffing Levels		Policies and Procedures		Compliance with Contracts, Laws & Regulations		Susceptibility of Theft or Fraud		Issues or Concerns		Total
	3	30.00	1	16.50	2	32.00	2	30.00	1	12.50	2	24.00	2	16.00	1	10.00	171.00
	3	30.00	1	16.50	1	16.00	1	15.00	2	25.00	2	24.00	2	16.00	2	20.00	162.50
	2	20.00	1	16.50	2	32.00	1	15.00	1	12.50	3	36.00	2	16.00	1	10.00	158.00
	3	30.00	1	16.50	1	16.00	1	15.00	2	25.00	2	24.00	2	16.00	1	10.00	152.50
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	2	16.00	1	10.00	152.00
	2	20.00	1	16.50	1	16.00	2	30.00	1	12.50	3	36.00	1	8.00	1	10.00	149.00
	2	20.00	1	16.50	1	16.00	2	30.00	1	12.50	2	24.00	2	16.00	1	10.00	145.00
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	144.00
	3	30.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	1	8.00	1	10.00	144.00
	1	10.00	3	49.50	1	16.00	1	15.00	1	12.50	1	12.00	1	8.00	2	20.00	143.00
	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	2	16.00	1	10.00	142.00
	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	2	16.00	1	10.00	142.00
	1	10.00	1	16.50	1	16.00	1	15.00	1	12.50	3	36.00	2	16.00	1	10.00	132.00
	1	10.00	2	33.00	1	16.00	1	15.00	1	12.50	1	12.00	2	16.00	1	10.00	124.50
	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	122.00
	2	20.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	122.00
0)	1	10.00	1	16.50	1	16.00	1	15.00	1	12.50	2	24.00	1	8.00	1	10.00	112.00

Risk Factor Rating:

- 1 - Low Risk
- 2 - Moderate Risk
- 3 - High Risk

TEXAS DEPARTMENT OF BANKING
History of Areas Audited
For Fiscal Year 2020

POTENTIAL AUDIT TOPIC		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Bank Examinations	B		A/B*	B*				A/B*	E	
2	Corporate Activities				A			G*		E	
3	Financial Reporting		A						B	E*/C*	
4	Fixed Asset Management	C*				C*			A	C*	
5	Imaging and Records Management							A			
6	IT Examinations	A						A		E	
7	Management Information Systems	A/D*	D*	D*	D*/W	A, D*	D*	D*/G*	D*/B	E*	A1*/D
8	Money Service Businesses	A				A			B*	E	A1*
9	Payroll and Human Resources	C	A*	V	G*	C		G*		C*/F*	F*/G*
10	Perpetual Care Cemeteries						A		B*	E	A1*
11	Prepaid Funeral Contracts				A				B*	E	A1*
12	Prepaid Funeral Guaranty Fund			A						A/E	A1*
13	Procurement/Contract Management/HUB	C	A			C			B*	C*	
14	Revenue Accounting Process		A				A		B	E	A1*
15	Travel	C	A*			C			B*	C*/E*	
16	Trust Examinations		A							A/E	

Note: Performance Measures is included in the scope of the applicable audit area(s).

Legend (audits/reviews with asterisk are considered limited scope for the audit area)

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** Post-Payment audit performed by the Comptroller of Public Accounts.
- D** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- E** Sunset Review performed by the Sunset Advisory Commission.
- F** Review performed by the Texas Workforce Commission.
- G** Review performed by the Department of Public Safety.

DEPARTMENT OF SAVINGS AND MORTGAGE LENDING
History of Areas Audited
For Fiscal Year 2020

POTENTIAL AUDIT TOPIC		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Consumer Protection					A			B*	D	
2	Financial Reporting (Includes Fixed Assets)	E*				E*			B	D*/E*	
3	Legal and Enforcement		A						B	D	
4	Management Information Systems	C*	C*	C*	C*	C*	C*	A/C*	B*/C*	C/C*/D*	A1*
5	Mortgage Examinations (Includes Training)						A		B*	D	
6	Mortgage Licensing and Registration			A/G*					B*	D	
7	Payroll and Human Resources	E*			F*	E				E*	F*
8	Procurement/Contract Management/HUB & Travel	E*				E			B	D*/E*	
9	Records Management										
10	Revenue Accounting Process		A						B	D*	
11	Thrift Examinations	A*/B							A	D	
12	Thrift Supervision and Compliance				A				B*	A/D	

Note: Performance Measures is included in the scope of the applicable audit area(s).

Legend (audits/reviews with asterisk are considered limited scope for the audit area)

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office (SAO).
- C** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- D** Sunset Review performed by the Sunset Advisory Commission.
- E** Post Payment Audit performed by the Comptroller of Public Accounts.
- F** EEO Policy Review performed by the Texas Workforce Commission.
- G** Review performed by the Department of Public Safety.

OFFICE OF CONSUMER CREDIT COMMISSIONER
History of Areas Audited
For Fiscal Year 2020

POTENTIAL AUDIT TOPIC		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Billing and Collection of Fees								B	D	
2	Business Licensing		A					F*	B*	D/F*	
3	Business Registration								A	D	
4	Complaint Intake and Investigation			A						D	
5	Credit Access Business Examinations				A					D	
6	Fiscal Division (includes Purchasing, Travel, Payroll, & Fixed Assets)	C			C				B	C*/D*	
7	Human Resources	C			C/G*					C*	G*
8	Legal and Enforcement								B*	D	
9	Management Information Systems		A	E*	E*	E	E*	E*	B*/E	D*/E*	A1*/E
10	Motor Vehicle Sales Finance Examinations							A		D	
11	Pawn Examinations	A								D	
12	Professional Licensing (Pawnshop Employees & RMLO)					A		F*	B*	D/F*	
13	Property Tax Lender Examinations									A/D	
14	Records Management										
15	Regulated Lenders Examinations	A								D	
16	TFEE Fund Grant Administration						A		A*	D	
17	TFEE Fund Investment Portfolio Administration								A	D	A1

Note: Performance Measures is included in the scope of the applicable audit area(s).

