

**CREDIT UNION DEPARTMENT
STATE OF TEXAS**

**ANNUAL REPORT OF
NONFINANCIAL DATA**

For The Year Ended August 31, 2013

**Harold E. Feeney
COMMISSIONER**

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ATTACHMENT B

Unaudited
Credit Union Department (469)

APPROPRIATION ITEM TRANSFERS*

For the Fiscal Year Ended August 31, 2013

ITEM OF APPROPRIATION

Not Applicable

This schedule is not applicable to Texas Credit Union Department. The agency does not receive appropriations.

ATTACHMENT C

**Unaudited
Credit Union Department (469)**

HUB STRATEGIC PLAN PROGRESS REPORT

For the Fiscal Year Ended August 31, 2013

(Source: Texas Government Code, Section 2161.124)

Category	Actual for FY 12 *	Actual for FY 13 *	Goal for FY 14**
Heavy construction other than building contracts	n/a	n/a	n/a
Building construction, including general contractors and operative builders contracts	n/a	n/a	n/a
Special trade construction contracts	n/a	100.00%	n/a
Professional services contracts	n/a	100.00%	20.00%
Other services contracts	64.64%	60.21%	20.00%
Commodities contracts	54.45%	26.54%	20.00%


* **Actual** = Percent spent with HUBS from HUB report.

** **Goal** = Strategic Plan HUB goal.


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ATTACHMENT D

Unaudited
Credit Union Department (469)

INDIRECT COST SCHEDULE

For the Fiscal Year Ended August 31, 2013

A. Payroll-related Costs

(must reconcile to Exhibit II, Annual Financial Report)

FICA Employer Matching Contribution	\$ 129,381
Group Health Insurance	222,574
Retirement	114,759
Unemployment	1,549
FICA Employee Share Paid by State	16,312

Total Payroll-related Costs \$ 484,575

Workers' Compensation	0
Benefit Replacement Pay (BRP)	8,192

Total Workers' Compensation and BRP \$ 8,192

B. Indirect Costs

(not reported on operation statements)

Bond Debt Service Payments	
TBPC	0
TPFA	0
Other (if applicable)	0

Total Indirect Costs *(not reported on operating statements)* 0

C. Indirect Costs - Statewide Full Cost Allocation Plan

(based on FY 2011 Data)

CPA Fiscal and ITD	\$ 4,293
CPA Purchasing & Support (TPASS)	8,741
CPA Rebates	(1,451)
Dept of Information Resources	170
DIR- Roll Forward Adjustment	(110)
TFC Fac Const & Space Mgmt	(192)
Governor Budget & Planning	1

Total Indirect Costs - Statewide Full Cost Allocation Plan \$ 11,452

TOTAL INDIRECT COSTS \$ 504,220

ATTACHMENT F

Unaudited
Credit Union Department (469)

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2013

Location	Address	SQ FT	Description	Cost
Agency-owned Building:				
Austin, TX 78701	914 E. Anderson Lane	4,182	Building	186,935.00
			Land	55,403.00

The land that the Credit Union Department facility sits on was obtained in April 1978 and the construction of this facility was completed in February 1979. The land was purchased and construction was accomplished using funds received from state-chartered credit unions. The land and the building were given to the State of Texas specifically for the use and benefit of the Credit Union Department.

The agency has very few employees located at this facility. Consequently it is exempt from the space allocation provisions of Government Code Section 2165.104, pursuant to the rules promulgated thereunder by the Texas Facilities Commission.