Legend (audits/reviews with asterisk are considered limited scope for the audit area)

- A** Internal audit performed by Garza/Gonzalez & Associates, CPAs.
- A1** Internal audit performed by McConnell & Jones LLP.
- B** Audit performed by the State Auditor's Office.
- C** Post-Payment audit performed by the Comptroller of Public Accounts.
- D** Sunset Review performed by the Sunset Advisory Commission.
- E** IT assessment performed by the Department of Information Resources (DIR) or a third-party vendor procured through the DIR.
- F** Review performed by the Department of Public Safety.
- G** Review performed by the Texas Workforce Commission.

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Department of Banking Quarterly Investment Report
 December 1, 2019 to February 29, 2020

Seized Prepaid Funeral Funds Held in a Financial Institution	Book Value at November 30, 2019	Interest Income Received	Trustee Fees Paid	Other Deductions	Other Additions	Book Value at February 29, 2020	Financial Institution	Investment Type	Maturity Date	Interest Rate
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			N/A	N/A

Total Seized Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
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Notes:

_____ /s/ Jesse Saucillo Investment Officer	_____ 3/17/2020 Date
_____ /s/ Sami Chadli Investment Officer	_____ 3/19/2020 Date

**Trust-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
December 1, 2019 to February 29, 2020**

<u>Book Value at November 30, 2019</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 February 29, 2020</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,435,170.34	\$7,816.99	\$138.11	\$1,344.15	\$13,091.51	\$1,454,596.58	--	--	\$911.96

Trust Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$723,098.46	3/1/2020	1.52%	
United Texas Bank, Dallas, Texas (CD)	\$246,972.43	12/19/2020	1.95%	\$118.75
State Bank of Texas, Dallas, Texas (CD)	\$240,000.00	12/16/2020	1.85%	\$109.48
Frontier Bank of Texas, Elgin, Texas (CD)	\$244,525.69	4/18/2020	2.43%	\$683.73
Subtotal	\$1,454,596.58			

(1) Other deductions is comprised of a single \$1,344.15 guaranty fund claim paid to consumer M. Hernandez related to a PFC sold by El Paso Mission Funeral Home that was not previously reported to the Department.

(2) Other additions include: (a) \$2,028.00 of PFC payments from consumers regarding Hernandez Funeral Home; (b) \$1,500.00 restitution received from Mr. Kevin Keeney; (c) \$100.00 restitution received from Mr. Marc Gonzalez; (d) \$500.00 restitution received from Mr. Roy and Ms. Kay Bryant; and (e) \$8,911.91 restitution received from Ms. Maria de la Luz Hernandez.

* 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.

<u>/s/ Jesse Saucillo</u>	<u>3/17/2020</u>
Investment Officer	Date
 <u>/s/ Sami Chadli</u>	 <u>3/19/2020</u>
Investment Officer	Date

Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
December 1, 2019 to February 29, 2020

<u>Book</u> <u>Book Value at November 30, 2019</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 29, 2020</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued Interest</u> <u>on CDs</u>
\$640,817.02	\$2,860.80	\$94.32	\$0.00	\$5,528.00	\$649,111.50			\$225.11

Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$403,479.95	3/1/2020	1.52%	
AccessBank, Denton, Texas (CD)	<u>\$245,631.55</u>	7/14/2020	2.23%	\$225.11
Subtotal	\$649,111.50			

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

* 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.

/s/ Jesse Saucillo
Investment Officer

3/17/2020
Date

/s/ Sami Chadli
Investment Officer

3/19/2020
Date

Department of Savings and Mortgage Lending

Investment Officer Report as of February 29, 2020

Recovery Fund

	Beginning Balance 12/1/2019	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 2/29/2020
Cash & Cash Equivalents	\$4,258,941.85	\$35,129.00	\$20,878.56	(\$370.12)	\$4,314,579.29

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	12/1/2019	1.54%	\$3,069,128.73	\$129.86
South Star Bank SSB	CD - 24 months	4/17/2020	1.05%	250,000.00	298.96
Dalhart Federal Savings	CD - 24 months	10/18/2020	2.50%	250,000.00	8,663.19
Horizon Bank SSB	CD - 24 months	1/31/2021	2.27%	250,000.00	457.15
TBK Bank	CD - 24 months	4/7/2021	3.00%	245,450.56	1,104.53
First Fed Community Bank, SSB	CD - 18 months	6/13/2021	1.70%	250,000.00	920.83
				\$4,314,579.29	\$11,574.52

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: 3/16/2020

Date: 3/16/2020

**Office of Consumer Credit Commissioner
Fiscal Year 2020 - 2nd Quarter**

Residential Mortgage Loan Originator Recovery Trust Fund #3008					
<u>Beginning Balance at 12/01/19</u>	<u>Additions / *(Deductions)</u>	<u>Interest Paid</u>	<u>Paid Bank Fees</u>	<u>Ending Balance at 02/29/2020</u>	<u>Current Interest Rate</u>
\$ 157,146.16	\$ 825.00	\$ 588.17	\$ (61.10)	\$ 158,498.23	1.523%

Prepared By: /s/ Adrian Alejandro Hernandez

Date: 03/27/2020

Investment Officer: /s/ Christina Cuellar Hoke

Date: 03/27/2020

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 2020 - 2nd Quarter**

Texas Financial Education Endowment Fund #3071								
	Beginning Balance at 12/01/19	Additions	Interest Paid	Transfers	Grant Disbursements	Paid Bank Fees	Ending Balance at 02/29/2020	Current Interest Rate
Cash	\$ 1,303,859.95	\$ 363,119.01	\$ 5,609.27	\$ -	\$ (25,919.46)	\$ (1,986.69)	\$ 1,644,682.08	1.523%
Invested Portfolio	Beginning Balance at 12/01/19	Additions	*Change in Value	Transfers	Transfer Out	Paid Fees	Ending Balance at 02/29/2020	
Cash in Bank	\$ -	\$ -	\$ 38,740.91	\$ -	\$ -	\$ -	\$ 38,740.91	
Investments - STIF	2,595,068.87	15,929.17	(22,878.39)			(3,973.62)	2,584,146.03	
Interest & Dividends Receivable	3,426.57		321.42				3,747.99	
Trade Receivables	-		-				-	
Investments - Equities	11,574.54		(1,128.81)				10,445.73	
Investments - Alternatives	3,672,943.35		4,496.96				3,677,440.31	
Investments - Fixed Income	372,341.24		(79,134.75)				293,206.49	
Investments - Futures	-		-				-	
Investments - SWAPS, at Fair Value	15,951.16		(15,951.16)				-	
Total Assets-Invested Portfolio	\$ 6,671,305.73	\$ 15,929.17	\$ (75,533.82)	\$ -	\$ -	\$ (3,973.62)	\$ 6,607,727.46	
Liabilities								
Accounts Payable	\$ (16,568.24)	\$ 13,518.32	\$ -	\$ -	\$ -	\$ -	\$ (3,049.92)	
Interest Payable	(1,629.09)	1,629.09					-	
Trade Payables	-	(1,405.75)					(1,405.75)	
Futures Contracts, at Fair Value	-	-					-	
Swaps, at Fair Value	(354.92)	(50,391.28)					(50,746.20)	
Total Liabilities	\$ (18,552.25)	\$ (36,649.62)	\$ -	\$ -	\$ -	\$ -	\$ (55,201.87)	
Total Net Fiduciary Assets-Invested Portfolio	\$ 6,652,753.48						\$ 6,552,525.59	
Total Endowment Funds	<u>\$ 7,956,613.43</u>						<u>\$ 8,197,207.67</u>	

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.

Prepared By: /s/ Adrian Alejandro Hernandez

Date: 04/03/2020

Investment Officer: /s/ Leslie Pettijohn

Date: 04/03/2020

Texas Department of Banking
Operating Statement and Budget Analysis
For the Quarter Ending February 29, 2020

	FY 2019 ACTUAL	FY 2020 BUDGET	QUARTER PERFORMANCE				FY 2020 PERFORMANCE			
			2nd Quarter BUDGET	2nd Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Bank & Trust Regulation	\$22,740,931	\$25,521,034	\$6,555,148	\$6,568,081	(\$12,932)	100.2%	\$13,254,194	\$13,281,503	(\$27,309)	100.2%
Penalties - Bank & Trust Regulation	140,000	0	0	10,000	(10,000)	0.0%	0	10,000	(10,000)	0.0%
Non-Depository Supervision	2,562,127	3,604,957	909,689	728,563	181,126	80.1%	1,804,778	1,876,062	(71,284)	103.9%
Penalties - Non-Depository Supervision	1,097,740	82,600	24,000	66,176	(42,176)	275.7%	45,500	98,276	(52,776)	216.0%
Miscellaneous Revenues	492,200	404,800	101,200	53,137	48,063	52.5%	202,400	113,516	88,884	56.1%
TOTAL REVENUES	\$27,032,998	\$29,613,391	\$7,590,038	\$7,425,956	\$164,081	97.8%	\$15,306,872	\$15,379,356	(\$72,484)	100.5%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$16,952,793	\$18,890,947	\$4,614,248	\$4,259,584	\$354,665	92.3%	\$9,065,046	\$8,521,211	\$543,835	94.0%
Employee Benefits	4,905,696	5,545,899	1,344,714	1,244,572	100,141	92.6%	2,638,656	2,452,260	\$186,396	92.9%
Add'l Health/Retirement	241,770	279,995	69,018	61,249	7,769	88.7%	135,585	122,740	\$12,845	90.5%
Other Personnel Costs	578,444	406,089	71,165	98,506	(27,341)	138.4%	128,879	169,148	(\$40,269)	131.2%
Subtotal Personnel Costs	\$22,678,703	\$25,122,930	\$6,099,145	\$5,663,911	\$435,234	92.9%	\$11,968,166	\$11,265,358	\$702,808	94.1%
Travel										
In-State	\$1,367,830	\$1,513,093	\$314,673	\$329,711	(\$15,037)	104.8%	\$781,016	\$710,171	\$70,845	90.9%
Out-of-State	658,574	709,330	115,450	111,502	3,948	96.6%	291,960	294,443	(2,483)	100.9%
Subtotal Travel	\$2,026,404	\$2,222,423	\$430,123	\$441,213	(\$11,089)	102.6%	\$1,072,976	\$1,004,614	68,362	93.6%
Operating Costs										
Professional Fees	\$300,071	\$321,504	\$31,946	\$45,265	(\$13,319)	141.7%	\$54,187	\$66,475	(\$12,288)	122.7%
Consumables	37,249	38,000	9,500	9,679	(179)	101.9%	13,659	13,640	19	99.9%
Office Utilities	41,717	46,022	8,871	8,900	(28)	100.3%	26,759	26,669	89	99.7%
Rent - Building/Space	388,330	426,635	102,584	103,453	(869)	100.8%	252,350	253,112	(762)	100.3%
Rent - Equipment/Other	25,179	35,178	6,403	5,965	437	93.2%	16,985	16,252	732	95.7%
Communications	298,025	303,074	95,114	51,710	43,404	54.4%	165,361	120,268	45,093	72.7%
Information Technology	165,118	334,818	9,508	9,508	0	100.0%	149,390	149,390	0	100.0%
Employee Training	282,911	329,264	44,363	42,183	2,180	95.1%	116,042	111,096	4,946	95.7%
Misc. Operating Costs	425,321	433,543	40,406	48,140	(7,734)	119.1%	135,139	167,580	(32,441)	124.0%
Subtotal Operating Costs	\$1,963,921	\$2,268,038	\$348,695	\$324,803	\$23,891	93.1%	\$929,871	\$924,483	\$5,388	99.4%
TOTAL EXPENDITURES	\$26,669,028	\$29,613,391	\$6,877,963	\$6,429,927	\$448,036	93.5%	\$13,971,013	\$13,194,455	\$776,559	94.4%
EXPENDITURES (OVER) / UNDER REVENUES	\$363,970	\$0	\$712,074	\$996,029	(\$283,955)		\$1,335,859	\$2,184,902	(\$849,043)	