ATTACHMENT G-2
Unaudited
CREDIT UNION DEPARTMENT (469)

AGENCY REPORT OF RECYCLED, REMANUFACTURED AND ENVIRONMENTALLY SENSITIVE PURCHASES

For the Fiscal Year Ended August 31, 2012*

Point of Contact: Linda Clevlen
 Phone Number: 512 837-9236
 E-mail Address: [linda.clevlen@cud.texas.gov](mailto:linda.clevlen@ cud.texas.gov)

Category	Description	Total Expenditures
Total E1, <i>Including 1st Choice</i>	Recycled	\$ 76.65
Total E1, <i>Including 1st Choice</i>	Remanufactured	\$ -
Total E1, <i>Including 1st Choice</i>	Environmentally Sensitive	\$ -
Total E1, E2, and E3 <i>Includes Recycled 1st Choice Targeted Totals</i>		<u>\$ 76.65</u>

FY 2012 1st Choice Targeted Commodities	Expenditures			% Spent on 1st Choice Products 100*[A/(A+B)]
	1st Choice Products [A]	Virgin Counter-part [B]	Total [A+B]	
Motor Oil & Lubricants	\$ -	\$ -	\$ -	%
Toilet Paper, Seat Covers & Paper Towels	\$ -	\$ -	\$ -	%
Printing Paper, Copier Paper & Computer Paper	\$ -	\$ -	\$ -	%
Business Envelopes	\$ 122.64	\$ -	\$ 122.64	100%
Total 1st Choice Targeted Commodities	\$ 122.64	\$ -	\$ 122.64	100%

Summary of Total Number of Justification Letters	Total Cost	Total Quality	Total Not Available	Total Other
Motor Oil & Lubricants				
Toilet Paper, Seat Covers & Paper Towels				
Printing Paper, Copier Paper & Computer Paper				
Business Envelopes				
Total Number(s)				

NOTE 1: This report is included in the Non-Financial Report sent to the governor's office by December 31st

Due to unanticipated data collection issues, the report of Non-Delegated Expenditures of Recycled, Remanufactured and Environmentally Sensitive Commodities may have incomplete data.

* FY 2012 data is reflected in this report.

ATTACHMENT H

Unaudited
Credit Union Department (469)

BONDED EMPLOYEES

For the Fiscal Year Ended August 31, 2013

Not Applicable

ATTACHMENT I

Unaudited
Credit Union Department (469)

MASTER FILE REPORT

For the Fiscal Year Ended August 31, 2013

Not Applicable

CREDIT UNION DEPARTMENT (469)
 ADDENDUM
 ORGANIZATIONAL AND MISCELLANEOUS COMMENTS

Historical Background

The Texas Credit Union Department was established as a separate agency on May 13, 1969, under the provisions of S.B. 317, 61st Legislature, Regular Session (1969). The Department's primary responsibilities are to supervise, regulate, and examine all credit unions organized under the laws of the State of Texas.

A nine member Commission provides general supervision of the Department. The Governor, with the advice and consent of the Senate, appoints commission members to six-year overlapping terms. Four members are required to have at least five (5) years of active experience in the operation of credit union. The other five members are representatives of the general public and may not, at the time of their appointment nor while serving on the Commission, be engaged in the management or direction of a financial institution, such as a credit union, a bank, or a savings and loan association.

Members Serving on the Commission as of August 31, 2013:

<u>Name</u>	<u>City (Texas)</u>	<u>Term Expires</u>
Manuel "Manny" Cavazos *	Austin	2017
Gary L. Janacek	Temple	2015
Rob Kyker*	Richardson	2015
Sherri Brannon Merket*	Midland	2017
Allyson "Missy" Morrow	San Benito	2019
Kay Stewart	Daringfield	2019
Gary D. Tuma	Sugarland	2017
Vik Vad*	Austin	2019
A. John Yoggerst *	San Antonio	2015

* Public Member

Commission members serve without compensation, but are reimbursed for actual travel expenses incurred while on duty.

Agency Functions and Activities

The agency is directed by statute (Texas Finance Code, Sec. 15.102) to supervise and regulate state-chartered credit unions operating in Texas. During the fiscal year, the Department supervised and regulated 190 state-chartered credit unions and 11 out-of-state credit unions, which have Certificates of Authority to operate in Texas.

Key Personnel

The Credit Union Commission appoints a commissioner who serves at its pleasure as the Department's chief administrative officer. The commissioner must have at least five years of practical experience within the ten years immediately prior to appointment in the executive management of a credit union or in the employment of an agency that regulates credit unions. The commissioner may appoint a deputy commissioner, subject to the approval of the Commission, and hires other employees to perform the statutory duties of the Department.