Texas Department of Banking

Overview of Budget Variances for the Second Quarter of Fiscal Year 2020 - (Variances in excess of \$1,000 and 5% from budget are reported).

Non-Depository Supervision – The variance for the quarter is due to the timing of collected assessments. This variance will be offset in future quarter assessments.

Penalties - Non-Depository Supervision – The variance is due to higher than anticipated collected penalties from unlicensed money service businesses and prepaid funeral contract permit holders.

Miscellaneous Revenues – The variance for the quarter relates to lower than budgeted interest payments from the Treasury than anticipated. This is due to bank assessments that are now reduced quarterly which lowered the available bank balance.

Employee Compensation and Benefits – The positive variance relates to vacant staff positions. Vacancies in terms of FTEs as of February 29, 2020 are listed below:

Administrative	5
Examiners	18

Other Personnel Costs – The negative variance is due to lump sum payments related to two unanticipated separations.

Travel Breakdown

	In-State Travel	Out-of-State Travel
Regulatory Supervision	\$291,328.66	\$62,594.78
Development and Training	\$24,050.94	\$43,631.86
Other Regulatory Activities	\$9,521.86	\$5,275.05
Non-Employee	\$4,809.48	\$0.00
Total	\$329,710.94	\$111,501.69

Professional Fees – The negative variance is due to the hiring of a temporary help desk contractor to support IT needs. This variance was approved by the Commissioner.

Communications – The positive variance is due to the cancellation of an electronic subscription and lower than anticipated telephone expenditures.

Misc. Operating Costs – The negative variance is related to hiring a temporary employee in the Consumer Assistance area due to existing vacancies. This variance was approved by the Commissioner.

TEXAS DEPARTMENT OF BANKING
Liquidity Report
For the Quarter Ending February 29, 2019

	Actual
Cash at Beginning of Period	\$ 15,975,352
Revenues Over (Under) Expenditures	\$ 996,029
Increase (Decrease) in Payables/Encumbrances	\$ 107,126
(Increase) Decrease in Receivables	\$ 55,576
Cash at End of Period	<u>\$ 17,134,084</u>

Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	\$ 6,265,917
Payables (net of receivables)	\$ 2,030,797
Lump Sums for Retirements	\$ 649,380
Program Funds	\$ -
Other	\$ -
Total Reserved Cash Balance	<u>\$ 8,946,094</u>
Unreserved Cash Balance:	
Future Operations	<u>\$ 8,187,990</u>
Total Unreserved Cash Balance	<u>\$ 8,187,990</u>
Total Cash Balance	<u>\$ 17,134,084</u>
Unreserved Cash/FY2020 Monthly Budget	3.32 months

Department of Savings and Mortgage Lending
Operating Statement and Budget Analysis
For the Quarter Ending February 29, 2020

	FY 2019 ACTUAL	FY 2020 BUDGET	QUARTER PERFORMANCE				FY 2020 PERFORMANCE			
			2nd Quarter BUDGET	2nd Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Thrift Industry										
Assessments	\$ 2,517,501	\$ 2,609,638	\$ 646,132	\$ 660,278	\$ (14,146)	-2.2%	\$ 1,286,043	\$ 1,300,189	\$ (14,146)	-1.1%
Application Fees	14,600	20,000	5,000	32,500	(27,500)	-550.0%	16,000	48,000	(32,000)	-200.0%
Mortgage Industry										
Licensing Fees	3,117,153	3,024,935	1,015,515	1,185,560	(170,045)	-16.7%	2,526,120	2,799,346	(273,226)	-10.8%
Administrative Penalties	410,869	-	-	86,252	(86,252)	0.0%	-	220,651	(220,651)	0.0%
Misc. Revenues	239,605	203,000	50,100	39,751	10,349	20.7%	100,200	83,482	16,718	16.7%
TOTAL REVENUES	\$ 6,299,727	\$ 5,857,573	\$ 1,716,747	\$ 2,004,341	\$ (287,594)	-16.8%	\$ 3,928,363	\$ 4,451,668	\$ (523,305)	-13.3%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 3,718,849	\$ 4,019,558	\$ 974,430	\$ 944,840	\$ 29,590	3.0%	\$ 1,926,159	\$ 1,887,215	\$ 38,944	2.0%
Employee Benefits	1,228,137	1,335,363	322,255	316,237	6,018	1.9%	633,855	622,177	11,678	1.8%
Add'l Health/Retirement	53,983	60,011	14,544	14,025	519	3.6%	29,044	28,000	1,044	3.6%
Other Personnel Costs	72,435	78,795	22,758	20,945	1,813	8.0%	39,435	37,322	2,113	5.4%
Subtotal Personnel Costs	\$ 5,073,403	\$ 5,493,727	\$ 1,333,987	\$ 1,296,047	\$ 37,940	2.8%	\$ 2,628,493	\$ 2,574,714	\$ 53,779	2.0%
Travel										
In-State	\$ 209,785	\$ 213,500	\$ 49,875	\$ 39,169	\$ 10,706	21.5%	\$ 106,750	\$ 94,520	\$ 12,230	11.5%
Out-of-State	46,827	72,700	17,425	22,187	(4,762)	-27.3%	35,850	40,036	(4,186)	-11.7%
Subtotal Travel	\$ 256,612	\$ 286,200	\$ 67,300	\$ 61,357	\$ 5,943	8.8%	\$ 142,600	\$ 134,556	\$ 8,044	5.6%
Operating Costs										
Professional Fees	\$ 75,959	\$ 83,500	\$ 16,600	\$ 1,962	\$ 14,638	88.2%	\$ 46,000	\$ 18,269	\$ 27,731	60.3%
Consumables	10,785	11,000	2,750	1,429	1,321	48.0%	5,500	3,694	1,806	32.8%
Office Utilities	15,401	16,761	3,993	3,330	664	16.6%	8,143	7,056	1,087	13.3%
Rent - Building/Space	2,690	6,050	2,225	1,659	566	25.5%	5,600	4,827	773	13.8%
Rent - Equipment/Other	1,085	1,250	-	-	-	0.0%	1,250	1,223	27	2.2%
Communications	56,364	74,566	12,705	11,606	1,099	8.7%	48,306	46,080	2,226	4.6%
Information Technology	110,597	128,183	23,000	21,789	1,211	5.3%	40,918	39,669	1,249	3.1%
Employee Training	47,550	54,000	7,850	6,919	931	11.9%	21,850	20,797	1,053	4.8%
Misc. Operating Costs	224,875	159,740	22,350	21,927	423	1.9%	74,333	70,149	4,184	5.6%
Subtotal Operating Costs	\$ 545,305	\$ 535,050	\$ 91,473	\$ 70,621	\$ 20,852	22.8%	\$ 251,900	\$ 211,765	\$ 40,135	15.9%
TOTAL EXPENDITURES	\$ 5,875,320	\$ 6,314,977	\$ 1,492,760	\$ 1,428,024	\$ 64,736	4.3%	\$ 3,022,993	\$ 2,921,034	\$ 101,959	3.4%
EXPENDITURES (OVER)/ UNDER REVENUES	\$ 424,407	\$ (457,404)	\$ 223,987	\$ 576,317	\$ (352,330)	-157.3%	\$ 905,370	\$ 1,530,634	\$ (625,264)	-69.1%

Department of Savings and Mortgage Lending
Budget Variance Analysis
For the Quarter Ending February 29, 2020

Revenues:

Overall revenues are at 13.3% over budget.

Thrift Industry:

Application Fees – This category is significantly over budget due to application fees received related to the conversions of Charles Schwab SSBs.

Mortgage Industry:

Licensing Revenues – Overall licensing revenues are 10.8% over budget due to higher than budgeted RMLO license new and renewal applications received.

Fines and Penalties – No amount was budgeted.

Expenditures:

Overall expenditures are at 3.4% under budget.

Professional Fees – This category is under budget due to lower than budgeted expenditures for legal services performed by Office of Attorney General.

Travel – This category is 5.6% under budget.

Travel Breakdown 2 nd Qtr FY20			
Category	In-State	Out-of-State	Total
Regulation and Supervision	\$82,405	\$13,978	\$96,383
Development and Training	11,158	24,039	35,197
Other Regulatory Activities	0	2,019	2,019
Non-Employee Travel	957		957
Total	\$94,520	\$40,036	\$134,556

Department of Savings and Mortgage Lending
Liquidity Report
For the Quarter Ending February 29, 2020

	ACTUAL
Cash at Beginning of Period	\$ 11,081,314
Revenues Over (Under) Expenditures CY	576,317
Revenues Over (Under) Expenditures PY	3,583
Increase (Decrease) in Payables	(10,802)
(Increase) Decrease in Receivables	5,647
Cash at End of Period	\$ 11,656,059
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	6,273,736
Payables (net of receivables)	482,874
Lump Sums for Retirements	200,900
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>\$ 6,957,510</u>
Unreserved Cash Balance:	
Future Operations	<u>\$ 4,698,549</u>
Total Unreserved Cash Balance	<u>\$ 4,698,549</u>
Total Cash Balance	<u>\$ 11,656,059</u>
Unreserved Cash/FY2020 Monthly Budget	8.9 months

**Office of Consumer Credit Commissioner
Operating Statement and Budget Analysis
For the Quarter Ending February 29, 2020**