Key employees as of August 31, 2013, were:

<u>Name</u>	<u>Position</u>
Harold E. Feeney	Commissioner
Dan Buckley	Deputy Commissioner
Stacey McLarty	Assistant Commissioner and General Counsel

The Credit Union Department staff consists of 24.5 ftes, with 23.5 positions filled at August 31, 2013.

Operating Fees

The Department's most significant annual revenue comes from annual operating fees. This fee is paid in semi-annual installments on September 30 and March 31 of each year on the basis of each state-chartered credit union's total assets as of the close of business on the preceding June 30. Operating fees range from \$200 for credit unions with assets less than \$200,000 to over \$100,000 for our largest credit union with assets exceeding \$1.9 billion. The average operating fee is approximately \$14,000.

The operating fee is designed to cover each credit union's annual costs for the regulatory, supervision and examination services provided by the Department. There is also a provision for the payment of hourly fees by credit unions that require extraordinary supervision and remedial contacts.

There is a provision for a 10% per month late penalty for each month after that the operating fee is in arrears.

The operating fee schedule, which follows, was promulgated by the Commission .

Texas Rules for Credit Unions

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§97.113. Fees and Charges.

(a) Remittance of fees.

(1) Each credit union authorized to do business under the Act shall remit to the department an annual operating fee. The fee shall be paid in semi-annual installments, billed effective September 1 and March 1 of each year. The final installment may be adjusted as provided by subsection (d) of this section. Installments received after September 30 or March 30 of each year will be subject to a monthly 10% late fee unless waived by the commissioner for good cause.

(2) Credit unions that exit the Texas credit union system on or before August 31 or February 28 of a given year, will not be subject to the semi-annual assessment for the period beginning September 1 or March 1, respectively. Only those credit unions leaving the state credit union system prior to the close of business on those dates avoid paying the semi-annual assessment for the period beginning September 1 or March 1, as applicable.

(b) Calculation of operating fees. The schedule provided in this section shall serve as the basis for calculating operating fees. The base date shall be June 30 of the year in which operating fees are calculated. The asset base may be reduced by the amount of reverse-repurchase balances extant on the June 30 base date. The commissioner is authorized to increase the fee schedule once each year as needed to match revenue with appropriations. An increase greater than 5% shall require prior approval of the commission. The commissioner shall notify the commission of any such adjustment at the first meeting of the commission following the determination of the fee schedule.

For Credit Unions with Total Assets Of:

The Operating Fee is:

Less than \$200,000	\$200
\$200,000 but less than \$1M	\$200 plus .001625 of excess over \$200,000
\$1M but less than \$10M	\$1,500 plus .00034 of excess over \$1M
\$10M but less than \$25M	\$4,560 plus .00014 of excess over \$10M
\$25M but less than \$50M	\$6,660 plus .00017 of excess over \$25M
\$50M but less than \$100M	\$10,910 plus .00019 of excess over \$50M
\$100M but less than \$500M	\$20,410 plus .000080 of excess over \$100M
\$500M but less than \$1,000M	\$52,410 plus .000072 of excess over \$500M
\$1,000M but less than \$2,000M	\$88,410 plus .000069 of excess over \$1,000M
\$2,000M and over excess over	\$157,410 plus .000062 of \$2,000M

(c) Waiver of operating fees. The commissioner is authorized to waive the operating fee for an individual credit union when good cause exists. The commissioner shall document the reason(s) for each waiver of operating fees and report such waiver to the commission at its next meeting.

(d) Adjustment of an installment. The commissioner in the exercise of discretion may, after review and consideration of actual revenues to date and projected revenues for the remainder of the fiscal year, lower the amount of the final installment due from credit unions.

(e) Supplemental examination fees.

(1) If the commissioner or deputy commissioner schedules a special examination in addition to the regular examination, the credit union is subject to a supplemental charge to cover the cost of time and expenses incurred in the examination.