	FY 2019 ACTUAL	FY 2020 BUDGET	QUARTER PERFORMANCE				FY 2020 PERFORMANCE			
			2nd Quarter BUDGET	2nd Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Industry										
Consumer Lending Industry	\$2,072,126	\$2,140,633	\$924,051	\$1,523,235	(\$599,184)	164.8%	\$2,038,852	\$2,096,318	(\$57,466)	102.8%
Credit Access Industry	1,181,425	1,166,200	\$666,753	\$1,050,800	(384,047)	157.6%	1,147,963	1,105,175	42,788	96.3%
MVSF Industry	4,397,417	933,300	\$223,784	\$276,026	(52,242)	123.3%	457,848	657,740	(199,891)	143.7%
Pawn	1,059,100	925,632	\$10,011	\$7,875	2,136	78.7%	21,904	25,948	(4,044)	118.5%
Registered Entities	315,676	293,760	\$180,199	\$231,590	(51,391)	128.5%	252,572	308,345	(55,773)	122.1%
Penalties	143,500	0	\$0	\$12,700	(12,700)	0.0%	0	37,700	(37,700)	0.0%
Miscellaneous Revenue	262,431	210,000	\$57,127	\$49,924	7,203	87.4%	103,023	105,574	(2,552)	102.5%
TOTAL REVENUES	\$9,431,675	\$5,669,525	\$2,061,924	\$3,152,150	(\$1,090,226)	152.9%	\$4,022,161	\$4,336,800	(\$314,638)	107.8%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$5,084,961	\$5,247,775	\$1,312,661	\$1,193,574	\$119,087	90.9%	\$2,585,193	\$2,388,886	\$196,307	92.4%
Employee Benefits	1,787,102	1,608,490	\$413,674	\$389,825	23,849	94.2%	799,940	759,630	40,310	95.0%
Add'l Health/Retirement	74,870	308,745	\$77,760	\$69,092	8,667	88.9%	154,163	139,407	14,756	90.4%
Other Personnel Costs	174,451	113,870	\$28,117	\$22,906	5,212	81.5%	55,495	46,322	9,173	83.5%
Subtotal Personnel Costs	\$7,121,384	\$7,278,880	\$1,832,212	\$1,675,397	\$156,815	91.4%	\$3,594,790	\$3,334,245	\$260,545	92.8%
Travel										
In-State	\$771,680	\$769,500	\$192,375	\$159,163	\$33,212	82.7%	\$384,750	\$349,305	\$35,445	90.8%
Out-of-State	7,834	8,500	\$2,125	\$6,275	(4,150)	295.3%	4,250	13,472	(9,222)	317.0%
Subtotal Travel	\$779,513	\$778,000	\$194,500	\$165,438	\$29,062	85.1%	\$389,000	\$362,777	\$26,223	93.3%
Operating Costs										
Professional Fees	\$101,035	\$226,450	\$56,613	\$12,808	\$43,805	22.6%	\$113,225	\$114,940	(\$1,715)	101.5%
Consumables	12,190	16,000	\$4,000	\$3,942	58	98.6%	8,000	6,818	1,182	85.2%
Office Utilities	18,732	21,400	\$5,350	\$4,174	1,176	78.0%	10,700	8,688	2,012	81.2%
Rent - Building/Space	23,908	24,750	\$6,188	\$6,179	8	99.9%	12,375	14,686	(2,311)	118.7%
Rent - Equipment/Other	2,995	3,300	\$825	\$1,106	(281)	134.1%	1,650	1,981	(331)	120.1%
Communications	69,932	69,775	\$17,444	\$16,433	1,011	94.2%	34,888	33,215	1,673	95.2%
Information Technology	274,972	237,699	\$59,425	\$37,740	21,685	63.5%	118,849	53,518	65,332	45.0%
Employee Training	13,553	13,500	\$3,375	\$2,570	805	76.1%	6,750	3,094	3,656	45.8%
Misc. Operating Costs	340,929	330,187	\$82,547	\$68,062	14,485	82.5%	165,094	136,046	29,048	82.4%
Subtotal Operating Costs	\$858,245	\$943,061	\$235,766	\$153,015	\$82,750	64.9%	\$471,531	\$372,985	\$98,546	79.1%
TOTAL EXPENDITURES	\$8,759,143	\$8,999,941	\$2,262,477	\$1,993,850	\$268,627	88.1%	\$4,455,321	\$4,070,007	\$385,314	91.4%
EXPENDITURES (OVER) / UNDER REVENUES	\$672,532	(\$3,330,416)	(\$200,554)	\$1,158,300	(\$1,358,854)		(\$433,160)	\$266,793	(\$699,953)	

Office of Consumer Credit Commissioner

Overview of Budget Variances for 2nd Quarter FY 2020

Revenues- 107.8% of YTD budget

MVSF Industry

The revenue variance for the MVSF industry relates to a higher than expected rate of reinstatements (late renewals) and for new license applications with late filing fees, generally for retroactive effect to cover unlicensed activity. Most of this revenue variance was reported in the first quarter.

Registered Entities

The revenue variance for the registered entities relates to the timing differences in renewal cycles especially for crafted metal dealers transitioning to a December renewal time frame. Additionally registered creditors experienced a higher than expected rate of reinstatements (late renewals) and for new registration applications with late filing fees, generally for retroactive effect to cover unregistered activity.

Expenditures- 91.4% of budget

Salaries and Wages

Expenditures are 94.1% of the projected budget. The variance is primarily due to vacancies. The OCCC has chosen to defer the hiring of three financial examiners until later in the calendar year. Additionally, the agency has one posted position that has been difficult to fill.

Travel

Expenditures are at 93% of the YTD budget. Travel expenses were below budget during the 2nd quarter due to several examiner vacancies and a traditional decline in travel activity during December.

	In-State	Out-State
Regulatory Supervision	\$278,600.75	\$3,266.56
Development & Training	69,228.56	10,205.16
Other Reg Activities	-	-
Non-Employee	1,476.11	-
Total	\$349,305.42	\$13,471.72

Professional Fees and Information Technology

Professional fees are at budget and IT costs are under budget due to a misclassification when the accruals were being done in FY 19. The reversal of the accrual has an impact in FY 20, because the accrual does not offset the payment of the invoice in the same category. Further, certain expenses for Information Technology, including acquisition of hardware scheduled for normal retirement, are not expected to be incurred until later in the fiscal year.

Misc Operating Costs

Miscellaneous operating costs are recorded at 82.4% of the projection which is under budget primarily due to timing differences in expenses not yet recognized but expected later in the fiscal year. Two of the substantive differences related to the assessment for the Statewide Cost Allocation Plan (\$11,500) and for Fees for Receiving Electronic Payment (under budget by \$16, 300 but costs expected to be incurred later in year).

Office of Consumer Credit Commissioner
Liquidity Report
For the Quarter Ending February 29, 2020

	Actual
Cash at Beginning of Period	\$ 12,412,431
Revenues Over (Under) Expenditures	1,159,980
Increase (Decrease) in Payables/Encumbrances	7,478
(Increase) Decrease in Receivables	121,228
Cash at End of Period	<u><u>\$ 13,701,117</u></u>

Reserved Cash Balance:	
Building Maintenance/IT	\$ -
Long-term facilities planning	6,264,767
Payables (net of receivables)	693,264
Lump sums for Retirements	202,643
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>7,160,674</u>
Unreserved Cash Balance:	
Future Operations	<u>\$ 6,540,443</u>
Total Unreserved Cash Balance	<u>\$ 6,540,443</u>
Total Cash Balance	<u><u>\$ 13,701,117</u></u>
Unreserved Cash / FY 2020 Monthly Budget	8.7



Texas Financial Education Endowment (TFEE)

TFEE Report – April 17, 2020

ACTIVITIES RELATING TO THE TEXAS FINANCIAL ENDOWMENT FUND

Since the Finance Commission meeting in February the Texas Financial Education Endowment (TFEE) Fund has reimbursed \$27,629.72 to 2018-2019 grant recipients. Two grant recipient reimbursements are still being processed. The 4th period TFEE 2018-2019 Grant Cycle report is attached.

The Grant Advisory Committee recommended ten 2020-2021 TFEE grant recipients which were approved by the Finance Commission at the last meeting. The organizations are as follows: Building Financial Capacity Coalition, Center for Transforming Lives, Easter Seals of Greater Houston, Family Eldercare, Family Services Association of San Antonio, FirstLight Community Foundation, Foundation Communities, Girl Scouts of Northeast Texas, Texas State Affordable Housing Corporation, and Women's Resource Center of Greater Houston. Each recipient was awarded between \$5,000 and \$40,000 of the \$300,000 in TFEE funds for this grant cycle. The 2020-2021 TFEE grant cycle started on March 1st. Semi-annual reports are due by July 31st.

TEXAS FINANCIAL EDUCATION ENDOWMENT 2018-19 GRANT CYCLE

SEMI-ANNUAL GRANT REPORT No. 4

JULY 1, 2019 – DECEMBER 31, 2019



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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
Roy Lopez, Financial Education Consultant

Grant Coordinator:

Andrea Johnson, 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 fourth reporting period (July 1, 2019 – December 31, 2019), TFEE funds provided 1,797 hours of direct financial education training to 3,277 Texas consumers through group presentations and one-on-one financial coaching sessions. In addition, 570 teachers were trained to be better prepared to provide financial education to their students in accordance with Texas standards.

Financial Status

Amount Awarded:	\$250,000.00
Previous Reimbursement totals:	
No. 1 (January 1, 2018 – June 30, 2018)	\$44,598.76
No. 2 (July 1, 2018 - December 31, 2018)	\$56,619.21
No. 3 (January 1, 2019 – June 1, 2019)	\$84,702.11
Reimbursement Requests (No. 4 July 1, 2019 – December 31, 2019)	
Building Financial Capacity Coalition*	\$12,591.45
Center for Transforming Lives	\$0.00
Family Service Association of San Antonio	\$0.00
FirstLight Community Foundation	\$4,000.00
Goodwill Industries of Central Texas	\$8,069.87
Harris County Department of Education	\$0.00
Mansfield Mission Center	\$5,960.42
Trinity Basin Preparatory	\$1,801.35
Women's Resource of Greater Houston	\$7,798.08
Total Requested Amount for Reimbursement Request No. 4:	
	\$40,221.17
Total Requested Amount to Date:	\$226,141.25
% of Funds Expended to Date:	90.46%
Amount Of Funds Remaining	\$23,858.75
*Reimbursement Reports 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 congressmen from the area.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$29,000

FUNDS REQUESTED THIS PERIOD: \$12,591.45 | TOTAL REIMBURSED YTD: \$15,520.96

Program Update:

During the fourth reporting period BFCC reached 80 teachers and students through direct training. BFCC continued to modify and extend their program for at risk teen mothers. These teens cannot participate in the ambassador program as it stands so it was modified to a one day training programming to help these students in need.

Reporting Period Update (July 1, 2019 – December 31, 2019)

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
- Money Smart Ambassador Program and Congressional Summits with the support of Congressman Filemon Vela were held in several locations across the Rio Grande Valley

Biggest Challenges

- Tracking success of the programs especially when using the existing survey
- Embedding the curriculum into the high schools
- Smart Ambassadors are high school seniors and they are bombarded with activities their senior year
- Administrative turnover with the largest school district they work on this project with

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 THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$33,000.00

Program Status to Date:

CTL had no new information to report regarding the last six months of the 2018-2019 TFEF grant.

The program was successfully completed by the 2019 mid-year reporting period.

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- 601 total participants served in the last fiscal year
- 63 financial education workshops were delivered to 573 duplicated participants
- 1,411 individual coaching sessions were delivered to 441 unduplicated participants
- 68% of participants who completed four coaching sessions achieved at least one of their goals:
 - Increase income, savings, and credit score
 - 19 participants completed program requirements for matched savings towards asset purchases
 - 3 first home
 - 2 post-secondary education
 - 14 small businesses

Biggest Challenges

- Although achievable, they state the tracking data was much more labor intensive than anticipated

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 THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$31,373.87

Program Status to Date:

FSASA has far exceeded their goal for the 2018-2019 TFEF grant cycle.

In total they reached 3,835 participants with 2,196 direct contact hours of one-on-one financial coaching sessions.