(2) The credit union shall pay a supplemental fee of \$50 for each hour of time expended on the examination. The commissioner may waive the supplemental fee or reduce the fee, individually or collectively, as he deems appropriate. Such waiver or reduction shall be in writing and signed by the commissioner. The department shall fully explain the time and charges for each special examination to the president or designated official in charge of operations of a credit union.

(f) Foreign credit union branches. Credit unions operating branch offices in Texas as authorized by §91.210 of this title (relating to Foreign Credit Unions) shall pay an annual operating fee of \$500 per branch office.

(g) Credit union conversion fee. A credit union organized under the laws of the United States or of another State that converts to a credit union organized under the laws of this State shall remit to the department an annual operating fee within 30 days after the issuance of a charter by the commissioner. The schedule provided in subsection (b) of this section shall serve as the basis for calculating the operating fee. All provisions set forth in subsection (b) of this section shall apply to converting credit unions with the following exceptions:

(1) Should the effective date of the conversion fall on or after October 31, the base date shall be the calendar quarter end immediately preceding the issuance date of a charter by the commissioner.

(2) The amount of the operating fee calculated under this section will be prorated based upon the number of full months remaining until September 1. For example, should the effective date of the conversion be January 31, the converting credit union will remit seven-twelfths of the amount of the operating fee calculated using December 31 base date.

(3) Any fee received more than 30 days after the issuance of a charter will be subject to a monthly 10% late fee unless waived by the commissioner for good cause.

(h) Mergers/Consolidations. In the event a credit union in existence as of June 30 merges or consolidates with another credit union and the merger/consolidation is completed on or before August 31, the surviving credit union's asset base, for purposes of calculating the operating fee prescribed in subsection (b) of this section, will be increased by the amount of the merging credit union's total assets as of the June 30 base date.

(i) Special assessment. The commission may approve a special assessment to cover material expenditures, such as major facility repairs and improvements and other extraordinary expenses.

(j) Foreign credit union fee for field of membership expansion. A foreign credit union applying to expand its field of membership in Texas shall pay a fee of \$200. This fee shall be paid at the time of filing to cover the cost of processing the application. In addition, the applicant shall pay any cost incurred by the department in connection with a hearing conducted at the request of the applicant.

(k) Foreign credit union examination fees.

(1) If the commissioner schedules an examination of a foreign credit union, the credit union is subject to supplemental charges to cover the cost of time and expenses incurred in the examination.

(2) The foreign credit union shall pay a fee of \$50 for each hour of time expended by each examiner on the examination. The commissioner may waive the examination fee or reduce the fee as he deems appropriate.

(3) The foreign credit union shall also reimburse the department for actual travel expenses incurred in connection with the examination, including mileage, public transportation, food, and lodging in addition to the fee set forth in paragraph (2) of this subsection. The commissioner may waive this charge at his discretion.

(l) Contract Services. In addition, the commissioner may charge, or otherwise cause to be paid by, a credit union, a foreign credit union or related entities the actual cost incurred by the department for an examination or a review of all or part of the operations or activities of a credit union, a foreign credit union or related entity that is performed under a personal services contract entered into between the department and third parties.

Source: The provisions of this §97.113 adopted to be effective November 13, 2000, 25 TexReg 11279; amended to be effective December 9, 2001, 26 TexReg 9777; readopted to be effective February 14, 2005, 30 TexReg 1091; reviewed and amended to be effective July 12, 2009, 34 TexReg 4514.

Call Reports

Section 122.101 Call Reports.

(a) A credit union shall submit to the department on a quarterly basis a call report, on a form supplied by the department, that states the credit union's financial condition. The commissioner may require a credit union to file additional call reports.

(b) The credit union must submit the call report on or before the date stated on the form supplied by the department. If a credit union does not submit a report by the due date, the commissioner shall charge a late fee in an amount set by the commission for each day the report remains unfiled. The commissioner for good cause shown may waive all or part of the late fee.

(c) A credit union that does not file a report on or before the date it is due is subject to sanctions provided by this chapter and chapter 126.