In addition, FSASA helped 555 individuals increase their credit scores by 35 points and 527 participants reduced their debt by 10%.

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- They have found the best way to affect behaviors is to provide financial counseling on an ongoing basis
 - 90 day follow-up and reevaluation of financial goals is essential
- Strong programmatic achievements and our participants achieve high outcomes in a relatively short period of time

Biggest Challenges

- Staffing enough people to assist clients – they've increased funding streams and added an additional financial counselor

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 THIS PERIOD: \$4,000.00 | TOTAL REIMBURSED YTD: \$16,000.00

Program Status to Date:

During the fourth reporting period, FLCF reached 525 students through a total of 1,360 direct hours of learning. There has been an overall strong push for implementation of the Brighter U Financial Literacy Program in the schools for all three of the districts FLCF sponsor and additional schools are expected to participate in Spring 2020.

They report by and large schools that have launched the program have demonstrated great success. They expect continued utilization, success with and the overall benefits of the Brighter U Program will help lead to the implementation and launch of the program in more campuses even beyond the grant period.

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- Provided 450 participants with financial education
- Dedicated 1,919 direct hours of service to participants
- Provided services to 11 schools

Biggest Challenges

- Direct outreach to non-participating schools to utilize the program
- Implementing the program can be difficult since students still need to focus most of their academic time on their regular classroom subjects

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 THIS PERIOD: \$8,069.87 | TOTAL REIMBURSED YTD: \$31,794.87

Program Status to Date:

During the fourth grant cycle reporting period, Goodwill Industries had more trainers offering workshops and individual sessions making for more training dates available. They have shown a good return rate of clients attending several trainings.

Goodwill has incorporated real-life event stimulating activities into the training sessions to encourage critical thinking and habit building.

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- Provided 248 participants with financial education
- Hosted 114 group presentations
- Assisted seven participants in establishing or increasing their savings
- Average credit scores increased by 38%

Biggest Challenges

- At this time, Goodwill Industries of Central Texas reports no significant setbacks

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 TFEE 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 THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$18,058.75

Program Status to Date:

In June 2019, HCDE conducted a six-hour financial literacy professional development course titled; *New Course New Challenges; Tackling Texas Financial Literacy Through Financial Professional Development*. The purpose and goal of the program was to train 70 high school mathematics, social studies and Career & Technical Educators on how to implement the Texas State Board of Education newly adopted high school Career & Technical Education course, Financial Mathematics.

Their program ended in June 2019. They had no new program data to report for the final reporting period of the 2018-2019 TFEE grant.

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- 100% of the participants rated the session overall as either good or excellent
- Additionally all the participants reported the training expanded their knowledge of the topic

Biggest Challenges

- Budget revisions for funding the program
- Completing the RFP process and obtaining board approval by scheduled workshop date
- Getting all districts to attend the workshop

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 THIS PERIOD: \$5,960.42 | TOTAL REIMBURSED YTD: \$33,000.00

Program Status to Date:

During the fourth reporting period, MMC provided 423 direct service hours to 237 participants through one-on-one financial coaching. MMC offered financial assistance with GED class expenses to students who attended financial coaching outside of class. Moving forward, MMC will continue to strategically integrate financial education and employment or education services.

MMC learned they need to meet their clients' physical and social needs in order to better implement their financial services.

This organization plans to continue focusing on increasing household income for clients and increase the number of clients that become banked and increase their savings

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- Provided 237 participants with long-term financial counseling
- Provided 423 direct service hours to participants
- 2 participants reported reducing their usage of consumer loan products or other debt
- Participants saw an average savings increase of \$123.00

Biggest Challenges

- Creating an intake procedure that can be implemented across all departments so it is easier for clients to utilize all services and only have to qualify for them once

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 THIS PERIOD: \$1,801.35 | TOTAL REIMBURSED YTD: \$0.00

Program Status to Date:

During the fourth grant cycle period Trinity Basin Preparatory continued to report problems with participation. They state only eleven of the twenty-eight 7th and 8th grade classes (256 students) participated in the BizKid\$ program. Partnership staffing changes also played a role in participation in the program. They also report pre/post assessment issues.

TBP has only requested reimbursement for program expenses pertaining specifically to the BizKid\$ program.

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- 256 students in the BizKid\$ in-person financial literacy classes
- Delivered financial literacy education components to several 7th and 8th grade classes
- 256 students learned how to write a business plan
- Made new connections with local credit unions to help support financial literacy programs

Biggest Challenges

- Not having a captive audience, meaning not able to control who is included in the program
- Student participation

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 THIS PERIOD: \$7,798.08 | TOTAL REIMBURSED YTD: \$25,201.92

Program Status to Date:

During the third reporting period, Women's Resource provided a total of 1,976 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.

The new curriculum has been deployed and WRGH is working to develop a new partnership for all of their Your Life programs. WRGH attributes improved outcomes during the second 2019 reporting period due to the introduction of the new curriculum. The organization reports class participants are attending more classes in their six series allowing WRGH to measure outcomes over time.

WRGH is now going on to form a pilot program with the United Way and the Houston Area Women's Center to develop best practices for increasing financial capabilities for domestic violence survivors in both an emergency shelter setting and also as they transition to independent living.

Reporting Period Update (July 1, 2019 – December 31, 2019)

Major Achievements

- 97% of participants reported learning something new
- Provided 1,976 participants with financial education services
- Provided 194 financial education classes
- 58% of participants attended two or more classes
- 32% of participants took four or more classes
- 86% of participants said they would recommend the class to a friend
- Retention rate is better than expected with a being group size of ten and ending with eight

Biggest Challenges

- Two significant challenges: revisions to guides and curriculum
- Increasing the class offerings for volunteer class instruction
 - Now pairing experienced volunteers with new volunteers to co-teach classes

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